

K KOCH

KOCH REFINING COMPANY

DATE: September 16, 1992
TO: ALL EMPLOYEES
FROM: Dave Lamp 
SUBJECT: SOUR-UP PROJECT STATUS

Koch Refining Company announced in February of this year that it planned to engineer and construct a series of sour crude processing units at it's Corpus Christi Refinery. The project included a new Coker, Gas Oil Hydrocracker, Hydrogen Plant, Sulfur Plants, and associated support facilities. The construction of the sour crude processing units would enable the Corpus Christi Refinery to convert virtually any low gravity, high sulfur crude oil produced in the world into high value products that meet or exceed the quality requirements of future markets. Koch management approved the project in December of 1991 contingent upon crude supply definition and development of a definitive cost for the project.

Due to the lack of availability of crude oil at a price which results in an attractive return on investment for the project, Koch Refining has cancelled all outside engineering contractor efforts. Koch Refining is currently in the process of redefining the scope of the sour-up project to ensure a course of action which will add to our competitive position, enhance our profitability, and provide continued security for our employees.

I will keep you informed on the progress and future developments of this project.

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