FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1996-11-14** | Period of Report: **1996-09-30**
SEC Accession No. 0000025885-96-000020

(HTML Version on secdatabase.com)

FILER

CROWN CENTRAL PETROLEUM CORP /MD/

CIK:**25885**| IRS No.: **520550682** | State of Incorp.:**MD** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **001-01059** | Film No.: **96664079**
SIC: **2911** Petroleum refining

Business Address
ONE N CHARLES
BALTIMORE MD 21201
4015397400

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

FORM 10-Q
FORM 10-Q
FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30,
September 30,
September 30,
1996
1996
1996

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 1-1059
1-1059
1-1059

CROWN CENTRAL PETROLEUM CORPORATION
CROWN CENTRAL PETROLEUM CORPORATION
CROWN CENTRAL PETROLEUM CORPORATION
(Exact name of registrant as specified in its charter)

Maryland
Maryland
Maryland
52-0550682
52-0550682

52-0550682
(State or other jurisdiction of (I.R.S.
Employer Identification Number)
incorporation or organization)

One North Charles Street, Baltimore, Maryland
One North Charles Street, Baltimore, Maryland
One North Charles Street, Baltimore, Maryland
21201
21201
21201
(Address of principal executive offices)
(Zip Code)

Registrant's telephone number, including area code
410-539-7400
410-539-7400
410-539-7400

Not Applicable
Not Applicable
Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

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, and (2) has been subject to such filing requirements for the past 90 days.

YES ___
X NO __

The number of shares outstanding at October 31, 1996 of the Registrant's $5 par value Class A and Class B Common Stock was 4,817,394 shares and 5,168,686 shares, respectively.

CROWN CENTRAL PETROLEUM CORPORATION AND
CROWN CENTRAL PETROLEUM CORPORATION AND
CROWN CENTRAL PETROLEUM CORPORATION AND
SUBSIDIARIES
SUBSIDIARIES
SUBSIDIARIES

Table of Contents
Table of Contents
Table of Contents

PART II

OTHER INFORMATION
OTHER INFORMATION

SIGNATURE

PART I - FINANCIAL INFORMATION
PART I - FINANCIAL INFORMATION
PART I - FINANCIAL INFORMATION

Item 1 - Financial Statements
Item 1 - Financial Statements
Item 1 - Financial Statements

<TABLE>

<CAPTION>

CONSOLIDATED CONDENSED BALANCE SHEETS
CONSOLIDATED CONDENSED BALANCE SHEETS
CONSOLIDATED CONDENSED BALANCE SHEETS

Crown Central Petroleum Corporation and Subsidiaries
(Thousands of dollars)

	September 30 1996	December 31 1995
Assets		
Assets Assets	(Unaudited)	
<S>	<C>	<C>
Current Assets		
Current Assets Current Assets		
Cash and cash equivalents	$ 23,402	$ 42,045
Accounts receivable - net	106,728	105,799
Recoverable income taxes	3,373	4,137
Inventories	92,539	96,025
Other current assets	4,346	2,595
Total Current Assets		

Total Current Assets		
Total Current Assets	230,388	250,601
Investments and Deferred Charges		
Investments and Deferred Charges		
Investments and Deferred Charges	34,614	30,633
Property, Plant and Equipment		
Property, Plant and Equipment		
Property, Plant and Equipment	636,537	624,338
Less allowance for depreciation	336,412	322,358
Net Property, Plant and Equipment		
Net Property, Plant and Equipment		
Net Property, Plant and Equipment .	300,125	301,980
	$	$
	565,127	583,214

<FN>
See notes to unaudited consolidated condensed financial statements.

</TABLE>

<TABLE>
<CAPTION>

CONSOLIDATED CONDENSED BALANCE SHEETS
CONSOLIDATED CONDENSED BALANCE SHEETS
CONSOLIDATED CONDENSED BALANCE SHEETS
Crown Central Petroleum Corporation and Subsidiaries
(Thousands of dollars)

	September 30 1996	December 31 1995
Liabilities and Stockholders' Equity Liabilities and Stockholders' Equity Liabilities and Stockholders' Equity	(Unaudited)	
<S>	<C>	<C>
Current Liabilities Current Liabilities Current Liabilities		
Accounts Payable:		
Crude oil and refined products	$ 130,215	$ 112,036
Other	12,962	24,287
Accrued Liabilities	40,084	66,788
Current portion of long-term debt ...	20,368	1,559

Total Current Liabilities		
Total Current Liabilities		
Total Current Liabilities	203,629	204,670
Long-Term Debt		
Long-Term Debt		
Long-Term Debt	127,529	128,506
Deferred Income Taxes		
Deferred Income Taxes		
Deferred Income Taxes	21,909	27,995
Other Deferred Liabilities		
Other Deferred Liabilities		
Other Deferred Liabilities	35,723	32,548
Common Stockholders' Equity		
Common Stockholders' Equity		
Common Stockholders' Equity		
Common stock, Class A - par value $5 per share: Authorized shares -- 15,000,000; issued and outstanding shares -- 4,817,392 in 1996 and 1995	24,087	24,087
Common stock, Class B - par value $5 per share: Authorized shares -- 15,000,000; issued and outstanding shares -- 5,166,586 in 1996 and 5,135,558 in 1995	25,833	25,678
Additional paid-in capital	92,207	92,249
Unearned restricted stock	(3,370)	(3,733)
Retained earnings	37,580	51,214
Total Common Stockholders' Equity		
Total Common Stockholders' Equity		
Total Common Stockholders' Equity	176,337	189,495

	$	$
	565,127	583,214

<FN>
See notes to unaudited consolidated condensed financial statements.

</TABLE>

<TABLE>
<CAPTION>

CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
Crown Central Petroleum Corporation and Subsidiaries
(Thousands of dollars, except per share amounts)

	(Unaudited)			
	Three Months Ended September 30		Nine Months Ended September 30	
	1996	1995	1996	1995

Revenues
Revenues
Revenues

<S>	<C>	<C>	<C>	<C>
Sales and operating revenues	397,889 $	367,120 $	$ 1,200,18 8	$ 1,092,07 8
Operating Costs and Expenses				
Operating Costs and Expenses				
Operating Costs and Expenses				
Costs and operating expenses	368,068	333,888	1,118,43 5	992,948
Selling and administrative expenses	22,815	20,567	69,438	59,691
Depreciation and amortization	7,970	9,716	23,999	28,700
Sales of property, plant and equipment	139	173	116	
	398,992	364,344	1,211,98 8	1,08 1,33 9

Operating (Loss) Income
Operating (Loss) Income

(Loss) Income Before Income Taxes
(Loss) Income Before Income Taxes

Income Tax (Benefit) Expense
Income Tax (Benefit) Expense

(Loss) Income Before
(Loss) Income Before

Extraordinary Item

Operating (Loss) Income	(1,103)	2,776	(11,800	10,739
Interest and other income	344	705	1,608	2,297
Interest expense	(3,584)	(3,771)	(10,778	(11,107
(Loss) Income Before Income Taxes	(4,343)	(290)	(20,970	1,929
Income Tax (Benefit) Expense .	(707)	(594)	(7,336)	1,513
(Loss) Income Before Extraordinary Item	(3,636)	304	(13,634	416

Extraordinary Item ....

Extraordinary (Loss) from Early
Extraordinary (Loss) from Early
Extraordinary (Loss) from Early
Extinguishment of Debt (net o
Extinguishment of Debt (net o
Extinguishment of Debt (net of
f
f

income
income
income
tax benefit of $2,039)
tax benefit of $2,039)
tax benefit of $2,039) .....

)

(3,257

Net (Loss) Income
Net (Loss) Income
Net (Loss) Income ....

(3,636

$

304

$

(13,634

$

(2,841

$

Net (Loss) Income Per Share:
Net (Loss) Income Per Share:
Net (Loss) Income Per Share:

(Loss)
(Loss)
(Loss) Income Before
Income Before
Income Before

)
(.37
$ $ .03)
(1.40
$ .04
$

Extraordinary Item
Extraordinary Item
Extraordinary Item ....

Extraordinary (Loss) from Early
Extraordinary (Loss) from Early
Extraordinary (Loss) from Early
Extinguishment of Debt
Extinguishment of Debt
Extinguishment of Debt ...

(.33
)

Net (Loss) Income Per Share
Net (Loss) Income Per Share
Net (Loss) Income Per Share

(.37
$
)

.03
$
$
(1.40)
$
(.29
)

______

______

_____

<FN>
See notes to unaudited consolidated condensed financial statements.

</TABLE>

<TABLE>
<CAPTION>

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
Crown Central Petroleum Corporation and Subsidiaries
(Thousands of dollars)

	(Unaudited) Nine Months Ended September 30	
	1996	1995
<S>	<C>	<C>
Net Cash Flows From Operating Activities		

Net Cash Flows From Operating
Net Cash Flows From Operating
Activities
Activities

Net cash from operations before changes in working capital ..	$ 8,184	$ 22,350
Net changes in working capital items	(18,280)	(20,864)
Net Cash (Used in) Provided by Operating Activities	(10,096)	1,486

Cash Flows From Investment Activities

Capital Expenditures	(19,752)	(27,137)
Proceeds from sales of property, plant and equipment	2,135	2,133
Deferred turnaround maintenance	(4,518)	(1,133)
Other charges to deferred assets	(4,413)	(7,397)

)

Net Cash (Used in) Investment
Net Cash (Used in) Investment
Net Cash (Used in) Investment
(26,548 (33,534

Activities
Activities
Activities ....
)

Cash Flows From Financing Activities
Cash Flows From Financing Activities
Cash Flows From Financing Activities

Proceeds from debt and credit agreement borrowings	71,000	143,338
(Repayments) of debt and credit agreement borrowings	(53,181	(118,93 9)
Net cash flows from long-term notes receivable	(308)	427
Issuance of common stock	490	

Net Cash Provided by Financing
Net Cash Provided by Financing
Net Cash Provided by Financing
18,001 24,826

Activities
Activities
Activities ....

Net (Decrease) in Cash and Cash
Net (Decrease) in Cash and Cash
Net (Decrease) in Cash and Cash
$ (7,222 $

Equivalents

Equivalents
Equivalents ....

_

____

)

__

____
(18,643

____

<FN>
See notes to unaudited consolidated condensed financial statements.

</TABLE>

NOTES TO UNAUDITED CONSOLIDATED CONDENSED
FINANCIAL STATEMENTS

Crown Central Petroleum Corporation and
Subsidiaries

September 30, 1996

Note A - Basis of Presentation

The accompanying unaudited consolidated condensed
financial statements have been prepared in
accordance with generally accepted accounting
principles for interim financial information and

with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of Management, all adjustments considered necessary for a fair and comparable presentation have been included. Operating results for the three and nine months ended September 30, 1996 are not necessarily indicative of the results that may be expected for the year ending December 31, 1996. The enclosed financial statements should be read in conjunction with the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 1995.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires Management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents - Cash in excess of daily requirements is invested in marketable securities with maturities of three months or less. Such investments are deemed to be cash equivalents for purposes of the statements of cash flows.

Inventories - The Company's crude oil, refined products, and convenience store merchandise and gasoline inventories are valued at the lower of cost (last-in, first-out) or market with the exception of crude oil inventory held for resale which is valued at the lower of cost (first-in, first-out) or market. Materials and supplies inventories are valued at cost. Incomplete exchanges of crude oil and refined products due the Company or owing to other companies are reflected in the inventory accounts.

At September 30, 1996, approximately 792,000 barrels of crude oil and refined products inventory aggregating approximately $22.2 million was held in excess of anticipated year-end quantities and was valued at the lower of cost (first-in, first-out) or market. An actual valuation of inventory under the LIFO method can be made only at the end of each year based on the inventory levels and costs at that time. Accordingly, interim LIFO projections must be based on Management's estimates of expected year-end inventory levels and values.

