



News Release

Date: Nov. 1, 2002

Contacts: Jay Rosser
Koch Industries
316-828-7462

Dan Larson
BP America
630-836-5228

Steve Baker
Colonial Pipeline
678-762-2589

KOCH SUBSIDIARY TO PURCHASE BP UNIT'S SHARE IN COLONIAL PIPELINE

Acquisition would make Koch subsidiary largest Colonial shareholder

WICHITA, Kan. – Koch Business Holdings, LLC today agreed to purchase BP America's 17.97 percent ownership interest in Colonial Pipeline Co., the world's largest-volume transporter of refined petroleum products.

The acquisition, which is subject to regulatory approval, would bring Koch Business Holdings' share in Colonial to 25.27 percent, making it the largest shareholder in the interstate common carrier pipeline company.

"We're pleased Koch Business Holdings is increasing its ownership interest in Colonial, which plays such a vital role in supplying the eastern U.S. markets with the fuels they need," said Bill Caffey, executive vice president of Koch Industries, Inc. "This acquisition is part of a broad effort by Koch companies to find strategic growth opportunities that match their core capabilities."

Atlanta-based Colonial (www.colpipe.com) delivers a daily average of 95 million gallons of gasoline, diesel fuel, home heating oil, aviation and military fuels through its 5,519-mile pipeline system to communities and businesses in the eastern United States.

Buckeye Partners, L.P. recently announced its intention to purchase BP's shares in Colonial for \$295 million. Existing shareholders in Colonial had a right of first refusal to purchase all or a pro-rata portion of the shares offered. Koch Business Holdings, a 7.3 percent shareholder at the time, was the only shareholder that exercised that right, resulting in the current agreement.

Koch Business Holdings, LLC is a subsidiary of privately held Koch Industries, Inc., based in Wichita, Kansas. Koch Industries owns a diverse group of companies engaged in trading, investment and operations worldwide, in core industries such as commodities and securities trading, petroleum, asphalt, natural gas, gas liquids, chemicals, plastics and fibers, chemical technology equipment, minerals, fertilizers, ranching, and finance, as well as in other ventures and investments. More information is available at www.kochind.com

##