



Investor Presentation

March 2018

Safe Harbor Statement

This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally are identifiable by use of the words “may,” “believe,” “expect,” “intend,” “plan to,” “estimate,” “project” or similar expressions, and include but are not limited to: financial performance improvement; view on sales to mining customers; estimates of consolidated depreciation and amortization and future turnaround expenses; our expectation of production consistency and enhanced reliability at our Facilities; our projections of trends in the fertilizer market; improvement of our financial and operational performance; our planned capital additions; reduction of SG&A expenses; volume outlook and our ability to complete plant repairs as anticipated.

Investors are cautioned that such forward-looking statements are not guarantees of future performance and involve risk and uncertainties. Though we believe that expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectation will prove to be correct. Actual results may differ materially from the forward-looking statements as a result of various factors. These and other risk factors are discussed in the Company’s filings with the Securities and Exchange Commission (SEC), including those set forth under “Risk Factors” and “Special Note Regarding Forward-Looking Statements” in our Form 10-K for the year ended December 31, 2016 and, if applicable, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K. All forward-looking statements included in this press release are expressly qualified in their entirety by such cautionary statements. We expressly disclaim any obligation to update, amend or clarify any forward-looking statement to reflect events, new information or circumstances occurring after the date of this press release except as required by applicable law.

Please see the EBITDA Reconciliation slide included in this presentation for other important information.

Why LSB? Executing on Strategic Plan to Drive Growth and Enhance Shareholder Value



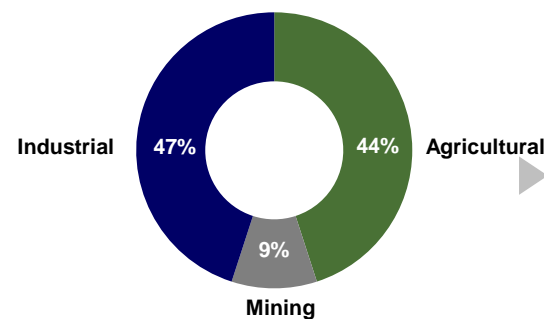
- 1 Operates well-diversified Chemical Business with differentiated market positions
- 2 Over \$1 Billion in capital invested in the last four years including transformative expansion at El Dorado, AR Facility driving increased sales and margins
- 3 Operational improvement plans continue to enhance plant reliability / and cost structure
- 4 Improving margins on sales of products
- 5 Expense reduction plan underway
- 6 Significant YoY EBITDA improvement in 2017, proving turnaround is underway
- 7 Focus to improve capital structure and lower overall cost of capital

Business Overview



- 4 production facilities
 - El Dorado, Arkansas
 - Cherokee, Alabama
 - Pryor, Oklahoma
 - Baytown, Texas
- Provides nitrogen based agricultural, mining and industrial chemicals to North American market
- Leading merchant marketer of nitric acid in the U.S.
- Over \$1 billion of investments have been made to reduce costs and increase facility reliability and capacity
- Positioned to benefit from strong agricultural market with favorable margins

Sales Mix

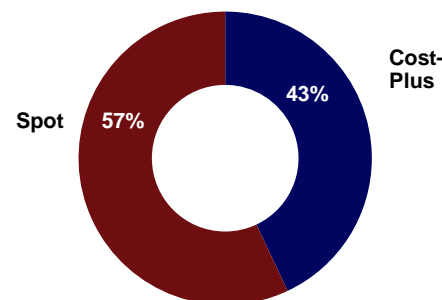


A key strategy is to optimize sales mix: industrial vs. agricultural

2017A FY sales: \$419 million

Select customers

Cost-plus agreements versus spot market sales (LTM 12/31/17)



Approximately half our sales are non-seasonal and priced pursuant to cost-plus agreements

Note: Sales exclude Zena and Summit. Beginning in 2018, LSB adopted Accounting Standards Update No. 2014-09 related to the new revenue recognition standards which will likely decrease reported industrial sales but is expected to have minimal impact on profitability.

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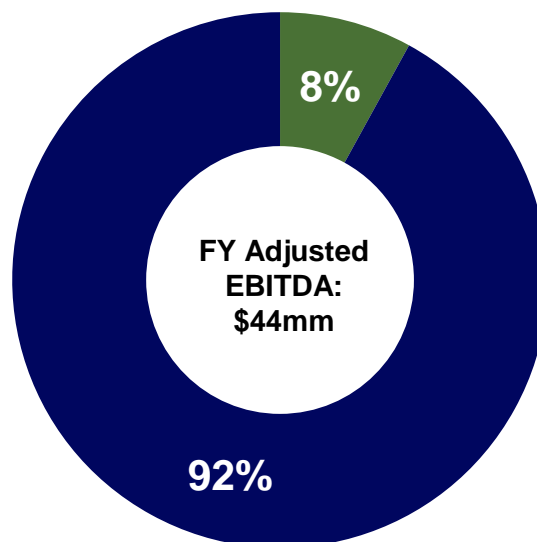
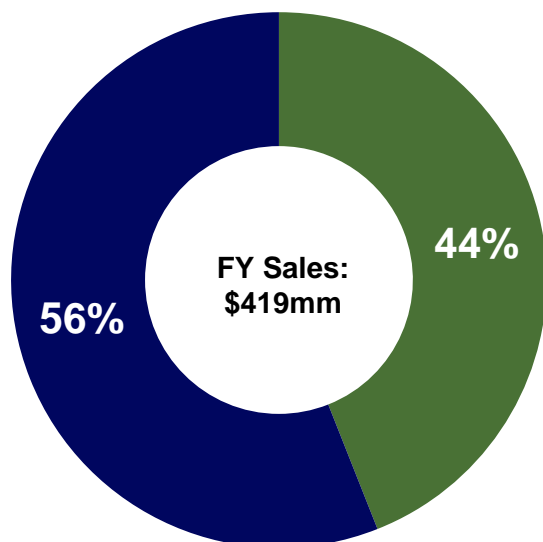
Strength and Stability of Adjusted EBITDA Contribution from Industrial and Mining End Markets



2017A Revenue
Contribution by End Market

2017A Adjusted EBITDA
Contribution by End Market¹

Adjusted EBITDA
Margin by End Market²



■ Agriculture ■ Industrial & Mining

	Run-Rate 2016A ³	2017A
Agriculture	~8%	~3%
Industrial & Mining	~28%	~36%

Strong Adjusted EBITDA margins in our Industrial and Mining end markets increase stability and base profitability of the overall business




Note: Figures exclude Zena and Summit. Beginning in 2018, LSB adopted Accounting Standards Update No. 2014-09 related to the new revenue recognition standards which will likely decrease reported industrial sales but is expected to have minimal impact on profitability.

¹ Adjusted EBITDA contribution based on end market Adjusted EBITDA and excludes corporate overhead costs and all turnaround costs.