Environmental Costs: The Company conducts

environmental assessments and remediation efforts at multiple locations, including operating facilities, and previously owned or operated facilities. Estimated closure and post-closure costs for active refinery and finished product terminal facilities are not recognized until a decision for closure is made. Estimated closure and post-closure costs for active operating retail marketing facilities and costs of environmental matters related to ongoing refinery, terminal and retail marketing operations are recognized as described below. Expenditures for equipment necessary for environmental issues relating to ongoing operations are capitalized. The Company accrues environmental and clean-up related costs

of a non-capital nature when it is both probable that a liability has been incurred and the amount can be reasonably estimated. Accruals for losses from environmental remediation obligations generally are recognized no later than completion of the remediation feasibility study. Estimated costs, which are based upon experience and assessments, are recorded at undiscounted amounts without considering the impact of inflation, and are adjusted periodically as additional or new information is available.

Financial Instruments and Hedging Activities - The

Company periodically enters into interest rate swap agreements to effectively manage the cost of borrowings. All interest rate swaps are subject to market risk as interest rates fluctuate. Interest rate swaps are designated to the Company's long-term debt and are accounted for as a hedge, the net amounts payable or receivable from periodic settlements under outstanding interest rate swaps are included in interest expense. Realized gains and losses from terminated interest rate swaps are deferred and amortized into interest expense over the shorter of the term of the underlying debt or the remaining term of the original swap agreement. Settlement of interest rate swaps involves the receipt or payment of cash on a periodic basis during the duration of the contract, or upon the Company's termination of the contract, for the differential of the interest rates swapped over the term of the contract.

Other instruments are used in an effort to minimize the exposure of the Company's refining margins to crude oil and refined product price fluctuations. Hedging strategies used to minimize this exposure include fixing a future margin between crude oil and certain finished products (crack spread strategies) and also hedging fixed price purchase and sales commitments of crude oil and refined products (fixed price strategies). Futures, forwards and exchange traded options entered into with commodities brokers and other integrated oil and gas companies are utilized to execute the Company's strategies. These instruments generally allow for settlement at the end of their term in either cash or product.

Realized gains and losses from crack spread hedging strategies are recognized in costs and

operating expenses when the associated finished product is produced. Realized gains and losses from fixed price inventory hedging strategies adjust the carrying value of the underlying inventory and are recognized in costs and operating expenses when the associated inventory is consumed in refining operations or sold. Unrealized gains and losses associated with fixed price inventory hedging strategies are deferred in inventory and other current assets and liabilities to the extent that the associated inventory has not been consumed in refining operations or sold. The Company's hedging activities are intended to reduce volatility while providing an acceptable profit margin on a portion of production. However, the use of such a program can limit the Company's ability to participate in an improvement in related refined product profit margins.

Credit Risk - The Company is potentially subjected

to concentrations of credit risk with accounts receivable, interest rate swaps, and futures, forwards and exchange traded options for crude oil and finished products. Because the Company has a large and diverse customer base with no single customer accounting for a significant percentage of accounts receivable, there was no material concentration of credit risk in these accounts at September 30, 1996. The Company evaluates the credit worthiness of the counterparties to interest rate swaps, and futures, forwards and exchange traded options and considers non-performance credit risk to be remote. The amount of exposure with such counterparties is generally limited to unrealized gains on outstanding contracts.

Statements of Cash Flows - Net changes in

working capital items presented in the Unaudited Consolidated Condensed Statements of Cash Flows reflects changes in all current assets and current liabilities with the exception of cash and cash equivalents and the current portion of long-term debt.

Reclassifications - To conform to the 1996

presentation, Sales and operating revenues and Costs and operating expenses for the three and nine months ended September 30, 1995 have been adjusted to exclude all federal and state excise taxes. As a result, Sales and operating revenues and Costs and operating expenses decreased $107,617,000 and $311,395,000, respectively, for the three and nine months ended September 30, 1995

from the numbers originally reported. This adjustment had no effect on net income or loss for either period.

<TABLE>
<CAPTION>

Note B - Inventories
Note B - Inventories
Note B - Inventories

Inventories consist of the following:

<S>	<C> September 30 1996	<C> December 31 1995
	(thousands of dollars)	
Crude oil	$ 55,452	$ 58,047
Refined products.........................	91,608	77,342
Total inventories at FIFO (approximates current cost)............................	147,060	135,389
LIFO allowance..........................	(68,043	(52,301

Total crude oil and refined products ..	79,017	83,088
Merchandise inventory at FIFO (approximates current cost)..............	6,895	6,453
LIFO allowance...........................	(1,674)	(1,674)
Total merchandise	5,221	4,779
Materials and supplies inventory at FIFO .	8,301	8,158
Total Inventory		
Total Inventory		
Total Inventory	$ 92,539	$ 96,025

</TABLE>

As a result of decreased crude oil requirements at the Pasadena refinery, the company achieved a reduction in LIFO inventories during the third quarter of 1996 which is not expected to be replaced by year-end. The impact of this interim LIFO inventory reduction was to reduce the net loss for the three and nine months ended September

30, 1996 by approximately $2.1 million ($.22 per share).

<TABLE>
<CAPTION>
Note C - Long-term Debt and Credit Arrangements
Note C - Long-term Debt and Credit Arrangements
Note C - Long-term Debt and Credit Arrangements

Long-term debt consists of the following:

	September 30 1996	December 31 1995
	(thousands of dollars)	
<S>	<C>	<C>
Unsecured 10 7/8% Senior Notes...........	$ 124,739	$ 124,716
Credit Agreement.........................	19,000	
Purchase Money Lien......................	3,629	4,492
Other obligations........................	529	857
	147,897	130,065
Less current portion		

	20,368	1,559	
Long-Term Debt Long-Term Debt Long-Term Debt	$ 127,529	128,	$ 506

</TABLE>

As of October 31, 1996, under the terms of the Credit Agreement dated as of September 25, 1995, as amended (Credit Agreement), which is used solely for the purpose of financing the working capital requirements of the Company, the Company had no outstanding cash borrowings, outstanding irrevocable standby letters of credit in the principal amount of $60.5 million for performance obligations related to crude oil acquisition, environmental and insurance matters and had unused commitments available for future cash borrowings and letters of credit totaling $69.5 million. As of September 30, 1996, the Company was in compliance with all covenants and provisions of the Credit Agreement, as amended, and forecasts that, but there can be no assurance that, it will remain in compliance for the remainder of the year.

The $125 million unsecured 10.875% Senior Notes (Notes), which were issued under an Indenture (Indenture) are used principally to finance the permanent capital requirements of the Company. As of September 30, 1996, the Company was in compliance with the terms of the Indenture. The Indenture includes certain restrictions and limitations customary with senior indebtedness of this type which limit the amount of additional indebtedness the Company may incur outside of the Credit Agreement and under certain circumstances, restrict the Company from declaring dividends. As of September 30, 1996, the Indenture substantially restricted the Company from effecting borrowings outside of the Credit Agreement and precluded the payment of dividends. The Company has not paid a dividend on its shares of common stock since the first quarter, 1992.

Note D - Derivative Financial Instruments

There were no interest rate swap agreements outstanding during the first nine months of 1996. At September 30, 1996, the Company has recorded a deferred gain of $.7 million related to canceled interest rate swap agreements which will be amortized into income over the remaining terms of the original swap agreements ranging from 1996 to 1998. The Company may utilize interest rate swaps in the future to further manage the cost of funds.

Note E - Calculation of Net (Loss) Income Per Common Share

Net income (loss) per common share for the three and nine months ended September 30, 1996 and 1995 is based on the weighted average of common shares outstanding of 9,718,152 and 9,697,598, respectively.

Note F - Long-Term Incentive Plan and Stock Option Plan

Under the terms of the 1994 Long-term Incentive Plan (Plan), the Company may distribute to selected employees restricted shares of the Company's Class B Common Stock and options to purchase Class B Common Stock. Up to 1.1 million shares of Class B Common Stock may be distributed under the Plan. The balance sheet caption "Unearned restricted stock" is charged for the market value of restricted shares at their grant

date and changes in the market value of shares outstanding until the vesting date, and is shown as a reduction of stockholders' equity. The impact is further reflected within Class B Common Stock and Additional paid-in-capital.

Performance Vested Restricted Stock (PVRS) awards are subject to the attainment of performance goals and certain restrictions including the receipt of dividends and transfers of ownership. Beginning with grants made in 1996, shares not earned by the attainment of performance goals will be earned upon the completion of a 5 year service requirement. As of September 30, 1996, 250,970 shares of PVRS (net of cancellations) have been registered in participants names and are being held by the Company subject to the attainment of the related performance goals or the related service requirement.

Under the 1994 Long-term Incentive Plan, non-qualified stock options are granted to participants at a price not less than 100% of the fair market value of the stock on the date of grant. The exercise period is ten years with the options vesting one-third per year over three years after a one-year waiting period. As of September 30, 1996, grants of non-qualified stock options have been awarded to participants to purchase 515,955 shares of the Company's Class B Common Stock (net of cancellations).

Under the terms of the 1995 Management Stock Option Plan, a maximum of 500,000 shares of Class B Common Stock was available for distribution. The Company awarded to participants non-qualified stock options to purchase 444,896 shares of the Company's Class B Common Stock (net of cancellations) at a price equal to 100% of the fair market value of the stock at the date of grant. The exercise period is ten years with the options vesting one-third per year over three years after a one-year waiting period.

Shares of Class B Common Stock available for issuance under options or awards amounted to 388,179 at September 30, 1996.

<TABLE>
<CAPTION>

Detail of the Company's stock options are as follows:

<S>	Common Shares <C>	Price Range per share <C>
1994 Long-Term Incentive Plan		
Granted - 1994.................	109,800	$16.13 - $16.88
Canceled - 1994................	(950)	$16.88
Outstanding - December 31, 1994.............................	108,850	$16.13 - $16.88
Granted - 1995		

	396,150	$12.81 - $13.75
Outstanding - December 31, 1995	505,000	$12.81 - $16.88
Granted - 1996.................	103,100	$15.38 - $19.50
Exercised - 1996..............	(26,972)	$12.81 - $16.88
Canceled - 1996...............	(92,145)	$12.81 - $17.06
Outstanding - September 30, 1996.............................	488,983	$12.81 - $19.50
Shares Exercisable at September 30, 1996.........................	162,155	$12.81 - $16.88
1995 Management Stock Option Plan		
Granted - 1995.................	461,760	$13.75 - $16.06
Outstanding - December 31, 1995	461,760	$13.75 - $16.06
Exercised - 1996..............	(6,756)	$13.75
Canceled - 1996...............	(16,864)	$13.75
Outstanding - September 30, 1996	438,140	$13.75 - $16.06

Shares exercisable at September 30, 1996...............	146,147	$13.75 - $16.06
Total outstanding - September 30, 1996	927,123	$12.81 - $19.50
Total exercisable - September 30, 1996	,302 308	$12.81 - $16.88

</TABLE>

Note G - Litigation and Contingencies

Except as disclosed in this note, there have been no material changes in the status of litigation and contingencies as discussed in Note I of Notes to Consolidated Financial Statements in the Annual Report on Form 10-K for the fiscal year ended December 31, 1995.

All issues relating to the examination by the Internal Revenue Service of tax returns for fiscal years 1988 and 1989 have now been resolved, with no material adverse impact to the Company.

Item 2 Management's Discussion and Analysis of

-

Financial Condition
and Results of Operations

Results of Operations

The Company's Sales and operating revenues increased $30.8 million or 8.4% in the third quarter of 1996 and $108.1 million or 9.9% for the nine months ended September 30, 1996 from the comparable periods in 1995. The third quarter increase in Sales and operating revenues was primarily attributable to a 18% increase in the average sales price per gallon of petroleum products which was partially offset by a 8.8% decrease in petroleum product sales volumes. The year to date increase was a result primarily of an 11.6% increase in the average sales price per gallon of petroleum products offset by a 1.6% decrease in petroleum product sales volumes. Additionally, there were slight increases in merchandise sales of 5.1% and 3.3% for the three and nine months ended September 30, 1996, respectively, compared to the same 1995 periods.

