

## FLYING J AND PILOT ANNOUNCE PRELIMINARY MERGER AGREEMENT

### *Pilot Enters into Interim Financing Arrangement with Flying J*

#### *Agreement Supports Flying J's Continued Operations and Emergence from Bankruptcy*

OGDEN, UT and KNOXVILLE, TN – July 14, 2009 – Flying J Inc. ("Flying J") and Pilot Travel Centers LLC ("Pilot") today announced that they have entered into a preliminary merger agreement that will provide a framework for Flying J's core travel plaza business to emerge from Chapter 11 bankruptcy protection. Under the terms of the Letter of Intent filed today with the U.S. Bankruptcy Court in Delaware, the value indicated would allow all Flying J creditor obligations to be paid in full. Pilot has also agreed to provide \$100 million in Debtor-in-Possession financing for Flying J's operations, subject to Court approval and various conditions.

"After a careful and exhaustive review of the alternatives available, we have concluded that a merger with Pilot represents the best possible outcome for Flying J, our creditors, our customers, and our employees," said Crystal Call Maggelet, Chairman of the Board of Flying J. "Over the next few months, we will negotiate definitive agreements to merge our companies. This transaction will allow us to emerge from the bankruptcy process relatively quickly thereafter and to start a new chapter in the Flying J story."

Jimmy Haslam, CEO of Pilot, said, "We believe that by combining Flying J and Pilot we will better serve our customers by more efficiently providing them with the products and services they need. We look forward to working closely with Flying J and its employees during the Chapter 11 emergence process, and as we take the next steps of a new beginning for both of our companies."

The preliminary merger agreement with Pilot pertains specifically to Flying J's core travel plaza business, and it excludes Longhorn Pipeline, Big West Oil, Flying J Oil & Gas, Haycock Petroleum, and Transportation Alliance Bank. Flying J is in the process of pursuing or evaluating alternatives for each of these other businesses.

Flying J filed for Chapter 11 protections on December 22, 2008, after a precipitous drop in oil prices and disruption in the credit markets brought to bear significant short-term pressure on the company's liquidity position.

Flying J's legal advisor is Kirkland & Ellis LLP and its financial advisor is The Blackstone Group L.P. Pilot's legal advisor is White & Case LLP.

### About Flying J

Based in Ogden, Utah, Flying J Inc. is among the 20 largest private companies in America, with 2007 sales exceeding \$16 billion. This fully integrated oil company employs approximately 14,700 people in the U.S. and Canada through its interstate operations, transportation, refining and supply, exploration and production, as well as its financial services and communications, divisions.

## **About Pilot**

Pilot Travel Centers LLC is the nation's largest retail operator of Travel Centers, catering to the professional driver and traveling motorist in 41 states with over 300 retail interstate properties. The company is headquartered in Knoxville, Tennessee, employs 13,000 nation-wide and held in a partnership between Pilot Corporation, wholly owned by the Haslam family, and Propeller Corporation, wholly owned by the funds advised by CVC Capital Partners a leading global private equity firm.

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