

HOLLY CORP  
Form S-4/A  
May 16, 2011

**Table of Contents**

**As filed with the Securities and Exchange Commission on May 13, 2011**

**Registration No. 333-172978**

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

**Amendment No. 2**

**to**

**Form S-4**

**REGISTRATION STATEMENT  
UNDER**

**THE SECURITIES ACT OF 1933  
HOLLY CORPORATION**

*(Exact name of registrant as specified in its charter)*

**Delaware**

*(State or other jurisdiction of  
Incorporation or organization)*

**2911**

*(Primary Standard Industrial  
Classification Code Number)*

**75-1056913**

*(I.R.S. Employer  
Identification No.)*

**100 Crescent Court, Suite 1600  
Dallas, Texas 75201-6915  
(214) 871-3555**

*(Address, including ZIP Code, and telephone number) Including area code, of registrant's principal executive offices)*

**Denise C. McWatters  
Vice President, General Counsel and Secretary  
Holly Corporation  
100 Crescent Court, Suite 1600  
Dallas, Texas 75201-6915  
(214) 871-3555**

*(Name, address, including ZIP code, and telephone number, Including area code, of agent for service)*

***Copies to:***

**Alan J. Bogdanow**  
**Christopher R. Rowley**  
**Vinson & Elkins LLP**  
**2001 Ross Avenue, Suite 3700**  
**Dallas, Texas 75201-2975**  
**(214) 220-7700**

**J. Currie Bechtol**  
**Vice President-General Counsel**  
**and**  
**Secretary**  
**Frontier Oil Corporation**  
**10000 Memorial Drive, Suite 600**  
**Houston, Texas 77024-3411**  
**(713) 688-9600**

**Robert V. Jewell**  
**Melinda H. Brunger**  
**Andrews Kurth LLP**  
**600 Travis, Suite 4200**  
**Houston, Texas 77002**  
**(713) 220-4200**

**Approximate date of commencement of proposed sale of the securities to the public:** As soon as practicable after this Registration Statement becomes effective and upon completion of the merger described in the enclosed joint proxy statement/prospectus.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until the Registration Statement shall become effective on such dates as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

---

**Table of Contents**

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This joint proxy statement/prospectus shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of such securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to appropriate registration or qualification under the securities laws of such jurisdiction.

**PRELIMINARY SUBJECT TO COMPLETION DATED MAY 13, 2011**

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

Holly Corporation ( Holly ) and Frontier Oil Corporation ( Frontier ) have agreed to a merger of equals business combination (the merger ) and have entered into an Agreement and Plan of Merger, dated as of February 21, 2011 (the merger agreement ). Pursuant to the terms of the merger agreement, a wholly owned subsidiary of Holly will merge with and into Frontier, with Frontier surviving as a wholly owned subsidiary of Holly. Upon completion of the merger, Holly will be the parent company of Frontier and Holly s name will be changed to HollyFrontier Corporation.

Upon completion of the merger, Frontier shareholders will receive 0.4811 shares of Holly common stock for each share of Frontier common stock that they own (the exchange ratio ). The exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to the closing of the merger. Based on the closing price of Holly common stock on the New York Stock Exchange (the NYSE ) on February 18, 2011, the last trading day before public announcement of the merger, the 0.4811 exchange ratio represented approximately \$26.99 in value for each share of Frontier common stock. Based on the closing price of Holly common stock on the NYSE on May [ ], 2011, the last trading day before the date of this joint proxy statement/prospectus, the 0.4811 exchange ratio represented approximately \$[ ] in value for each share of Frontier common stock. Holly stockholders will continue to own their existing Holly shares. Holly common stock and Frontier common stock are currently traded on the NYSE under the symbols HOC and FTO, respectively. **We urge you to obtain current market quotations of Holly and Frontier common stock.**

We intend for the merger to qualify as a reorganization for U.S. federal income tax purposes. Accordingly, Frontier shareholders are not expected to recognize any gain or loss for U.S. federal income tax purposes upon the exchange of shares of Frontier common stock for shares of Holly common stock pursuant to the merger, except with respect to cash received in lieu of fractional shares of Holly common stock.

Based on the estimated number of shares of Holly and Frontier common stock that will be outstanding immediately prior to the closing of the merger, we estimate that, upon such closing, former Holly stockholders will own approximately 51.0% of the combined company following the merger and former Frontier shareholders will own approximately 49.0% of the combined company following the merger.

Holly and Frontier will each hold special meetings of their respective stockholders in connection with the proposed merger. At the Holly special meeting, Holly stockholders will be asked to vote on the proposal to approve the issuance of shares of Holly common stock to Frontier shareholders in connection with the merger and on the proposal to approve and adopt Holly s amended and restated certificate of incorporation to, among other things, increase the number of authorized shares of Holly capital stock and change the name of Holly to HollyFrontier Corporation. At the Frontier special meeting, Frontier shareholders will be asked to vote on the proposal to approve the merger agreement.

We cannot complete the merger unless the Holly stockholders approve the issuance of shares of Holly common stock to Frontier shareholders in connection with the merger and the Frontier shareholders approve the merger agreement, in each case as described above. **Your vote is very important, regardless of the number of shares that you own. Whether or not you expect to attend your special meeting in person, please submit a proxy to vote your shares as promptly as possible so that your shares may be represented and voted at the Holly or Frontier special meeting, as applicable.**

**The Holly board of directors unanimously recommends that the Holly stockholders vote FOR the proposal to approve the issuance of shares of Holly common stock to Frontier shareholders in connection with the merger, FOR the proposal to approve and adopt Holly's amended and restated certificate of incorporation and FOR the proposal to approve the adjournment of the Holly special meeting, if necessary or appropriate, to permit further solicitation of proxies. The Frontier board of directors unanimously recommends that the Frontier shareholders vote FOR the proposal to approve the merger agreement and FOR the proposal to approve the adjournment of the Frontier special meeting, if necessary or appropriate, to permit further solicitation of proxies.**

The obligations of Holly and Frontier to complete the merger are subject to the satisfaction or waiver of several conditions. The accompanying joint proxy statement/prospectus contains detailed information about Holly, Frontier, the special meetings, the merger agreement and the merger. **You should read this joint proxy statement/prospectus carefully and in its entirety before voting, including the section entitled Risk Factors beginning on page 18.**

We look forward to the successful combination of Holly and Frontier.

Sincerely,

Matthew P. Clifton  
Chairman of the Board and Chief Executive Officer  
Holly Corporation

Michael C. Jennings  
Chairman, President and Chief Executive Officer  
Frontier Oil Corporation

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this joint proxy statement/prospectus or determined if this joint proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

This joint proxy statement/prospectus is dated May [ ], 2011 and is first being mailed to Holly stockholders and Frontier shareholders on or about May [ ], 2011.

---

**Table of Contents**

**Holly Corporation  
100 Crescent Court  
Suite 1600  
Dallas, Texas 75201-6915  
(214) 871-3555**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS  
To Be Held On June 28, 2011**

To the Stockholders of Holly Corporation:

We are pleased to invite you to attend the special meeting of stockholders of Holly Corporation, a Delaware corporation ( Holly ), which will be held at the offices of Vinson & Elkins LLP, 2001 Ross Avenue, 39th Floor, Dallas, Texas 75201, on June 28, 2011, at 3:00 p.m., local time, for the following purposes:

to vote on a proposal to approve the issuance of shares of Holly common stock, par value \$0.01 per share, to Frontier shareholders in connection with the merger contemplated by the Agreement and Plan of Merger, dated February 21, 2011, by and among Holly, Frontier Oil Corporation ( Frontier ) and North Acquisition, Inc., a wholly owned subsidiary of Holly, as it may be amended from time to time (the merger agreement ), a copy of which is included as Annex A to the joint proxy statement/prospectus of which this notice is a part;

to vote on a proposal to approve and adopt Holly s amended and restated certificate of incorporation, a copy of which is included as Annex F to the joint proxy statement/prospectus of which this notice is a part, to, among other things, (i) increase the number of authorized shares of Holly capital stock from 161 million to 325 million shares and (ii) change the name of Holly to HollyFrontier Corporation; and

to vote on a proposal to approve the adjournment of the Holly special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the first proposal listed above.

Holly will transact no other business at the special meeting except such business as may properly be brought before the special meeting or any adjournment or postponement thereof. Please refer to the joint proxy statement/prospectus of which this notice is a part for further information with respect to the business to be transacted at the Holly special meeting.

The Holly board of directors has fixed the close of business on May 20, 2011 as the record date for the Holly special meeting. Only Holly stockholders of record at that time are entitled to receive notice of, and to vote at, the Holly special meeting or any adjournment or postponement thereof. A complete list of such stockholders will be available for inspection by any Holly stockholder for any purpose germane to the special meeting during ordinary business hours for the ten days preceding the Holly special meeting at Holly s offices at the address on this notice. The eligible Holly stockholder list will also be available at the Holly special meeting for examination by any stockholder present at such meeting.

Completion of the merger is conditioned on approval of the issuance of shares of Holly common stock to Frontier shareholders in connection with the merger, but it is not conditioned on approval and adoption of Holly s amended and restated certificate of incorporation. Approval of the issuance of shares of Holly common stock to Frontier shareholders in connection with the merger requires the approval of a majority of the votes cast at the Holly special meeting, assuming a quorum. Approval of the proposal to approve and adopt Holly s amended and restated certificate

of incorporation requires the affirmative vote of the holders of a majority of the shares of Holly common stock outstanding and entitled to vote at the special meeting. Approval of the adjournment of the Holly special

---

**Table of Contents**

meeting to a later date or dates, if necessary or appropriate, to permit further solicitation of proxies requires the approval of a majority of the votes cast at the Holly special meeting.

**The Holly board of directors has unanimously approved the merger and the merger agreement and unanimously recommends that Holly stockholders vote FOR the proposal to approve the issuance of shares of Holly common stock to Frontier shareholders in connection with the merger, FOR the proposal to approve and adopt Holly s amended and restated certificate of incorporation and FOR the proposal to approve the adjournment of the Holly special meeting, if necessary or appropriate, to permit further solicitation of proxies.**

**Your vote is very important. Whether or not you expect to attend the Holly special meeting in person, to ensure your representation at the Holly special meeting, we urge you to submit a proxy to vote your shares as promptly as possible by (i) accessing the internet site listed on the Holly proxy card, (ii) calling the toll-free number listed on the Holly proxy card or (iii) submitting your Holly proxy card by mail by using the provided self-addressed, stamped envelope.** Submitting a proxy will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any eligible holder of Holly stock who is present at the Holly special meeting may vote in person, thereby canceling any previous proxy. In any event, a proxy may be revoked in writing at any time before the Holly special meeting in the manner described in the accompanying document. If your shares are held in the name of a bank, broker or other nominee, please follow the instructions on the voting instruction card furnished by the bank, broker or other nominee.

The enclosed joint proxy statement/prospectus provides a detailed description of the merger and the merger agreement and the other matters to be considered at the Holly special meeting. We urge you to carefully read this joint proxy statement/prospectus, including any documents incorporated by reference, and the Annexes in their entirety. If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies or need help voting your shares of Holly common stock, please contact Holly s proxy solicitor:

Georgeson, Inc.  
199 Water Street, 26<sup>th</sup> Floor  
New York, New York 10038  
(866) 482-4943

By Order of the Holly Board of Directors,

Denise C. McWatters  
Vice President, General Counsel and Secretary

Dallas, Texas  
May [ ], 2011

---



**Table of Contents**

**Frontier Oil Corporation  
10000 Memorial Drive, Suite 600  
Houston, TX 77024-3411  
(713) 688-9600**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS  
To Be Held On June 28, 2011**

To the Shareholders of Frontier Oil Corporation:

We are pleased to invite you to attend the special meeting of shareholders of Frontier Oil Corporation, a Wyoming corporation ( Frontier ), which will be held at the offices of Andrews Kurth LLP, 600 Travis, Suite 4200, Houston, Texas 77002, on June 28, 2011, at 3:00 p.m., local time, for the following purposes:

to vote on a proposal to approve the Agreement and Plan of Merger, dated February 21, 2011, by and among Holly Corporation ( Holly ), Frontier and North Acquisition, Inc., a wholly owned subsidiary of Holly, as it may be amended from time to time (the merger agreement ), a copy of which is included as Annex A to the joint proxy statement/prospectus of which this notice is a part; and

to vote on a proposal to approve the adjournment of the Frontier special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the foregoing proposal.