Merchandise gross margin (merchandise gross profit as a percent of merchandise sales) increased from 27.2% to 29.2% for the third quarter of 1995 and 1996, respectively and from 26.3% to 28.9% for the nine months ended September 30, 1995 and 1996, respectively. The increases in gross margin are a result of the Company's merchandise pricing program which has selectively increased targeted merchandise yet still maintains an everyday low pricing policy which is competitive with major retail providers in the applicable market area. This marketing strategy has resulted in average monthly gasoline sales volume and merchandise sales increases on a same store basis of approximately 4.7% and 7.7%, respectively, for the nine months ended September 30, 1996 compared to the same 1995 periods and has contributed to the $2.6 million or 13.4% increase in merchandise gross profit. Aggregate year to date merchandise gross profit on a same store basis increased by 19.3% in 1996 compared to the same 1995 period.

Costs and operating expenses increased $34.2

million or 10.2% in the third quarter of 1996 and $125.5 million or 12.6% for the nine months ended September 30, 1996 from the comparable periods in 1995. The third quarter increase was due to a 22.6% increase in the average cost per barrel consumed of crude oil and feedstocks. The year to date increase in Costs and operating expenses was due to a 15.3% increase in the average cost per barrel consumed of crude oil and feedstocks. These increases were partially offset by decreases in volumes sold as previously discussed. During 1996, the crude oil futures market has experienced significant backwardation wherein the future months prices of crude oil are transacted at values less than the current month. However, when the future month has become the current month, the price has generally increased. In order to price its crude oil close to the time when products are being refined and thereby to effectively achieve the instantaneous 3-2-1 crack spread, the Company has been utilizing a practice of deferring the pricing of a majority of its crude oil until the finished petroleum products are refined. During 1996, this practice has effectively resulted in approximately $29.7 million of additional costs as compared with the costs that would have been recognized if the crude oil were priced at the time it was contracted. The Company is currently evaluating this practice. The results of operations were significantly affected by the Company's use of the LIFO method to value

inventory, which decreased the Company's gross margin $.38 per barrel ($15.7 million) in 1996, and increased gross margin $.01 per barrel ($.3 million) in 1995. As a result of decreased crude oil requirements at the Pasadena refinery, the company achieved a reduction in LIFO inventories during the third quarter of 1996 which is not expected to be replaced by year-end. The impact of this interim LIFO inventory reduction was to reduce the net loss for the three and nine months ended September 30, 1996 by approximately $2.1 million ($.22 per share).

In early 1996, the Company adjusted its gasoline and distillate production to take advantage of better distillate margins compared to gasoline margins. Correspondingly, yields of distillates were increased to 49,300 bpd (33.3%) for the nine months ended September 30, 1996 from 45,900 bpd (29.7%) in the comparable 1995 period, while gasoline production was decreased from 93,300 bpd (60.3%) for the nine months ended September 30, 1995 to 86,900 bpd (58.8%) for nine months ended September 30, 1996. Yields of distillates remained consistent at 51,700 bpd (34.6%) for the third quarter 1996 compared to 51,700 bpd (32.5%) for the same period in 1995 while gasoline production decreased slightly from 90,600 bpd (57%) for the third quarter 1995 to 85,400 bpd (57%) for the third quarter 1996.

Selling and administrative expenses increased $2.2 million or 10.9% for the three months ended September 30, 1996 and $9.7 million or 16.3% for the nine months ended September 30, 1996 compared to the same periods in 1995. These increases are principally due to increases in store level operating expenses, primarily related to additional units and increased labor costs. Additionally, the Company recorded approximately $1 million in corporate administrative expenses associated with a management reorganization in early 1996.

Operating costs and expenses for the three months ended September 30, 1996 included $.2 million related to environmental matters and also $.2 million for retail units that have been closed. This compares to $1.2 million and $.6 million, respectively, for the three months ended September 30, 1995. For the nine months ended September 30, 1996, Operating costs and expenses included $1.3 million related to environmental matters and reductions of $.2 million relating to retail units that have been closed compared to $2.3 million and $1.6 million, respectively, for the same 1995 period. Additionally, Operating costs and expenses for the third quarter and year to date periods of 1996 were reduced by $1.1 million and

$3.7 million, respectively, related to the adjustment of certain pending litigation and employee benefit costs and other accruals.

Depreciation and amortization decreased $1.7 million or 18% in the third quarter of 1996 and $4.7 million or 16.4% for the nine months ended September 30, 1996 compared to the same 1995 periods. These decreases are primarily the result of a reduction in the depreciable base of the Tyler refinery assets due to the adoption of SFAS No. 121 ``
Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of''
effective October 1, 1995.

In the first quarter of 1995, the Company completed the sale of $125 million of Unsecured 10.875% Senior Notes due February 1, 2005 priced at 99.75% (Notes). Approximately $55 million of the net proceeds from the sale were used to retire the Company's outstanding 10.42% Senior Notes, including a prepayment premium of $3.4 million. The remaining portion of the outstanding 10.42% Senior Notes had been paid on January 3, 1995 as part of the regularly scheduled debt service. In the first quarter of 1995, the Company recorded an extraordinary loss of $3.3 million (net of income tax benefits of $2 million) consisting of redemption related premiums and the write-off of deferred financing costs associated with the 10.42% Senior Notes.

Liquidity and Capital Resources

Net cash used in operating activities (including changes in working capital) totaled $10.1 million for the nine months ended September 30, 1996 compared to cash provided from operating activities of $1.5 million for the nine months ended September 30, 1995. The 1996 outflows consist primarily of $18.3 million related to working capital requirements resulting primarily from decreases in accrued income and excise tax liabilities and other accounts payable and to increases in accounts receivable and prepaid operating expenses, principally related to insurance premiums. These working capital outflows were partially offset by decreases in crude oil and finished products inventories and increases in crude oil and refined products

payables. Partially offsetting these cash outflows was net cash provided by operations of $8.2 million before changes in working capital. The 1995 outflows consist of net cash provided by operations before changes in working capital of $22.4 million which was partially offset by $20.9 million related to working capital requirements resulting from decreases in crude oil, refined products and other payables and increases in prepaid operating expenses. These working capital outflows were partially offset by decreases in receivables and in crude oil and finished product inventories and increases in accrued liabilities.

Net cash outflows from investment activities were $26.5 million for the nine months ended September 30, 1996 compared to a net outflow of $33.5 million for the same 1995 period. The 1996 amount consists principally of capital expenditures of $19.8 million (which includes $8.5 million for refinery operations and $8.7 million relating to marketing operations). Additionally, there were refinery turnaround expenditures of $4.5 million and increases in other deferred assets of $4.4 million. These cash outflows were partially offset by proceeds from the sale of property, plant and equipment of $2.1 million. The 1995 activity relates primarily to $27.1 million of capital expenditures ($11.9 million relating to refinery operations and $15.2 relating to the marketing area). In addition, there were increases in other deferred assets of $7.4 million, which consists primarily of $2.9 million in loan placement fees related to the sale of $125 million of unsecured 10.875% Senior Notes in January 1995, and refinery turnaround expenditures of $1.1 million. The 1995 cash outflows were partially offset by proceeds from the sale of property, plant and equipment of $2.1 million.

Net cash provided by financing activities was $18 million for the nine months ended September 30, 1996 compared to cash provided by financing activities of $24.8 million for the nine months ended September 30, 1995. The 1996 cash inflow consists principally of $17.8 million in net proceeds received from debt and credit agreement borrowings due primarily to net cash borrowings from the Company's unsecured revolving Credit Agreement. Additionally, cash inflows include $.5 million from issuances of the Company's common stock due to the exercise of stock options issued under the Company's incentives plans. Partially

offsetting these cash inflows were increases of $.3 million in long-term notes receivable. The 1995 cash inflows relate to $24.4 million in net proceeds received from debt and credit agreement borrowings due primarily to the sale in January 1995 of $125 million of unsecured 10.875% Senior Notes net of amounts used to repay outstanding balances relating to the 10.42% Senior Notes (including a prepayment premium) and credit agreement borrowings.

Cash and cash equivalents at September 30, 1996 were $24.2 million lower than at September 30, 1995. This decrease resulted primarily from cash used in investment activities of $30.4 million, which includes capital expenditures of $27.3 million, net of $6.4 million of proceeds received from the sale of property, plant and equipment. Additionally, cash outflows from investment activities included deferred turnaround charges of $6.4 million and charges to other deferred assets of $3.5 million. These cash outflows were partially offset by an increase in cash of $6.8 million resulting from the consolidation of the Company's wholly-owned insurance subsidiaries in the fourth quarter of 1995. Cash used in operating activities totaled $7.4 million for the twelve month period ended September 30, 1996. These cash outflows were partially offset by cash provided by financing activities of $13.6 million for the period October 1, 1995 to September 30, 1996 relating primarily to net borrowings from the Company's debt and credit agreement facilities of $13.4 million for the twelve month period ended September 30, 1996.

The ratio of current assets to current liabilities at September 30, 1996 was 1.13:1 compared to 1.48:1 at September 30, 1995 and 1.22:1 at December 31, 1995. If FIFO values had been used for all inventories, assuming an incremental effective income tax rate of 38.5%, the ratio of current assets to current liabilities would have been 1.30:1 at September 30, 1996, 1.59:1 at September 30, 1995 and 1.35:1 at December 31, 1995.

Like other petroleum refiners and marketers, the Company's operations are subject to extensive and rapidly changing federal and state environmental regulations governing air emissions, waste water discharges, and solid and hazardous waste management activities. The Company's policy is to accrue environmental and clean-up related costs of a non-capital nature when it is both probable that a liability has been incurred and that the amount can be reasonably estimated. While it is often

extremely difficult to reasonably quantify future environmental related expenditures, the Company anticipates that a substantial capital investment will be required over the next several years to comply with existing regulations. The Company believes, but provides no assurance, that cash provided from its operating activities, together with other available sources of liquidity, including borrowings under the Credit Agreement, or a successor agreement, will be sufficient to fund these costs. The Company had recorded a liability of approximately $17 million as of September 30, 1996 to cover the estimated costs of compliance with environmental regulations which are not anticipated to be of a capital nature. The liability of $17 million includes accruals for issues extending past 1997.

Environmental liabilities are subject to considerable uncertainties which affect the Company's ability to estimate its ultimate cost of remediation efforts. These uncertainties include the exact nature and extent of the contamination at each site, the extent of required cleanup efforts, varying costs of alternative remediation strategies, changes in environmental remediation requirements, the number and financial strength of other potentially responsible parties at multi-party sites, and the identification of new environmental sites. As a result, charges to income for environmental liabilities could have a material effect on results of operations in a particular quarter or year as assessments and remediation efforts proceed or as new claims arise. However, management is not aware of any matters which would be expected to have a material adverse effect on the Company.

During the years 1996-1998, the Company estimates environmental expenditures at the Pasadena and Tyler refineries of at least $6.9 million and $13.5 million, respectively. Of these expenditures, it is anticipated that $4.4 million for Pasadena and $8.1 million for Tyler will be of a capital nature, while $2.5 million and $5.4 million, respectively, will be related to previously accrued non-capital remediation efforts. At the Company's marketing facilities, capital expenditures relating to environmental improvements are planned totaling approximately $25.5 million through 1998. Environmental expenditures at the Pasadena and Tyler refineries and at the Company's marketing facilities totaled $1.4 million, $1.8 million and $1.3 million, respectively, for the nine months ended September 30, 1996.

The Company's principle purchases (crude oil and convenience store merchandise) are transacted primarily under open lines of credit with its major suppliers. The Company maintains two credit facilities to finance its business requirements and supplement internally generated sources of cash.