² Adjusted EBITDA margin calculation based on end market sales and Adjusted EBITDA which excludes the grossed-up portion of Baytown sales.

³ Assumes purchased ammonia in 2016 was replaced with produced ammonia at the then current natural gas cost and excludes one-time start-up and warranty expenses related to the new ammonia and nitric acid plants at El Dorado.

Diverse Products with Broad Application

	 Products	 Uses	 Competitors
Agricultural Chemicals 44% of sales	<ul style="list-style-type: none"> • Urea ammonium nitrate solutions (UAN) • Ammonium nitrate - high density prills (AN) • Ammonia 	<ul style="list-style-type: none"> • Fertilizer for corn and other crops • Primary nitrogen component in NPK fertilizer blends • High nitrogen content fertilizer primarily used for corn 	<ul style="list-style-type: none"> • CF Industries Holdings Inc., Nutrien, Inc., Koch Industries Inc., CVR Partners LP, imports • CF Industries Holdings Inc., imports • Various
Ammonia, Industrial Acids & DEF 47% of sales	<ul style="list-style-type: none"> • Ammonia • Nitric acid • Sulfuric acid • Diesel exhaust fuel (DEF) 	<ul style="list-style-type: none"> • Power plant emissions abatement, water treatments, refrigerants, metals processing • Semi-conductor, nylon, polyurethane intermediates, ammonium nitrate • Pulp and paper, alum, water treatment, metals and vanadium processing • Exhaust stream additive to reduce NOx emissions from diesel vehicles 	<ul style="list-style-type: none"> • Various • CF Industries Holdings Inc., Nutrien, Inc. • Cytec Industries Inc., Chemtrade Logistics Inc. • Various
Mining Products 9% of sales	<ul style="list-style-type: none"> • Ammonium nitrate – low density prills (AN) and AN solutions • Specialty E2 ammonium nitrate 	<ul style="list-style-type: none"> • Specialty emulsions for mining applications • Surface mining, quarries, construction 	<ul style="list-style-type: none"> • CF Industries Holdings Inc., Nutrien, Inc., Dyno Nobel America Inc., Orica Ltd., Austin Powder, Inc. • Imports

Percentage of sales based on FY 12/31/2017

LSB's Agricultural Distribution

Pryor, OK	UAN Ammonia	CVR, Distributors & Dealers	Southern Plains & Corn Belt
Cherokee, AL	UAN	Transammonia, The Andersons, CHS, Koch, et.al.	Eastern Corn Belt
El Dorado, AR	AN Ammonia	Ag Centers Distributors & Dealers, Koch	Southern Plains, South Central, Midwest & West

- ✓ Multiple distribution channels
- ✓ Diverse geographic coverage
- ✓ Longstanding customer relationships
- ✓ Direct rail linkage to corn belt



Annual Production Capacity by Products Available for Sale



(Tons in Thousands)

Facility:		El Dorado	Cherokee	Pryor	Baytown	Total
Feedstock		Natural gas	Natural gas	Natural gas	Ammonia	
Ammonia Production Capacity (non-turnaround)		450	180	235	–	865
Products Available for Sale						
Agricultural Products	UAN	–	210	350	–	560
	High Density AN ¹	330	–	–	–	330
	Ammonia	–	–	85	–	85
Industrial & Mining Products	Ammonia	230 ²	45	–	–	275
	Nitric Acid	50	40	–	530	620
	Sulfuric Acid	160	–	–	–	160
	DEF	–	15	–	–	15
	Low Density AN ¹	155	–	–	–	155
	AN Solutions	–	55	–	–	55
	CO ₂	–	110	85	–	195

¹ Actual sales subject to market conditions and total AN production limited by AN solution production capacity.

² Ammonia capacity available for sale dependent on tons sold of other upgraded products.

Market Outlook

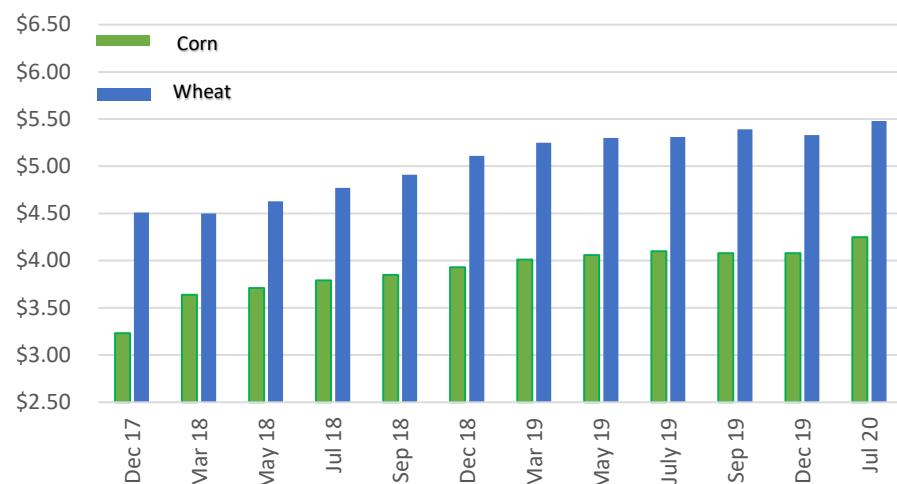
Agricultural

Nitrogen prices showing signs of recovery despite continued pressure on farmers from continued low crop prices

- Global outages and low Chinese urea operating rates leading to market tightness
- Urea, UAN and Tampa ammonia have gained momentum
- Imports of Urea and UAN declined 21% and 41%, respectively, for the past six month period
- Corn prices average ~ \$3.90/bushel over next 12 months

US Nitrogen capacity expansion added additional supply and is currently rebalancing distribution channels

Forward Crop Prices / Bushel



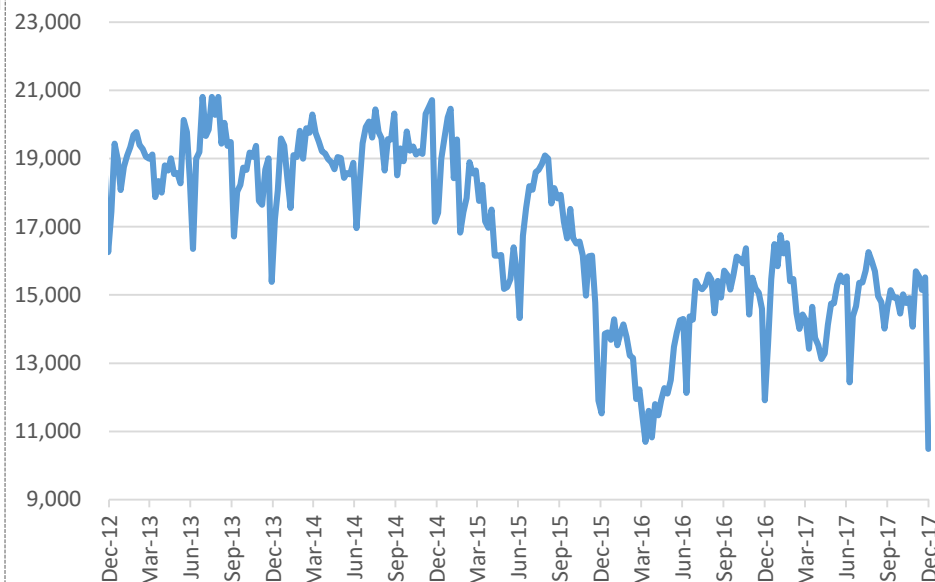
Industrial and Mining

Industrial market – Trending slightly up in 2018. The auto and housing markets continue to look good for the coming year