Frontier will transact no other business at the special meeting except such business as may properly be brought before the special meeting or any adjournment or postponement thereof. Please refer to the joint proxy statement/prospectus of which this notice is a part for further information with respect to the business to be transacted at the Frontier special meeting.

The Frontier board of directors has fixed the close of business on May 20, 2011 as the record date for the Frontier special meeting. Only Frontier shareholders of record at that time are entitled to receive notice of, and to vote at, the Frontier special meeting or any adjournment or postponement thereof. A complete list of such shareholders will be available for inspection by any Frontier shareholder for any purpose germane to the special meeting during ordinary business hours for the ten days preceding the Frontier special meeting at Frontier 's headquarters, 10000 Memorial Drive, Suite 600, Houston, Texas 77024. The eligible Frontier shareholder list will also be available at the Frontier special meeting for examination by any shareholder present at such meeting.

Approval of the merger agreement requires the approval of a majority of the votes cast at the Frontier special meeting, assuming a quorum. Approval of the adjournment of the Frontier special meeting to a later date or dates, if necessary or appropriate, to permit further solicitation of proxies requires the approval of a majority of the votes cast at the Frontier special meeting.

**The Frontier board of directors has unanimously adopted the merger agreement and unanimously recommends that Frontier shareholders vote FOR the proposal to approve the merger agreement and FOR the proposal to approve the adjournment of the Frontier special meeting, if necessary or appropriate, to permit further solicitation of proxies.**

**Your vote is very important. Whether or not you expect to attend the Frontier special meeting in person, to ensure your representation at the Frontier special meeting, we urge you to submit a proxy to vote your shares**

**as promptly as possible by (i) accessing the internet site listed on the Frontier proxy card, (ii) calling**

---

**Table of Contents**

**the toll-free number listed on the Frontier proxy card or (iii) submitting your Frontier proxy card by mail by using the provided self-addressed, stamped envelope.** Submitting a proxy will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any eligible holder of Frontier stock who is present at the Frontier special meeting may vote in person, thereby canceling any previous proxy. In any event, a proxy may be revoked in writing at any time before the Frontier special meeting in the manner described in the accompanying document. If your shares are held in a Frontier plan or in the name of a broker, bank or other nominee, please follow the instructions on the voting instruction card furnished by the plan trustee or administrator, or record holder, as appropriate.

The enclosed joint proxy statement/prospectus provides a detailed description of the merger and the merger agreement. We urge you to carefully read this joint proxy statement/prospectus, including any documents incorporated by reference, and the Annexes in their entirety. If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies or need help voting your shares of Frontier common stock, please contact Frontier's proxy solicitor:

Innisfree M&A Incorporated  
501 Madison Avenue, 20th Floor  
New York, New York 10022  
(212) 750-5833

By Order of the Frontier Board of Directors,

J. Currie Bechtol  
Vice President-General Counsel & Secretary

Houston, Texas  
May [ ], 2011

---

**Table of Contents**

**ADDITIONAL INFORMATION**

This joint proxy statement/prospectus incorporates important business and financial information about Holly and Frontier from other documents that are not included in or delivered with this joint proxy statement/prospectus. This information is available to you without charge upon your request. You can obtain the documents incorporated by reference into this joint proxy statement/prospectus free of charge by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

**Georgeson, Inc.**

199 Water Street, 26<sup>th</sup> Floor  
New York, New York 10038

Stockholders May Call Toll-Free: (866) 482-4943  
Banks and Brokers May Call Collect: (212) 440-9800

**Innisfree M&A Incorporated**

501 Madison Avenue, 20th Floor  
New York, New York 10022

Stockholders May Call Toll-Free: (888) 750-5834  
Banks and Brokers May Call Collect: (212) 750-5833

**Investors may also consult Holly's or Frontier's website for more information about Holly or Frontier, respectively. Holly's website is [www.hollycorp.com](http://www.hollycorp.com). Frontier's website is [www.frontieroil.com](http://www.frontieroil.com).** Information included on these websites is not incorporated by reference into this joint proxy statement/prospectus.

**If you would like to request any documents, please do so by June [ ], 2011 in order to receive them before the special meetings.**

For a more detailed description of the information incorporated by reference in this joint proxy statement/prospectus and how you may obtain it, see "Where You Can Find More Information" beginning on page 133.

---

Table of Contents

**ABOUT THIS JOINT PROXY STATEMENT/PROSPECTUS**

This joint proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the U.S. Securities and Exchange Commission (the SEC) by Holly, constitutes a prospectus of Holly under Section 5 of the Securities Act of 1933, as amended (the Securities Act), with respect to the shares of Holly common stock to be issued to Frontier shareholders in connection with the merger. This joint proxy statement/prospectus also constitutes a joint proxy statement for both Holly and Frontier under Section 14(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act). It also constitutes a notice of meeting with respect to the special meeting of Holly stockholders and a notice of meeting with respect to the special meeting of Frontier shareholders.

You should rely only on the information contained in or incorporated by reference into this joint proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this joint proxy statement/prospectus. This joint proxy statement/prospectus is dated May [ ], 2011. You should not assume that the information contained in this joint proxy statement/prospectus is accurate as of any date other than that date. You should not assume that the information incorporated by reference into this joint proxy statement/prospectus is accurate as of any date other than the date of the incorporated document. Neither our mailing of this joint proxy statement/prospectus to Holly stockholders or Frontier shareholders nor the issuance by Holly of shares of common stock pursuant to the merger will create any implication to the contrary.

**This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation. Information contained in this joint proxy statement/prospectus regarding Holly has been provided by Holly and information contained in this joint proxy statement/prospectus regarding Frontier has been provided by Frontier.**

All references in this joint proxy statement/prospectus to Holly refer to Holly Corporation, a Delaware corporation; all references in this joint proxy statement/prospectus to Merger Sub refer to North Acquisition, Inc., a Wyoming corporation and wholly owned subsidiary of Holly formed for the sole purpose of effecting the merger; all references in this joint proxy statement/prospectus to Frontier refer to Frontier Oil Corporation, a Wyoming corporation; unless otherwise indicated or as the context requires, all references in this joint proxy statement/prospectus to we, our and us refer to Holly and Frontier collectively; and, unless otherwise indicated or as the context requires, all references to the merger agreement refer to the Agreement and Plan of Merger, dated as of February 21, 2011, by and among Holly Corporation, North Acquisition, Inc. and Frontier Oil Corporation, a copy of which is included as Annex A to this joint proxy statement/prospectus. Holly and Frontier, subject to and following completion of the merger, are sometimes referred to in this joint proxy statement/prospectus as the combined company.

---

**Table of Contents****TABLE OF CONTENTS**

<u>QUESTIONS AND ANSWERS</u>	iv
<u>SUMMARY</u>	1
<u>The Companies</u>	1
<u>The Merger</u>	2
<u>The Meetings</u>	9
<u>Summary Historical Consolidated Financial Data</u>	11
<u>Summary Unaudited Pro Forma Condensed Combined Financial Information of Holly and Frontier</u>	14
<u>Unaudited Comparative Per Share Data</u>	14
<u>Comparative Market Prices</u>	16
<u>SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	17
<u>RISK FACTORS</u>	18
<u>Risk Factors Relating to the Merger</u>	18
<u>Risk Factors Relating to the Combined Company Following the Merger</u>	22
<u>Other Risk Factors Relating to Holly and Frontier</u>	25
<u>THE COMPANIES</u>	26
<u>Holly Corporation</u>	26
<u>Frontier Oil Corporation</u>	26
<u>North Acquisition, Inc.</u>	26
<u>THE HOLLY SPECIAL MEETING</u>	27
<u>Date, Time and Place</u>	27
<u>Purpose of the Holly Special Meeting</u>	27
<u>Recommendation of the Holly Board of Directors</u>	27
<u>Holly Record Date: Stockholders Entitled to Vote</u>	27
<u>Voting by Holly's Directors and Executive Officers</u>	28
<u>Quorum</u>	28
<u>Required Vote</u>	28
<u>Voting of Proxies by Holders of Record</u>	28
<u>Shares Held in Street Name</u>	29
<u>Voting in Person</u>	29
<u>Revocation of Proxies</u>	29
<u>Tabulation of Votes</u>	30
<u>Solicitation of Proxies</u>	30
<u>Adjournments</u>	30
<u>THE FRONTIER SPECIAL MEETING</u>	31
<u>Date, Time and Place</u>	31
<u>Purpose of the Frontier Special Meeting</u>	31
<u>Recommendation of the Board of Directors of Frontier</u>	31
<u>Frontier Record Date: Shareholders Entitled to Vote</u>	31
<u>Voting by Frontier's Directors and Executive Officers</u>	31
<u>Quorum</u>	32
<u>Required Vote</u>	32
<u>Voting of Proxies by Holders of Record</u>	32
<u>Shares Held in Street Name</u>	33
<u>Voting in Person</u>	33

**Table of Contents**

<u>Revocation of Proxies</u>	33
<u>Tabulation of Votes</u>	34
<u>Solicitation of Proxies</u>	34
<u>Adjournments</u>	34
<b><u>THE MERGER</u></b>	35
<u>Effects of the Merger</u>	35
<u>Background of the Merger</u>	35
<u>Holly's Reasons for the Merger; Recommendation of the Holly Board of Directors</u>	42
<u>Opinions of Holly's Financial Advisors</u>	45
<u>Certain Prospective Financial Information Reviewed by Holly</u>	58
<u>Frontier's Reasons for the Merger; Recommendation of the Frontier Board of Directors</u>	60
<u>Opinions of Frontier's Financial Advisors</u>	63
<u>Certain Prospective Financial Information Reviewed by Frontier</u>	75
<u>Amended and Restated Certificate of Incorporation of Holly</u>	77
<u>Amended and Restated Bylaws of Holly</u>	78
<u>Interests of Holly Directors and Executive Officers in the Merger</u>	78
<u>Interests of Frontier Directors and Executive Officers in the Merger</u>	82
<u>Board of Directors and Management Following the Merger</u>	86
<u>Regulatory Clearances Required for the Merger</u>	87
<u>Exchange of Shares in the Merger</u>	87
<u>Treatment of Frontier Stock Options and Other Stock-Based Awards</u>	88
<u>Structure of the Combined Company Following the Merger</u>	89
<u>Credit Agreements</u>	89
<u>Treatment of Other Debt</u>	90
<u>Dividend Policy</u>	90
<u>Listing of Holly Common Stock</u>	91
<u>De-Listing and Deregistration of Frontier Stock</u>	91
<u>No Appraisal Rights</u>	91
<u>Litigation Related to the Merger</u>	91
<b><u>THE MERGER AGREEMENT</u></b>	93
<u>Terms of the Merger; Merger Consideration</u>	93
<u>Alternative Structures</u>	94
<u>Completion of the Merger</u>	94
<u>Exchange of Shares in the Merger</u>	94
<u>Representations and Warranties</u>	94
<u>Conduct of Business</u>	96
<u>No Solicitation of Alternative Proposals</u>	97
<u>Changes in Board Recommendations</u>	98
<u>Efforts to Obtain Required Stockholder Votes</u>	99
<u>Efforts to Complete the Merger</u>	100
<u>Governance Matters After the Merger</u>	100
<u>Employee Benefits Matters</u>	101
<u>Treatment of Frontier Stock Options and Other Stock Based Awards and Programs</u>	101
<u>Other Covenants and Agreements</u>	102
<u>Conditions to Completion of the Merger</u>	103