The Credit Agreement dated as September 25, 1995 (Credit Agreement) is used solely for the purpose of financing the working capital requirements of the Company. As of October 31, 1996, the Company had outstanding irrevocable standby letters of credit in the principal amount of $60.5 million for performance obligations related to crude oil acquisition, environmental and insurance matters and unused commitments available for future cash borrowings and letters of credit totaling $69.5 million. As of September 30, 1996, the Company was in compliance with all covenants and provisions of the Credit Agreement as amended and forecasts that, but there can be no assurance that, it will remain in compliance for the remainder of the year.

The $125 million unsecured 10.875% Senior Notes (Notes) due January 25, 2005 require semi-annual interest payments. There are no sinking fund requirements on the Notes. This facility is principally used to finance the permanent capital requirements of the Company and, to the extent required, working capital. At the Company's option, up to $37.5 million of the Notes may be redeemed at 110.875% of the principal amount at any time prior to February 1, 1998. After such date, they may not be redeemed until February 1, 2000 when they are redeemable at 105.438% of the principal amount, and thereafter at an annually declining premium over par until February 1, 2003 when they are redeemable at par. The Notes were issued under an Indenture which includes certain restrictions and limitations customary with senior indebtedness. These restrictions and limitations include, but are not limited to, restrictions on the incurrence of additional indebtedness, on the payment of dividends and on the repurchase of capital stock. These restrictions and limitations are not applicable to letter of credit availability and up to $50 million of cash borrowings provided by the Credit Agreement. As of September 30, 1996, the Indenture substantially restricted the Company from effecting borrowings outside of the Credit Agreement and precluded the

Company from paying any dividends. The Company has not paid a dividend on its shares of common stock since the first quarter of 1992. As outlined in the Company's planned capital requirements described below, while the Company is limited by the Indenture from effecting borrowings outside of the Credit Agreement, it does not currently plan to effect any borrowings outside of the Credit Agreement.

The Company's management is involved in a continual process of evaluating growth opportunities in its core business as well as its capital resource alternatives. Total net capital expenditures and deferred turnaround costs in 1996 are projected to approximate $37 million. The capital expenditures relate primarily to planned enhancements at the Company's refineries, retail unit improvements and to company-wide environmental requirements. The Company's existing Credit Agreement matures on September 30, 1997. It is management's intention to extend or replace the existing Credit Agreement prior to its expiration date in order that cash provided from its operating activities, together with other available sources of liquidity, including availability from the Credit Agreement, or a successor agreement, will be sufficient over the next year to make required payments of principal and interest on its debt, including interest payments due on the Notes, permit anticipated capital expenditures and fund the Company's working capital requirements.

The Company places its temporary cash investments in high credit quality financial instruments which are in accordance with the covenants of the Company's financing agreements. These securities mature within ninety days, and, therefore, bear minimal risk. The Company has not experienced any losses on its investments.

The Company faces intense competition in all of the business areas in which it operates. Many of the Company's competitors are substantially larger and therefore, the Company's earnings can be affected by the marketing and pricing policies of its competitors, as well as changes in raw material costs.

Merchandise sales and operating revenues from the Company's convenience stores are seasonal in nature, generally producing higher sales and net income in the summer months than at other times of the year. Gasoline sales, both at the Crown multi-pumps and convenience stores, are also somewhat seasonal in nature and, therefore, related revenues may vary during the year. The seasonality does not, however, negatively impact the Company's overall ability to sell its refined products.

The Company maintains business interruption insurance to protect itself against losses resulting from shutdowns to refinery operations from fire, explosions and certain other insured casualties. Business interruption coverage begins for such losses at the greater of $5 million or shutdowns for periods in excess of 25 days.

As discussed in Item 3. Legal Proceedings of the Annual Report on Form 10-K for the fiscal year ended December 31, 1995, the Company's collective bargaining agreement at its Pasadena refinery expired on February 1, 1996, and on February 5, 1996, the Company invoked a lock-out of employees in the collective bargaining unit. The Company has been operating the Pasadena refinery without interruption since the lock-out with management and supervisory personnel and intends to continue full operations until an agreement is reached with the collective bargaining unit. The Oil, Chemical & Atomic Workers Union (OCAW) filed unfair labor practice charges against the Company in connection with the lock-out. The Regional Office of the National Labor Relations Board (NLRB) has dismissed the charges; and; accordingly, no accruals related to back wages have been recorded. The union appealed this ruling, and the General Counsel of the NLRB currently has the matter under consideration. In July and August, the union filed additional unfair labor practice charges and those charges have also been dismissed by the Regional Office. The OCAW has appealed the dismissal of the charges filed in July. The Company intends to continue to vigorously contest all of the matters that have been appealed.

PART II - OTHER INFORMATION

Item 1 - Legal Proceedings

There has been no material change in the status of legal proceedings as reported in Item 3 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.

The unfair labor practice charges filed by the Oil, Chemical & Atomic Workers Union in connection with the lock-out of employees in the collective bargaining unit at the Pasadena refinery, which were previously reported in the Annual Report on Form 10-K for the year ended December 31, 1995, were dismissed by the Regional Office of the National Labor Relations Board. The union appealed this ruling, and the General Counsel of the NLRB currently has the matter under consideration. In July and August, the union filed additional unfair labor practice charges and those charges have also been dismissed by the Regional Office. The OCAW has appealed the dismissal of the charges filed in July. The Company intends to continue to vigorously contest all of the matters that have been appealed.

The Company is involved in various matters of litigation, the ultimate determination of which, in the opinion of management, is not expected to have a material adverse effect on the Company.

Item 6 - Exhibits and Reports on Form 8-K
Item 6 - Exhibits and Reports on Form 8-K
Item 6 - Exhibits and Reports on Form 8-K

(a) Exhibit:

10(a) - Executive Severance Plan effective September 26, 1996

10(b) - Supplemental Retirement Income Plan as Restated effective September 26, 1996

10(c) - Amendment effective as of September 26, 1996 to the Crown Central Employees Savings Plan

10(d) - Amendment effective as of September 26, 1996 to the Crown Central Petroleum Corporation 1994 Long-Term Incentive Plan

11 - Statement re: Computation of Earnings Per Share

20 - Interim Report to Stockholders for the three and nine months ended September 30, 1996

27 - Financial Data Schedule

(b) Reports on Form 8-K:

There were no reports on Form 8-K filed with the Securities and Exchange Commission during the three months ended September 30, 1996.

SIGNATURE
SIGNATURE
SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report on Form 10-Q for the quarter ended September 30, 1996 to be signed on its behalf by the undersigned thereunto duly authorized.

CROWN CENTRAL PETROLEUM CORPORATION
CROWN CENTRAL PETROLEUM CORPORATION
CROWN CENTRAL PETROLEUM CORPORATION

/s/---Jan L. Ries
/s/---Jan L. Ries
/s/---Jan L. Ries
Jan L. Ries
Controller

Chief Accounting Officer
and Duly Authorized Officer

Date: November 14, 1996

CROWN CENTRAL PETROLEUM CORPORATION

EXECUTIVE SEVERANCE PLAN

The Crown Central Petroleum Corporation Executive Severance Plan (the "Plan") is hereby established by Crown Central Petroleum Corporation, a Maryland corporation (the "Corporation") for the benefit of its eligible executives. The purpose of the Plan is to provide certain benefits to eligible executives in the event of a termination of employment under defined circumstances after a Change of Control.

Section 1. Definitions. For purposes of this Plan:

(a) "Beneficiary" shall mean the person or entity designated by an Executive, by written instrument delivered to the Corporation, to receive the benefits payable under this Plan in the event of the Executive's death. If an Executive fails to designate a Beneficiary, or if no Beneficiary survives the Executive, such death benefits shall be paid to the Executive's estate.

(b) "Board" shall mean the Board of Directors of the Corporation.

(c) "Change in Control" shall mean:

(i) A tender offer or exchange offer is made whereby the effect of such offer is to take over and control the affairs of the Corporation, and such offer is consummated for the ownership of securities of the Corporation representing twenty percent (20%) or more of the combined voting power of the Corporation's then outstanding voting securities.

(ii) The Corporation is merged or consolidated with another corporation and, as a result of such merger or consolidation, less than seventy five percent (75%) of the combined voting power of the surviving or resulting corporation shall then be owned in the aggregate by the former stock holders of the Corporation.

(iii) The Corporation transfers substantially all of its assets to another corporation or entity that is not a wholly owned subsidiary of the Corporation.

(iv) Any person (as such term is used in Sections 3(a)(9) and 13(d)(3) of the Exchange Act) is or becomes the beneficial owner, directly or indirectly, of securities of the Corporation representing twenty percent (20%) or more of the combined voting power of the Corporation's then outstanding securities.

(v) As the result of a tender offer, merger, consolidation, sale of assets, or contested election, or any combination of such transactions, the persons who were members of the Board immediately before the transaction, cease to constitute at least a majority thereof.

(d) "Code" shall mean the Internal Revenue Code of 1986.

(e) ``Compensation'' shall mean the total compensation paid to a Participant by the Corporation as reportable on Internal Revenue Service Form W-2 (i) plus any amount contributed by the Participant pursuant to a salary reduction agreement and which is not includible in gross income under Code Sections 125 or 402(a)(8), and any amount of salary reductions elected by the Participant under the Supplemental Savings Plan, and (ii) reduced by any income recognized by the Participant from the exercise of stock options, the grant of stock or any other income arising from the Crown Central Petroleum Corporation 1994 Long Term Incentive Plan or any successor plan of the Corporation.

(f)"Effective Date" shall mean September 26, 1996, subject to approval of the Plan by the Board.

(g)"Executive" shall mean only a Vice President or higher executive officer of the Corporation on the Effective Date, and any Vice President or higher executive officer of the Corporation hired after the Effective Date upon approval of his participation in the Plan by the Board.

(h)``Final Compensation'' shall mean an amount equal to a Participant's Compensation for the calendar year during the three calendar years prior to the termination of the Participant's employment for which the Participant received the largest amount of Compensation.

(i)"Good Cause" shall mean:

(i)fraud or material misappropriation by the Executive with respect to the business or assets of the Corporation,

(ii) the persistent refusal or willful failure of the Executive materially to perform his duties and responsibilities to the Corporation, which continues after the Executive receives notice of such refusal or failure, or

(iii)the Executive's conviction of a felony or crime involving moral turpitude.

(j)"Good Reason" shall exist with respect to an Executive if, without the Executive's express written consent:

(i)there is a significant adverse change in the nature or the scope of the Executive's authority or in his overall working environment after a Change of Control;

(ii) the Executive is assigned duties materially inconsistent with his duties, responsibilities and status at the time of a Change of Control;

(iii)there is a reduction, which is not agreed to by the Executive, in the Executive's rate of base salary, incentive compensation, welfare benefits, or perquisites such as car allowances as in effect at the time of a Change of Control; or

(iv) the Corporation changes by 50 miles or more the principal location in which the Executive is required to perform services from the location at which the Executive was employed as of the Change of Control.

(k)"Incentive Plan" means the Crown Central Petroleum Corporation 1994 Annual Incentive Plan as changed from time to time.

(l)"Retirement Plan" shall mean any qualified or supplemental employee pension benefit plan, as defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), currently or hereinafter made available by the Corporation in which an Executive is eligible to participate.

(m)"Severance Benefit" shall mean the Salary Continuance Benefit and the Welfare Continuance Benefit.

(n) "Severance Period" shall mean the period beginning on the date an Executive's employment with the Corporation terminates and ending on the date 24 months thereafter.

(o)"SRI Plan" shall mean the Crown Central Petroleum Corporation Supplemental Retirement Income Plan For Senior Executives, as amended from time to time.

(p)"Supplemental Savings Plan" shall mean the Crown Central Petroleum Employees Supplemental Savings Plan, as amended from time to time.

(q)"Welfare Continuance Benefit" shall mean the benefit provided in Section 5(e).

(r)"Welfare Plan" shall mean any health and dental plan, disability plan, survivor income plan or life insurance plan, as defined in Section 3(1) of ERISA, currently or hereafter made available by the Corporation in which an Executive is eligible to participate.

All references made to the masculine gender are intended to refer equally to the female gender.

Section 2. Supplemental Retirement Benefits.

