Frontier Oil Reports Profit for Quarter and Year Ended December 2002

HOUSTON, Feb 11, 2003 /PRNewswire-FirstCall via COMTEX/ --

Frontier Oil Corporation (NYSE: FTO) announced net income of $3.0 million, or $0.11 per share, for the fourth quarter ended December 31, 2002, compared to a net loss of ($10.4) million, or ($0.41) per share, for the same period of 2001. For the year ended December 31, 2002, Frontier recorded net income of $1.0 million, or $0.04 per share, compared to net income of $107.7 million, or $4.00 per share, for the year ended December 31, 2001.

The improved fourth quarter results were due in large part to stronger gasoline crack spreads at both refineries in October and the first half of November 2002. The gasoline crack at El Dorado was $5.27 in the fourth quarter of 2002 compared to $3.67 for the same period in 2001. At Cheyenne, the gas crack was $6.59 for the fourth quarter of 2002 compared to $5.55 for the fourth quarter of 2001. Diesel crack spreads in the fourth quarter of 2002 were in line with fourth quarter 2001 levels. Sales volumes at Cheyenne increased almost 11,700 barrels per day in the fourth quarter of 2002 compared to the fourth quarter of 2001 due to a crude unit turnaround and expansion in the fourth quarter of 2001. Operating expenses at Cheyenne improved on a per barrel basis to $2.77 per sales barrel in the fourth quarter of 2002 from $4.14 in the same period of 2001. El Dorado operating expenses increased from $2.62 per sales barrel in the fourth quarter of 2001 to $2.99 in the fourth quarter of 2002 due to slightly higher natural gas costs and the inclusion of a $2.4 million project cancellation charge related to the previously planned heavy crude oil expansion project.

Frontier's Chairman, President, and CEO, James Gibbs said, "The fourth quarter proved to be the only bright spot in a difficult year for the refining business. We battled inventory overhangs and increased imports for the majority of the year and were still able to report a profit for the third consecutive year. Looking forward, we are bullish on product prices for 2003 due to lower domestic inventories and a heavy turnaround schedule, however there is still a tremendous amount of uncertainty in the crude oil markets with the ongoing Venezuelan strike and the threat of war in Iraq. Fortunately for Frontier, our previously announced crude oil supply agreement with Baytex Energy commenced on January 1, 2003, which provides us with some stability in an otherwise unstable crude environment."

Despite below average margins, the Company built cash in 2002, increasing the cash balance to $112.4 million at year-end 2002 compared to $104.0 million at year-end 2001. Net debt (debt minus cash) to book capitalization was approximately 36% at December 31, 2002, the lowest since November 1999, prior to the El Dorado acquisition.

The recent quarter's results include an after-tax FIFO inventory loss of approximately ($3.0) million, or ($0.11) per share, compared to a loss of ($17.4) million, or ($0.68) per share, for fourth quarter of 2001. The recent year-end results include an after-tax FIFO inventory benefit of approximately $19.0 million, or $0.71 per share, compared to an inventory loss of ($28.9) million, or ($1.08) per share, for the year ended 2001.

A conference call is scheduled for tomorrow morning, February 12, 2003 at 11:00 am EST, to discuss fourth quarter results. To access the call, please dial (800) 915-4836. For those outside the U.S., please call (973) 317-5319. A replay may be heard through February 26 by dialing (800) 428-6051 and entering the passcode 282516. 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

	Twelve Months Ended December 31		Three Months Ended December 31	
	2002	2001	2002	2001
INCOME STATEMENT DATA				

($000's except per share)				
Revenues	$1,813,750	$1,888,401	$ 531,558	$ 365,560
Refining operating costs	1,740,908	1,681,720	508,679	366,079
Selling and general expenses	17,248	17,571	4,790	4,537
Impairment loss on assets to be sold	363	0	0	0
Operating income (loss) before depreciation (EBITDA)	55,231	189,110	18,089	(5,056)
Depreciation	27,332	25,010	6,979	6,391
Operating income (loss)	27,899	164,100	11,110	(11,447)
Interest expense, net	25,811	28,374	6,459	6,431
Provision (Benefit) for income taxes	1,060	28,073	1,686	(7,456)
Net income (loss)	$ 1,028	$ 107,653	$ 2,965	$ (10,422)
Net income (loss) per diluted (basic) share	$ 0.04	$ 4.00	$ 0.11	$ (0.41)
Diluted average shares outstanding (000's)	26,934	26,885	26,813	25,551
OTHER FINANCIAL DATA ($000's)				
Cash flow before changes in working capital	$ 33,050	$ 145,055	$ 12,991	$ (5,760)
Working capital changes	17,772	(6,480)	30,758	(5,067)
Net cash provided (used) by operating activities	50,822	138,575	43,749	(10,827)
Net cash provided (used) by investing activities	(37,117)	(22,824)	(6,729)	(8,585)
Net cash provided (used) by financing activities	(5,336)	(76,202)	(31,339)	(11,528)
BALANCE SHEET DATA ($000's)				
Cash, including cash equivalents	$ 112,364	$ 103,995		
Working capital	108,253	109,064		
Short-term and current debt	0	0		
Total long-term debt	207,966	208,880		

FRONTIER OIL CORPORATION

	Twelve Months Ended December 31		Three Months Ended December 31	
	2002	2001	2002	2001
OPERATIONS				
Cheyenne Refinery Operations (bpd)				
Total charges	46,183	40,806	48,700	34,152
Gasoline yields	18,196	15,956	20,509	13,527
Diesel yields	13,434	12,091	14,864	9,915
Total sales	49,653	43,873	52,568	40,915
Operating Margins ($ per bbl)				
Revenues	$ 29.91	$ 32.88	$ 32.49	$ 25.77
Raw material, freight and other costs	25.18	24.85	27.19	22.08
Refined product margin	4.73	8.03	5.30	3.69
Operating costs				

excluding depreciation	3.02	3.39	2.77	4.14
Margin before depreciation	1.71	4.64	2.53	(0.45)
Depreciation	0.83	0.85	0.80	0.91
Net margin	$ 0.88	$ 3.79	$ 1.73	$ (1.36)
Light/Heavy crude spread ($ per bbl)	$ 4.24	$ 7.07	$ 5.73	$ 6.13
El Dorado Refinery Operations (bpd)				
Total charges	117,633	117,250	113,659	119,496
Gasoline yields	66,449	62,170	74,055	68,784
Diesel and jet fuel yields	40,002	39,119	40,276	39,399
Total sales	116,879	115,226	123,319	122,460
Operating Margins ($ per bbl)				
Revenues	$ 29.78	$ 32.40	$ 32.85	$ 23.71
Raw material, freight and other costs	25.93	26.01	29.07	21.11
Refined product margin	3.85	6.39	3.78	2.60
Operating costs excluding depreciation	2.90	3.22	2.99	2.62
Margin before depreciation	0.95	3.17	0.79	(0.02)
Depreciation	0.28	0.26	0.27	0.25
Net margin	$ 0.67	$ 2.91	$ 0.52	$ (0.27)
WTI/WTS Differential ($ per bbl)	$ 1.36	$ 3.10	$ 1.73	$ 2.22

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.

SOURCE Frontier Oil Corporation

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