Mining market – Coal Update:

The Energy Information Administration (EIA) expects growth in coal-fired electricity generation to contribute to a ~0.8% increase in 2018. Coal production is expected to decrease by ~2.4% in 2018 because of lower exports and no growth in coal consumption

US Coal Production (last 5 years) Million Short Ton

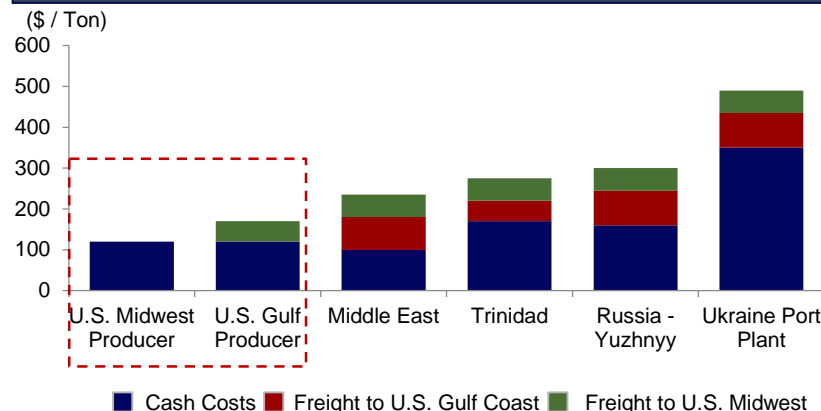


Attractive Combination of Low Priced Feedstock in an increasing Ammonia Price Environment

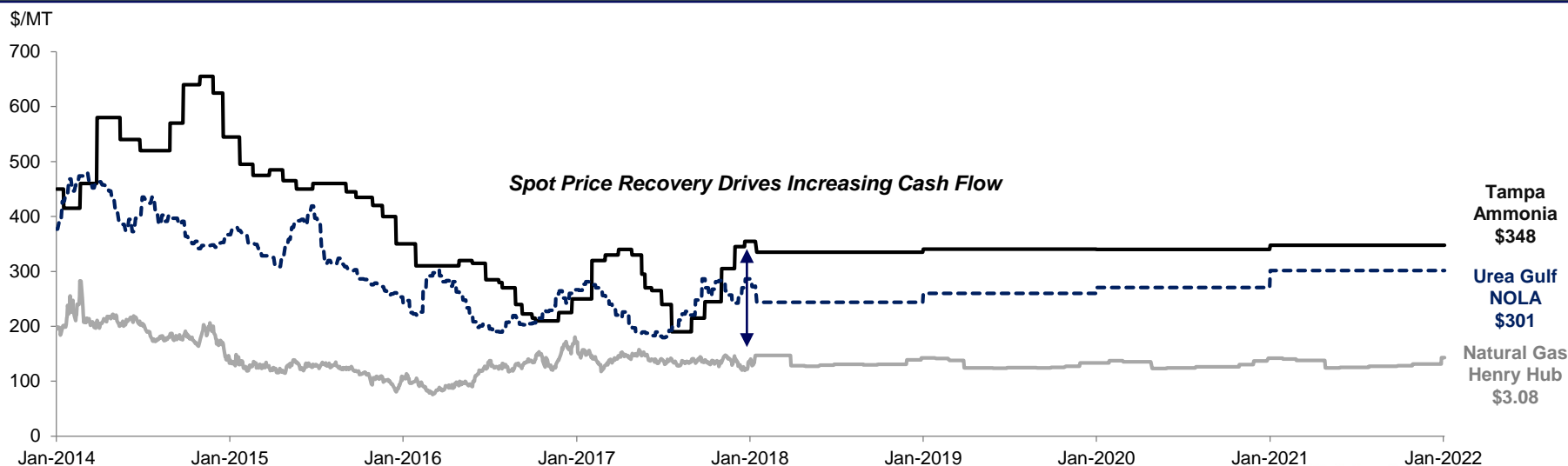


- Due to large shale gas deposits and technological advancements, domestic natural gas prices are expected to remain low
- The low cost position for U.S. ammonia producers will allow domestic producers to take advantage of future demand and capacity increases
- While ammonia prices have been positively correlated with natural gas prices, as the price gap between the two commodities widens, LSB will be provided with increasing opportunities for margin expansion and cash flow generation
 - **U.S. producers, including LSB, are positioned to benefit immensely from a widening gap between a highly attractive cash cost position driven by low gas prices and increasing ammonia products prices**

U.S. Ammonia Producers have a Commanding Position as the World's Lowest Cost Producer Serving the US Market



