



## News Release

Date: Aug. 12, 2003  
Contact: Mary Beth Jarvis  
Flint Hills Resources  
316-828-3756

### **FLINT HILLS RESOURCES FOCUSING ON GROWTH**

*Company adds base oil investment to its overall business*

**WICHITA, Kan.** – Flint Hills Resources, an independent refining and chemicals company, is expanding its business into the base oils market, making good on growth plans announced when the company was formed in 2002.

“We emphasized that we wanted to position the company to take advantage of growth opportunities and be competitive with other independent refining and chemicals companies,” said Dave Robertson, president and chief executive officer of Flint Hills Resources. “We’re building on our entrepreneurial culture to anticipate market changes and cost-effectively meet our customers’ needs.”

In July, Flint Hills Resources completed an investment in Excel Paralubes in Lake Charles, La., to expand its marketing expertise into a new area of the petroleum business. The facility is capable of producing about 21,000 barrels per day of Group II base oil, the primary base stock used in the manufacture of motor oil.

“Entering into this product line gives us the opportunity to serve a new customer base,” Robertson said. “We see the base oil business as a natural extension of our refined products business, and we’re pleased we can enter this market through a high-quality business like Excel.”

“And the purchase is a direct result of Flint Hills Resources’ entrepreneurial spirit and focus,” he said.

Flint Hills Resources has refining complexes in Corpus Christi, Texas, and Rosemount, Minn. (near the Twin Cities), as well as Canadian interests that include crude oil purchasing and transportation activities. The company also performs other crude oil supply activities that focus on ensuring an optimal supply of feedstock for its refineries; markets petrochemicals worldwide; and markets refined products. It also has earned industry accolades for its safety performance.

The company’s Corpus Christi refining complex earned the National Petrochemical & Refiners Association Distinguished Safety Award, one of the industry’s highest safety commendations. As a company, Flint Hills Resources achieved lowest-ever Occupational Safety and Health Administration recordable incident rates in 2002, dropping from 1.53 to 0.65, and for the second consecutive year, had no OSHA lost-time incidents. Flint Hills’ Texas refining complex achieved an incident rate 96 percent lower than the manufacturing industry average and five times better than the average among U.S. refiners. Employees at the Minnesota refinery have worked more than 1,000 days with no lost-time incidents; Texas employees have worked more than 950 days with out an incident resulting in time away from work.

OSHA recordable rates are standard industrial safety performance measures that represent health and safety incidents per 200,000 work hours, a unit of measure chosen by the agency because it approximates the annual work of 100 employees. Lost-time incidents are those injuries or occupational illnesses that result in time away from work.

-more-

The company employs more than 900 at its Corpus Christi complex, which has a 300,000 barrel-per-day processing capability. The Pine Bend refinery employs 750 and has a 290,000 barrel-per-day capacity.

Prior to Jan. 1, 2002, Flint Hills Resources was known as Koch Petroleum Group, L.P. The company has independent leadership and separate financial decision-making authority, while remaining wholly owned by Koch Industries, Inc.

*Flint Hills Resources is a leading producer of fuels, base oils for lubricants,, and other petrochemical products based in Wichita, Kan. 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, co-founder of what is now Koch Industries, who loved the Flint Hills and established his first ranch there in the 1940s. More information about the company is available at [www.fhr.com](http://www.fhr.com).*