



KOCH NITROGEN COMPANY

News Release

Date: May 20, 2003
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KOCH NITROGEN CONCLUDES PURCHASE OF FERTILIZER ASSETS

WICHITA, Kan. – Koch Nitrogen Company’s purchase of selected U.S. fertilizer assets from Farmland Industries closed today.

The acquisition was formally concluded in Farmland’s offices in Kansas City, Mo.

“This acquisition fits with our vision of identifying growth opportunities where we can apply our capabilities to enhance the business,” said Jeff Walker, president of Koch Nitrogen. “We’ll work to position these assets to adapt to changing markets. Our expectation is to be world-class, cost-efficient, environmentally excellent operators, so that this business can continue providing valuable service to its customers.”

Four fertilizer plants and 12 terminals are among the U.S. assets in the acquisition. These production facilities are located in Beatrice, Neb.; Dodge City, Kan.; Enid, Okla.; and Fort Dodge, Iowa. The terminals are in Aurora and Greenwood, Neb.; Barnesville, Murdock and Vernon Center, Minn.; Conway, Kan.; Farnsworth, Texas; Henry and Mattoon (Trilla Terminal), Ill.; and Garner, Sergeant Bluff and Keota (Washington Terminal), Iowa.

In a deal that closed May 7, Koch Nitrogen affiliates purchased Farmland’s 50 percent share of Farmland MissChem Limited, which owns an ammonia plant in Trinidad. This plant, built in 1997, uses that country’s lower-cost natural gas to provide a hedge against the rising North American natural gas market. Mississippi Chemical Corp. is the other FMCL shareholder.

The domestic assets and international interests were purchased for \$293 million, including a \$188 million cash purchase price for the assets. The deal value also included approximately \$105 million in adjustments for working capital, debt and assumed liabilities.

“We believe that the long-term success of U.S. fertilizer producers will be driven by whether they can build supply diversity; operate efficiently; achieve excellence in environmental, health and safety compliance; and satisfy customers,” said Walker. “These assets will improve our ability to serve customers in key fertilizer markets in the United States, including the Midwestern Corn Belt and the Gulf Coast.”

Koch Nitrogen Company and its affiliates produce, distribute and globally market nitrogen fertilizers, including anhydrous ammonia, urea and UAN. Koch Nitrogen is a subsidiary of privately held Koch Industries, Inc. (www.kochind.com), which owns a diverse group of companies engaged in trading, investment and operations around the world.

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