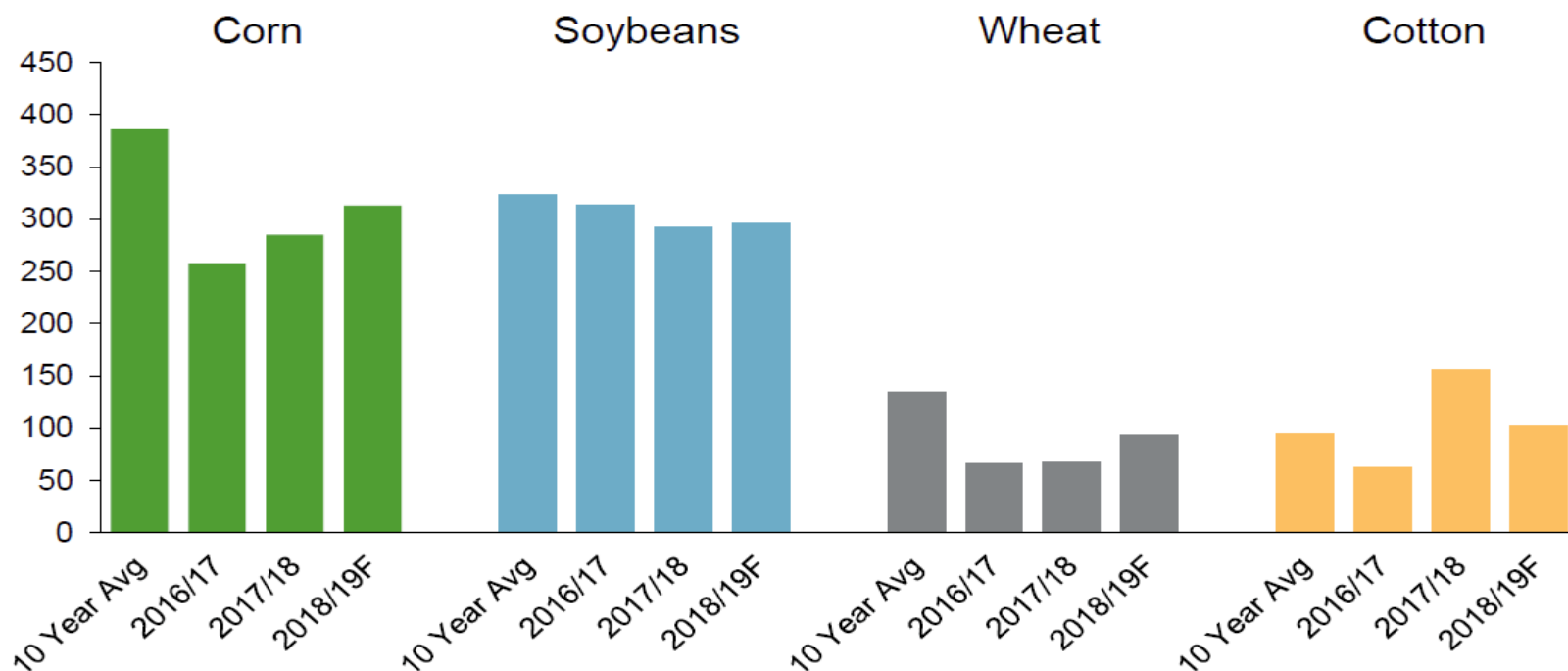
Spot Price Recovery Well Underway Across all Main Ammonia Products While Natural Gas Prices Remain Stagnant¹



Supportive U.S. Grower Economics

U.S. Cash Grower Margins¹

US\$/Acre

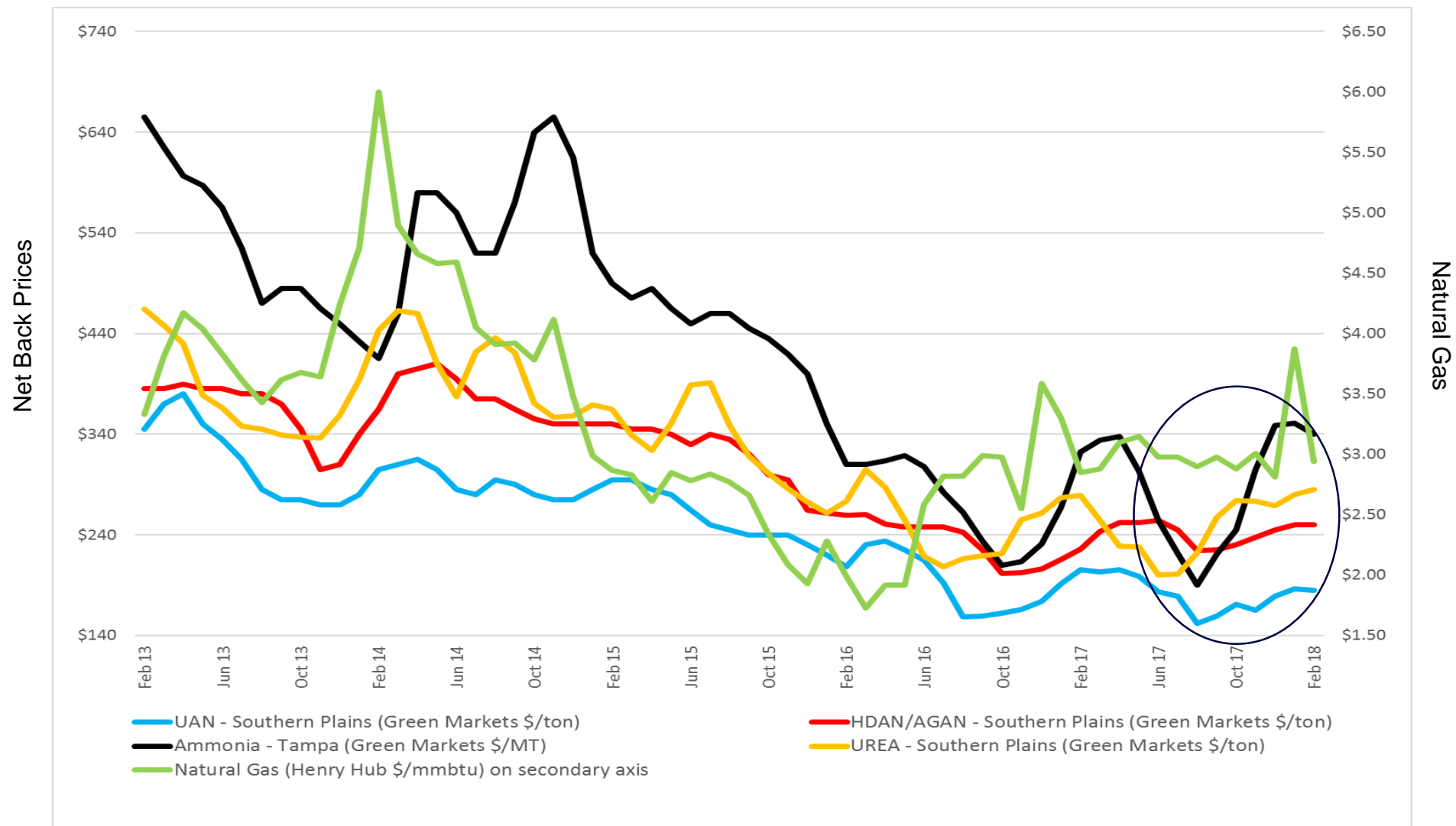


Current cash crop margins support a relatively stable acreage outlook

Source: USDA, Green Markets, CME Group, Nutrient

1. 2017/18 margins are based on spot cash crop prices and estimated average fertilizer costs; 2018/19 margins are based on new crop 2018 futures prices less estimated basis and estimated spot retail fertilizer prices

Chemical Commodities Feedstock & End Products 5-year Price Trend





LSB's Operational Improvement Plan

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Significant Operational Improvements Were Made and Are Continuing



1 Well-Positioned for Growth with Major Expansion Completed

2 Formalized Financial and Operational Goals and Objectives

3 Implemented Operational Upgrades That Enhance Future Reliability and Performance Across Facilities with a Focus on Improved On-stream Rates

4 New El Dorado Ammonia and Nitric Acid Plants Operating Above Nameplate Capacity

5 Implementing Enhanced Maintenance Management System

6 Third Party Review of Pryor Heat and Material Balance and Mechanical and Electrical Reliability

Maintenance Management System Enhancement



- Commonality of platform across all plants
- Risk and critical ranking of all equipment and instrumentation
- Mechanical integrity program improvements
- Preventive and predictive maintenance
- Precision maintenance implementation and training
- Focus on root cause of equipment failures
- Implementation is underway; will be complete by midyear 2018

Focus on Pryor

BD Energy Ammonia Plant Assessment

- Firm is expert in design of steam methane reformers
- Process Evaluation for the Ammonia plant
- Heat and material balance
- Improve performance, reliability and efficiency
- Study to deliver a full evaluation of the operation and performance of the primary and secondary reformers completed by the end of Q1 2018

Black & Veatch Full Facility Assessment

- Risk review of mechanical and electrical reliability issues for entire facility
- Cost estimates for recommended improvements
- Study to be completed by the end of Q1 2018

Where is LSB?

