



Frontier Oil Reports Record Results for Second Quarter 2001

HOUSTON, Aug. 6 /PRNewswire/ -- Frontier Oil Corporation (NYSE: FTO) announced record quarterly net income for the three months ended June 30, 2001 of \$78.9 million, or \$2.86 per share, compared to \$31.9 million, or \$1.13 per share, in the second quarter of 2000, the former record quarter. The increase in net income is an improvement of \$47.0 million, or \$1.73 per share, over last year's record second quarter. The analysts' consensus estimate for the second quarter 2001, \$2.97 per share, does not take into account the impact of inventory accounting used by Frontier. In the quarter, the after tax FIFO inventory impact on earnings was a negative \$7.1 million, or \$.26 per share, which on a comparable basis to analysts' expectations would bring the results to \$3.12 per share.

James Gibbs, Frontier's Chairman, President and Chief Executive Officer, commented, "The exceptional quarter was a result of a combination of factors including higher than normal gasoline crack spreads, a favorable diesel crack spread, a wide light/heavy crude oil differential, a wide sweet/sour crude oil differential, and consistent refinery operations."

Net cash provided by operating activities totaled \$109.2 million for the quarter, allowing the Company to significantly improve its balance sheet. Net debt (debt less cash) to book capitalization decreased from 74% at March 31, 2001 to 47% at June 30 due to a \$72.9 million increase in shareholders' equity, a \$61.9 million reduction in debt, and a \$40.5 million increase in cash, partially offset by \$8.3 million in repurchased stock. The Company continues its debt reduction initiative and has already repurchased an additional \$5.7 million (face value) since June 30, 2001.

Gibbs continued, "We are extremely pleased with the most successful quarter in Company history, and most excited about the impact on our balance sheet. In terms of debt reduction, this quarter puts us two years ahead of where we thought we would be after the El Dorado acquisition. Additionally, confidence in our earnings outlook influenced the Board to declare an initial quarterly cash dividend of \$.05 per share." For the six months ended June 30, 2001, net income was \$83.4 million, or \$3.05 per share, compared to \$25.8 million, or \$0.92 per share, in 2000. Revenues for the six months were \$984.8 million compared to \$976.4 million for the same period in 2000.

A conference call is scheduled for tomorrow, August 7, 2001 at 10:00 am EDT, to discuss second quarter results and the business outlook. To access the call, please dial (877) 358-8678. For those outside the U.S., please call (706) 679-3978. A replay may be heard through August 21 by dialing (800) 642- 1687 and entering the passcode 1378503. To access the call or the replay via the Internet, go to <http://www.frontieroil.com> and register on the Investor Relations page.

Frontier operates a 110,000 barrel-per-day refinery located in El Dorado, Kansas, and a 41,000 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.

The primary purpose of this news release is to present the results of the quarter just ended. This news release may contain forward-looking statements concerning the Company, including 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.