



## LSB Industries, Inc. Reports Downtime at Cherokee Plant

December 15, 2014

OKLAHOMA CITY--(BUSINESS WIRE)--Dec. 15, 2014-- LSB Industries, Inc. (NYSE:LXU) ("LSB or the Company") today announced that its chemical plant facility in Cherokee, Alabama ("Cherokee Facility") was taken out of service in late November 2014 for unplanned maintenance related to the replacement of a bearing in the facility's ammonia plant, and a subsequent gasket leak and damage to insulation material which occurred upon start-up of the plant.

The Company anticipates that the plant will be out of production for approximately 30 days as a result of necessary repairs, returning to service by the end of the year. This downtime has and will continue to result in lost fixed cost absorption while the plant is not operating, as well as lost production, which is expected to total approximately 16,000 tons of ammonia, representing saleable product of approximately 20,000 tons of UAN, 9,000 tons of AN Solution and 1,700 tons of ammonia. During the downtime, the Cherokee Facility has been supplying, and anticipates it will be able to supply, most of its customers' demands for UAN, AN Solution and ammonia from its inventory and, as a result, expects it will end 2014 with lower than previously anticipated inventory levels. The Company plans to notify the market when the Cherokee Facility is returned to service.

LSB has revised its outlook for fourth quarter 2014 Chemical Business sales volume as follows:

| <b>Products</b>                      | <b>Revised Outlook - Sales (tons)</b> | <b>Previous Outlook - Sales (tons)</b> |
|--------------------------------------|---------------------------------------|--|
| <b>Agriculture:</b>                  |                                       |  |
| UAN                                  | 80,000 – 85,000                       | 95,000 – 115,000                       |
| AN                                   | 25,000 – 30,000                       | 25,000 – 30,000                        |
| Anhydrous ammonia                    | 25,000 – 30,000                       | 25,000 – 30,000                        |
| <b>Industrial, Mining and Other:</b> |                                       |  |
| Nitric acid                          | 145,000 – 150,000                     | 145,000 – 150,000                      |
| AN and AN solution                   | 30,000 – 35,000                       | 30,000 – 35,000                        |
| Anhydrous ammonia                    | 6,000 – 8,000                         | 6,000 – 8,000                          |

### About 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 chillers, large custom air handlers and make-up air units.

*This press release includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally are identified by use of the words "believes", "expects", "intends", "anticipates", "plans to", "estimates", "projects", or similar expressions, including, without limitation, the return to service of the Cherokee Facility, lost production and absorption, supplying customer demands, inventory levels, and outlook for fourth quarter 2014 Chemical Business sales volume. Actual results may differ materially from the forward-looking statements as a result of various future events, including without limitation, general economic conditions, weather conditions, customer demands and the "Risk Factors" in our most recent 10-K and Form 10-Qs for quarters ended March 31, June 30 and September 30, 2014. 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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