**Table of Contents**

<u>Termination of the Merger Agreement</u>	104
<u>Expenses and Termination Fees; Liability for Breach</u>	105
<u>Amendments, Extensions and Waivers</u>	106
<u>No Third Party Beneficiaries</u>	106
<u>Specific Performance</u>	107
<u>MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES</u>	108
<u>ACCOUNTING TREATMENT</u>	110
<u>UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION</u>	111
<u>COMPARATIVE STOCK PRICE DATA AND DIVIDENDS</u>	119
<u>COMPARISON OF RIGHTS OF HOLLY STOCKHOLDERS AND FRONTIER SHAREHOLDERS</u>	120
<u>NO APPRAISAL RIGHTS</u>	130
<u>LEGAL MATTERS</u>	130
<u>EXPERTS</u>	130
<u>FUTURE STOCKHOLDER PROPOSALS</u>	131
<u>OTHER MATTERS PRESENTED AT THE MEETINGS</u>	132
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	133
Annex A Agreement and Plan of Merger, dated as of February 21, 2011	
Annex B Opinion of Morgan Stanley & Co. Incorporated	
Annex C Opinion of Deutsche Bank Securities Inc.	
Annex D Opinion of Credit Suisse Securities (USA) LLC	
Annex E Opinion of Citigroup Global Markets Inc.	
Annex F Form of Amended and Restated Certificate of Incorporation of HollyFrontier Corporation	
<u>EX-23.4</u>	
<u>EX-23.5</u>	
<u>EX-99.1</u>	
<u>EX-99.2</u>	
<u>EX-99.3</u>	
<u>EX-99.5</u>	
<u>EX-99.6</u>	



**Table of Contents**

**QUESTIONS AND ANSWERS**

*The following are some questions that you, as a Holly stockholder or a Frontier shareholder, may have regarding the merger and the other matters being considered at the special meetings and the answers to those questions. Holly and Frontier urge you to carefully read the remainder of this joint proxy statement/prospectus, including any documents incorporated by reference, and the Annexes in their entirety because the information in this section does not provide all of the information that might be important to you with respect to the merger and the other matters being considered at the special meetings.*

**Q: Why am I receiving this joint proxy statement/prospectus?**

A: Holly and Frontier have agreed to a business combination pursuant to the terms of the merger agreement that is described in this joint proxy statement/prospectus. A copy of the merger agreement is included in this joint proxy statement/prospectus as Annex A.

In order to complete the merger, among other things:

Holly stockholders must approve the issuance of shares of Holly common stock to Frontier shareholders in connection with the merger; and

Frontier shareholders must approve the merger agreement.

In addition, while not conditions to the closing of the transactions contemplated by the merger agreement, Holly stockholders will vote on a proposal to approve and adopt Holly's amended and restated certificate of incorporation to, among other things, increase the number of authorized shares of capital stock and change the name of Holly to HollyFrontier Corporation.

Holly and Frontier will hold separate special meetings of their stockholders to obtain these approvals. This joint proxy statement/prospectus, including its Annexes, contains and incorporates by reference important information about Holly and Frontier, the merger and the stockholder meetings of Holly and Frontier. You should read all of the available information carefully and in its entirety.

**Q: What will I receive in the merger?**

A: *Holly Stockholders:* Whether or not the merger is completed, Holly stockholders will retain the Holly common stock that they currently own. They will not receive any merger consideration, and they will not receive any additional shares of Holly common stock in the merger.

*Frontier Shareholders:* If the merger is completed, Frontier shareholders will receive 0.4811 shares of Holly common stock for each share of Frontier common stock that they hold at the effective time of the merger. Frontier shareholders will not receive any fractional shares of Holly common stock in the merger. Instead, Holly will pay cash in lieu of any fractional shares of Holly common stock that a Frontier shareholder would otherwise have been entitled to receive. Frontier shareholders will also be entitled to any dividends declared and paid by Holly with a record date after the effective time of the merger after they have surrendered their certificates representing Frontier common stock.

**Q: What is the value of the merger consideration?**

A: Because Holly will issue 0.4811 shares of Holly common stock in exchange for each share of Frontier common stock, the value of the merger consideration that Frontier shareholders receive will depend on the price per share of Holly common stock at the effective time of the merger. That price will not be known at the time of the special meetings and may be less than the current price or the price at the time of the special meetings. We urge you to obtain current market quotations of Holly common stock and Frontier common stock. See Risk Factors.

**Q: When and where will the special shareholders meetings be held?**

A: *Holly Stockholders:* The special meeting of Holly stockholders will be held at the offices of Vinson & Elkins LLP, 2001 Ross Avenue, 39th Floor, Dallas, Texas 75201, on June 28, 2011, at 3:00 p.m., local time.

*Frontier Shareholders:* The special meeting of Frontier shareholders will be held at the offices of Andrews Kurth LLP, 600 Travis, Suite 4200, Houston, Texas 77002, on June 28, 2011, at 3:00 p.m., local time.

**Table of Contents**

**Q: Who is entitled to vote at the special stockholders meetings?**

A: *Holly Stockholders:* The record date for the Holly special meeting is May 20, 2011. Only record holders of shares of Holly common stock at the close of business on such date are entitled to notice of, and to vote at, the Holly special meeting or any adjournment or postponement thereof.

*Frontier Shareholders:* The record date for the Frontier special meeting is May 20, 2011. Only record holders of shares of Frontier common stock at the close of business on such date are entitled to notice of, and to vote at, the Frontier special meeting or any adjournment or postponement thereof.

**Q: What constitutes a quorum at the special stockholders meetings?**

A: *Holly Stockholders:* Stockholders who hold shares representing at least a majority of the shares entitled to vote at the Holly special meeting must be present in person or represented by proxy to constitute a quorum. All shares of Holly common stock represented at the Holly special meeting, including shares that are represented but that vote to abstain, will be treated as present for purposes of determining the presence or absence of a quorum. Broker non-votes will not be treated as present for purposes of determining the presence or absence of a quorum.

No business may be transacted at the Holly special meeting unless a quorum is present. If a quorum is not present, or if fewer shares are voted in favor of the proposal to approve the issuance of shares of Holly common stock to Frontier shareholders in connection with the merger than is required, if necessary or appropriate to allow additional time for obtaining additional proxies, the special meeting may be adjourned if the approval of a majority of the votes cast at the special meeting is obtained. No notice of an adjourned meeting need be given unless the adjournment is for more than 30 days or, if after the adjournment, a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. At any adjourned meeting, all proxies will be voted in the same manner as they would have been voted at the original convening of the special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the adjourned meeting.

*Frontier Shareholders:* Shareholders who hold shares representing at least a majority of the shares entitled to vote at the Frontier special meeting must be present in person or represented by proxy to constitute a quorum. All shares of Frontier common stock represented at the Frontier special meeting, including shares that are represented but that vote to abstain, will be treated as present for purposes of determining the presence or absence of a quorum. Broker non-votes will not be treated as present for purposes of determining the presence or absence of a quorum.

No business may be transacted at the Frontier special meeting unless a quorum is present. If a quorum is not present, or if fewer shares are voted in favor of the proposal to approve the merger agreement than is required, if necessary or appropriate to allow additional time for obtaining additional proxies, the special meeting may be adjourned if the approval of a majority of the votes cast at the special meeting is obtained. No notice of an adjourned meeting need be given unless the adjournment is for more than 30 days or, if after the adjournment, a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting. At any adjourned meeting, all proxies will be voted in the same manner as they would have been voted at the original convening of the special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the adjourned meeting.

**Q: How do I vote if I am a stockholder of record?**

Edgar Filing: HOLLY CORP - Form S-4/A

A: *Holly Stockholders*: If you were a record holder of Holly stock at the close of business on the record date for the Holly special meeting, you may vote in person by attending the Holly special meeting or, to ensure that your shares are represented at the Holly special meeting, you may authorize a proxy to vote by:

accessing the internet site listed on the Holly proxy card and following the instructions provided on that site anytime up to 11:59 p.m., eastern time, on June 27, 2011;

calling the toll-free number listed on the Holly proxy card and following the instructions provided in the recorded message anytime up to 11:59 p.m., eastern time, on June 27, 2011; or

submitting your Holly proxy card by mail by using the provided self-addressed, stamped envelope.

v

---

**Table of Contents**

If you hold shares of Holly common stock in street name through a stock brokerage account or through a bank or other nominee, please follow the voting instructions provided by your broker, bank or other nominee to ensure that your shares are represented at the Holly special meeting.

*Frontier Shareholders.* If you were a record holder of Frontier stock at the close of business on the record date for the Frontier special meeting, you may vote in person by attending the Frontier special meeting or, to ensure that your shares are represented at the Frontier special meeting, you may authorize a proxy to vote by:

accessing the internet site listed on the Frontier proxy card and following the instructions provided on that site anytime up to 11:59 p.m., eastern time, on June 27, 2011;

calling the toll-free number listed on the Frontier proxy card and following the instructions provided in the recorded message anytime up to 11:59 p.m., eastern time, on June 27, 2011; or

submitting your Frontier proxy card by mail by using the provided self-addressed, stamped envelope.

If you hold Frontier shares in street name through a stock brokerage account or through a bank or other nominee, please follow the voting instructions provided by your broker, bank or other nominee to ensure that your shares are represented at the Frontier special meeting.

**Q: How many votes do I have?**

A: *Holly Stockholders:* With respect to each proposal to be presented at the Holly special meeting, holders of Holly common stock are entitled to one vote for each share of Holly common stock owned at the close of business on the Holly record date. At the close of business on the Holly record date, there were [ ] shares of Holly common stock outstanding and entitled to vote at the Holly special meeting.

*Frontier Shareholders:* With respect to each proposal to be presented at the Frontier special meeting, holders of Frontier common stock are entitled to one vote for each share of Frontier common stock owned at the close of business on the Frontier record date. At the close of business on the Frontier record date, there were [ ] shares of Frontier common stock outstanding and entitled to vote at the Frontier special meeting.

**Q: What vote is required to approve each proposal?**

A: *Holly Stockholders:* The approval of the issuance of shares of Holly common stock to Frontier shareholders in connection with the merger requires the approval of a majority of the votes cast at the Holly special meeting, assuming a quorum. Failures to vote, broker non-votes and abstentions will have no effect on the vote for this proposal.

The approval and adoption of Holly's amended and restated certificate of incorporation requires the approval of a majority of the outstanding shares of Holly common stock entitled to vote at the Holly special meeting. Failures to vote, broker non-votes and abstentions will have the same effect as a vote against this proposal.

The adjournment of the Holly special meeting, if necessary or appropriate, to solicit additional proxies requires the approval of a majority of the votes cast at the Holly special meeting, regardless of whether there is a quorum. Failures to vote, broker non-votes and abstentions will have no effect on the vote.

*Frontier Shareholders:* The approval of the merger agreement requires the approval of a majority of the votes cast at the Frontier special meeting, assuming a quorum. Failures to vote, broker non-votes and abstentions will have no effect on the vote for this proposal.

The adjournment of the Frontier special meeting, if necessary or appropriate, to solicit additional proxies requires the approval of a majority of the votes cast at the Frontier special meeting, regardless of whether there is a quorum. Failures to vote, broker non-votes and abstentions will have no effect on the vote for this proposal.

**Q: How does the Holly board of directors recommend that Holly stockholders vote?**

A: The Holly board of directors has unanimously determined that the merger and the other transactions contemplated by the merger agreement (including the issuance of shares of Holly common stock to Frontier shareholders in connection with the merger and the approval and adoption of Holly's amended and restated certificate of incorporation) are in the best interests of Holly and its stockholders. Accordingly, the Holly board

**Table of Contents**

of directors unanimously recommends that Holly stockholders vote FOR the proposal to approve the issuance of shares of Holly common stock to Frontier shareholders in connection with the merger, FOR the proposal to approve and adopt Holly's amended and restated certificate of incorporation and FOR the proposal to approve the adjournment of the Holly special meeting, if necessary or appropriate, to permit further solicitation of proxies.

**Q: How does the Frontier board of directors recommend that Frontier shareholders vote?**

A: The Frontier board of directors has unanimously adopted the merger agreement and determined that the merger agreement is in the best interests of Frontier and its shareholders. Accordingly, the Frontier board of directors unanimously recommends that Frontier shareholders vote FOR the proposal to approve the merger agreement and FOR the proposal to approve the adjournment of the Frontier special meeting, if necessary or appropriate, to permit further solicitation of proxies.