The Big Picture

Historically, each facility had their own reliability practices in place. Some practices were good, some not.

Since 2014 we've been standardizing best practices across sites:

- Oil Sample Analysis and general KPI
 - Standardized to the same analytical lab with the same testing
 - Expanded the equipment tested and pulled results into an overview type KPI for each site
- Vibration Analysis and general KPI
 - Standardized to the same contractor
 - Expanded the equipment tested and pulled results into an overview type KPI for each site

How are we Doing?

- The KPIs are a composite of all the equipment sampled
 - Represents a general overview of site equipment
 - Composite doesn't reflect the condition of any single piece of equipment
- Showing positive results for Oil Sample Analysis and Vibration Analysis. This translates to fewer failures and greater uptime

What are we Doing?

- Infrared Thermography – all sites
- Ultrasonics – Airborne and Greasing
- Other programs implemented since 2014:
 - PMI – Positive Materials Identification
 - Maintenance & Reliability Team
 - Mechanical Integrity Software
 - Torqueing Standards
 - Incident Investigation (applicable to breakdowns and all other incidents)
 - Equipment Criticality
- Next programs to be implemented by sites:
 - Lubrication training
 - Precision maintenance training

Special Project – Urea Red Team

Project to improve uptime at Cherokee and Pryor Urea units

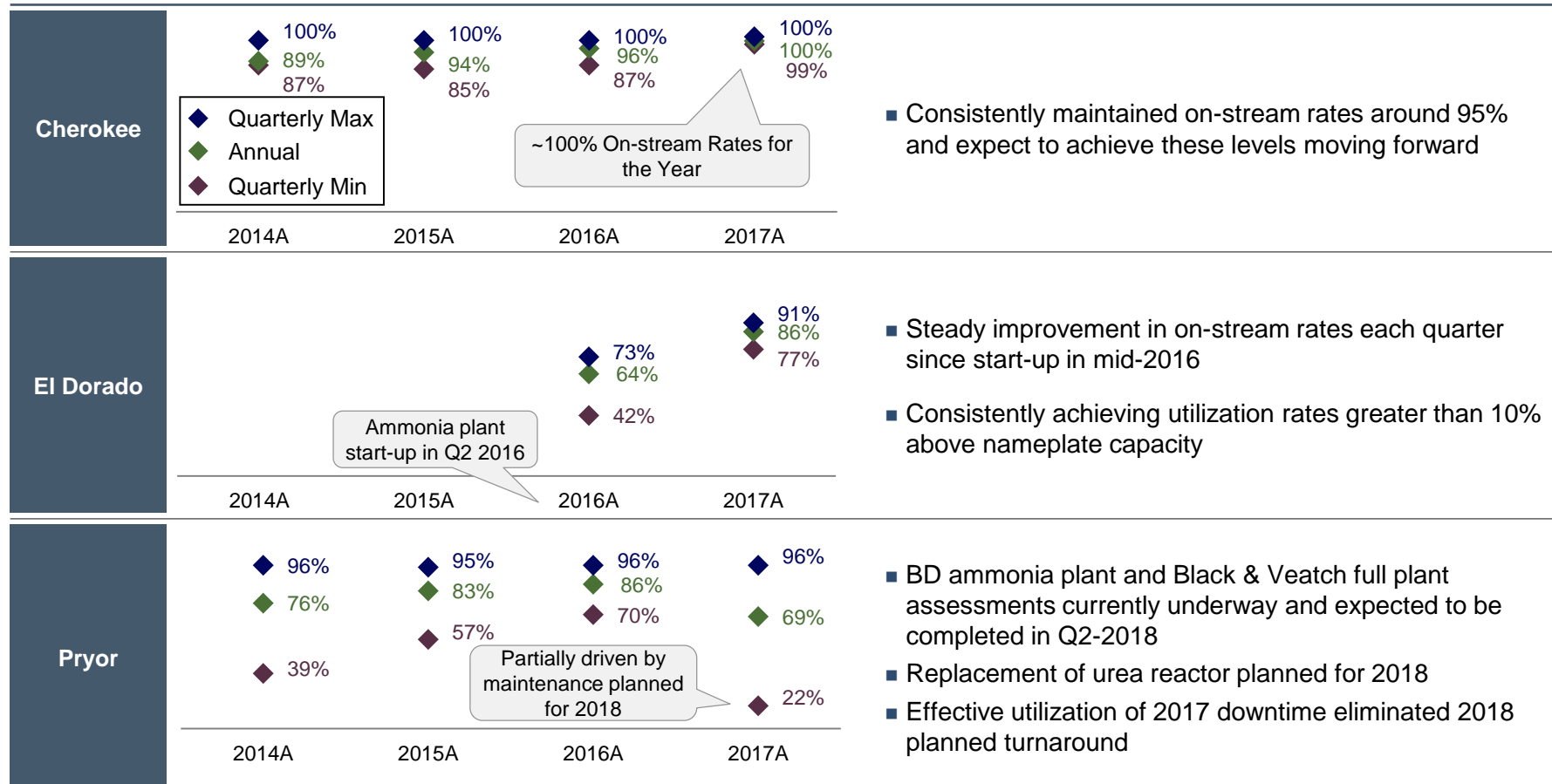
- Team consists of personnel from both facilities and Corporate staff
- Data gathering
 - Download of work order data from Maintenance System
 - Equipment and system documentation from each facility
 - Failure information from each facility

Operational Improvement Program Across Facilities Mostly Complete



Ammonia On-Stream Rates¹

Key Accomplishments



Seeing improvements at each facility, and continuing to identify opportunities to increase up-time and efficiency

¹ Ammonia On-Stream Rate is the number of hours operating divided by total hours in the period, excluding turnarounds.