(a)Upon a Change of Control, the following provisions shall apply to the Executives who are Participants in the SRI Plan as of the Change of Control and who, within 24 months of a Change of Control, terminate employment for Good Reason or are terminated without Good Cause. All capitalized terms used in this Section 2(a) shall have the meanings as provided in the SRI Plan.

(i)For purposes of calculating the Regular SRI Benefit, a Participant's age shall be deemed to be the Participant's actual age plus three (3) years (but not in excess of age 65) (the `` Enhanced Age'' ), and the Participant's Total Service shall be deemed to be the Participant's actual Total Service plus three (3) years (the `` Enhanced Service''). The Participant shall be deemed to earn his Compensation for the last 12 months before the Change of Control for each of the deemed additional three (3) years.

(ii) The Participant shall be entitled to an immediate payment of the Actuarial Equivalent of his Regular SRI Benefit Plan as adjusted by this Plan and his Limitation SRI Benefit. Payment shall be made as a single lump sum payment.

(iii)To determine the Actuarial Equivalent of a Participant's Regular SRI Benefit, the following provisions shall apply. The Actuarial Equivalent shall be determined under the provisions of the Retirement Plan relating to the calculation of lump sum payments. The amount of the Regular SRI Benefit shall be calculated with the enhancements provided in Section 2(a)(i). The Participant's benefit shall be deemed to start at: (A) age 65 if the Participant's Enhanced Service is less than ten (10) years; (B) age 55 if the Participant's Enhanced Service is ten (10) years or more and Enhanced Age is less than age 55; (C) immediately if the Participant's Enhanced Service is ten (10) years or more and Enhanced Age is age 55 or older; and (D) immediately if the Participant's Enhanced Service is less than ten (10) years and Enhanced Age is age 65 or older. The Participant's age for purposes of the calculation shall be: (A) the Participant's actual age if the Participant's Enhanced Service is ten (10) years or more and Enhanced Age is age 55 or older; (B) the Participant's actual age if the Participant's Enhanced Age is age 65 or older; and (C) the Participant's Enhanced Age in all other cases.

(iv) Immediately prior to a Change of Control, the Crown Central Petroleum Corporation Supplemental Retirement Income Plan For Senior Executives Plan Trust (the ``Trust'') shall become effective. The Corporation shall immediately fund the Trust with an amount equal to then Actuarial Equivalent of the SRI Benefits, as determined under Section 2(a)(iii), of all Participants in the SRI Plan who are Executives at the time of the Change of Control. The Corporation will maintain sufficient assets in the Trust to pay such SRI Benefits for 24 months after the Change of Control. The Trust shall be funded with cash or cash equivalents other than stock of the Corporation.

(v) The provisions of Section 6 of the SRI Plan relating to noncompetition shall not apply.

(b)Upon a Change of Control, the following provisions shall apply to the Executives who are Participants in the Savings Plan as of the Change of Control and who, within 24 months of a Change of Control, terminate employment for Good Reason or are terminated without Good Cause. All capitalized terms used in this Section 2(a) shall have the meanings as provided in the Supplemental Savings Plan.

(i)An Executive shall be fully vested in the Participant's Matching Credits Account.

(ii) The Corporation shall make an additional contribution to the Participant's Matching Credits Account in the Supplemental Savings Plan. The additions contribution shall be equal to two (2) times the sum of the Corporation's Matching Contributions under the Savings Plan to the Participant plus the amounts credited to the Participant's Matching Credits Account in the Supplemental Savings Plan for the calendar year prior to the Change of Control.

Section 3. Annual Incentive Plan.

This Section 3 shall apply to all Executives who are employed on the date of the Change of Control. Upon a Change of Control, for purposes of the Crown Central Petroleum Corporation 1994 Annual Incentive Plan (`` Annual Incentive Plan'') for the fiscal year in which the Change of Control occurs, the Corporation shall be deemed to have achieved the level of performance as to each Performance Criteria that is the greater of (a) the actual level of performance, or (b) the level of performance that would result in a 100-percent Performance Adjustment. Any Executive who is not employed on the last day of the calendar year in which the Change of Control occurs shall receive a pro rata award under the Annual Incentive Plan as adjusted under this Section 3 based on the portion of the calendar year during which the Executive was employed.

Section 4. Outplacement Services.

Upon a Change of Control, any Executive who, within 24 months of a Change of Control, terminates employment for Good Reason or is terminated without Good Cause shall be entitled to receive complete outplacement services, including job search and interview skill services. The services shall be provided by a nationally recognized outplacement organization selected by the Executive with the approval of the Corporation (which approval shall not be unreasonably withheld). The services shall be provided for up to 24 months after the Executive's termination of employment.

Section 5. Benefits Upon Termination of Employment.

(a) Subject to the provisions of Section 8, an Executive shall be entitled to a Salary Continuance Benefit and a Welfare Continuance Benefit if (i) the employment of the Executive with the Corporation is terminated by the Corporation for any reason other than Good Cause, or (ii) the Executive terminates his employment with the Corporation for Good Reason within 24 months after a Change of Control.

(b) The Salary Continuance Benefit shall be a lump sum payment equal to two (2) times the Executive's Final Compensation.

(c) Payment of the Salary Continuance Benefit shall be subject to the following terms and conditions:

(i) Salary Continuance Benefits shall be made net of all required federal and state withholdings taxes and similar required withholdings.

(ii) Payment of the Salary Continuance Benefit shall not affect the entitlement of the Executive or his Beneficiary, or any other person entitled to receive benefits with respect to the Executive under any Retirement Plan, Welfare Plan, or other plan or program maintained by the Corporation in which the Executive participates at the date of termination of employment.

(iii) The Salary Continuance Benefit shall not be affected by any employment which the Executive may obtain after termination with the Corporation nor otherwise subject to mitigation in any respect.

(d) During the Severance Period, an Executive and his dependents will continue to be covered by all Welfare Plans in which he and his dependents were participating immediately prior to the date of his termination (the "Welfare Continuance Benefit"). Any changes to any Welfare Plan during the Severance Period shall be applicable to the Executive and his dependents as if he continued to be an employee of the Corporation. The Corporation will pay the costs of the Welfare Continuance Benefit for the Executive and his dependents under the Welfare Plans on the same basis as applicable, from time to time, to active employees covered under the Welfare Plans. If such participation in any one or more of the Welfare Plans included in the Welfare Continuance Benefit is not possible under the terms of the Welfare Plan, the Corporation will provide substantially identical benefits directly or through an other insurance arrangement. The Welfare Continuance Benefits as to any Welfare Plan will cease if and when the Executive notifies the Corporation that all or part of the Welfare Continuance Benefit may be terminated.

Section 6. Death.

If an Executive dies while receiving a Welfare Continuation Benefit, the Executive's spouse and other dependents shall continue to be covered under all applicable Welfare Plans during the remainder of the Severance Period.

Section 7. Determinations of Eligibility.

If an Executive makes a claim for benefits under the Plan and that claim is denied, the Corporation shall seek legal advice from a special independent counsel selected by the Executive and approved by the Corporation (which approval shall not be unreasonably withheld), and who has not otherwise performed services for the Company within the last five (5) years (other than in connection with this Plan) or for the Executive. Such counsel shall render a written opinion to the Corporation and Executive as to whether and to what extent the Executive is entitled to benefits under the Plan. The Corporation shall indemnify the Executive against any and all expenses (including attorneys' fees) which are incurred by the Executive in connection with any claim made for benefits under the Plan that is initially denied by the Corporation and that is ultimately paid under the Plan.

Section 8. Release of Claims.

In consideration for and as a condition to receiving any payments under this Plan, the Executive must execute a written release in a form provided by the Corporation. In addition to any other provisions determined by the Corporation, the release may provide that the Executive agrees, for himself and his heirs, representatives, successors and assigns, that the Executive has finally and permanently separated from employment with the Corporation, and that he waives, releases and forever discharges the Corporation from any and all claims, known or unknown, that he has or may have, including but not limited to those relating to or arising out of his employment with the Corporation and the termination thereof, including but not limited to any claims of wrongful discharge, breach of express or implied contract, fraud, misrepresentation, defamation, liability in tort, any claims under Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act, the Employee Retirement Income Security Act, the Fair Labor Standards Act, or any other federal, state or local law relating to employment, employee benefits or the termination of employment, excepting only any claims to vested retirement benefits.

Section 9. No Setoff.

Payment of a Severance Benefit shall be in addition to any other amounts otherwise payable to the Executive, including any accrued but unpaid vacation pay. No payments or benefits payable to or with respect to an Executive pursuant to this Plan shall be reduced by any amount the Executive may owe to the Corporation (except for amounts owed to the Corporation on account of loans, travel or standing advances, personal charges on Corporation credit cards or accounts, or the value of Corporation property not returned to the Corporation), or by any amount an Executive may earn or receive from employment with another employer or from any other source.

Section 10. No Assignment of Benefit.

No interest of any Executive or any Beneficiary under this Plan, or any right to receive any payment or distribution hereunder, shall be subject in any manner to sale, transfer, assignment, pledge, attachment, garnishment, or other alienation or encumbrance of any kind, nor may such interest or right to receive a payment or distribution be taken, voluntarily or involuntarily, for the satisfaction of the obligations or debts of, or other claims against, the Executive or Beneficiary, including claims for alimony, support, separate maintenance, and claims in bankruptcy proceedings.

Section 11. Benefits Unfunded.

All rights under this Plan of the Executives and Beneficiaries, shall at all times be entirely unfunded, and no provision shall at any time be made with respect to segregating any assets of the Corporation for payment of any amounts due hereunder except as provided with respect to the SRI Plan. The Executives and Beneficiaries shall have only the rights of general unsecured creditors of the Corporation.

Section 12. Applicable Law.

This Plan shall be construed and interpreted pursuant to the laws of the State of Maryland.

Section 13. No Employment Contract.

Nothing contained in this Plan shall be construed to be an employment contract between an Executive and the Corporation.

Section 14. Severability.

In the event any provision of this Plan is held illegal or invalid, the remaining provisions of this Plan shall not be affected thereby.

Section 15. Successors.

The Plan shall be binding upon and inure to the benefit of the Corporation, the Executives and their respective heirs, representatives and successors.

Section 16. Litigation Expenses.

The Corporation shall pay the litigation expenses, including reasonable attorneys' fees, incurred by any Executive or Beneficiary in a suit against the Corporation in which such Executive or Beneficiary successfully sues to enforce his rights under the Plan.

Section 17. Amendment and Termination.

The Board shall have the right to amend the Plan from time to time and may terminate the Plan at any time, except as provided below:

(a) No amendment may be made to the Plan and the Plan may not be terminated for 24 months after a Change of Control,

(b) No amendment or termination shall reduce the benefits payable to an Executive who is receiving a Severance Benefit, and

(c)No amendment or termination that would adversely affect an Executive shall be effective with respect to any existing Participant until 24 months after approval of the amendment or termination by the Board.

CROWN CENTRAL PETROLEUM CORPORATION

Date: September 26, 1996

By Henry A. Rosenberg, Jr.
Chairman of the Board

Attest:

Delores B. Rawlings

CROWN CENTRAL PETROLEUM CORPORATION
SUPPLEMENTAL RETIREMENT INCOME PLAN
FOR SENIOR EXECUTIVES
AS RESTATED

EFFECTIVE SEPTEMBER 26, 1996

TABLE OF CONTENTS

CROWN CENTRAL PETROLEUM CORPORATION
SUPPLEMENTAL RETIREMENT INCOME PLAN
FOR SENIOR EXECUTIVES

Section 1. Purpose.

The purpose of this Plan is to provide Supplemental Retirement Income Benefits (``SRI Benefits'' ) for those eligible senior executives of Crown Central Petroleum Corporation (``Crown'') and its subsidiaries (the `` Crown Subsidiaries '') whose Regular Retirement Benefits, as hereinafter defined, are in the opinion of the Board of Directors unreasonably small in comparison to their Terminal Compensation, as hereinafter defined, or whose Regular Retirement Benefits shall have been reduced by reason of certain statutory limits under the Internal Revenue Code of 1986, as amended (the `` Code'').

