



Frontier Oil Announces Expansion Plans for El Dorado Refinery

HOUSTON, Feb. 19 /PRNewswire-FirstCall/ -- Frontier Oil Corporation (NYSE: FTO) announced plans to expand the El Dorado Refinery, increase its ability to process heavier crude oils and improve gasoline yields. The first step will be the closure of its phenol and cumene petrochemical units, which will increase gasoline volumes by an average of 5,000 barrels per day (bpd) and allow for outside sales of benzene. Frontier expects these actions to be complete in early April 2002. The Company estimates savings of at least \$8 million annually by eliminating the high operating costs associated with chemical production. Incremental margin to be derived from the sales of increased gasoline volumes should be additive. Additionally, the Board of Directors approved a \$25.9 million heavy oil expansion project designed to increase effective crude capacity from 110,000 to 118,000 bpd and increase coker capacity by 2,200 bpd. Of the total expenditures, approximately \$16 million relates to the crude unit and \$10 million to the coker expansion, with a majority of the capital to be spent in 2002 and the remaining \$6 million planned for early 2003. Subsequent to the receipt of the necessary environmental permits, now in progress, Frontier expects to complete the project by the second quarter of 2003. Upon completion, Frontier anticipates gasoline production will increase by another 2,500 bpd and heavy crude oil runs will increase on average by 18,000 barrels per day, with seasonal variations. Frontier's Chairman, President, and CEO, James Gibbs said, "We are committed to delivering growth with value to our shareholders. These expansion projects at El Dorado exceed our investment return expectations and effectively add to our crude and coking capacity at a fraction of the cost of some recent industry acquisitions. The economics from these projects are so attractive, we can make these investments, enhance our financial position and continue to search for an attractive acquisition opportunity." Frontier operates a 110,000 barrel-per-day refinery located in El Dorado, Kansas, and a 46,000 barrel-per-day refinery located in Cheyenne, Wyoming, and markets its refined products principally along the eastern slope of the Rocky Mountains and in other neighboring plains states. This news release includes forward-looking statements concerning the Company. These may include statements of plans or objectives for future operations, statements about future economic performance or assumptions or estimates. The accuracy of these forward-looking statements is subject to a wide range of business risks and changes in circumstances that are described in our reports that are filed from time to time with the Securities and Exchange Commission. Actual results and outcomes often differ from expectations.