**Q: My shares are held in street name by my broker, bank or other nominee. Will my broker, bank or other nominee automatically vote my shares for me?**

A: No. If your shares are held through a stock brokerage account or a bank or other nominee, you are considered the beneficial holder of the shares held for you in what is known as street name. The record holder of such shares is your broker, bank or other nominee, and not you. If this is the case, this joint proxy statement/prospectus has been forwarded to you by your broker, bank or other nominee. You must provide the record holder of your shares with instructions on how to vote your shares. Otherwise, your broker, bank or other nominee may not vote your shares on any of the proposals to be considered at the Holly special meeting or the Frontier special meeting, as applicable, and a broker non-vote will result. In connection with the Holly special meeting, broker non-votes will have (i) no effect on the proposal to approve the issuance of shares of Holly common stock to Frontier shareholders in connection with the merger (assuming a quorum is present), (ii) the same effect as a vote AGAINST the proposal to approve and adopt Holly's amended and restated certificate of incorporation and (iii) no effect on the proposal to approve the adjournment of the Holly special meeting, if necessary or appropriate, to permit further solicitation of proxies. In connection with the Frontier special meeting, broker non-votes will have no effect on the proposal to approve the merger agreement or the proposal to approve the adjournment of the Frontier special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Please follow the voting instructions provided by your broker, bank or other nominee so that it may vote your shares on your behalf. Please note that you may not vote shares held in street name by returning a proxy card directly to Holly or Frontier or by voting in person at the special meeting unless you first obtain a legal proxy from your broker, bank or other nominee.

**Q: What will happen if I fail to vote or I abstain from voting?**

A: *Holly Stockholders:* If you fail to vote or mark your proxy or voting instructions to abstain, it will have (i) no effect on the proposal to approve the issuance of shares of Holly common stock to Frontier shareholders in connection with the merger, (ii) the same effect as a vote AGAINST the proposal to approve and adopt Holly's amended and restated certificate of incorporation and (iii) no effect on the proposal to approve the adjournment of the Holly special meeting, if necessary or appropriate, to permit further solicitation of proxies.

*Frontier Shareholders:* If you fail to vote or mark your proxy or voting instructions to abstain, it will have no effect on the proposal to approve the merger agreement or the proposal to approve the adjournment of the Frontier special meeting, if necessary or appropriate, to permit further solicitation of proxies.

**Q: What will happen if I return my proxy card without indicating how to vote?**

A: *Holly Stockholders*: If you properly complete and sign your proxy card but do not indicate how your shares of Holly common stock should be voted on a proposal, the shares of Holly common stock represented by your proxy will be voted as the Holly board of directors recommends and, therefore, FOR the proposal to approve the issuance of shares of Holly common stock to Frontier shareholders in connection with the merger, FOR the proposal to approve and adopt Holly's amended and restated certificate of incorporation and FOR the



**Table of Contents**

proposal to approve the adjournment of the Holly special meeting, if necessary or appropriate, to permit further solicitation of proxies.

*Frontier Shareholders:* If you fail to vote, it will have no effect on the proposal to approve the merger agreement or the proposal to approve the adjournment of the Frontier special meeting, if necessary or appropriate, to permit further solicitation of proxies. If you properly complete and sign your proxy card but do not indicate how your shares of Frontier common stock should be voted on a proposal, the shares of Frontier common stock represented by your proxy will be voted as the Frontier board of directors recommends and, therefore, FOR the proposal to approve the merger agreement and FOR the proposal to approve the adjournment of the Frontier special meeting, if necessary or appropriate, to permit further solicitation of proxies.

**Q: Can I change my vote or revoke my proxy after I have returned a proxy or voting instruction card?**

A: Yes.

*If you are the record holder of either Holly or Frontier stock:* You can change your vote or revoke your proxy at any time before your proxy is voted at the applicable special meeting. You can do this by:

timely delivering a signed written notice of revocation;

timely delivering a new, valid proxy bearing a later date (including by telephone or through the internet); or

attending the special meeting and voting in person, which will automatically cancel any proxy previously given, or revoking your proxy in person. Simply attending the Holly special meeting or the Frontier special meeting without voting will not revoke any proxy that you have previously given or change your vote.

If you choose either of the first two methods, your notice of revocation or your new proxy must be received by the Secretary of Holly or Frontier, as applicable, no later than the beginning of the applicable special meeting.

Regardless of the method used to deliver your previous proxy, you may revoke your proxy by any of the above methods.

*If you hold shares of either Holly or Frontier in street name :* If your shares are held in street name, you must contact your broker, bank or other nominee to change your vote.

**Q: What are the material U.S. federal income tax consequences of the merger to U.S. holders of Frontier common stock?**

A: The merger is intended to be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code ). Assuming the merger qualifies as a reorganization, a holder of Frontier common stock generally will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of the holder's shares of Frontier common stock for shares of Holly common stock in connection with the merger, except with respect to cash received in lieu of fractional shares.

**Q: When do you expect the merger to be completed?**

A: Holly and Frontier hope to complete the merger as soon as reasonably possible and expect the closing of the merger to occur early in the third quarter of 2011, with a target closing date of July 1, 2011. However, the merger

is subject to various regulatory clearances and the satisfaction or waiver of other conditions, and it is possible that factors outside the control of Holly and Frontier could result in the merger being completed at an earlier time, a later time or not at all. There may be a substantial amount of time between the Holly and Frontier special meetings and the completion of the merger.

**Q: Do I need to do anything with my shares of common stock other than voting for the proposals at the special meeting?**

A: *Holly Stockholders:* If you are a Holly stockholder, after the merger is completed, you are not required to take any action with respect to your shares of Holly common stock.

**Table of Contents**

*Frontier Shareholders:* If you are a Frontier shareholder, after the merger is completed, each share of Frontier common stock that you hold will be converted automatically into the right to receive 0.4811 shares of Holly common stock together with cash in lieu of any fractional shares, as applicable. You will receive instructions at that time regarding exchanging your shares for shares of Holly common stock. You do not need to take any action at this time. Please do not send your Frontier stock certificates with your proxy card.

**Q: Are stockholders entitled to appraisal rights?**

A: No. Neither the stockholders of Holly nor the shareholders of Frontier are entitled to appraisal rights in connection with the merger under Delaware law or Wyoming law or under the certificate of incorporation or bylaws of either company.

**Q: What happens if I sell my shares of Frontier common stock before the Frontier special meeting?**

A: The record date for the Frontier special meeting is earlier than the date of the Frontier special meeting and the date that the merger is expected to be completed. If you transfer your Frontier shares after the Frontier record date but before the Frontier special meeting, you will retain your right to vote at the Frontier special meeting, but will have transferred the right to receive the merger consideration in the merger. In order to receive the merger consideration, you must hold your shares through the effective date of the merger.

**Q: What if I hold shares in both Holly and Frontier?**

A: If you are both a stockholder of Holly and a shareholder of Frontier, you will receive two separate packages of proxy materials. A vote cast as a Holly stockholder will not count as a vote cast as a Frontier shareholder, and a vote cast as a Frontier shareholder will not count as a vote cast as a Holly stockholder. Therefore, please separately submit a proxy for each of your Holly and Frontier shares.

**Q: Who can help answer my questions?**

A: Holly stockholders or Frontier shareholders who have questions about the merger, the other matters to be voted on at the special meetings, or how to submit a proxy or desire additional copies of this joint proxy statement/prospectus or additional proxy cards should contact:

**If you are a Holly stockholder:**

**Georgeson, Inc.**  
199 Water Street, 26<sup>th</sup> Floor  
New York, New York 10038  
Stockholders May Call Toll-Free: (866) 482-4943  
Banks and Brokers May Call Collect: (212) 440-9800

**If you are a Frontier shareholder:**

**Innisfree M&A Incorporated**  
501 Madison Avenue, 20th Floor  
New York, New York 10022  
Shareholders May Call Toll-Free: (888) 750-5834  
Banks and Brokers May Call Collect: (212) 750-5833

**Table of Contents**

**SUMMARY**

*This summary highlights information contained elsewhere in this joint proxy statement/prospectus and may not contain all the information that is important to you with respect to the merger and the other matters being considered at the Holly and Frontier special meetings. Holly and Frontier urge you to read the remainder of this joint proxy statement/prospectus carefully, including the attached Annexes, and the other documents to which we have referred you. See also the section entitled "Where You Can Find More Information" beginning on page 133. We have included page references in this summary to direct you to a more complete description of the topics presented below.*

**The Companies**

**Holly Corporation**

Holly Corporation, a Delaware corporation, together with its subsidiaries, is an independent petroleum refiner in the United States that produces high value light products such as gasoline, diesel fuel, jet fuel, specialty lubricant products, and specialty and modified asphalt. Holly owns and operates through its subsidiaries a 100,000 barrels per stream day ( bpsd ) refinery located in Artesia, New Mexico, a 125,000 bpsd refinery in Tulsa, Oklahoma and a 31,000 bpsd refinery in Woods Cross, Utah. Holly also owns and operates an asphalt company, which manufactures and markets asphalt products from various terminals in Arizona, New Mexico and Texas. In addition, Holly owns a 75% interest in a 12-inch refined products pipeline project from Salt Lake City, Utah to Las Vegas, Nevada, together with terminal facilities in the Cedar City, Utah, and North Las Vegas areas. Furthermore, a subsidiary of Holly owns a 34% interest (including the general partner interest) in Holly Energy Partners, L.P. ( HEP ), which owns and operates logistical assets, including approximately 2,500 miles of petroleum product and crude oil pipelines located principally in west Texas and New Mexico; ten refined product terminals; a jet fuel terminal; eight refinery loading rack facilities; a refined products tank farm facility; on-site crude oil tankage at Holly's refineries; on-site refined product tankage at Holly's Tulsa refinery, and a 25% interest in a 95-mile crude oil pipeline joint venture. Holly offers its products primarily in the Southwestern, Rocky Mountain, and Mid-Continent regions of the United States. Holly was founded in 1947 and is based in Dallas, Texas.

Holly's common stock is traded on the NYSE under the symbol HOC.

The principal executive offices of Holly are located at 100 Crescent Court, Suite 1600, Dallas, Texas 75201-6915, and Holly's telephone number is (214) 871-3555. Additional information about Holly and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information" on page 133.

**Frontier Oil Corporation**

Frontier Oil Corporation, a Wyoming corporation, together with its subsidiaries, engages in crude oil refining and the wholesale marketing of refined petroleum products. Frontier operates refineries in Cheyenne, Wyoming and El Dorado, Kansas with a total annual average crude oil capacity of approximately 187,000 barrels per day. The Cheyenne refinery markets its refined products primarily in the eastern slope of the Rocky Mountain region, which encompasses eastern Colorado (including the Denver metropolitan area), eastern Wyoming and western Nebraska. The El Dorado refinery markets its products in Colorado, Wyoming, Nebraska, Montana, Utah, Kansas, Oklahoma, Iowa, Missouri, North Dakota and South Dakota. The company was formerly known as Wainoco Oil Corporation and changed its name to Frontier Oil Corporation in April 1998. Frontier Oil Corporation was founded in 1949 and is headquartered in Houston, Texas.

Frontier's common stock is traded on the NYSE under the symbol FTO.

The principal executive offices of Frontier are located at 10000 Memorial Drive, Suite 600, Houston, Texas 77024, and Frontier's telephone number is (713) 688-9600. Additional information about Frontier and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. See [Where You Can Find More Information](#) on page 133.

**North Acquisition, Inc.**

North Acquisition, Inc., a wholly owned subsidiary of Holly Corporation, is a Wyoming corporation that was formed on February 17, 2011 for the sole purpose of effecting the merger. In the merger, North Acquisition, Inc. will be merged with and into Frontier, with Frontier surviving as a wholly owned subsidiary of Holly.