Section 2. Definitions. The following terms shall have the following meanings unless otherwise clearly required by the context:

(a) ``Actuarial Equivalent'' shall be determined by using the mortality table prescribed by the Secretary of the Treasury under Code section 417(e)(3)(A) as changed from time to time, and an interest rate for any calendar year that is the annual rate of interest on 30-year Treasury securities as published by the Secretary of the Treasury for November of the immediately prior calendar year.

(b) The term `` annual amount of a Participant's Regular Retirement Benefits'' shall mean the Participant's Regular Retirement Benefit payable during a period of twelve (12) months commencing on the date as of which the SRI Benefits are being determined.

(c) ``Compensation'' shall mean actual periodic compensation payable currently in cash, exclusive of any director's fees, bonuses, employee benefits, compensation from stock options, or compensation payable at a deferred date, but inclusive of amounts deducted therefrom such as, but not limited to, deductions for withheld taxes and contributions to employee benefit plans. Compensation for any period of absence because of sickness or accident during which the Participant is paid compensation at a reduced rate shall mean the Compensation which would have been payable except for such reduction. In computing Compensation, there shall be excluded any payment for accumulated vacation which is paid after termination of employment.

(d) ``Participant'' shall mean any employee of Crown who is a Vice President or higher executive officer of Crown.

(e) ``Plan'' shall mean the Crown Central Petroleum Corporation Supplemental Retirement Income Plan For Senior Executives, as amended from time to time.

(f) ``Regular Retirement Benefit'' shall mean the benefits to which a Participant would be entitled upon retirement or termination of employment under the Retirement Plan calculated as a five-year certain and life annuity with 60 monthly payments guaranteed. Determination of a Participant's Regular Retirement Benefit shall not take into account any ad hoc post-retirement benefit increases which from time to time may be effected by an amendment to the Retirement Plan. Nevertheless, all determinations of a Participant's Regular Retirement Benefit shall take into account post-retirement cost-of-living adjustments of the dollar limitation described in Section 415(b)(1)(A) of the Code, as amended, if and to the extent the Retirement Plan specifically provides for such post-retirement adjustments to be taken into account in determining the Participant's retirement benefits payable thereunder.

(g) ``Retirement Plan '' shall mean the Crown Central Petroleum Retirement Plan, as amended from time to time, or any successor plan or plans.

(h) ``Tax Limits'' shall mean the limitations on compensation and benefits under Code sections 401(a)(17) and 415.

(I) `` Terminal Compensation '' shall mean an amount equal to one-third (1/3) of a Participant's Compensation for the thirty-six (36) consecutive months prior to the termination of the Participant's employment for which the Participant received the largest amount of Compensation.

(j) ``Total Service'' shall mean the period from a Participant's first day of employment with Crown or a Crown Subsidiary until the Participant's last day of employment with Crown or a Crown Subsidiary, including any period in which the Participant was not a Participant.

All references made to the masculine gender are intended to refer equally to the female gender.

Section 3. SRI Benefits Formulae. SRI Benefits shall consist of a Regular SRI Benefit or a Limitation SRI Benefit or both. Each benefit shall be determined as follows:

(a) Subject to the further provisions of Section 3, the annual Regular SRI Benefit for a Participant shall be an amount equal to the excess of (i) Sixty Percent (60%) of such Participant's Terminal Compensation over (ii) the sum of the annual amount of such Participant's Regular Retirement Benefit and such Participant's

Limitation SRI Benefit. If a Participant terminates employment prior to age 55 or, with less than five (5) years of Total Service prior to age 65, no Regular SRI Benefit is payable.

(b) The Limitation SRI Benefit shall be the excess, if any, of the Regular Retirement Benefit to which a Participant would be entitled under the Retirement Plan, in accordance with elections made by the Participant pursuant to the Retirement Plan, if calculated without regard to (i) any Tax Limits, or (ii) any provision of the Retirement Plan for reduction of benefits payable thereunder by reason of contributions which shall have been made to other plans, over the Regular Retirement Benefit to which such Participant shall actually be entitled under the Retirement Plan.

(c) The full Regular SRI Benefit shall be payable if a Participant terminates employment at or after age 65 with ten (10) or more years of Total Service. If a Participant terminates employment at or after age 65 with less than ten (10) years of Total Service, the Regular SRI Benefit shall be multiplied by a fraction, the numerator of which is the Participant's full months of Total Service and the denominator is 120, and the product shall be payable to the Participant as a Regular SRI Benefit.

(d) If the Participant terminates employment before age 65 with at least ten (10) years of Total Service, the Regular SRI Benefit is the benefit calculated under Section 3(a), except that the Applicable Percentage from the following table

shall be substituted for 60% in Section 3(a) based on the Participant's attained age at the Participant's termination of employment.

Attained Age	Applicable Percentage
55	30%
56	34%

57	38%
58	42%
59	46%
60	50%
61	52%
62	54%
63	56%
64	58%
65	60%

The Participant's attained age shall be calculated in years and full months. The Applicable Percentage shall be the interpolated percentage between any two years of attained age based on the Participant's years and full months of age.

(e) If a Participant terminates employment at or after age 55 and before age 65 with at least five (5) years but less than ten (10) years of Total Service, the Regular SRI Benefit shall be the Regular SRI Benefit calculated under Section 3(a) multiplied by a fraction, the numerator of which is the Participant's full months of Total Service and the denominator is 120.

(f) In the case of a Participant described in Section 3(d) who is not eligible to commence benefits under the Retirement Plan at his termination, the annual Regular SRI Benefit shall initially be the amount calculated under Section 3(d) determined as if no amounts are payable from the Retirement Plan or as a Limitation SRI Benefit. When the Participant becomes eligible to commence benefits under the Retirement Plan, the annual Regular SRI Benefit payable thereafter shall be reduced by the annual amount of the Regular Retirement Benefit and Limitation SRI Benefit which the Participant could elect to receive at that time.

Section 4. Payment of SRI Benefits. The Regular SRI Benefit and the Limitation SRI Benefit shall be paid as follows:

(a) The Regular SRI Benefit for any Participant who has attained age 65 shall be paid upon the Participant's termination of employment with Crown and the Crown Subsidiaries. The Regular SRI Benefit for any Participant who has attained age 55 but not age 65 and who has completed at least ten (10) years of Total Service shall be paid upon the Participant's termination of employment with Crown and the Crown Subsidiaries. One-twelfth (1/12th) of such annual Regular SRI Benefit shall be payable on the first day of each month.

(b) The Regular SRI Benefit for any Participant who, at his termination of employment, has not attained age 65 and who has completed less than ten (10) years of Total Service shall be paid upon the Participant's attainment of age 65. One-twelfth (1/12th) of such annual Regular SRI Benefit shall be payable on the first day of each month.

(c) When a Participant begins to receive benefits under the Retirement Plan, such Participant shall be entitled, subject to the provisions of Section 6, to receive a Limitation SRI Benefit, if any. The Limitation SRI Benefit shall commence at the same time and shall be paid in the same form as the benefit to the Participant under the Retirement Plan. Any death benefit payable based on the form of payment of the Limitation SRI Benefit shall be payable at the same time and to the same beneficiary(s) in the same proportions as the death benefits under the Retirement Plan.

Section 5. Form of Regular SRI Benefit.

(a) Unless the Participant elects an optional form of payment under Section 5(b), the Regular SRI Benefit shall be payable as a five-year certain and life annuity with 60 monthly payments guaranteed.

(b) A Participant may elect not to receive his Regular SRI Benefit in the form described in Section 5(a) and may elect as provided in Section 5(d) to receive the Actuarial Equivalent of his Regular SRI Benefit in one of the following forms:

(1) The Actuarial Equivalent of the Regular SRI Benefit may be paid in the form of a single life annuity, payable in equal monthly amounts for the

life of the Participant.

(2) The Actuarial Equivalent of the Regular SRI Benefit may be paid in the form of a joint and 100% survivor annuity for the lives of the Participant and his spouse. Under this form of payment, the Participant will receive reduced payments for his lifetime and, after his death, a survivor annuity will be payable for the lifetime of his spouse equal to 100% of the amount of the annuity payments that were payable to the Participant. If the Participant's spouse dies after Regular SRI Benefit payments begin but before the Participant dies, the Regular SRI Benefit shall continue to be paid to the Participant in the same amount that was payable before the death of his spouse.

(3) The Actuarial Equivalent of the Regular SRI Benefit may be paid in the form of a joint and 50% survivor annuity for the lives of the Participant and his spouse. Under this form of payment, the Participant will receive reduced payments for his lifetime and, after his death, a survivor annuity will be payable for the lifetime of his spouse equal to 50% of the amount of the annuity payments that were payable to the Participant. If the Participant's spouse dies after Regular SRI Benefit payments begin but before the Participant dies, the Regular SRI Benefit shall continue to be paid to the Participant in the same amount that was payable before the death of his spouse.

(4) The Actuarial Equivalent of the Regular SRI Benefit may be paid in a ten-year certain and continuous form. Under this form of payment, the Participant will receive equal monthly installments for his lifetime and, in the event of his death prior to receipt of 120 payments, whichever is applicable, payments will continue for the balance of such 120 payments to his beneficiary.

(c) The following rules apply to payments of all Regular SRI Benefits and Limitation SRI Benefits under the Plan. If the present value of a Regular SRI Benefit or a Limitation SRI Benefit payable under the Plan, including a Regular SRI Benefit or Limitation SRI Benefit payable to beneficiaries, is $10,000 or less on the commencement date of the Participant's or beneficiary's benefit, the Actuarial Equivalent present value shall be paid in a single-sum payment. Payment shall be made as soon as practicable following the Participant's last day of service or as soon as practicable after death for payment to a beneficiary.

(d) The Participant shall be provided suitable forms for the making of elections under Section 5(b). To be valid, an election or revocation of an election of an alternative benefit form (i) must be signed by the Participant, (ii) must designate a specific alternate form of benefits, and (iii) except for an initial election upon participation, will not be effective until six (6) months after the date of the election. Any election shall remain in effect until six (6) months after a subsequent election is filed by the Participant.

Section 6. No Competition. Notwithstanding the provisions of Sections 4 and 5, no Regular SRI Benefit or Limitation SRI Benefit shall be payable to a Participant whose employment with Crown and the Crown Subsidiaries shall have terminated prior to the date on which such Participant shall attain the age of sixty-five (65) years, or to the surviving spouse or other beneficiary of such a Participant, if within two (2) years after such termination of employment the Participant shall, without the approval of Crown as expressed in a resolution by its Board of Directors, render services for compensation as an officer, consultant, employee or otherwise to any corporation or other entity in direct or indirect competition with Crown or any Crown subsidiary, or enter into any business or occupation on a self-employed basis which is in direct or indirect competition with Crown or any Crown Subsidiary provided, however, that nothing contained in this Section 6 shall be deemed to require the repayment by the Participant of any Regular SRI Benefit or Limitation SRI Benefit paid to him prior to the time he commences rendering such services or enters into such business or occupation.

Section 7. Pre-Retirement Death Benefits. Pre-Retirement Death Benefits consist of a Regular SRI Death Benefit or a Limitation SRI Death Benefit, or both. The benefits shall be determined as follows:

(a) If a Participant who is married at the time of his death dies after attaining the age of fifty-five (55) years while still employed by Crown or a Crown Subsidiary, his surviving spouse shall be entitled to receive a Regular SRI Death Benefit. The monthly amount of the Regular SRI Death Benefit shall be the same as the monthly payment which would have been initially payable

pursuant to Section 5 if such Participant had terminated on the date of his death, had the greater of five (5) years or his actual Years of Total Service, had elected to receive the Regular SRI Benefit in the form of a joint and 100% survivor annuity for the lives of the Participant and his spouse, and had died immediately following such termination. If the Participant had less than ten (10) years of Total Service at death, the Regular SRI Death Benefit shall be multiplied by a fraction, the numerator of which is the Participant's full months of Total Service and the denominator is 120, and the product shall be payable to the spouse as the Regular SRI Death Benefit. If the spouse is not eligible to commence benefits under the Retirement Plan at the Participant's death, the Regular SRI Death Benefit shall initially be the amount calculated as if no amounts are payable to the spouse from the Retirement Plan or as a Limitation SRI Benefit.
When the surviving spouse becomes eligible to commence benefits under the Retirement Plan, the annual Regular SRI Death Benefit shall be reduced by the annual amount of the Regular Retirement

Benefit and Limitation SRI Benefit which the spouse could elect to receive at that time. The death benefit shall be payable monthly on the first day of each month.

