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KOCH INDUSTRIES SUBSIDIARY TO RESTRUCTURE

New companies to be positioned for growth in refining and chemicals, trading

WICHITA, Kan. – Koch Industries, Inc. is restructuring Koch Petroleum Group, L.P. into Flint Hills Resources LP, a refining and chemicals company, and Koch Supply & Trading, LP, a trading company.

The change, made to enhance the ability of the two subsidiaries to take advantage of growth opportunities in their markets, is expected to be effective in January 2002.

“Koch Industries is focused on properly positioning its companies to compete in their own industry segments, and this action is a clear illustration of that vision,” said Joe Moeller, president and chief operating officer of Koch Industries. “This restructuring is designed to better enable these companies to grow and succeed.”

Flint Hills Resources will be wholly owned by Koch Industries and based here. It will include the Corpus Christi, Texas, and Pine Bend, Minnesota, refining complexes, as well as associated capabilities, such as refined products marketing, chemicals trading, Canadian oilsands development and some other crude oil supply activities.

“This change will help us become even more focused on achieving our goals in the refining and chemicals industries,” said Dave Robertson, president of Koch Petroleum Group, who will become Flint Hills Resources’ president and chief executive officer. “We’re excited about being better able to take advantage of growth opportunities and compete with other independent refining companies.”

Global trading and risk management activities in crude oil, refined petroleum products, metals, and other commodities, currently part of Koch Petroleum Group, will be the focus of Koch Supply & Trading. Koch Supply & Trading will also be based here, and its subsidiaries will own the Rotterdam, Netherlands, splitter, and crude oil terminals in Cushing, Okla., and St. James, La.

“Our business will continue to operate under the same principles that have driven the trading activities of Koch companies for years,” said Steve Mawer, Koch Petroleum Group’s executive vice president of sales and trading, who will be president of Koch Supply & Trading. “We’ll continue to trade in a disciplined, analysis-driven manner and provide the service and innovative risk management products our customers expect from us.”

Some trading activities will remain in Flint Hills Resources, including those primarily geared toward ensuring supply of crude oil to the refineries (in Canada and South Texas), refined products trading in the U.S. Midwest, and chemicals trading worldwide.

Koch Industries, Inc., based in Wichita, Kansas, owns a diverse group of companies engaged in trading, investment and operations worldwide, including Koch Petroleum Group, L.P., a leading producer and trader of fuels and other petrochemical and commodity products. Koch Petroleum has approximately 900 employees at its 300,000 barrel-per-day refining complex in South Texas; 750, at its 280,000 barrel-per-day refinery in Minnesota; and 750 others at offices and facilities elsewhere around the globe, including its Wichita headquarters. More information is available at www.kochind.com.