**Table of Contents**

**The Merger**

*A copy of the merger agreement is attached as Annex A to this joint proxy statement/prospectus. Holly and Frontier encourage you to read the entire merger agreement carefully because it is the principal document governing the merger. For more information on the merger agreement, see the section entitled "The Merger Agreement" beginning on page 93.*

**Form of the Merger (see page 35)**

Subject to the terms and conditions of the merger agreement, at the effective time of the merger, Merger Sub, a wholly owned subsidiary of Holly formed for the sole purpose of effecting the merger, will be merged with and into Frontier. Frontier will survive the merger as a wholly owned subsidiary of Holly. Upon completion of the merger, Holly's name will be changed to HollyFrontier Corporation, subject to obtaining approval from Holly's stockholders of Holly's amended and restated certificate of incorporation. In addition, the combined company may pursue an internal restructuring of certain legal entities after completing the merger, which may include an internal merger of Frontier into HollyFrontier Corporation, as described under "The Merger" Structure of the Combined Company Following the Merger. The internal restructuring of the combined company would be subject to, among other things, the continuing evaluation of such restructuring and the approval of the board of directors of the combined company after the merger.

**Merger Consideration (see page 35)**

Frontier shareholders will have the right to receive 0.4811 shares of Holly common stock for each share of Frontier common stock they hold at the effective time of the merger (the exchange ratio). The exchange ratio is fixed and will not be adjusted for changes in the market value of the common stock of Frontier or Holly. As a result, the implied value of the consideration to Frontier shareholders will fluctuate between the date of this joint proxy statement/prospectus and the effective date of the merger. Based on the closing price of Holly common stock on the New York Stock Exchange (the NYSE) on February 18, 2011, the last trading day before public announcement of the merger, the exchange ratio represented approximately \$26.99 in value for each share of Frontier common stock. Based on the closing price of Holly common stock on the NYSE on May [ ], 2011, the latest practicable trading day before the date of this joint proxy statement/prospectus, the exchange ratio represented approximately \$[ ] in value for each share of Frontier common stock.

**Material U.S. Federal Income Tax Consequences of the Merger (see page 108)**

As a condition to the completion of the merger, Vinson & Elkins L.L.P., counsel to Holly, will have delivered an opinion, dated as of the closing date of the merger, that the merger will be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code and that each of Holly, Frontier and Merger Sub will be a party to the reorganization within the meaning of Section 368(b) of the Code.

Completion of the merger is also conditioned upon the receipt by Frontier of an opinion of Andrews Kurth LLP, counsel to Frontier, dated as of the closing date of the merger, that the merger will be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code and that no gain or loss will be recognized by Frontier or the shareholders of Frontier to the extent that they receive Holly common stock in exchange for Frontier common stock pursuant to the merger.

The merger is intended to be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. Assuming the merger qualifies as a reorganization, a holder of Frontier common stock

will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of the holder's shares of Frontier common stock for shares of Holly common stock pursuant to the merger, except with respect to cash received in lieu of fractional shares of Holly common stock.

The tax opinions regarding the merger will not address any state, local or foreign tax consequences of the merger. The opinions will be based on certain assumptions and representations as to factual matters from Holly and Frontier, as well as certain covenants and undertakings by Holly and Frontier. If any of the assumptions, representations, covenants or undertakings is incorrect, incomplete, inaccurate or is violated in any material

## Table of Contents

respect, the validity of the conclusions reached by counsel in their opinions would be jeopardized and the tax consequences of the merger could differ from those described in this joint proxy statement/prospectus. Neither Holly nor Frontier is currently aware of any facts or circumstances that would cause the assumptions, representations, covenants and undertakings to be incorrect, incomplete, inaccurate or violated in any material respect.

An opinion of counsel represents such counsel's best legal judgment but is not binding on the Internal Revenue Service (the "IRS") or any court, so there can be no certainty that the IRS will not challenge the conclusions reflected in the opinion or that a court would not sustain such a challenge.

You are urged to consult your own tax advisor regarding the particular consequences to you of the merger.

### **Recommendation of the Board of Directors of Holly (see page 42)**

After careful consideration, the Holly board of directors unanimously determined that the merger and the other transactions contemplated by the merger agreement are in the best interests of Holly and its stockholders, approved the merger and the merger agreement and recommended to the holders of Holly common stock the approval of the issuance of Holly common stock to Frontier shareholders in connection with the merger. The Holly board of directors approved and declared advisable Holly's amended and restated certificate of incorporation which, among other things, increases the number of authorized shares of capital stock under its certificate of incorporation and changes its corporate name at the effective time of the merger, and recommends the approval and adoption of the amended and restated certificate of incorporation to the holders of Holly common stock. For more information regarding the factors considered by the Holly board of directors in reaching its decisions relating to its recommendations, see the section entitled "The Merger - Holly's Reasons for the Merger; Recommendation of the Holly Board of Directors." **The Holly board of directors unanimously recommends that Holly stockholders vote FOR the proposal to approve the issuance of shares of Holly common stock to Frontier shareholders in connection with the merger, FOR the proposal to approve and adopt Holly's amended and restated certificate of incorporation and FOR the proposal to approve the adjournment of the Holly special meeting to a later date or dates, if necessary or appropriate to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the issuance of shares of Holly common stock.**

### **Recommendation of the Board of Directors of Frontier (see page 60)**

After careful consideration, the Frontier board of directors unanimously adopted the merger agreement, determined that the merger agreement and the transactions contemplated thereby, including the merger, are in the best interests of Frontier's shareholders, and recommended that the merger agreement be approved by Frontier's shareholders. For more information regarding the factors considered by the Frontier board of directors in reaching its decision to recommend the approval of the merger agreement, see the section entitled "The Merger - Frontier's Reasons for the Merger; Recommendation of the Frontier Board of Directors." **The Frontier board of directors unanimously recommends that Frontier shareholders vote FOR the proposal to approve the merger agreement at the Frontier special meeting and FOR the proposal to approve the adjournment of the Frontier special meeting to a later date or dates, if necessary or appropriate to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the merger agreement.**

### **Opinions of Holly's Financial Advisors (see page 45)**

Each of Morgan Stanley & Co. Incorporated ("Morgan Stanley") and Deutsche Bank Securities Inc. ("Deutsche Bank"), Holly's financial advisors, rendered its oral opinion (subsequently confirmed in writing) to the board of directors of Holly that, as of February 21, 2011, and based upon and subject to the various assumptions, qualifications and limitations set forth in their respective written opinions, the exchange ratio of 0.4811 shares of Holly common stock to



be issued in exchange for each outstanding share of Frontier common stock pursuant to the merger was fair, from a financial point of view, to Holly.

The full text of the written opinions of Morgan Stanley and Deutsche Bank, both dated February 21, 2011, which set forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with each opinion, are included in this joint proxy statement/prospectus as Annex B and Annex C, respectively. **Morgan Stanley and Deutsche Bank provided their respective opinions for the**

**Table of Contents**

**information and assistance of Holly's board of directors, in its capacity as such, for purposes of the Holly board of directors' evaluation of the transactions contemplated by the merger agreement. Neither Morgan Stanley's opinion nor Deutsche Bank's opinion constitutes a recommendation to any holder of Holly common stock or Frontier common stock as to how any such holder should vote with respect to the merger. In addition, neither Morgan Stanley nor Deutsche Bank was requested to opine as to, and neither opinion in any manner addresses, Holly's underlying business decision to proceed with or effect the merger.**

**Opinions of Frontier's Financial Advisors (see page 63)**

In connection with the Merger, Frontier's board of directors received separate written opinions, each dated February 21, 2011, from Credit Suisse Securities (USA) LLC (Credit Suisse) and Citigroup Global Markets Inc. (Citi) as to the fairness, from a financial point of view and as of the date of the opinions, to holders of Frontier common stock of the exchange ratio provided for in the merger agreement. The full texts of Credit Suisse's and Citi's written opinions, which are attached to this joint proxy statement/prospectus as Annex D and Annex E, respectively, set forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken. **Each of Credit Suisse's and Citi's opinions was provided for the information of Frontier's board of directors (in its capacity as such) in connection with its evaluation of the exchange ratio from a financial point of view and did not address any other aspects or implications of the merger. Credit Suisse and Citi expressed no view as to, and neither of their opinions addressed, the underlying business decision of Frontier to effect the merger, the relative merits of the merger as compared to any alternative business strategies that might exist for Frontier or the effect of any other transaction in which Frontier might engage. Neither Credit Suisse's opinion nor Citi's opinion is intended to be and neither constitutes a recommendation to any shareholder as to how such shareholder should vote or act on any matters relating to the proposed merger or otherwise.**

**Interests of Holly Directors and Executive Officers in the Merger (see page 78)**

Certain of Holly's directors and executive officers have financial interests in the merger that may be different from, or in addition to, the interests of Holly stockholders generally.

As detailed below under "The Merger" Board of Directors and Management Following the Merger, it is anticipated that Matthew P. Clifton will serve as the Executive Chairman of the board, David L. Lamp will serve as the Executive Vice President and Chief Operating Officer, Bruce R. Shaw will serve as the Senior Vice President of Strategy and Corporate Development and all of the members of Holly's board of directors immediately prior to the merger will continue to serve as directors of the combined company upon completion of the merger.

As detailed below under "The Merger" Interests of Holly Directors and Executive Officers in the Merger Equity Awards, all unvested restricted stock units held by each non-employee director of Holly will automatically vest in full upon the completion of the merger. In addition, the vesting of certain outstanding equity awards held by Holly's executive officers may accelerate in the event the executive officer's employment with the combined company terminates under certain circumstances following the completion of the merger. Messrs. Clifton, Shaw and Lamp have each entered into a Waiver Agreement with Holly pursuant to which each chose to waive certain rights with respect to the accelerated vesting of outstanding equity awards held by him upon the closing of the merger, as discussed in more detail under "The Merger" Interests of Holly Directors and Executive Officers in the Merger Waiver Agreements.

It is anticipated that no payments or benefits will be triggered as a result of the merger under the Change in Control Agreements that Holly has entered into with its executive officers or under the Retirement Restoration Plan that provides for payments to certain executive officers.

As of May 20, 2011, the record date for the Holly special meeting, the directors and executive officers of Holly and their affiliates beneficially owned and were entitled to vote [ ] shares of Holly common stock, collectively representing approximately [ ]% of the shares of Holly common stock outstanding and entitled to vote.

The Holly board of directors was aware of these interests and considered them, among other matters, in evaluating the merger and in making its recommendations to Holly stockholders.

**Table of Contents**

**Interests of Frontier Directors and Executive Officers in the Merger (see page 82)**

Executive officers and members of Frontier's board of directors have interests in the merger that may be different from, or in addition to the interests of Frontier shareholders generally. Frontier's executive officers have agreements with Frontier that provide for severance benefits if their employment is terminated under certain circumstances following a change in control of Frontier, such as the merger. In addition, following a change in control of Frontier, such as will occur upon completion of the merger, certain of Frontier's compensation and benefit plans and arrangements provide for accelerated vesting of certain rights or benefits and accelerated payment of such benefits to its executive officers upon the termination of their employment under certain circumstances following such a change in control.

Mr. Jennings will serve as President and Chief Executive Officer, Mr. Aron will serve as Executive Vice President and Chief Financial Officer and Frontier's board of directors will continue to serve as directors of the combined company upon completion of the merger.

Frontier has existing Change in Control Severance Agreements, or CIC agreements, with each of its executive officers. The merger constitutes a change in control for purposes of the CIC agreements. If an executive officer experiences a qualifying termination upon or following the completion of the merger, he or she will receive: (1) a cash severance payment ranging from one to six times the sum of the executive officer's annual base salary, (2) full vesting of any Frontier stock options and other equity-based compensation awards, and (3) reimbursement for certain excess tax amounts.

Frontier also has existing Executive Severance Agreements with each of its executive officers that operate following certain terminations of employment unrelated to a change in control. These agreements provide for a continuation of base salary for a period of time, payment of a pro-rated annual incentive amount during the year of termination, payment of certain health care premiums, outplacement assistance, and vesting of all equity based compensation awards held by the executive with pro rata payment of performance awards.