(b) The Limitation SRI Death Benefit shall be the excess, if any, of the death benefits which would be payable by reason of the death of a Participant while still employed by Crown or a Crown Subsidiary under the Retirement Plan in accordance with the elections made by the Participant pursuant to the Retirement Plan, if the Tax Limits were not taken into account, over the death benefits to which the spouse of the Participant is actually entitled under the Retirement Plan. The Limitation SRI Death Benefit shall be paid at the same time, in the same form and to the same beneficiaries, as the death benefit under the Retirement Plan.

Section 8. Effective Date. This restatement of the Supplemental Retirement Income Plan For Senior Executives shall become effective as of September 26, 1996, subject to approval by the Board of Directors of Crown. The plan as in effect prior to this restatement shall govern all rights of Participants who became entitled to benefits prior to this restatement.

Section 9. Unfunded Plan. There is no fund associated with this Plan. Crown and the Crown Subsidiaries shall be required to make payments only as benefits become due and payable. No Participant or beneficiary shall have any right, other than the right of an unsecured general creditor, against Crown or the Crown Subsidiaries in respect to the benefits payable, or which may be payable, to such Participant or beneficiary hereunder. If Crown or the Crown Subsidiaries acting in their sole discretion, establishes a reserve or other fund associated with this Plan, then, except as may otherwise be provided in the instrument pursuant to which such reserve or fund is established, no Participant or beneficiary shall have any right to or interest in any specific amount or asset of such reserve or fund by reason of amounts which may be payable to such person under this Plan, nor shall such person have any right to receive any payment under this Plan except as and to the extent expressly provided in this Plan.

Section 10. Non-Guarantee of Employment. Nothing contained in this Plan shall be construed as a contract of employment between Crown or any Crown Subsidiary and any Participant, or as a right of any such Participant to be continued in employment or as a limitation of the right of Crown or any Crown Subsidiary to deal with any Participant, as to their hiring, discharge, layoff, compensation, and all other conditions of employment in all respects as though this Plan did not exist.

Section 11. Amendments/Termination. Crown reserves the right to make from time to time amendments to or terminate this Plan by vote duly adopted by the Board of Directors (or any duly authorized committee thereof); provided, however, that no such amendment or termination shall adversely affect a Participant's benefits as of the date of such action.

Section 12. Non-Assignability. The benefits payable under this Plan shall not be subject to alienation, assignment, pledge, garnishment, execution or levy of any kind and any attempt to cause any such benefits to be so subjected shall not be recognized.

Section 13. Plan Administration. This Plan shall be operated and administered by the Board whose decision on all matters involving the interpretation and administration of this Plan shall be final and binding.

Section 14. Withholding of Taxes. All amounts payable hereunder shall be reduced for the amounts required to be withheld pursuant to any applicable governmental law or regulation with respect to taxes or any similar provisions.

Section 15. Successor Company. In the event of the dissolution, merger, consolidation or reorganization of Crown, the successor shall have all of the powers, duties and responsibilities of Crown under this Plan.

Section 16. Governing Law. This Plan shall be construed and enforced in accordance with, and governed by, the laws of the State of Maryland.

Section 17. Change of Control. The Board of Directors may adopt additional provisions with respect to SRI Benefits that are applicable in the case of a change of control.

Section 18. Claim Procedures.

(a) A Participant or beneficiary shall be entitled to file a claim for benefits under the Plan. Any claim shall be filed with the Secretary of the Corporation on behalf of the Board. The claim is required to be in writing. If the claim is denied by the Board, in whole or in part, the claimant shall be furnished within 90 days after the Board's receipt of the claim (or within 180 days after such receipt if special circumstances require an extension of time) a written notice of denial of the claim containing the following:

i. Specific reason or reasons for denial;

ii. Specific reference to pertinent Plan provisions on which the denial is based;

iii. A description of any additional material or information necessary for the claimant to perfect the claim, and an explanation of why the material or information is necessary; and

iv. An explanation of the claims review procedure.

(b) A claimant may request a review of a denial at any time within 60 days following the date the claimant received written notice of the denial of his claim. For purposes of this Section, any action required or authorized to be taken by the claimant may be taken by a representative authorized in writing by the claimant to represent him. The Board shall afford the claimant a full and fair review of the decision denying the claim and, if so requested, shall:

i. Permit the claimant to review any documents that are pertinent to the claim; and

ii. Permit the claimant to submit to the Board issues and comments in writing.

(c) The decision on review by the Board shall be in writing and shall be issued within 60 days following receipt of the request for review. The period for decision may be extended to a date not later than 120 days after such receipt if the Board determines that special circumstances require extension. The decision on review shall include specific reasons for the decision and specific references to the pertinent Plan provisions on which the decision of the Board is based.

IN WITNESS WHEREOF, Crown Central Petroleum Corporation has caused this restated Plan to be executed the 26th day of September, 1996.

CROWN CENTRAL PETROLEUM CORPORATION

By: Henry A. Rosenberg, Jr.
Chairman of the Board

THIS FOURTH AMENDMENT TO THE CROWN CENTRAL PETROLEUM CORPORATION EMPLOYEES SAVINGS PLAN, made on this 26th day of September, 1996 BY CROWN CENTRAL PETROLEUM CORPORATION, a Maryland Corporation:

WITNESSETH

WHEREAS, Crown Central Petroleum Corporation (the "Company") maintains the Crown Central Petroleum Employees Savings Plan, amended and restated as of January 1, 1987 and as subsequently amended (the "Plan"). The Company has the power to amend the Plan and now wishes to do so.

NOW, THEREFORE, the Plan is amended as follows:

I. Effective September 26, 1996, Section 5.1(a) is amended to read as follows:

(a) Pursuant to procedures adopted by the Plan Administrator and uniformly applied, but subject to the further conditions in this Section 5.2 prescribed, Participants may direct through a plan fiduciary who shall be identified at all times, the sale or redemption of investments in their accounts and the reinvestment of the proceeds of such sale or redemption at least once in each calendar quarter, except as otherwise required in order to make a permitted withdrawal in cash. Only for periods prior to September 26, 1996, any election made by a Participant who is an officer or director of the Company to sell Class A or Class B Common Stock of the Company as well as any election made by such a Participant to purchase Class A or Class B Common Stock of the Company with the proceeds of a sale or redemption of other investments in such Participant's Accounts (i) may not be made within less than six months before or after any other election by such Participant to sell or purchase Class A or Class B Common Stock of the Company and (ii) may only be made during the period in each calendar quarter which begins on the third business day following the release of quarterly or annual statements of sales and earnings of the Company and ends on the twelfth business day following such date.

II. Effective September 26, 1996, Section 7.5(a) is amended to read as follows:
(a) Officers and Directors.

Only for periods prior to September 26, 1996, Participants who are officers or directors of the Company and who withdraw Class A or Class B Common Stock of the Company under this Article, must either (i) cease further purchases in the Plan of Class A Common Stock of the Company (or of any other equity security of the Company which may be offered for acquisition under this Plan) for six (6) months or (ii) enter into a written agreement with the Company to hold such withdrawn stock for at least six (6) months prior to disposition thereof.

III. In all respects not amended, the Plan is hereby ratified and confirmed.

* * * * *

IN WITNESS WHEREOF, the Company had caused this Amendment to be executed by its duly authorized officer and its corporate seal duly attested as of the day and year first above written.

ATTEST:

Delores B. Rawlings

CROWN CENTRAL PETROLEUM CORPORATION

By Henry A. Rosenberg, Jr.
Chairman of the Board

THIS FIRST AMENDMENT TO THE CROWN CENTRAL PETROLEUM CORPORATION 1994 LONG TERM INCENTIVE PLAN, made on this 26th day of September , 1996 BY CROWN CENTRAL PETROLEUM CORPORATION, a Maryland Corporation:

WITNESSETH

WHEREAS, Crown Central Petroleum Corporation (the "Company") maintains the Crown Central Petroleum Corporation 1994 Long Term Incentive Plan, effective as of January 1, 1994 (the "Plan"). The Company has the power to amend the Plan and now wishes to do so.

NOW, THEREFORE, the Plan is amended as follows:

I. Effective September 26, 1996, Section 4(a)(1) is amended to read as follows:

``

(1) The purchase price of the Stock subject to the option may be paid, at the Participant's election, in one or more of the following methods: (A) in cash, (B) by delivery of a properly executed exercise notice together with irrevocable instructions to a broker to deliver promptly to the Corporation, from the sale or loan proceeds with respect to the sale of Stock or a loan secured by Stock, the amount necessary to pay the exercise price, (C) by having shares of Stock deducted from the payment to satisfy the obligation in full or in part, or (D) by delivering already owned Stock which the Participant has owned at least six months. The number of shares of Stock to be deducted or delivered shall be determined by the Committee with reference to the Fair Market Value of the Stock when the exercise is made. The Committee may authorize any other methods for the payment of the exercise price that it determines are consistent with the Plan's purpose and applicable

law. No fractional shares of Stock will be issued or accepted.''

II. Effective September 26, 1996, Section 6(a)(4) is amended to read as follows:

``

(4) Withholding. A provision requiring the withholding of applicable taxes required by law from all amounts paid in satisfaction of an Award. A Participant must elect one or more of the following methods to satisfy the withholding obligation: (A) paying the amount of any taxes in cash or through withholding from compensation, (B) having shares of Stock deducted from the payment to satisfy the obligation in full or in part, or (C) delivering already owned Stock which the Participant has owned at least six months to satisfy the obligation in full or in part. The amount of the withholding and the number of shares to be deducted or delivered shall be determined by the Committee with reference to the Fair Market Value of the Stock when the withholding is required to be made.''

III. Effective September 26, 1996, Section 6(a)(6) is deleted in its entirety.

IV. Effective September 26, 1996, the second sentence of Section 7 is amended to read as follows:

``

The Committee may at any time alter or amend any or all Award Agreements under the Plan to the extent permitted by law, but no such alteration or amendment shall impair the rights of any holder of an Award without the holder's consent, except to preserve the Award as exempt from Section 16(b) of the Exchange Act.''

V. Effective September 26, 1996, the first sentence of Section 8(a) is amended to read as follows:

``

The Plan and all Awards granted pursuant thereto shall be administered by a Committee of the Board of Directors, which Committee shall consist of not less than two (2) members of such Board of

Directors who are ``Non-Employee Directors'' under

Rule 16b-3(b)(3) of the Exchange Act and shall be constituted so as to permit the Plan to comply with the administration requirements of Code Section 162(m)(4)(C).''

VI. In all respects not amended, the Plan is hereby ratified and confirmed.

* * * * *

IN WITNESS WHEREOF, the Company has caused this Amendment to be executed by its duly authorized officer and its corporate seal duly attested as of the day and year first above written.

