



LSB Industries Inc. Announces Leadership Transition

September 3, 2015

Daniel D. Greenwell, Lead Independent Director, Appointed Interim Chief Executive Officer

Barry H. Golsen Steps Down as President and CEO

Board Initiates Search Process for Permanent President and CEO

Provides Update on Pryor Facility and Estimated Third Quarter 2015 Sales Volumes of UAN

OKLAHOMA CITY--(BUSINESS WIRE)--Sep. 3, 2015-- LSB Industries, Inc. (NYSE:LXU) ("LSB or "the Company"), a manufacturer of chemical products for the agricultural, mining and industrial markets and a leading manufacturer of commercial and residential climate control products, today announced that Barry H. Golsen has stepped down as President and Chief Executive Officer of LSB, effective immediately. Mr. Golsen will remain a Director of the Company.

The LSB Board of Directors has appointed Daniel D. Greenwell, Lead Independent Director, to serve as Interim Chief Executive Officer. Mr. Greenwell has been a member of the LSB Board of Directors since 2014 and serves as Chairman of the Audit Committee and a member of the Strategic Committee of the Board.

"On behalf of the Company, I want to thank Barry for his leadership and many contributions to LSB as President and CEO," said Jack E. Golsen, Executive Chairman of the Board of Directors. "Barry has played an important role in the growth and success of the Company over the past 38 years. He has also been instrumental in developing the Company's strategic plan to lower production costs, improve manufacturing efficiency and drive sales growth in the Chemicals business, and to generate profitable growth in the Climate Control business. We look forward to continuing to benefit from his insight and industry expertise as a Board member. We are also pleased that Dan Greenwell, an experienced executive with over 20 years of industrial, financial and operational experience, will lead the Company as we continue to take steps to improve the Company's performance and drive enhanced shareholder value."

"Having worked closely with management as a member of the Strategic Committee of the Board, I am confident that LSB is on the right path to realize the benefits of the Company's strategic growth initiatives," said Mr. Greenwell. "I believe that the expansion of the El Dorado facility, the plant reliability enhancements in the Chemical Business and the implementation of the operational excellence initiatives in the Climate Control Business will spur significant operating performance improvement and earnings growth in the years ahead. I look forward to working with the Operations Oversight Committee as we execute our business strategy. LSB has a strong foundation in place and we will continue to focus on increasing shareholder value under new leadership."

The Company noted that the Board of Directors will initiate a formal search process to identify a permanent President and CEO. The Board intends to retain an executive search firm to assist in the search.

As a result of his appointment as Interim Chief Executive Officer, Mr. Greenwell will no longer serve on the Audit Committee or as Lead Independent Director of the Board, although he will remain a Director of the Company. In addition, current Directors William F. Murdy and Richard W. Roedel have been elected as Lead Independent Director and Audit Committee Chairman, respectively, to replace Mr. Greenwell in those positions.

Update on Pryor, Oklahoma Facility

LSB also provided an update on the operational performance of its Pryor Oklahoma chemical facility ("Pryor Facility" or "Pryor"). As previously disclosed, the Pryor Facility underwent its annual planned turnaround to address routine maintenance issues on July 11, 2015 and concluded the turnaround on August 4, 2015. While in the process of restarting the ammonia plant, Pryor's automated monitoring systems detected several mechanical issues that prompted management to take the plant out of service. Certain components were removed from the facility, taken off-site for repair and were reinstalled, and the plant restarted on August 21, 2015.

Subsequent to the restart of the ammonia plant on August 21, 2015, Pryor was in production for four days. However, on August 25, 2015 a pipe connecting two primary components of the ammonia plant developed a crack, causing operations at Pryor to once again be suspended. There were no injuries or environmental impact as a result of the crack, and it appears that the damage is isolated to this one pipe. After inspection by a third party, it has been determined that the pipe repairs should be completed by September 18, 2015.