As discussed in more detail under "The Merger" Interests of Frontier Directors and Executive Officers in the Merger Retention and Assumption Agreements, Messrs. Jennings and Aron entered into agreements whereby each chose to waive upon the closing of the merger current rights to accelerated vesting of restricted stock where such acceleration is based solely on (1) the closing of the merger, (2) voluntary termination of employment upon the relocation of Frontier's headquarters to Dallas, Texas or (3) voluntary termination of employment during the 60 days following the one year anniversary of the merger's closing.

As of May 20, 2011, the record date for the Frontier special meeting, the directors and executive officers of Frontier and their affiliates beneficially owned and were entitled to vote [ ] shares of Frontier common stock, collectively representing approximately [ ]% of the shares of Frontier common stock outstanding and entitled to vote.

The Frontier board of directors was aware of these interests and considered them, among other matters, in approving the merger agreement and in recommending that you vote for the proposal to approve the merger agreement.

**Board of Directors and Management Following the Merger (see page 86)**

Immediately following the effective time of the merger, the board of directors of the combined company will consist of fourteen members, including: (i) seven directors chosen by the current Frontier directors (at least six of whom will be independent for purposes of the rules of the NYSE), and (ii) seven directors chosen by the current Holly directors (at least six of whom will be independent for purposes of the rules of the NYSE), with Matthew P. Clifton to become

the Executive Chairman of the board. As of the date of this joint proxy statement/prospectus, it is anticipated that all of the members of Holly's and Frontier's respective boards of directors immediately prior to the merger will continue to serve as directors of the combined company. The fees and/or other remuneration to be provided to the non-employee directors of the combined company have not been determined.

Upon completion of the merger, (i) Matthew P. Clifton will become the Executive Chairman of the board of Holly, (ii) Michael C. Jennings will become President and Chief Executive Officer of Holly, (iii) Doug S. Aron will

## **Table of Contents**

become the Executive Vice President and Chief Financial Officer of Holly, (iv) David L. Lamp will become the Executive Vice President and Chief Operating Officer of Holly, and (v) Bruce R. Shaw will become the Senior Vice President of Strategy and Corporate Development of Holly.

### **Treatment of Frontier Stock Options and Other Long-Term Incentive Awards (see page 88)**

*Stock Options.* Upon completion of the merger, each outstanding option to purchase shares of Frontier common stock will be converted into fully vested and immediately exercisable options to purchase shares of Holly common stock. The number of shares of Holly common stock that will be subject to such Holly stock options will be the number of shares of Frontier common stock subject to each such Frontier stock option multiplied by 0.4811, rounded down to the nearest whole share of Holly common stock. The exercise price per share of Holly common stock for such Holly stock option will equal the exercise price per share of Frontier common stock for such Frontier stock option divided by 0.4811, rounded up to the nearest whole cent. All of the previously outstanding Frontier stock options expired in April 2011, before the completion of the merger.

*Stock Units.* Upon completion of the merger, each outstanding Frontier stock unit, other than Frontier stock units issued in 2011, will vest and be converted into (1) a number of shares of fully vested Holly common stock equal to 125% of the number of shares of Frontier common stock subject to such Frontier stock units, and (2) an amount of cash equal to the amount of cash and stock dividends and dividend equivalents that would have been credited to the holder under the Frontier stock plan if the Frontier stock units instead had been issued as shares of Frontier restricted stock. Frontier stock units issued in 2011 will convert into comparable Holly stock units, taking into account the exchange ratio.

*Restricted Stock and Restricted Stock Units.* Upon completion of the merger, each outstanding share of Frontier restricted stock (except for Frontier restricted stock issued in 2011 or held by Messrs. Jennings and Aron) will vest and be converted into the right to receive 0.4811 fully vested shares of Holly common stock. Each outstanding Frontier restricted stock unit will vest and be converted into the right to receive 0.4811 fully vested shares of Holly common stock.

*Retention Agreements.* As discussed in more detail under *The Merger – Interests of Frontier Directors and Executive Officers in the Merger – Retention and Assumption Agreements*, Messrs. Jennings and Aron entered into agreements whereby each chose to waive upon the closing of the merger current rights to accelerated vesting of restricted stock where such acceleration is based solely on (1) the closing of the merger, (2) voluntary termination of employment upon the relocation of Frontier's headquarters to Dallas, Texas or (3) voluntary termination of employment during the 60 days following the one year anniversary of the merger's closing.

### **Regulatory Clearances Required for the Merger (see page 87)**

Holly and Frontier have each agreed to take actions in order to obtain regulatory clearance required to consummate the merger. Regulatory clearance includes expiration or termination of the required waiting period under the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended, and the rules and regulations promulgated thereunder (the HSR Act), following required notifications with and review by the Federal Trade Commission and the Antitrust Division of the U.S. Department of Justice. On March 7, 2011, each of Holly and Frontier filed its notification under the HSR Act. On March 18, 2011, Holly and Frontier were notified of the early termination of the pre-merger waiting period under the HSR Act.

While Holly and Frontier expect to obtain all required regulatory clearances, we cannot assure you that these regulatory clearances will be obtained or that the granting of these regulatory clearances will not involve the imposition of additional conditions on the completion of the merger, including the requirement to divest assets, or

require changes to the terms of the merger agreement. These conditions or changes could result in the conditions to the merger not being satisfied.

**Amended and Restated Certificate of Incorporation of Holly (see page 77)**

The Holly board of directors has approved, subject to Holly stockholder approval, Holly's amended and restated certificate of incorporation which, among other things, (i) changes Holly's name to HollyFrontier

## **Table of Contents**

Corporation and (ii) increases the number of authorized shares of capital stock of Holly under its certificate of incorporation. The form of Holly's amended and restated certificate of incorporation is included in this joint proxy statement/prospectus as Annex F. The approval and adoption of Holly's amended and restated certificate of incorporation by the Holly stockholders is not a condition precedent to the closing of the merger. In the event this proposal is approved by Holly stockholders, but the merger is not completed, Holly's amended and restated certificate of incorporation will not become effective.

### **Expected Timing of the Merger**

Holly and Frontier currently expect the closing of the merger to occur early in the third quarter of 2011, with a target closing date of July 1, 2011. However, the merger is subject to various regulatory clearances and the satisfaction or waiver of other conditions as described in the merger agreement, and it is possible that factors outside the control of Holly and Frontier could result in the merger being completed at an earlier time, a later time or not at all.

### **Conditions to Completion of the Merger (see page 103)**

The obligations of Holly and Frontier to complete the merger are subject to the satisfaction of the following conditions:

approval of the merger agreement by a majority of the votes cast at the Frontier special meeting;

approval of the issuance of shares of Holly common stock to Frontier shareholders in connection with the merger requires the affirmative vote of holders of a majority of the shares present in person or represented by proxy and entitled to vote at the Holly special meeting, assuming a quorum;

the expiration or earlier termination of the waiting period (and any extension thereof) applicable to the merger under the HSR Act;

the expiration of any mandatory waiting period and receipt of any required consent under any other applicable United States federal or state antitrust laws, except where the failure to observe such waiting period or obtain such consent would not reasonably be expected to delay or prevent the consummation of the merger or have a material adverse effect on the expected benefits of the transactions contemplated by the merger agreement to Holly;

absence of any injunction, decree, order, statute, rule or regulation by a court or other governmental entity that makes unlawful or prohibits the consummation of the merger;

effectiveness of the registration statement of which this joint proxy statement/prospectus forms a part and the absence of a stop order or proceedings threatened or initiated by the SEC for that purpose;

authorization for the listing on the NYSE of the shares of Holly common stock to be issued in connection with the merger and upon conversion of the Frontier restricted stock and the shares of Holly common stock reserved for issuance pursuant to Holly stock options, subject to official notice of issuance; and

the entry into and effectiveness of a new credit facility, on the terms as set forth in the merger agreement and the schedules thereto, subject only to the consummation of the merger.

In addition, each of Holly's and Frontier's obligations to effect the merger is subject to the satisfaction or waiver of the following additional conditions:



the representations and warranties of the other party, other than the representations related to the shares of capital stock authorized, issued and outstanding or reserved for issuance and the absence of any outstanding voting debt, (i) to the extent qualified by material adverse effect, will be true and correct, and (ii) to the extent not qualified by material adverse effect, will be true and correct except where the failure to be true and correct, individually or in the aggregate, has not had, and would not reasonably be expected to have, a material adverse effect on such party as of the date of the merger agreement and as of the closing date (other than those representations and warranties that were made only as of a specified date, which need only be true and correct as of such specified date);

## **Table of Contents**

the representations and warranties of the other party relating to the shares of capital stock authorized, issued and outstanding or reserved for issuance and the absence of any outstanding voting debt will be true and correct in all respects (other than de minimis inaccuracies) as of the date of the merger agreement and as of the closing date (except to the extent such representations or warranties were made only as of a specified date, in which case, as of such specified date);

the other party having performed, in all material respects, its covenants and agreements under the merger agreement required to be performed on or prior to the closing date;

receipt of a certificate executed by the other party's chairman of the board, president and chief executive officer as to the satisfaction of the conditions described in the preceding three bullets; and

receipt of a tax opinion from the party's tax counsel as described in the section titled "The Merger Agreement Conditions to Completion of the Merger," including an opinion that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Code.

### **No Solicitation of Alternative Proposals (see page 97)**

The merger agreement precludes Holly and Frontier from soliciting or engaging in discussions or negotiations with a third party with respect to a proposal for an acquisition proposal. However, if Holly or Frontier receives an unsolicited acquisition proposal from a third party, and Holly's or Frontier's board of directors, as applicable, among other things, determines in good faith (after consultation with its legal and financial advisors) that (i) such unsolicited proposal is a superior proposal to the merger, and (ii) the failure to enter into discussions regarding such proposal would be inconsistent with its fiduciary obligations under applicable law, Holly or Frontier, as applicable, may furnish non-public information to and enter into discussions with, and only with, that third party regarding such acquisition proposal.

### **Termination of the Merger Agreement (see page 104)**

Holly and Frontier may mutually agree to terminate the merger agreement at any time, notwithstanding approval of the merger by stockholders. Either company may also terminate the merger agreement if the merger is not consummated by September 30, 2011, subject to certain exceptions. See the section entitled "The Merger Agreement Termination of the Merger Agreement" for a discussion of these and other rights of each of Holly and Frontier to terminate the merger agreement.

### **Termination Fees and Expenses (see page 105)**

Generally, all fees and expenses incurred in connection with the merger agreement and the transactions contemplated by the merger agreement will be paid by the party incurring those expenses, subject to the specific exceptions discussed in this joint proxy statement/prospectus where Holly or Frontier, as the case may be, may be required to pay a termination fee of \$80 million and an expense reimbursement up to \$12 million. See the section entitled "The Merger Agreement Expenses and Termination Fees; Liability for Breach" for a discussion of the circumstances under which such termination fee will be required to be paid.

### **Accounting Treatment (see page 110)**

Holly prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which is referred to as GAAP. The merger will be accounted for using the acquisition method of

accounting. Holly will be treated as the acquirer for accounting purposes.

**No Appraisal Rights (see page 130)**

Neither the holders of shares of Holly common stock nor the holders of shares of Frontier common stock are entitled to appraisal rights in connection with the merger in accordance with Delaware or Wyoming law, respectively, nor do the certificate of incorporation or bylaws of either company confer such appraisal rights.

**Table of Contents**

**Comparison of Stockholder Rights and Corporate Governance Matters (see page 120)**

Frontier shareholders receiving merger consideration will have different rights once they become stockholders of the combined company due to differences between the governing corporate documents of Frontier and the proposed governing corporate documents of the combined company. These differences are described in detail under the section entitled Comparison of Rights of Holly Stockholders and Frontier Shareholders.

**Listing of Shares of Holly Common Stock; Delisting and Deregistration of Shares of Frontier Common Stock (see page 91)**

It is a condition to the completion of the merger that the shares of Holly common stock to be issued to Frontier shareholders pursuant to the merger and the shares of Holly common stock reserved for issuance pursuant to Holly stock options (including those shares of Holly common stock to be issued upon conversion of the Frontier restricted stock) be authorized for listing on the NYSE at the effective time of the merger, subject to official notice of issuance. Upon completion of the merger, shares of Frontier common stock currently listed on the NYSE will cease to be listed on the NYSE and will be subsequently deregistered under the Exchange Act.