Financial Overview

LSB Consolidated Financial Highlights

Fourth Quarter 2017



(\$ In Millions, Except EPS)	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2017	2016	Change	2017	2016	Change
Net sales	\$88.9	\$85.4	\$3.5	\$427.5	\$374.6	\$52.9
Gross profit (loss)	(\$10.2)	(\$8.9)	(\$1.3)	\$5.5	(\$49.3)	\$54.8
<i>% of net sales</i>	-11.5%	-10.4%	-1.1%	1.3%	-13.2%	14.5%
Selling, general and administrative expense	\$8.2	\$8.5	(\$0.3)	\$35.0	\$40.2	(\$5.2)
<i>% of net sales</i>	9.2%	10.0%	-0.8%	8.2%	10.7%	-2.5%
Operating loss	(\$20.8)	(\$18.1)	(\$2.7)	(\$34.1)	(\$90.2)	\$56.1
<i>% of net sales</i>	-23.4%	-21.2%	-2.2%	-8.0%	-24.1%	16.1%
Interest expense, net	\$9.3	\$9.8	(\$0.5)	\$37.3	\$31.0	\$6.3
Non-operating other expense (income), net	\$0.1	(\$0.2)	\$0.3	(\$0.3)	\$0.2	(\$0.5)
Loss from continuing operations before benefit for income taxes	(\$30.2)	(\$36.4)	\$6.2	(\$71.1)	(\$130.1)	\$59.0
Benefit for income taxes	(\$30.0)	(\$11.2)	(\$18.8)	(\$40.8)	(\$42.0)	\$1.2
Income from discontinued operations, net of taxes	\$1.1	\$3.7	(\$2.6)	\$1.1	\$200.3	(\$199.2)
Net income (loss)	\$0.9	(\$21.5)	\$22.4	(\$29.2)	\$112.2	(\$141.4)
<i>% of net sales</i>	1.0%	-25.2%	26.2%	-6.8%	30.0%	-36.8%
Diluted EPS ⁽¹⁾	(\$0.30)	(\$1.19)	\$0.89	(\$2.22)	(\$5.28)	\$3.06
EBITDA ⁽²⁾	(\$3.6)	\$2.1	(\$5.7)	\$35.4	(\$27.5)	\$62.9
Adjusted EBITDA ⁽²⁾	\$0.3	\$2.8	(\$2.5)	\$46.2	(\$4.5)	\$50.7

(1) Excludes discontinued operations.

(2) Refer to Appendix for reconciliation of EBITDA and Adjusted EBITDA.

Fourth Quarter – 2017 vs. 2016

(\$ In Millions)



	Q4	
	2017	2016
Total Consolidated Adjusted EBITDA	\$0.3	\$2.8
2016		\$2.8
Net Sales Price Impact		1.1
Net Sales Volume Impact		0.1
Costs related to Pryor unplanned downtime		(8.8)
Higher fixed cost in 2016 related to unplanned downtime at El Dorado / "shake down" items		5.1
2017		\$0.3

Capital Structure

\$ In Millions	12/31/17
Cash	<u>\$ 33.6</u>
Senior Secured Notes	375.0
Working Capital Revolver (\$41.2 mm of availability at 12/31/17)	-
Other Debt	39.1
Unamortized Discount and Debt Issuance Costs	<u>(4.7)</u>
Total Long-Term Debt, Including Current Portion, net	<u>\$ 409.4</u>
Series E and F Redeemable Preferred Stock (\$185.2 million liquidation preference including accrued dividends)	<u>\$ 175.0</u>
Total Stockholders' Equity	<u>\$ 438.2</u>

Key Information:

Senior Secured Notes

- \$375 million at 8.5%
- Due August 2019
- Call Premium 101.9 until 8/1/2018 and then at par
- Continuing to review options for refinancing with advisors, lenders and investors

Working Capital Revolver

- \$50 million (Prime + 50 bps)
- Expires January 2022
- No borrowings at December 31, 2017

Investment Highlights

- 1 Highly advantaged locations with logistical and distribution benefits
- 2 Strength and stability of EBITDA Contribution from Industrial and Mining End Markets
- 3 Positioned for long-term success following over \$1 billion in capital investments over the last four years
- 4 Attractive timing in cycle – Agricultural market pricing recovering from trough pricing environment
- 5 EBITDA upside from improved plant on-stream rates, expense reductions and selling price recovery
- 6 Proven operational team and experienced work force



Appendix

EBITDA Reconciliation



LSB Consolidated (\$ In Millions)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2017	2016	2017	2016
Net income (loss):	\$0.9	(\$21.5)	(\$29.2)	\$112.2
Plus:				
Interest expense	9.3	9.8	37.3	30.9
Loss on extinguishment of debt	-	8.7	-	8.7
Provision for impairment	-	1.6	-	1.6
Depreciation, depletion and amortization	17.3	18.4	69.2	61.3
Benefit for income taxes	(30.0)	(11.2)	(40.8)	(41.9)
Income from discontinued operations	(1.1)	(3.7)	(1.1)	(200.3)
EBITDA (1)	(\$3.6)	\$2.1	\$35.4	(\$27.5)
Consulting fee - Negotiated property tax savings at El Dorado	-	-	-	12.1
Stock-based compensation	1.3	0.8	5.2	4.0
Start-up/ Commissioning costs at El Dorado	-	-	-	5.1
Severance costs	-	0.2	-	0.9
Derecognition of death benefit accrual	-	-	(1.4)	-
Loss (gain) on sale of a business and other property and equipment	2.6	(0.3)	7.0	0.3
Fair market value adjustment on preferred stock embedded derivatives	-	-	-	1.0
Delaware unclaimed property liability	-	-	-	0.3
Life insurance recovery	-	-	-	(0.7)
Adjusted EBITDA (2)	\$0.3	\$2.8	\$46.2	(\$4.5)

(1) EBITDA is defined as net income (loss) plus interest expense, depreciation, depletion and amortization (DD&A) (which includes DD&A of property, plant and equipment and amortization of intangible and other assets), less benefit for income taxes and income from discontinued operations, net of taxes. We believe that certain investors consider EBITDA a useful means of measuring our ability to meet our debt service obligations and evaluating our financial performance. EBITDA has limitations and should not be considered in isolation or as a substitute for net income, operating income, cash flow from operations or other consolidated income or cash flow data prepared in accordance with GAAP. Because not all companies use identical calculations, this presentation of EBITDA may not be comparable to a similarly titled measure of other companies. The following table provides a reconciliation of net income (loss) to EBITDA for the periods indicated.

(2) Adjusted EBITDA is reported to show the impact of one time/non-cash items such as, loss on sale of a business and other property and equipment, one-time income or fees, start-up/commissioning costs, certain fair market value adjustments, non-cash stock-based compensation and severance costs. We believe that the inclusion of supplementary adjustments to EBITDA is appropriate to provide additional information to investors about certain items. The tables above provide reconciliations of EBITDA excluding the impact of the supplementary adjustments. The Company's policy is to adjust for non-cash or non-recurring items that are greater than \$0.5 million quarterly or cumulatively.