LSB estimates that the periods of downtime at Pryor in August and September, assuming the ammonia plant is operational by September 18, 2015, will reduce third quarter 2015 sales volumes of UAN and ammonia by a total of approximately 35,000 to 40,000 tons and 5,000 to 6,000 tons, respectively, while lowering operating income by a total of approximately \$8.0 million to \$8.5 million, which includes lost profit, unabsorbed overhead expenses and costs of repair. Each additional day of downtime at Pryor, beyond September 18, 2015, is estimated to result in a reduction of operating income of approximately \$150,000 to \$200,000.

"We are extremely disappointed by the unplanned downtime occurring at the Pryor Facility during the third quarter," stated Jack Golsen. "We have been making progress towards generating more consistent performance at Pryor. However, there is always the risk that facility will experience some unplanned downtime from time to time during the next 18 months as we continue to move forward with our plant reliability and safety initiatives, which include the installation of sensors that will allow for earlier identification of mechanical issues and enhance preventative maintenance, and the implementation of advanced automation systems that will enable faster and more refined control over plant process conditions."

About Daniel D. Greenwell

Mr. Greenwell has served as a Partner and Chief Financial Officer of a private equity investment and advisory firm since September 2014. Mr. Greenwell previously served as the Chief Financial Officer and Executive Vice President of Sabre Industries Inc., a private equity-held manufacturer of utility and cell towers, from April 2013 until May 2014. Mr. Greenwell focused on operational change and value creation opportunities and was responsible for all financial aspects of a fast-growing manufacturing and service business. From January 2012 until March 2013, Mr. Greenwell served as Senior Vice President and Chief Financial Officer of Tronox Limited, a leading global producer and marketer of titanium dioxide pigment. Mr. Greenwell led Tronox to a public listing on the NYSE in 2012. Prior to that, Mr. Greenwell served as Senior Vice President and Chief Financial Officer of Terra Industries, Inc., from 2005 until its acquisition by CF Industries Holdings, Inc. in April 2010. He also served on the Board of Directors of Terra Nitrogen Company, L.P., a Master Limited Partnership, from March 2008 until April 2010. Mr. Greenwell has over 20 years of industrial, financial and operational experience and has held various executive leadership positions at a number of public companies, including Belden Inc., Zoltek Companies Inc., and Sigma Chemical Company. He also served as Senior Manager of KPMG from 1985 to 1992. Mr. Greenwell is a Certified Public Accountant. He received a Bachelor of Science degree in Accounting from Truman State University.

LSB Industries, Inc.

LSB is a manufacturing and marketing company. LSB's principal business activities consist of the manufacture and sale of chemical products for the agricultural, mining and industrial markets; and, the manufacture and sale of commercial and residential climate control products, such as water source and geothermal heat pumps, hydronic fan coils, modular geothermal and other chillers and large custom air handlers.

This press release includes certain forward-looking statements within the meaning of the Private Securities Litigation Act of 1995. These forward-looking statements generally are identifiable by use of the words "will," "believe," "expects," "intends," "anticipates," "plans to," "should," "estimates," "projects" or similar expressions, including, without limitation, benefits of the strategic and operational initiatives we are implementing; programs initiated are expected to improve business and operational performance; timing of the repairs to the Pryor, Oklahoma facility; and the anticipated effect on third quarter 2015 operating income and UAN and ammonia sales volumes. Actual results may differ materially from the forward-looking statements for many reasons, including, without limitation, general economic conditions; increased competitive pressures; labor conditions; loss of significant customers or customers' failure to abide by conditional terms; legislative or regulatory changes which could negatively affect the implementation of corporate governance enhancements; and the various factors described in the "Special Note Regarding Forward-Looking Statements" and "Risk Factors" contained in our 10-K for the year ended December 31, 2014, and Form 10-Q for quarter ended June 30, 2015. In addition, no assurance can be given that the Company will be successful in identifying a permanent President and CEO or that any candidate will be employed on financial terms comparable to those of our prior President and CEO. These forward looking statements speak only as of the date of this press release, and LSB expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in LSB's expectations with regard thereto or any change in events conditions or circumstances on which any such statement is based.

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