**The Meetings**

**The Holly Special Meeting (see page 27)**

The special meeting of Holly stockholders will be held at the offices of Vinson & Elkins LLP, 2001 Ross Avenue, 39th Floor, Dallas, Texas 75201, on June 28, 2011, at 3:00 p.m., local time. The special meeting of Holly stockholders is being held to consider and vote on:

a proposal to approve the issuance of shares of Holly common stock to Frontier shareholders in connection with the merger;

a proposal to approve and adopt Holly's amended and restated certificate of incorporation to, among other things, increase the number of authorized shares of Holly capital stock and change the name of Holly to HollyFrontier Corporation; and

a proposal to approve the adjournment of the Holly special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the first proposal listed above.

Completion of the merger is conditioned on approval of the issuance of shares of Holly common stock to Frontier shareholders in connection with the merger.

Only record holders of shares of Holly common stock at the close of business on May 20, 2011, the record date for the Holly special meeting, are entitled to receive notice of, and to vote at, the Holly special meeting or any adjournment or postponement thereof. At the close of business on the record date, the only outstanding voting securities of Holly were common stock, and [ ] shares of Holly common stock were issued and outstanding, approximately [ ]% of which were owned and entitled to be voted by Holly directors and executive officers and/or their affiliates. We currently expect that Holly directors and executive officers and their affiliates will vote their shares in favor of each Holly proposal listed above, but none of them has entered into any agreement obligating him or her to do so.

With respect to each Holly proposal listed above, Holly stockholders may cast one vote for each share of Holly common stock that they own. The proposal to approve the issuance of shares of Holly common stock to Frontier shareholders in connection with the merger requires the approval of a majority of the votes cast at the Holly special meeting, assuming a quorum. The proposal to approve and adopt Holly's amended and restated certificate of incorporation requires the approval of a majority of the outstanding shares of Holly common stock entitled to vote at the Holly special meeting. No business may be transacted at the Holly special meeting unless a quorum is present. If a quorum is not present, or if fewer shares are voted in favor of the proposal to approve the issuance of shares of Holly common stock to Frontier shareholders in connection with the merger than is required, to allow additional time for obtaining additional proxies, the special meeting may be adjourned if the approval of a majority of the votes

**Table of Contents**

cast at the special meeting is obtained. No notice of an adjourned meeting need be given unless the adjournment is for more than 30 days or, if after the adjournment, a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

**The Frontier Special Meeting (see page 31)**

The special meeting of Frontier shareholders will be held at the offices of Andrews Kurth LLP, 600 Travis, Suite 4200, Houston, Texas 77002, on June 28, 2011, at 3:00 p.m., local time. The special meeting of Frontier shareholders is being held in order to consider and vote on:

a proposal to approve the merger agreement, which is further described in the sections titled "The Merger" and "The Merger Agreement," beginning on pages 35 and 93, respectively; and

a proposal to approve the adjournment of the Frontier special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the foregoing proposal.

Only record holders of shares of Frontier common stock at the close of business on May 20, 2011, the record date for the Frontier special meeting, are entitled to notice of, and to vote at, the Frontier special meeting or any adjournment or postponement thereof. At the close of business on the record date, the only outstanding voting securities of Frontier were common stock, and [ ] shares of Frontier common stock were issued and outstanding, approximately [ ]% of which were owned and entitled to be voted by Frontier directors and executive officers and/or their affiliates. We currently expect that Frontier directors and executive officers and their affiliates will vote their shares in favor of both Frontier proposals listed above, but none of them has entered into any agreement obligating him or her to do so.

With respect to each Frontier proposal listed above, Frontier shareholders may cast one vote for each share of Frontier common stock that they own. The proposal to approve the merger agreement requires the approval of a majority of the votes cast at the Frontier special meeting, assuming a quorum. No business may be transacted at the Frontier special meeting unless a quorum is present. If a quorum is not present, or if fewer shares are voted in favor of the proposal to approve the merger agreement than is required, to allow additional time for obtaining additional proxies, the special meeting may be adjourned if the approval of a majority of the votes cast at the special meeting is obtained. No notice of an adjourned meeting need be given unless the adjournment is for more than 30 days or, if after the adjournment, a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting.

**Table of Contents****Summary Historical Consolidated Financial Data****Summary Consolidated Historical Financial Data of Holly**

The following statement of income data for the years ended December 31, 2010, 2009 and 2008 and the balance sheet data as of December 31, 2010 and 2009 have been derived from the audited consolidated financial statements of Holly contained in its Annual Report on Form 10-K for the fiscal year ended December 31, 2010, which is incorporated into this document by reference. The statement of income data for the years ended December 31, 2007 and 2006 and the balance sheet data as of December 31, 2008, 2007 and 2006 have been derived from Holly's audited consolidated financial statements for such years, which have not been incorporated into this document by reference.

The statement of income data for the three months ended March 31, 2011 and 2010, and the balance sheet data as of March 31, 2011 have been derived from Holly's unaudited interim consolidated financial statements contained in its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011, which is incorporated into this document by reference. The balance sheet data as of March 31, 2010 has been derived from Holly's unaudited interim consolidated financial statements contained in its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010, which has not been incorporated into this document by reference. These financial statements are unaudited, but, in the opinion of Holly's management, contain all adjustments necessary to present fairly Holly's financial position and results of operations for the periods indicated.

You should read this summary financial data together with the financial statements that are incorporated by reference into this document and their accompanying notes and management's discussion and analysis of financial condition and results of operations of Holly contained in such reports. See "Where You Can Find More Information" beginning on page 133.

**Statement of Income Data of Holly**

	<b>Three Months Ended March 31,</b>		<b>Years Ended December 31,</b>				<b>2006</b>
	<b>2011</b>	<b>2010</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	
	<b>(In millions, except per share data)</b>						
Sales and other revenues	\$ 2,327	\$ 1,874	\$ 8,323	\$ 4,834	\$ 5,860	\$ 4,791	\$ 4,023
Total operating costs and expenses	2,167	1,897	8,060	4,754	5,665	4,325	3,661
Operating income (loss)	159	(23)	263	80	196	466	362
Interest expense	16	18	74	40	24	1	1
Income tax provision (benefit)	49	(17)	59	7	64	165	137
Income (loss) from continuing operations	91	(23)	133	36	124	334	247
Net income (loss)	91	(23)	133	53	127	334	267
Net income (loss) attributable to Holly Corporation stockholders	\$ 85	\$ (28)	\$ 104	\$ 20	\$ 121	\$ 334	\$ 267

Earnings (loss) per share  
attributable to Holly  
Corporation stockholders:

Basic:	\$ 1.59	\$ (0.53)	\$ 1.95	\$ 0.39	\$ 2.40	\$ 6.09	\$ 4.68
Diluted:	\$ 1.58	\$ (0.53)	\$ 1.94	\$ 0.39	\$ 2.38	\$ 5.98	\$ 4.58



**Table of Contents****Balance Sheet Data of Holly**

	As of March 31,		As of December 31,				
	2011	2010	2010	2009	2008	2007	2006
	(In millions)						
Cash and cash equivalents	\$ 224	\$ 93	\$ 229	\$ 125	\$ 41	\$ 94	\$ 154
Total assets	3,990	3,382	3,701	3,146	1,874	1,664	1,238
Long-term debt(1)	834	821	811	707	342		
Total Holly Corporation stockholders equity	774	583	697	619	542	594	466

(1) Includes long-term debt of HEP of \$506 million and \$492 million as of March 31, 2011 and 2010, respectively, and \$482 million, \$379 million and \$342 million as of December 31, 2010, 2009 and 2008, respectively, which is non-recourse to Holly.

**Summary Consolidated Historical Financial Data of Frontier**

The following statement of operations data for the years ended December 31, 2010, 2009 and 2008 and the balance sheet data as of December 31, 2010 and 2009 have been derived from the audited consolidated financial statements of Frontier contained in its Annual Report on Form 10-K for the fiscal year ended December 31, 2010, which is incorporated into this document by reference. The statement of operations data for the years ended December 31, 2007 and 2006 and the balance sheet data as of December 31, 2008, 2007 and 2006 have been derived from Frontier's audited consolidated financial statements for such years, which have not been incorporated into this document by reference.

The statement of operations data for the three months ended March 31, 2011 and 2010, and the balance sheet data as of March 31, 2011 have been derived from Frontier's unaudited interim consolidated financial statements contained in its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011, which is incorporated into this document by reference. The balance sheet data as of March 31, 2010 has been derived from Frontier's unaudited interim consolidated financial statements contained in its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010, which has not been incorporated into this document by reference. These financial statements are unaudited, but, in the opinion of Frontier's management, contain all adjustments necessary to present fairly Frontier's financial position and results of operations for the periods indicated.

You should read this summary financial data together with the financial statements that are incorporated by reference into this document and their accompanying notes and management's discussion and analysis of financial condition and results of operations of Frontier contained in such reports. See "Where You Can Find More Information" beginning on page 133.

**Table of Contents****Statement of Operations Data of Frontier**

	<b>Three Months Ended</b>		<b>Years Ended December 31,</b>				<b>2006 As Adjusted(1)</b>
	<b>March 31, 2011</b>	<b>2010</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	
	<b>(In millions, except per share data)</b>						
Revenues	\$ 1,909	\$ 1,272	\$ 5,885	\$ 4,237	\$ 6,499	\$ 5,189	\$ 4,796
Operating costs and expenses	1,680	1,330	5,801	4,343	6,147	4,589	4,229
Operating income (loss)	229	(58)	84	(105)	351	600	567
Interest expense and other financing costs, net of interest and investment income	8	7	30	26	10	(13)	(6)
Provision (benefit) for income taxes	81	(25)	16	(48)	116	211	198
Net income (loss)	\$ 140	\$ (40)	\$ 38	\$ (84)	\$ 226	\$ 402	\$ 375
Earnings (loss) per share:							
Basic:	\$ 1.34	\$ (0.39)	\$ 0.36	\$ (0.81)	\$ 2.19	\$ 3.77	\$ 3.36
Diluted:	\$ 1.32	\$ (0.39)	\$ 0.36	\$ (0.81)	\$ 2.18	\$ 3.73	\$ 3.33

**Balance Sheet Data of Frontier**

	<b>As of March 31,</b>		<b>2010</b>	<b>As of December 31,</b>			<b>2006</b>
	<b>2011</b>	<b>2010</b>		<b>2009</b>	<b>2008</b>	<b>2007</b>	
	<b>(In millions)</b>						
Cash and cash equivalents	\$ 685	\$ 447	\$ 559	\$ 425	\$ 484	\$ 297	\$ 405
Total assets	2,386	2,148	2,169	2,148	2,006	1,706	1,463
Total long-term debt	348	348	348	347	347	150	150
Shareholders equity	1,091	905	987	944	1,039	881	715

(1) In the fourth quarter of 2009, Frontier adopted a change in accounting principle for inventory from a FIFO (first-in, first-out) basis to a LIFO (last-in, last-out) basis. The prior period presented has been adjusted to reflect the period specific effects of applying the new accounting principle.

**Table of Contents****Summary Unaudited Pro Forma Condensed Combined Financial Information of Holly and Frontier**

The following table presents selected unaudited pro forma combined financial information about Holly's consolidated balance sheet and statements of income, after giving effect to the merger with Frontier. The information under

Statement of Income Data in the table below gives effect to the merger as if it had been consummated on January 1, 2010, the beginning of the earliest period presented. The information under Balance Sheet Data in the table below assumes the merger had been consummated on March 31, 2011. This unaudited pro forma combined financial information was prepared using the acquisition method of accounting with Holly considered the acquirer of Frontier. See Accounting Treatment on page 110.

In addition, the unaudited pro forma combined financial information includes adjustments which are preliminary and will likely be revised. There can be no assurance that such revisions will not result in material changes. The unaudited pro forma combined financial information is presented for illustrative purposes only and does not indicate the financial results of the combined company.

