



## News Release

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Date: Jan. 14, 2002  
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### **Flint Hills Resources Furthers Pledge to Cleaner Texas Air** *Company commits \$145 million to Texas refinery upgrades*

**WICHITA, Kan.** -- Flint Hills Resources, LP will invest an additional \$145 million in upgrades to its Corpus Christi refining complex to produce fuels with 80 percent lower sulfur levels and continue to improve Texas air quality, officials said today.

“Flint Hills Resources is committed to the clean fuels initiative we began in 2000 and that last year resulted in fuels with sulfur levels 50 percent lower than the industry average,” said Dave Robertson, president and chief executive officer of Flint Hills Resources, formerly known as Koch Petroleum Group. “This second phase of facility improvements will enable us to further reduce the sulfur levels in the fuels we produce and meet 2005 federal clean fuels standards.”

To produce the cleaner-burning fuels, Flint Hills will begin engineering and construction of the new sulfur-processing unit within the next six months; the expected completion date is mid-2003.

The Corpus Christi refining complex employs more than 900 and has a processing capability of 300,000 barrels/per/day. Joe Coco, vice president of refining and manufacturing manager, said the \$145 million commitment for further investments in addition to the \$32 million for the first phase of the clean fuels initiative pushes the company’s environmental upgrades to nearly \$400 million in recent years.

Federal clean fuels guidelines require that sulfur in gasoline be reduced to an average 30 parts per million by 2005. The company’s initial voluntary investment in clean fuels lowered the average sulfur content of the fuels it produced to 150 ppm – half of the U.S. Environmental Protection Agency’s estimate of the current industry average sulfur content of 307 ppm. Sulfur content in gasoline varies greatly, depending upon such factors as seasonal differences, fuel grade and crude type.

In May 2000, the Corpus Christi refinery unveiled its voluntary initiative to help reduce ozone levels through low-sulfur gasoline supplies to its markets in Austin, Corpus Christi, Dallas-Fort Worth, San Antonio and Waco. The cleaner-burning fuels became available in May 2001 in all grades and provided the lower-sulfur fuels in time for the summer driving season. For the past few years, the company has worked cooperatively with these communities in their ongoing efforts to stay in compliance with federal air quality standards.

“This project will mean more jobs, cleaner burning fuels, and better air quality for our city,” said Texas State Rep. Gene Seaman. “That’s good news for the residents of Corpus Christi and the entire Coastal Bend region. I commend Flint Hills Resources for their initiative in making a significant investment and for their continued commitment to our community.”

“This capital investment in the Corpus Christi refining complex is one of our largest ever and fully underscores Flint Hills Resources’ ongoing commitment to the environment, the business and the Corpus Christi area,” said Coco. “Construction will require about 700 contract and construction workers over the course of the project.”

Jacobs Engineering Group, Inc., of Houston will manage the project.

*On Jan. 1, 2002, Flint Hills Resources, LP, became the name of the chemicals and refining businesses, including the Corpus Christi complex, previously operated by Koch Petroleum Group. The Wichita, Kan.-based company is a leading producer of fuels and other petrochemical product. The company takes its name from the Flint Hills of Kansas, a scenic and culturally rich part of the Great Plains. The name honors Fred Chase Koch, the founder of Koch Industries, Inc., who loved the Flint Hills and established his first ranch there in the 1940s. More information on Flint Hills Resources is available at [www.fhr.com](http://www.fhr.com).*