



News Release

Date: Nov. 22, 2005

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FLINT HILLS RESOURCES ALASKA INVESTING \$23 MILLION TO SUPPLY CLEAN FUELS

NORTH POLE, Alaska — Flint Hills Resources Alaska, LLC is investing \$23 million to supply Alaskans with low sulfur fuels. Tesoro Corp. has announced a \$45 million project to construct a distillate desulfurization unit at its Kenai Refinery. Flint Hills will contribute \$15 million for that project and will receive up to 6,000 barrels of low sulfur gasoline and diesel per day to Flint Hills to supply its customers.

“With Tesoro, we are addressing community needs for a ready supply of low sulfur fuels, in the most economically appropriate manner,” said Todd Craig, vice president of Alaska marketing for Flint Hills Resources. “We will be producing low sulfur gasoline at our North Pole refinery and will move additional low sulfur fuels through our facilities in North Pole and Anchorage, including potentially from waterborne sources.”

The company is also spending \$8 million to enable these fuel terminals to handle the low sulfur fuels. The combination of these investments allows Flint Hills to fulfill its royalty oil contract obligations, relative to providing clean fuels, with the state.

Flint Hills Resources has also recently announced several capital projects aimed at improving fuel supply in the areas it serves. In Texas, the company is adding fuel storage and transportation capacity to meet growing Texas fuel demand. In Minnesota, the company plans to increase its Minnesota refining capacity by 50,000 barrels per day to meet growing demand in the Upper Midwest. The company also has increased pipeline capacity by 10,000 barrels per day to markets it serves in Wisconsin, and will increase its Texas pipeline capacity by 30,000 barrels per day.

Flint Hills Resources Alaska, LLC is a wholly owned subsidiary of Flint Hills Resources. Flint Hills Resources is a leading producer of fuels and other petrochemical products. The company operates refineries in Corpus Christi, Texas, North Pole, Alaska, and Pine Bend, Minn., and associated fuel products terminals, as well as a chemical intermediates plant near Joliet, Ill. For more information, see www.fhr.com.

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