Frontier Oil Enters Crude Oil Supply Agreement With Baytex

HOUSTON, Oct. 16 /PRNewswire-FirstCall/ -- Frontier Oil Corporation (NYSE: FTO), through a wholly-owned subsidiary, has entered into a five-year crude oil supply agreement with Baytex Energy Ltd., a Canadian crude oil producer. The agreement provides for the purchase by Frontier of up to 20,000 barrels per day (bpd) of a Lloydminster crude oil blend, a heavy Canadian crude. This type of crude oil typically sells at a discount to lighter crude oils. The price differential will be based on a fixed percentage of the price of West Texas Intermediate (WTI) crude oil. The agreement commences January 1, 2003 with Frontier receiving 9,000 bpd of the Lloydminster blend, increasing to 20,000 bpd by October of 2003. The initial term of the agreement is through December 31, 2007.

Frontier intends to process the contract crude oil primarily at its 46,000 bpd Cheyenne, Wyoming refinery, which is located near Guernsey, Wyoming, the delivery point of the crude oil under this agreement. During the first six months of 2002, Frontier processed an average of 35,092 bpd of heavy crude oil at the Cheyenne refinery, of which approximately 21,000 bpd were Canadian, similar to the contracted Lloydminster blend.

James Gibbs, Chairman, President, and CEO of Frontier Oil said, We are happy about this agreement with Baytex. We now have a firm source of heavy Canadian crude on very attractive terms. This agreement fills most of our dedicated capacity through the Express Pipeline, frees up a significant amount of our working capital and insures acceptable light/heavy differentials at any WTI price.

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. Information about the Company may be found on its web site www.frontieroil.com .

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.