

## LSB INDUSTRIES' CLIMATE CONTROL SUBSIDIARIES AWARDED CLEAN ENERGY MANUFACTURING TAX CREDITS

February 2, 2010 5:40 AM ET

Oklahoma City, Oklahoma – February 2, 2010 - LSB Industries, Inc. ("LSB" or the "Company"), (NYSE: LXU) announced today that two of the Company's subsidiaries, Climate Master, Inc. (Climate Master) and ClimaCool Corp. (ClimaCool) were awarded Internal Revenue Code §48C tax credits (also referred to as Advanced Manufacturing Energy Credits or Clean Energy Manufacturing tax credits), which are subject to executing definitive agreements with the IRS and making certain qualified investments.

Climate Master's credit is in the amount of \$8.9 million and was awarded for expanding the capacity of the existing manufacturing facilities that produce water-source heat pumps (WSHP), the core technology used in geothermal heat pump systems. Geothermal heat pumps allow high efficiency space heating and cooling.

ClimaCool's credit is in the amount of \$.7 million and was awarded for the purchase of machinery and equipment to be used to produce green, modular chillers, including chillers that can be used as central components in geothermal systems, used in commercial and industrial HVAC applications.

The award is based on anticipated capital expenditures made from February 2009 through February 2013, for machinery that will be used to produce geothermal heat pumps and green modular chillers. As the Company invests in the qualifying equipment, it will be entitled to a tax credit equal to 30% of the equipment cost, up to the total credit amount awarded.

Manufacturers were required to apply for specific tax credits and to justify their applications based on the criteria established by the Department of Energy (DOE), including job creation, shortest time to complete the project, energy savings and carbon emissions reduction.

Over 500 applications were submitted and the DOE in conjunction with the Department of Treasury selected 183 projects in 43 states (totaling approximately \$2.3 billion in tax credits).

Barry Golsen, LSB's President and COO stated, "We are very pleased that geothermal heat pumps have been recognized by the DOE and IRS as a technology that can help reduce carbon emissions, while at the same time stimulate the creation of green jobs. Geothermal heat pumps are an important product for LSB Industries, and the Advanced Manufacturing Energy Credits will certainly be beneficial to us as we pursue our growth objectives."

LSB is a manufacturing, marketing and engineering company. LSB's principal business activities consist of the manufacture and sale of commercial and residential climate control products, such as geothermal and water source heat pumps, hydronic fan coils, large custom air handlers, the manufacture and sale of chemical products for the mining, agricultural and industrial markets, and the provision of specialized engineering services and other activities. LSB Industries is included in the Russell 2000 Index and the Russell 3000 Index.

*This press release contains 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 "believes," "expects," "intends," "anticipates," "plans to," "estimates," "projects", "appears" or similar expressions, and such forward-looking statements include, but are not limited to, award of \$ 48C tax credits for Climate Master and ClimaCool; Climate Master's credit of \$8.9 million to expand capacity of existing manufacturing facility; ClimaCool's credit of \$.7 million to purchase machinery and equipment, amount that LSB anticipates could be invested in qualifying capital expenditures from February 2009 through February 2013, and that such tax credits will be beneficial to us as we pursue our growth objectives. Investors are cautioned that such forward-looking statements are not guarantees of future performance and involve risk and uncertainties, and that actual results may differ materially from the forward-looking statements as a result of various factors, including, but not limited to, execution of definitive agreements with the IRS on terms acceptable to us; making qualified investments; general economic conditions; substantial improvement in the commercial and residential construction industry; substantial improvement in available credit for geothermal products; acceptance in the marketplace of ClimateMaster's water source heat pump and geothermal technology; changes in the laws or regulations providing for substantial increases in carbon emissions or limiting or reducing §48C tax credits;*

*acceptance in the marketplace of ClimaCool's equipment technology; and certain other factors set forth under "A Special Note Regarding Forward-Looking Statements" contained in the Form 10-K for year ended December 31, 2008 and quarterly reports in Form 10-Q's for quarters ended March 31, 2009, June 30, 2009 and September 30, 2009, for a discussion of a variety of factors which could cause the future outcome to differ materially from the forward-looking statements contained in this letter.*

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