



News Release

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Flint Hills Resources announces plans to produce cleaner-burning diesel fuel at Rosemount refinery

Rosemount, Minn. – Flint Hills Resources announced today a \$325 to \$400 million capital project at its Minnesota refinery that will allow the company to meet new federal regulations for cleaner diesel fuel. The project is expected to result in up to 500 construction jobs over the next two years.

Flint Hills is currently in the process of obtaining the necessary state and local permits for the project. Construction will need to start this summer so the new processing units can begin operating in early 2006 in order to meet the deadline for the new fuel regulations.

“This will be a significant capital investment in order to produce cleaner diesel fuel and meet the new federal regulations,” said Dave Robertson, president of Flint Hills Resources. “It continues our commitment to bring cleaner burning fuels to Minnesota and surrounding states.”

To meet the new regulations, Flint Hills will build a hydrocracker, hydrogen plant, and additional storage tanks. Starting in 2006, diesel fuel must meet a maximum sulfur standard of 15 parts per million (ppm), compared to the current maximum of 500 ppm. A second component of the new federal regulations require stricter diesel engine emissions standards. According to the U. S. Environmental Protection Agency, the new fuel and engine standards will reduce particulate matter and nitrogen oxide emissions 90 percent from current standard levels. The project will not increase the overall crude oil processing capacity of the refinery.

In 1999, the company introduced Blue Planet® gasoline, the only low sulfur gasoline available in all three-octane grades in the Twin Cities. Blue Planet reduces emissions that lead to the formation of ground-level ozone, commonly known as smog, and was introduced six years ahead of federal regulations for low sulfur gasoline.

Flint Hills Resources, LP is a leading provider of transportation fuels used in Minnesota and Wisconsin. Its Pine Bend refinery in Rosemount has a 280,000 barrel-per-day capacity and employs approximately 700 people full-time. Flint Hills Resources is wholly owned by Koch Industries, Inc. and is based in Wichita, Kan. Flint Hills also produces base oils for lubricants and other petrochemical products, and owns refineries in Texas, and an interest in Excel Paralubes in Louisiana. For more information, see www.fhr.com.

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