



News Release

Date: April 13, 1999

Contact: Mary Beth Jarvis
316-828-3756

Koch Industries' Environmental Technology Honored by Smithsonian

Innovative pipeline integrity program joins national museum's permanent research collection

Washington, D.C – Koch Industries' state-of-the-art pipeline monitoring program became part of the Smithsonian's Permanent Research Collection on Information Technology at a ceremony held at the Smithsonian Castle here Monday.

Koch's induction into the collection comes as a part of the Computerworld Smithsonian Awards program. Koch is honored among 1999 innovators in the Environment, Energy and Agriculture category. The Information Technology collection, maintained at the National Museum of American History, includes leaders in developing information technology that changes how Americans live.

Koch's initiative, known as Katapult, protects the environment by helping pipeline operators pinpoint possible leaks within seconds and anticipate potentially hazardous situations before they occur. The system uses centralized artificial intelligence to perform simulation analysis of more than 125,000 data points each minute, from the company's crude oil and refined petroleum pipeline systems.

"Koch stresses innovation in everything we do, including protecting the environment," said Bill Caffey, Koch's executive vice president for Operations. "The Katapult team has dramatically improved Koch's already strong leak-prevention record and enhanced our operations tremendously. We're very pleased and proud that the Smithsonian and Computerworld have recognized Koch's technological leadership in protecting the environment."

Katapult has made Koch an industry leader in preventing environmental harms:

- In the past eight years, Koch has reduced crude oil leaks by 92 percent, with the most dramatic changes occurring on the pipelines that use Katapult.
- In July 1998, Koch's Minnesota Pipeline, which transports crude oil to Koch's Minnesota refinery, achieved a full year without a leak of more than five gallons. The system transported more than four billion gallons during this time.
- The Texas Railroad Commission's 1997 audit of Koch's Texas pipeline concluded that Koch's systems average 60% fewer violations and incidents than the industry average.

- more -

- In September 1998, the Minnesota Office of Pipeline Safety honored Koch's Minnesota Pipeline and Wood River Pipeline systems with its Operator of Choice award.
- In December 1998, Koch's Wood River Pipeline, which transports crude oil to Koch's Minnesota refinery, completed three full years, transporting more than 2.4 billion gallons, without a reportable spill.

"The Laureates in this year's Collection are utilizing new information age tools to extend the benefits of technology to society," said Dan Morrow, Executive Director of the Computerworld Smithsonian Awards Program.

Koch was nominated by George T. Shaheen, Managing Partner and CEO of Andersen Consulting, in the Environment, Energy, and Agriculture category. The 1999 case studies, which include innovative applications of technology from 42 states and 22 countries, is available to the public at <http://www.innovate.si.edu>.

Koch Industries, Inc. through its subsidiaries, employs 16,000 people worldwide and is involved in virtually all phases of the oil and gas industry, as well as in agriculture, chemicals, chemical technology products, energy services, asphalt products, metals and minerals services, real estate and financial investments. For more information on Koch, refer to www.kochind.com or www.kochenvironment.com on the Internet.

###