Historical EBITDA Reconciliation by End-Market



\$MM

		Agricultural	Industrial & Mining	Turnaround	Corporate SG&A and Other	Consolidated (Excl. Summit / Zena) ^(8,10)	Summit / Zena ^(8,10)	Consolidated (As Reported)
FYE 12/31/2017								
Operating Loss		\$(27)	\$ 28	\$(1)	\$(31)	\$(31)	\$(3)	\$(34)
(+) Non Operating Other Income		-	-	-	0	0	-	0
(+) Depreciation		33	33	-	3	68	1	69
Reported EBITDA		\$ 5	\$ 62	\$(1)	\$(28)	\$ 38	\$(2)	\$ 35
(1) Stock-Based Compensation		-	-	-	5	5	-	5
(2) Derecognition of Death Benefit Accrual		-	-	-	(1)	(1)	-	(1)
(3) Loss (gain) on Sale of Other Property and Equipment		-	-	-	2	2	5	7
(4) Fair Market Value Adjustment on Preferred Stock Embedded Derivatives		-	-	-	0	0	-	0
Adjusted EBITDA		\$ 5	\$ 62	\$(1)	\$(22)	\$ 44	\$ 3	\$ 46
FYE 12/31/2016								
Operating Loss		\$(29)	\$(6)	\$(9)	\$(45)	\$(89)	\$(1)	\$(90)
(+) Non Operating Other Income		-	-	-	(0)	(0)	-	(0)
(+) Provision For Impairment		-	-	-	2	2	-	2
(+) Depreciation		29	27	-	4	59	3	61
Reported EBITDA		\$(0)	\$ 20	\$(9)	\$(40)	\$(29)	\$ 2	\$(28)
(1) Stock-Based Compensation		-	-	-	4	4	-	4
(3) Loss (gain) on Sale of Other Property and Equipment		-	-	-	0	0	-	0
(4) Fair Market Value Adjustment on Preferred Stock Embedded Derivatives		-	-	-	1	1	-	1
(5) Consulting Fee-Negotiated Property Tax Savings at El Dorado		-	-	-	12	12	-	12
(6) Start-Up / Commissioning Costs at El Dorado		2	3	-	-	5	-	5
(7) Severance Costs		-	-	-	1	1	-	1
(9) Other / Delaware Unclaimed Property		-	-	-	0	0	-	0
(9) Other / Life Insurance Property		-	-	-	(1)	(1)	-	(1)
Adjusted EBITDA		\$ 2	\$ 23	\$(9)	\$(22)	\$(6)	\$ 2	\$(4)
(11,12) Run-Rate Adjustments		11	15	-	-	27	-	27
Run-Rate Adjusted EBITDA		\$ 13	\$ 39	\$(9)	\$(22)	\$ 21	\$ 2	\$ 22

Adjustment details

- (1) Stock based compensation represents a non-cash adjustment for options and restricted stock unit expense recognized in each period
- (2) During the first quarter of 2017, a death benefit agreement with Mr. Golsen was terminated pursuant to the terms of his agreement. As a result, a liability of approximately \$1.4M was extinguished
- (3) Loss (gain) on sale of other property and equipment represents non-cash impact of assets sold or taken out of service during the period
- (4) Fair market value adjustment on preferred stock represents unrealized loss from the change in fair value associated with the embedded derivative included in the Series E Preferred stock
- (5) During 2016, we incurred a one-time fee of \$12.1 million related to consulting services associated with the reduction of property taxes from fixing the assessed value for our El Dorado facility
- (6) During the first half of 2016, we incurred approximately \$5.1 million of expenses related to start-up and commissioning of the El Dorado ammonia plant
- (7) During 2016, we incurred costs of approximately \$0.9 million primarily related to corporate restructuring
- (8) In May 2017, an indirect subsidiary of LSB, Zena Energy LLC, sold substantially all of its assets including Zena's right, title and interest in all of its oil and natural gas properties for \$16 million which sale resulted in a non-cash loss of \$3.9 million. As a result of the sale, Zena's EBITDA has been removed for comparative purposes
- (9) Other includes an estimated Delaware unclaimed property liability and the removal of income from life insurance recoveries
- (10) In October 2017 LSB sold its engineered products business, Summit Machine Tool Manufacturing LLC, for \$3.5 million which sale resulted in a non-cash loss of \$0.8 million. As a result of the sale, Summit's EBITDA has been removed for comparative purposes
- (11) Assumes run-rate production at El Dorado assuming the completed expansion project was online for the full year. Prior to ramp-up of the El Dorado production facility, 82,835 tons of ammonia feedstock was purchased at market prices during fiscal 2016. The adjustment reflects the estimated cost savings (based on the cost structure of the production facility after ramp-up of operations) that would have been achieved if these tons had instead been produced at the El Dorado facility.
- (12) Non-recurring costs associated with the ramp-up of operations at El Dorado to full run-rate production levels. Non-recurring costs for contractors, materials, and gas burn-off related to ammonia plant were \$7.8 million; and non-recurring costs for contractors, materials and catalyst burn-off related to nitric acid plant were \$2.3 million.

Consolidated EBITDA

Sensitivity Analysis (\$ In Millions)



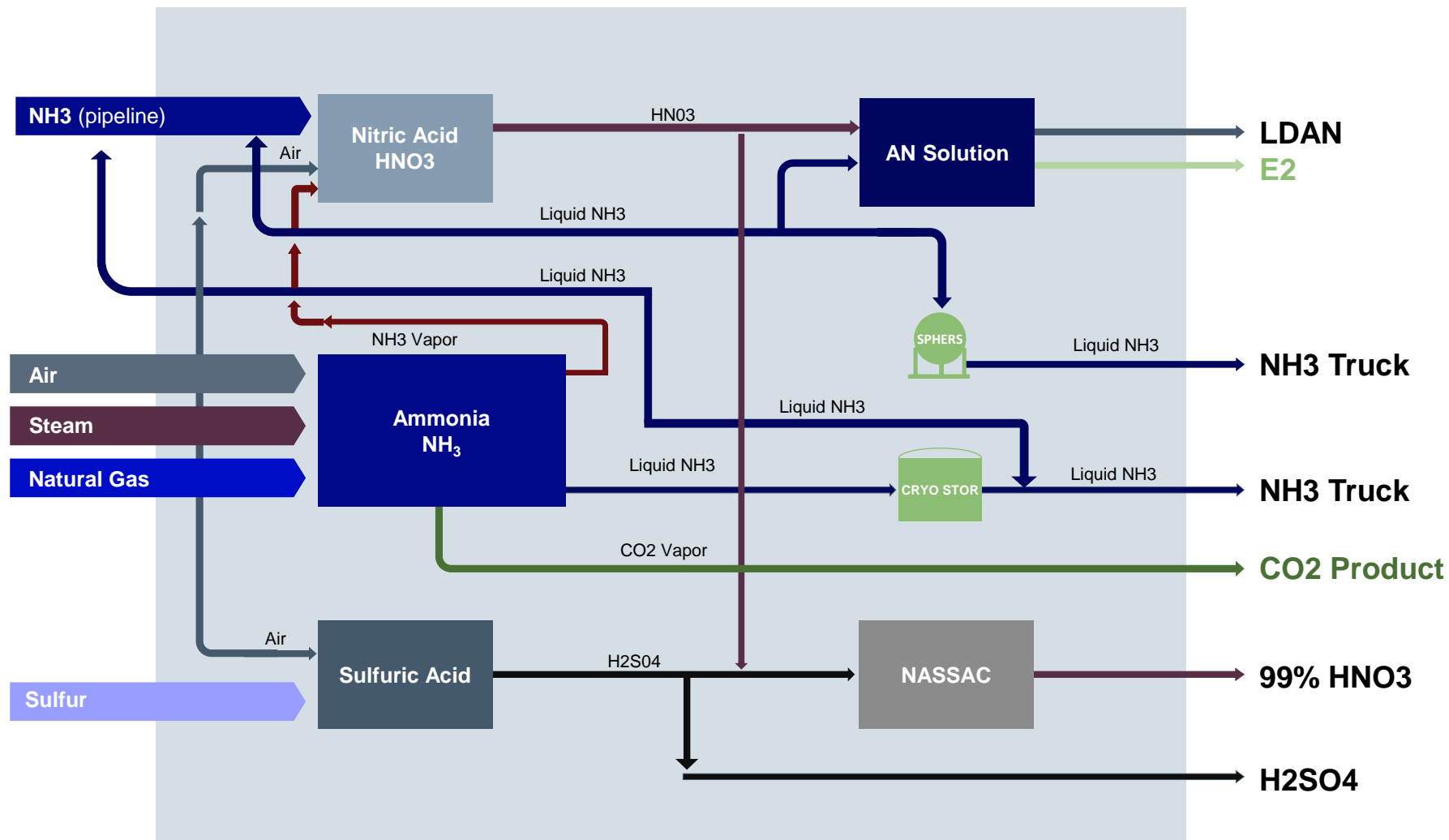
Significant Earnings Power at Optimal Operating Rates