ATTEST:

Delores B. Rawlings

CROWN CENTRAL PETROLEUM CORPORATION

By Henry A. Rosenberg, Jr.
Chairman of the Board

<TABLE>
<CAPTION>

EXHIBIT 11
EXHIBIT 11
EXHIBIT 11

CROWN CENTRAL PETROLEUM CORPORATION AND SUBSIDIARIES
COMPUTATION OF EARNINGS PER SHARE
COMPUTATION OF EARNINGS PER SHARE
COMPUTATION OF EARNINGS PER SHARE
(thousands of dollars except per share amounts)

Nine Months Ended

September 30

____
1996 _____

___

____
1995

Primary and Fully Diluted
Primary and Fully Diluted
Primary and Fully Diluted
Earnings Per Share
Earnings Per Share
Earnings Per Share
<S> <C> <C>
Net (loss)
_
$ _

	(13,634)	$ (2,841)
Shares outstanding as reported at January 1, 1996 and 1995, respectively	9,952,950	9,803,098
Restricted shares held by the Company at January 1	(255,300)	(105,500)
Weighted average effect of 34,728 shares of common stock issued in 1996	20,502	
Weighted average number of common shares outstanding, as adjusted at September 30	9,718,15	9,697,59

	2	8
Net (loss) per common share	$ (1.40)	$ (.29)

</TABLE>

CROWN
(registered trademark)

Crown Central Petroleum Corporation
Refiners / marketers of petroleum products & petrochemicals
One North Charles Street, P.O. Box 1168, Baltimore, Maryland 21203, (410) 539-7400

EXHIBIT 20
October 31, 1996
RESULTS THIRD QUARTER 1996

Dear Shareholders:

For the third quarter of 1996, Crown Central Petroleum had a net loss of $3.6 million ($.37 per share) compared to a net income of $.3 million ($.03 per share) for the same period in 1995. Sales and operating revenues in the quarter amounted to $398 million compared to $367 million last year. For the nine months, Crown is reporting a net loss of $13.6 million ($1.40 per share) on revenues of $1.2 billion. This compares to net income of $.4 million ($.04 per share) before an extraordinary charge for the early retirement of debt of $3.3 million ($.33 per share) on revenues of $1.1 billion for the same period in 1995.

The reported loss for the third quarter was primarily the result of higher costs for crude and feed stocks in the world market due to a number of factors, including unrest in the Middle East. During the quarter, commodity crude traded in the range of $20 to $24 per barrel. Henry A. Rosenberg, Jr., Chairman of the Board, Chief Executive Officer and President observed, `` Gasoline and distillate prices lagged the dramatic crude oil prices increase resulting in pressure on the company's gross refining margin.''

During this period of rapidly rising crude oil prices, the company's reported operating results were negatively impacted by its use of the LIFO (last-in, first-out) method of valuing inventory. For the third quarter of 1996, LIFO negatively impacted net income by $4.3 million, compared with a $1.6 million favorable impact for

the same period last year when prices decreased during the quarter. Accordingly, the company's cash flow from operations, EBITDAAL (earnings before interest, taxes, depreciation, amortization, abandonment and LIFO) was markedly stronger in the current quarter at $13.9 million compared to $10.2 million in 1995.

The refining margins on the Gulf Coast continued during this period at historically low levels. In order to minimize exposure to price volatility, refiners have kept crude inventories at historic low levels. This has necessitated more spot purchases of crude supplies which adds further pressure on pricing. Current supplies of U.S. oil stocks are about 79 days versus a historic average of 93 days 10 years ago.

Even with the difficult operating environment, CrownCen, Crown's marketing unit, continued to produce positive results. Merchandise sales at comparable stores were 4.3% higher and gasoline volumes were 2.2% over the same period last year. Gasoline and merchandise margins rose 2.8% and 15.4% respectively over last year's extraordinary gains. Retail net profit, at $5.7 million in both periods, remained steady even though operating expenses increased due to higher labor costs associated with the new minimum wage law and the need to maintain a competitive compensation scale.

Despite this challenging environment, innovative and creative refining/marketing strategies can be developed. For example, Crown's recent arrangements for processing with Statoil and an ethylene sales agreement with Shell Chemical provide enhanced opportunities for reducing the effects of prolonged refining down cycles to which Crown continues to have exposure. Crown will actively consider other opportunities to increase its profitability and market share. These are challenging times in our industry and Crown personnel have learned it is not business as usual

At the Pasadena refinery, the lock-out continues. On several occasions, Crown has offered, through the federal mediation service, to reopen negotiations to discuss the company's July

12 proposal. Unfortunately, the OCAW (Oil, Chemical and Atomic Workers Union) has failed to respond. Meanwhile, the maintenance program is on schedule and refining production at Pasadena is being maintained at the optimum operating level.

Crown is pleased by the NLRB (National Labor Relations Board) dismissal of all unfair labor practice charges filed by OCAW, most notably the decision that the lock-out was not illegal. While OCAW has appealed several of the decisions, we are confident the NLRB's original findings will be affirmed.

Performance of all our personnel, under difficult circumstances, has been excellent and in the finest traditions of the company. We owe a debt of gratitude and recognition to all those involved.

Sincerely,

HENRY A. ROSENBERG, JR.
Chairman of the Board, Chief Executive Officer, and President

____
NOTE

Due to a revision in recording intracompany sales transactions during the third quarter of 1996, Sales and operating revenues for the three and nine months ended September 30, 1996 as originally reported in the Letter to the Shareholders dated October 31, 1996, have been revised to exclude the effects of these transactions. This revision had no effect on net loss or net loss per share as originally reported for the three and nine months ended September 30, 1996.

<TABLE>
<CAPTION>

Crown Central Petroleum Corporation and Subsidiaries
Dollars in thousands, except per share data

Nine Months Ended Three Months Ended

<S>	September 30 1996 <C>	1995 <C>	September 30 1996 <C>	1995 <C>
Sales and operating revenues	$ 1,200,188	$ 1,092,078	$ 397,889	$ 367,120
(Loss) income before income taxes	(20,970)	1,929	(4,343)	(290)
(Loss) income before extraordinary item	(13,634)	416	(3,636)	304
(Loss) from extraordinary item 1/	----	(3,257)	----	----
Net (loss) income 2/	(13,634)	(2,841)	(3,636)	304
(Loss) income per share before extraordinary item	(1.40)	.04	(.37)	.03
(Loss) per share from extraordinary item	----	(.33)	----	----
Net (loss) income per share	(1.40)	(.29)	(.37)	.03
Weighted average shares used in the computation of (loss) income per share	9,718,152	9,697,598	9,718,152	9,697,598

<FN>

During the first quarter of 1995, the Company incurred an

1/

extraordinary loss as a result of the early retirement of its outstanding 10.42% Senior Notes (Notes). The outstanding Notes were retired on January 24, 1995 from the proceeds received from the sale of $125 million of unsecured 10 7/8% Senior Notes due February 1, 2005.

As a result of decreased crude oil requirement at the

2/

Pasadena refinery, the Company achieved a reduction in LIFO inventories during the third quarter of 996 which is expected to be replaced by year-end. The impact of this interim LIFO inventory reduction was to reduce the net loss for the three and nine months ended September 30, 1996 by approximately $2.1 million ($.22 per share).

NOTE

Due to a revision in recording intracompany sales transactions during the third quarter of 1996, Sales and operating revenues for the three and nine months ended September 30, 1996 as originally reported in the Letter to the Shareholders dated October 31, 1996, have been revised to exclude the effects of these transactions. This revision had no effect on net loss or net loss per share as originally reported for the three and nine months ended September 30, 1996.

</TABLE>

<TABLE>
<CAPTION>

CROWN CENTRAL PETROLEUM CORPORATION
OPERATING STATISTICS

<S>	Nine Months Ended September 30 1996 <C>	1995 <C>	Three Months Ended September 30 1996 <C>	1995 <C>
COMBINED REFINERY OPERATIONS				
Production (BPD - M)	151	156	152	159
Production (MMbbl)	41.4	42.5	14.0	14.6
Sales (MMbbl)	43.9	40.2	13.8	15.0
Gross Margin ($/bbl)	2.20	2.72	2.46	1.98
Gross Profit ($MM)	96.6	109.3	33.9	29.7
Operating Cost ($/bbl)	2.19	2.47	2.32	2.16
Operating Cost ($MM)	96.3	99.2	32.1	32.4
Net Refining Profit (Loss) ($MM)	0.3	10.1	1.8	(2.7)
RETAIL				
Number Stores	344	348	344	348
Volume (pmps - Mgal)	129	122	133	128
Volume (MMgal)	398	381	138	133
Gasoline Gross Margin ($/gal)	0.13	0.12	0.14	0.14
Gasoline Gross Profit ($MM)	51.1	45.5	19.2	18.6
Merchandise Sales (pmps - $M)	24.9	23.9	26.1	24.5
Merchandise Sales ($MM)	77.2	74.7	26.9	25.6
Merchandise Gross Margin (%)	28.9	26.3	29.2	27.2
Merchandise Gross Profit ($MM)	22.3	19.7	7.9	7.0
Retail Gross Profit ($MM)	73.4	65.2	27.1	25.6
Retail Operating Costs (pmps - $M)	(19.4)	(16.7)	(20.0)	(17.5)
Retail Operating Costs ($MM)	(59.9)	(52.3)	(20.6)	(18.3)
Retail Non-Operating				

Income (Expense) ($MM)	0.0	(3.0)	(0.8)	(1.6)
Retail Net Profit ($MM)	13.5	9.9	5.7	5.7
WHOLESALE / TERMINAL NET PROFIT (LOSS) ($MM)	1.0	0.8	1.3	(0.1)

OTHER

LIFO (Provision) Recovery ($MM)	(15.7)	0.3	(6.8)	2.5
Corporate Overhead / Other ($MM)	(20.0)	(19.1)	(6.3)	(5.7)
Income Tax Benefit (Expense) ($MM)	7.3	(1.5)	0.7	0.6
(Loss) from Extraordinary Item ($MM)		(3.3)		
Total Net (Loss) Income ($MM)	(13.6)	(2.8)	(3.6)	0.3
Depreciation & Amortization ($MM)	24.0	28.6	8.0	9.7
Net Interest Expense ($MM)	9.5	8.5	3.3	3.1
LIFO Provision (Recovery) ($MM)	15.7	(0.3)	6.8	(2.5)
Loss from Asset Disposals ($MM)	0.1	0.0	0.1	0.2
Loss from Extraordinary Item ($MM)		3.3		
EBITDAAL ($MM)	28.3	38.8	13.9	10.2
Capital Expenditures ($MM)	19.8	27.1	5.0	12.4

<FN>

BPD = Barrels Per Day
bbl = barrel or barrels as applicable
gal = gallon or gallons as applicable
pmps = per month per store
M = in thousands
MM = in millions

</TABLE>

<TABLE> <S> <C>

<ARTICLE>	5
<MULTIPLIER>	1000
<FISCAL-YEAR-END>	DEC-31-1996
<PERIOD-END>	SEP-30-1996
<PERIOD-TYPE>	9-MOS

<CAPTION>

Crown Central Petroleum Corporation and Subsidiaries
Dollars in thousands, except per share data

Crown Central Petroleum Corporation and Subsidiaries
Financial Data Schedule
(In thousands, except per share amounts)

	Nine Months Ended September 30, 1996
<S>	<C>
<CASH>	$ (1,892)
<SECURITIES>	25,294
<RECEIVABLES>	107,802
<ALLOWANCES>	1,074
<INVENTORY>	92,539
<CURRENT-ASSETS>	230,388
<PP&E>	636,537
<DEPRECIATION>	336,412
<TOTAL-ASSETS>	565,127
<CURRENT-LIABILITIES>	203,629
<BONDS>	127,529
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	49,920
<OTHER-SE>	126,417
<TOTAL-LIABILITY-AND-EQUITY>	565,127
<SALES>	1,200,188
<TOTAL-REVENUES>	1,200,188
<CGS>	1,118,435
<TOTAL-COSTS>	1,118,435
<OTHER-EXPENSES>	93,230
<LOSS-PROVISION>	323
<INTEREST-EXPENSE>	10,778

<INCOME-PRETAX>	(20,970)
<INCOME-TAX>	(7,336)
<INCOME-CONTINUING>	(13,634)
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	(13,634)
<EPS-PRIMARY>	(1.40)
<EPS-DILUTED>	(1.40)

</TABLE>