The information presented below should be read in conjunction with the historical consolidated financial statements of Holly and Frontier, including the related notes, filed by each of them with the SEC, and with the pro forma condensed combined financial statements of Holly and Frontier, including the related notes, appearing elsewhere in this document. See Where You Can Find More Information beginning on page 133 and Unaudited Pro Forma Condensed Combined Financial Information beginning on page 111. The unaudited pro forma condensed combined financial data are not necessarily indicative of results that actually would have occurred or that may occur in the future had the merger been completed on the dates indicated.

	<b>Three Months Ended March 31, 2011</b>		<b>Year Ended December 31, 2010</b>	
	<b>(In millions, except per share data)</b>			
<b>Statement of Income Data:</b>				
Sales and other revenues	\$	4,235	\$	14,208
Income from operations	\$	406	\$	395
Income tax provision	\$	138	\$	95
Net income attributable to common stockholders	\$	239	\$	174
Earnings per share attributable to common stockholders basic	\$	2.28	\$	1.66
Earnings per share attributable to common stockholders diluted	\$	2.27	\$	1.65

	<b>March 31, 2011 (In millions)</b>	
<b>Balance Sheet Data:</b>		
Cash, cash equivalents and investments in marketable securities	\$	961
Total assets	\$	8,782
Long-term debt(1)	\$	1,209
Total stockholders' equity	\$	3,766

(1) Includes \$506 million in long-term debt of HEP which is non-recourse to Holly.

**Unaudited Comparative Per Share Data**

Presented below are Holly's and Frontier's historical per share data for the three months ended March 31, 2011 and the year ended December 31, 2010 and unaudited pro forma combined per share data for the three months ended March 31, 2011 and the year ended December 31, 2010. This information should be read together with the consolidated financial statements and related notes of Holly and Frontier that are incorporated by reference into this joint proxy statement/prospectus and with the unaudited pro forma combined financial data included under "Unaudited Pro Forma Condensed Combined Financial Information" beginning on page 111. The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the merger had been completed as of the beginning of the period.

**Table of Contents**

presented, nor is it necessarily indicative of the future operating results or financial position of the combined company. The historical book value per share is computed by dividing total stockholders' equity by the number of shares of common stock outstanding at the end of the period. The pro forma earnings per share of the combined company is computed by dividing the pro forma income by the pro forma weighted average number of shares outstanding. The pro forma book value per share of the combined company is computed by dividing total pro forma stockholders' equity by the pro forma number of shares of common stock outstanding at the end of the respective periods.

<b>Holly Historical</b>	<b>Three Months Ended March 31, 2011</b>	<b>Year Ended December 31, 2010</b>
Earnings per share:		
Basic	\$ 1.59	\$ 1.95
Diluted	\$ 1.58	\$ 1.94
Book value per share of common stock	\$ 14.51	\$ 13.09
Cash dividends	\$ 0.15	\$ 0.60

<b>Frontier Historical</b>	<b>Three Months Ended March 31, 2011</b>	<b>Year Ended December 31, 2010</b>
Earnings per share:		
Basic	\$ 1.34	\$ 0.36
Diluted	\$ 1.32	\$ 0.36
Book value per share of common stock	\$ 10.25	\$ 9.33
Cash dividends	\$ 0.34	\$

<b>Holly Unaudited Pro Forma Combined Amounts</b>	<b>Three Months Ended March 31, 2011</b>	<b>Year Ended December 31, 2010</b>
Earnings per share:		
Basic	\$ 2.28	\$ 1.66
Diluted	\$ 2.27	\$ 1.65
Pro forma book value per share of common stock	\$ 35.95	n/a
Cash dividends	\$ 0.15	\$ 0.60

<b>Frontier Unaudited Pro Forma Equivalent Per Share Data(a)</b>	<b>Three Months Ended March 31, 2011</b>	<b>Year Ended December 31, 2010</b>

## Earnings per share:

Basic	\$	1.10	\$	0.80
Diluted	\$	1.09	\$	0.79
Pro forma book value per share of common stock	\$	17.30		n/a
Cash dividends	\$	0.07	\$	0.29

- (a) The Frontier unaudited pro forma equivalent per share financial information is computed by multiplying the Holly unaudited pro forma combined amounts by the exchange ratio (0.4811 shares of Holly common stock for each share of Frontier common stock) so that the per share amounts are equated to the respective values for one share of Frontier common stock.

**Table of Contents****Comparative Market Prices**

The following table shows the closing sale prices of Holly and Frontier common stock as reported on the NYSE as of February 18, 2011, the last trading day before public announcement of the merger, and as of May [ ], 2011, the last trading day before the date of this joint proxy statement/prospectus.

	<b>Holly Common Stock</b>	<b>Frontier Common Stock</b>	<b>Implied Value for Each Share of Frontier Common Stock</b>
February 18, 2011	\$ 56.11	\$ 28.12	\$ 26.99
May [ ], 2011	\$ [ ]	\$ [ ]	\$ [ ]

*The market price of Holly common stock and Frontier common stock will fluctuate prior to the merger. Holly stockholders and Frontier shareholders are urged to obtain current market quotations for the shares prior to making any decision with respect to the merger.*

**Table of Contents**

**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This joint proxy statement/prospectus and the documents incorporated by reference into this joint proxy statement/prospectus contain forward-looking statements within the meaning of the federal securities laws that are not limited to historical facts, but reflect Holly's and/or Frontier's current beliefs, expectations or intentions regarding future events. Words such as may, will, could, should, expect, plan, project, intend, anticipate, believe, predict, potential, pursue, target, continue, and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, Holly's and Frontier's expectations with respect to the synergies, costs and other anticipated financial impacts of the proposed transaction; future financial and operating results of the combined company; the combined company's plans, objectives, expectations and intentions with respect to future operations and services; approval of the proposed transaction by stockholders and by governmental regulatory authorities; the satisfaction of the closing conditions to the proposed transaction; and the timing of the completion of the proposed transaction.

All forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements, many of which are generally outside the control of Holly and Frontier and are difficult to predict. These risks and uncertainties also include those set forth under Risk Factors, beginning on page 18, as well as, among others, risks and uncertainties relating to:

- the actions of actual or potential competitive suppliers of refined petroleum products in our markets;
- the demand for and supply of crude oil and refined products;
- the spread between market prices for refined products and market prices for crude oil;
- the possibility of constraints on the transportation of refined products;
- the possibility of inefficiencies, curtailments or shutdowns in refinery operations or pipelines;
- effects of governmental and environmental regulations and policies;
- the availability and cost of our financing;
- the effectiveness of our capital investments and marketing strategies;
- our efficiency in carrying out construction projects;
- our ability to acquire refined product operations or pipeline and terminal operations on acceptable terms and to integrate any existing or future acquired operations;
- the possibility of terrorist attacks and the consequences of any such attacks;
- general economic conditions;
- the proposed merger, including the ability to complete the merger in the anticipated timeframe or at all, the diversion of management in connection with the merger and our ability to realize fully or at all the anticipated benefits of the merger; and



other financial, operational and legal risks and uncertainties detailed from time to time in our SEC filings.

Holly and Frontier caution that the foregoing list of factors is not exclusive. Additional information concerning these and other risk factors is contained in Holly's and Frontier's most recently filed Annual Reports on Form 10-K, subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K, and other SEC filings. All subsequent written and oral forward-looking statements concerning Holly, Frontier, the proposed transaction or other matters and attributable to Holly or Frontier or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements speak only as of the date made and, other than as required by law, neither Holly nor Frontier undertake any obligation to update publicly or revise any of these forward-looking statements, whether as a result of new information, future events or otherwise.

**Table of Contents****RISK FACTORS**

*In addition to the other information included and incorporated by reference into this joint proxy statement/prospectus, including the matters addressed in the section entitled **Special Note Regarding Forward-Looking Statements**, you should carefully consider the following risks before deciding whether to vote for the proposal to approve the issuance of shares of Holly common stock to Frontier shareholders in connection with the merger and the proposal to approve and adopt Holly's amended and restated certificate of incorporation, in the case of Holly stockholders, or for the proposal to approve the merger agreement, in the case of Frontier shareholders. In addition, you should read and consider the risks associated with each of the businesses of Holly and Frontier because these risks will also affect the combined company following the merger. These risks can be found in the Annual Reports on Form 10-K for the fiscal year ended December 31, 2010 for each of Holly and Frontier, as such risks may be updated or supplemented in each company's subsequently filed Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, to the extent incorporated by reference into this joint proxy statement/prospectus. You should also read and consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus. See the section entitled **Where You Can Find More Information** beginning on page 133.*

**Risk Factors Relating to the Merger**

***The exchange ratio is fixed and will not be adjusted in the event of any change in either Holly's or Frontier's stock price.***

Upon closing of the merger, each share of Frontier common stock will be converted into the right to receive 0.4811 shares of Holly common stock. This exchange ratio will not be adjusted for changes in the market price of either Holly common stock or Frontier common stock between the date of signing the merger agreement and completion of the merger. Changes in the price of Holly common stock prior to the merger will affect the value of Holly common stock that Frontier common shareholders will receive on the date of the merger. The exchange ratio will be adjusted appropriately to fully reflect the effect of any reorganization, reclassification, recapitalization, stock split, split-up, stock dividend or stock distribution (including any dividend or distribution of securities convertible into Holly common stock or Frontier common stock), combination or exchange of shares with respect to, or rights issued in respect of, Holly common stock or Frontier common stock between the date of signing the merger agreement and completion of the merger.

The prices of Holly common stock and Frontier common stock at the closing of the merger may vary from their prices on the date the merger agreement was executed, on the date of this joint proxy statement/prospectus and on the date of each stockholders meeting. As a result, the value represented by the exchange ratio will also vary. For example, based on the range of closing prices of Holly common stock during the period from February 18, 2011, the last trading day before public announcement of the merger, through May [ ], 2011, the latest practicable trading date before the date of this joint proxy statement/prospectus, the exchange ratio represented a value ranging from a high of \$[ ] to a low of \$[ ] for each share of Frontier common stock.

In addition, the merger might not be completed until a significant period of time has passed after the respective special stockholder meetings. Because the exchange ratio will not be adjusted to reflect any changes in the market value of Holly common stock or Frontier common stock, the market value of the Holly common stock issued in connection with the merger and the Frontier common stock surrendered in connection with the merger may be higher or lower than the values of those shares on earlier dates. Stock price changes may result from, among other things, changes in the business, operations or prospects of Holly or Frontier prior to or following the merger, litigation or regulatory considerations, general business, market, industry or economic conditions and other factors both within and beyond

the control of Holly and Frontier. Neither Holly nor Frontier is permitted to terminate the merger agreement solely because of changes in the market price of either company's common stock.

***Current Holly and Frontier stockholders will have a reduced ownership and voting interest in the combined company after the merger.***

Based on the estimated number of shares of Frontier common stock and Frontier equity awards that will be outstanding immediately prior to the closing of the merger, we estimate that Holly will issue or reserve for issuance

**Table of Contents**

approximately 51,608,956 million shares of Holly common stock to Frontier shareholders in the merger (including shares of Holly common stock to be issued in connection with outstanding Frontier equity awards). As a result of these issuances, current Holly and Frontier stockholders are expected to hold approximately 51% and 49%, respectively, of the combined company's outstanding common stock immediately following completion of the merger.

Holly and Frontier stockholders currently have the right to vote for their respective directors and on other matters affecting the applicable company. When the merger occurs, each Frontier shareholder that receives shares of Holly common stock will become a stockholder of Holly (proposed to be renamed HollyFrontier Corporation) with a percentage ownership of the combined company that will be smaller than the shareholder's percentage ownership of Frontier. Correspondingly, each Holly stockholder will remain a stockholder of Holly (proposed to be renamed HollyFrontier Corporation) with a percentage ownership of the combined company that will be smaller than the stockholder's percentage of Holly prior to the merger. As a result of these reduced ownership percentages, Holly stockholders will have less voting power in the combined company than they now have with respect to Holly, and Frontier shareholders will have less voting power in the combined company than they now have with respect to Frontier.

***The merger is subject to the receipt of consents and clearances from regulatory authorities that may impose conditions that could have an adverse effect on Holly, Frontier or the combined company or, if not obtained, could prevent completion of the merger.***