		Natural Gas Price per mmbtu				
		\$2.50	\$3.00	\$3.50	\$4.00	\$4.50
Tampa Ammonia price per MT	\$450	\$226	\$214	\$202	\$190	\$178
	\$400	\$194	\$182	\$170	\$158	\$146
	\$350	\$162	\$150	\$138	\$126	\$114
	\$300	\$130	\$118	\$106	\$ 94	\$ 82
	\$250	\$ 98	\$ 86	\$ 74	\$ 62	\$ 50
	\$200	\$ 66	\$ 54	\$ 42	\$ 30	\$ 17

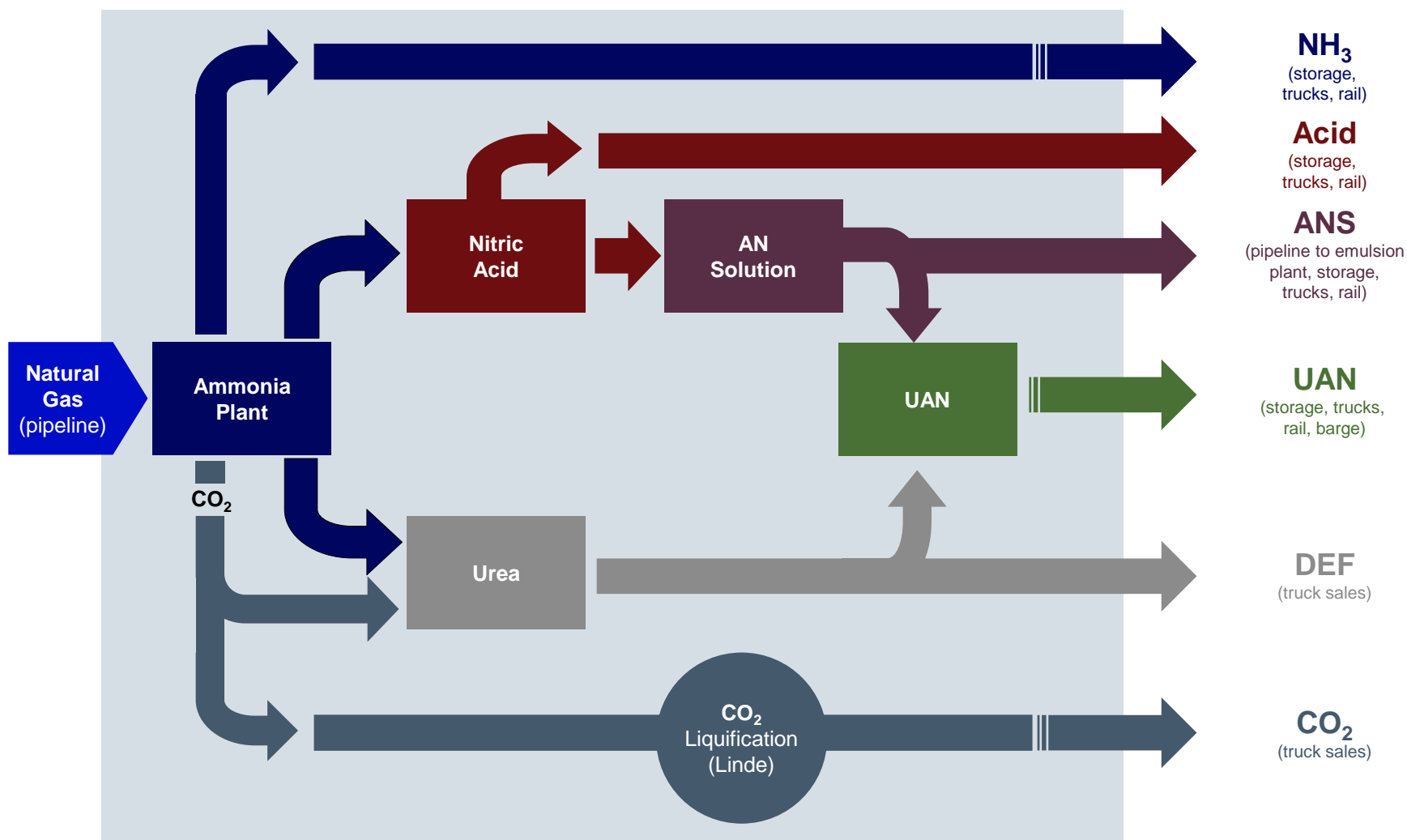
Key factors in model above:

- Tampa Ammonia price assumes average over the full year
- Average ammonia plant on-stream rate of 97%, 95% and 95% at El Dorado, Cherokee and Pryor, respectively (excluding all turnaround expense)
- Assumes that a \$50/MT change in ammonia price is equivalent to a \$21 per short ton change in UAN price and a \$23 per short ton change in AN price
- Minimal growth of mining sales
- No incremental cost savings over previously announced savings

El Dorado Facility Overview



Cherokee Facility Process Flow



Pryor Plant Basic Process Flow

