



Frontier Oil Reports Net Loss of \$0.12 for Second Quarter 2002

HOUSTON, July 31 /PRNewswire-FirstCall/ -- Frontier Oil Corporation (NYSE: [FTO](#) - [News](#)) announced a net loss of (\$3.0) million, or (\$0.12) per share, for the second quarter ended June 30, 2002, compared to net income of \$78.9 million, or \$2.86 per share, for the same period of 2001. The second quarter results included a FIFO inventory benefit of approximately \$7.6 million, or \$0.29 per share. The First Call consensus estimate of a net loss of (\$0.25) per share does not take into account the inventory impact. Earnings on a basis comparable to analysts' expectations were a net loss of (\$0.41) per share.

Several factors contributed to the significant decrease in earnings from the prior year. The gasoline and distillate crack spreads at El Dorado were \$6.62 and \$2.22, respectively, in second quarter 2002 compared to \$15.24 and \$10.04 for the second quarter of 2001. In Cheyenne, the gasoline and distillate crack spreads were \$7.98 and \$5.19, respectively, in second quarter 2002 compared to \$17.77 and \$13.99 for the same period in 2001. The WTI/WTS crude oil spread, which has a significant impact at El Dorado, decreased to \$1.22 in the second quarter of 2002, or less than half the \$3.77 differential for the same period in 2001. The light/heavy crude oil spread, an important driver of profitability at Cheyenne, also declined, to \$3.52 for the second quarter of 2002 from \$7.55 for the second quarter of 2001.

James Gibbs, Chairman, President, and CEO said, "We are extremely disappointed with the loss in the second quarter. Many important market variables affected us negatively with the exception of gasoline, where demand was robust. While a weak diesel market and narrow crude oil spreads are lingering into the third quarter, we are encouraged that the fundamentals driving these conditions are positioned for improvement. Importantly, we are excited about the current acquisition market, as there are more refineries on the market today than at any time since we entered the business. We have almost \$110 million in cash and remain interested in pursuing attractive opportunities."

Six months ended June 30, 2002

Frontier Oil Corporation recorded a net loss of (\$2.7) million, or (\$0.11) per share, for the six months ended June 30, 2002, compared to net income of \$83.4 million, or \$3.05 per share, for the same period in 2001. The Company recognized FIFO inventory gains of \$16.2 million, or \$0.63 per share, in the first half of 2002.

A conference call is scheduled for 11:00 am EDT 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 August 13th by dialing (800) 428-6051 and entering the passcode 250924. 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.

FRONTIER OIL CORPORATION

	Six Months Ended		Three Months Ended	
	June 30		June 30	
	2002	2001	2002	2001
INCOME STATEMENT DATA				
(\$000's except per share)				
Revenues	\$795,512	\$984,792	\$459,162	\$553,649
Refining operating costs	765,832	850,831	446,554	441,253
Selling and general expenses	8,004	8,603	4,201	5,276
Operating income (loss) before depreciation (EBITDA)	21,676	125,358	8,407	107,120
Depreciation	13,374	12,284	6,776	6,204

Operating income (loss)	8,302	113,074	1,631	100,916
Interest expense, net	12,814	15,353	6,502	8,166
Provision (benefit)				
for income taxes	(1,766)	14,308	(1,864)	13,849
Net income (loss)	\$(2,746)	\$83,413	\$(3,007)	\$78,901
Net income (loss) per				
diluted (basic) share	\$(0.11)	\$3.05	\$(0.12)	\$2.86
Diluted average shares				
outstanding (000's)	25,721	27,330	25,814	27,623

OTHER FINANCIAL DATA
(\$000's)

Cash flow before changes				
in working capital	\$9,940	\$100,721	\$2,585	\$89,719
Working capital changes	(23,104)	(25,131)	(5,705)	19,445
Net cash provided (used)				
by operating activities	(13,164)	75,590	(3,120)	109,164
Net cash provided (used)				
by investing activities	(26,195)	(8,967)	(10,560)	(4,560)
Net cash provided (used)				
by financing activities	45,085	(47,035)	15,494	(64,104)

BALANCE SHEET DATA
(\$000's)

Cash, including cash				
equivalents	\$109,721	\$84,034		
Working capital	100,926	110,862		
Short-term and				
current debt	46,800	---		
Total long-term debt	208,966	220,450		
Shareholders' equity	167,099	156,183		

FRONTIER OIL CORPORATION

	Six Months Ended		Three Months Ended	
	June 30		June 30	
	2002	2001	2002	2001
OPERATIONS				
Cheyenne Refinery				
Operations (bpd)				
Total charges	42,991	40,663	45,248	44,839
Gasoline yields	16,122	16,507	15,737	17,688
Diesel yields	12,762	12,824	12,882	13,859
Total sales	45,497	42,611	50,409	48,659
Operating Margins				
(\$ per bbl)				
Revenues	\$27.28	\$36.21	\$29.77	\$37.45
Raw material, freight				
and other costs	22.90	26.09	25.62	25.51
Refined product margin	4.38	10.12	4.15	11.94
Operating costs				
excluding depreciation	3.46	3.42	3.32	2.86
Margin before				
depreciation	0.92	6.70	0.83	9.08
Depreciation	0.87	0.87	0.81	0.76
Net margin	\$0.05	\$5.83	\$0.02	\$8.32
Light/Heavy crude				
spread (\$ per bbl)	\$3.64	\$7.88	\$3.52	\$7.55

El Dorado Refinery

Operations (bpd)				
Total charges	118,221	113,621	119,826	117,014
Gasoline yields	65,955	56,757	66,313	59,595
Diesel and jet fuel yields	39,978	37,638	41,308	38,794
Total sales	116,168	106,595	118,956	110,873

Operating Margins

(\$ per bbl)				
Revenues	\$27.10	\$36.67	\$29.82	\$38.83
Raw material, freight and other costs	23.24	28.52	26.18	27.79
Refined product margin	3.86	8.15	3.64	11.04
Operating costs excluding depreciation	2.86	3.78	2.81	3.49
Margin before depreciation	1.00	4.37	0.83	7.55
Depreciation	0.28	0.28	0.28	0.27
Net margin	\$0.72	\$4.09	\$0.55	\$7.28
WTI/WTS Differential (\$ per bbl)	\$1.38	\$3.75	\$1.22	\$3.77

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

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.