Frontier Oil Reports Profit for Third Quarter 2002

HOUSTON, Oct 30, 2002 /PRNewswire-FirstCall via COMTEX/ -- Frontier Oil Corporation (NYSE: FTO) announced net income of $809,000, or $0.03 per share, for the third quarter ended September 30, 2002, compared to net income of $34.7 million, or $1.27 per share, for the same period of 2001. Frontier recorded a net loss of ($1.9) million, or ($0.08) per share, for the nine months ended September 30, 2002, compared to net income of $118.1 million, or $4.32 per share, for the same period in 2001.

As in the first half of 2002, refined product crack spreads and crude oil differentials in the third quarter of 2002 were well below last year's record levels. Despite operating expense reductions at both plants, net margin decreased 76% to $0.99 for the third quarter of 2002 compared to $4.21 in the third quarter of 2001. The gasoline and distillate crack spreads at El Dorado were $5.90 and $3.72 per barrel, respectively, in third quarter 2002 compared to $9.11 and $8.34 for the third quarter of 2001. In Cheyenne, the gasoline and distillate crack spreads were $7.81 and $5.16, respectively, in third quarter 2002 compared to $10.94 and $10.63 for the same period in 2001. The WTI/WTS crude oil spread, which has a significant impact at El Dorado, decreased to $0.97 in the third quarter of 2002, considerably below the $2.68 differential for the same period in 2001. Similarly, the light/heavy crude oil spread, an important determinant of profitability at Cheyenne, declined to $3.95 per barrel for the third quarter of 2002 from $6.42 for the third quarter of 2001.

Frontier's balance sheet remains healthy with $106.7 million in cash and a net debt (debt less cash) to book capitalization ratio of 44% at September 30, 2002. During the quarter, the Company's revolving credit facility was amended to increase allowed annual capital expenditures from $25 million to $35 million. This amendment will facilitate investing in projects to meet the clean fuels regulations mandated by the Environmental Protection Agency. Also, the trailing four-quarter EBITDA requirement was modified to allow the inclusion of cash. Frontier was in compliance with all financial covenants as of September 30, 2002.

James Gibbs, Chairman, President, and CEO said, "We are pleased to report a profit for the quarter during very difficult market conditions when crack spreads and crude oil differentials were substantially below last year's record levels and lower than the five-year averages. Importantly, we started to see margin strength in the last two weeks of September, and that strength has continued through October. Gasoline demand is unseasonably strong and gasoline inventory levels are at a ten-year low. As for crude oil differentials, they are widening and our recently announced crude oil supply agreement with Baytex will help smooth some of the volatility in the light/heavy crude oil spread at our Cheyenne Refinery."

The third quarter results included a FIFO inventory benefit of approximately $5.8 million after-tax, or $0.22 per share. Year-to-date results include FIFO inventory benefits of $22.0 million, or $0.85 per share.

A conference call is scheduled for 3 pm EST today. To access the call, please dial (800) 997-8642. For those outside the U.S., please call (973) 694-6836. A replay may be heard through November 13th by dialing (800) 428-6051 and entering the passcode 265508. To access the call or the replay via the Internet, go to 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 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.

	FRONTIER OIL CORPORATION			
	Nine Months Ended September 30		Three Months Ended September 30	
	2002	2001	2002	2001
INCOME STATEMENT DATA ($000's except				

per share)				
Revenues	$1,282,192	$1,522,841	$486,680	$538,049
Refining operating costs	1,232,229	1,315,641	466,397	464,810
Selling and general expenses	12,458	13,034	4,454	4,431
Operating income (loss) before depreciation (EBITDA)	37,505	194,166	15,829	68,808
Depreciation	20,353	18,619	6,979	6,335
Operating income (loss)	17,152	175,547	8,850	62,473
Interest expense, net	19,352	21,943	6,538	6,590
Impairment loss on assets to be sold	363	---	363	---
Provision (Benefit) for income taxes	(626)	35,529	1,140	21,221
Net income (loss)	$(1,937)	$118,075	$809	$34,662
Net income (loss) per diluted (basic) share	$(0.08)	$4.32	$0.03	$1.27
Diluted average shares outstanding (000's)	25,759	27,331	26,806	27,337
OTHER FINANCIAL DATA ($000's)				
Cash flow before changes in working capital	$20,059	$150,815	$10,119	$50,094
Working capital changes	(12,986)	(1,413)	10,118	23,718
Net cash provided (used) by operating activities	7,073	149,402	20,237	73,812
Net cash provided (used) by investing activities	(30,388)	(14,239)	(4,193)	(5,272)
Net cash provided (used) by financing activities	26,003	(64,674)	(19,082)	(17,639)
BALANCE SHEET DATA ($000's)				
Cash, including cash equivalents	$106,683	$134,935		
Working capital	103,824	137,861		
Short-term and current debt	30,100	---		
Total long-term debt	207,921	211,825		
Shareholders' equity	166,748	182,005		

	FRONTIER OIL CORPORATION			
	Nine Months Ended September 30		Three Months Ended September 30	
	2002	2001	2002	2001
OPERATIONS				
Cheyenne Refinery				
Operations (bpd)				
Total charges	45,335	43,048	49,944	47,738
Gasoline yields	17,416	16,774	19,962	17,300
Diesel yields	12,952	12,825	13,326	12,826
Total sales	48,671	44,869	54,914	49,310
Operating Margins ($ per bbl)				
Revenues	$28.97	$35.07	$31.74	$33.14
Raw material, freight and other costs	24.44	25.70	26.95	25.03
Refined product margin	4.53	9.37	4.79	8.11
Operating costs excluding depreciation	3.11	3.16	2.53	2.73
Margin before depreciation	1.42	6.21	2.26	5.38
Depreciation	0.83	0.83	0.77	0.75

Net margin	$0.59	$5.38	$1.49	$4.63
Light/Heavy crude spread ($ per bbl)	$3.74	$7.39	$3.95	$6.42
El Dorado Refinery Operations (bpd)				
Total charges	118,971	116,491	120,448	122,141
Gasoline yields	63,886	59,942	59,817	66,206
Diesel and jet fuel yields	39,909	39,024	39,774	41,752
Total sales	114,708	112,788	111,836	124,971
Operating Margins ($ per bbl)				
Revenues	$28.67	$35.58	$31.89	$33.75
Raw material, freight and other costs	24.80	27.80	27.99	26.60
Refined product margin	3.87	7.78	3.90	7.15
Operating costs excluding depreciation	2.86	3.44	2.86	2.88
Margin before depreciation	1.01	4.34	1.04	4.27
Depreciation	0.29	0.27	0.29	0.25
Net margin	$0.72	$4.07	$0.75	$4.02
WTI/WTS Differential ($ per bbl)	$1.24	$3.39	$0.97	$2.68

KEY TERMS: bpd = barrels per day; bbl = barrel