



News Release

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Flint Hills Resources to increase crude oil processing capacity at Rosemount refinery

Rosemount, Minn. – Flint Hills Resources announced today an estimated \$100 million capital project at its Minnesota refinery that will increase its crude oil processing capacity by 50,000 barrels a day. The increased capacity will help meet the growing demand for gasoline and diesel fuel in the Upper Midwest.

“It has been well reported that demand for petroleum products continues to grow while U.S. refining capacity has remained relatively flat,” said Dave Robertson, president of Flint Hills Resources. “Increasing our crude oil processing capacity is essential to meet growing demand for both diesel fuel and gasoline, which is projected to grow throughout the rest of the decade in the states we serve.”

Fuel products produced at the Flint Hills Resources refinery are used in Minnesota, Wisconsin, Iowa, South Dakota and North Dakota. Demand for light products such as gasoline and diesel fuel in the five-state area grew by about 2 percent per year between 1997 and 2004 and demand is expected to continue growing through the rest of the decade.

This project will also allow Flint Hills Resources to utilize the increasing supply of Canadian crude oil. Western Canadian crude oil production is expected to expand by more than 1 million barrels of oil per day over the next five to seven years.

Increasing the refinery’s capacity will require modifications to an existing crude oil processing unit and will result in about 100 to 150 construction jobs. Flint Hills Resources will seek the necessary state and local permits in 2005 and 2006. The increased capacity is planned to come on line in the summer of 2007 and will increase the refinery’s crude oil processing capacity from approximately 280,000 barrels per day to 330,000.

Flint Hills Resources, LP is a leading provider of transportation fuels used in the Upper Midwest. Its Pine Bend refinery in Rosemount, Minn. has a processing capacity of approximately 280,000 barrel-per-day and employs 700 people full-time. Flint Hills Resources, an independent refining and chemicals company, is wholly owned by Koch Industries, Inc. and is based in Wichita, Kan. The company also owns refineries in Texas and Alaska, a chemical facility in Illinois and has an interest in a base oil facility in Louisiana. For more information, see www.fhr.com.

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