



COMPANY CONTACT:  
Tony M. Shelby, Chief Financial Officer  
(405) 235-4546

Investor Relations Contact:  
Linda Latman (212) 836-9609  
Lena Cati (212) 836-9611  
The Equity Group Inc.

**FOR IMMEDIATE RELEASE**

**LSB INDUSTRIES, INC. COMMENTS ON THIRD QUARTER DEVELOPMENTS**  
**IN ITS CHEMICAL BUSINESS**

Oklahoma City, Oklahoma - September 9, 2008 - LSB Industries, Inc. (the "Company"), (AMEX:LXU) announced today that its anhydrous ammonia chemical plant in Cherokee, Alabama ("Cherokee") has experienced repeated plant downtime during the third quarter which has reduced production and sales of urea ammonium nitrate ("UAN") fertilizer and to a lesser degree, certain industrial products. The downtime was caused by the plant's unexpected mechanical failure. While interim repairs have been made as needed, more extensive repairs will be made during a planned maintenance event ("plant turnaround") that is scheduled for approximately 21 days in October 2008. The plant is currently operating at slightly below normal rates, however, additional downtime could occur until repairs are made during the plant turnaround.

Cherokee has lost approximately 20 days of operation thus far in the third quarter. Although we are unable to predict the actual impact of the unplanned downtime, we believe it could reduce LSB's Chemical Business' operating income by an approximate range of \$5.0 to \$6.0 million (\$3.1 to \$3.7 million after provision for taxes) during the third quarter of 2008. Management believes that after the repairs are completed during the October plant turnaround, the Cherokee plant will return to normal operations.

Jack Golsen, LSB's Chairman and CEO stated, "The unplanned downtime at our Cherokee plant and the impact it will have on third quarter results are temporary setbacks. As soon as our October plant turnaround maintenance event is complete, we should be back on track. Market demand fundamentals for UAN are extremely favorable which we believe will continue for some time, and the business level of the Chemical Business as a whole continues to be strong. Our Climate Control Business continues to have a good year. We are very optimistic about the long term business prospects for LSB."

(more)

As a reminder, the Company also disclosed in its Form 10-Q for the second quarter of 2008 that the Company entered into futures contracts to hedge the cost of natural gas for the purpose of securing the profit margin on certain significant orders for products which use natural gas as feedstock, so that the ultimate profit to be realized is known at the time the customer orders are accepted. The profit is realized at the time the product is shipped. Recent extreme volatility in natural gas prices has created wide swings in the mark-to-market value of the Company's natural gas hedges. Generally accepted accounting principles require that LSB mark-to-market the value of these hedges. Due to a steep decline in natural gas prices, the natural gas hedges could result in an unrealized non-cash charge in the third quarter of 2008. The unrealized gain or loss to be recorded will depend on the market price of natural gas as of September 30, 2008, as compared to the price as of June 30, 2008. As of August 5, 2008, the date LSB filed its second quarter 2008 Form 10-Q, the non-cash charge was estimated at \$5.4 million (\$3.3 million after provision for taxes). At this time, LSB is unable to predict the exact impact these hedges will have on the third quarter and future quarters. The interim mark-to-market accounting does result in volatility in LSB's financial statements; however, the unrealized gains or losses are non-cash items, and the mark-to-market losses recorded in the third quarter will be recovered when the product is shipped pursuant to those specific orders.

LSB is a manufacturing, marketing and engineering company. Through its subsidiaries, 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.

#### FORWARD LOOKING STATEMENTS:

Statements in this release, which are not historical in nature, are forward-looking statements. Although we believe that our plans, intentions and expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such plans, intentions or expectations will be achieved. In some cases you can identify forward-looking statements by forward-looking words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "should," "will" and "would" or similar words. Forward-looking statements contained herein include, without limitation, completion of the repairs; temporary setback; the days to complete the plant turnaround; the amount of negative impact on operating income due to the downtime; completion of the repairs will allow the Cherokee facility to return to normal operations and be back on track; the effect of our natural gas hedges; which could result in non-cash charge during the third quarter of 2008; the favorable market demand fundamentals for UAN will continue for sometime; and optimistic about the long-term business prospects for LSB. Actual events or results may differ materially from those indicated by the forward-looking statements contained in this release as a result of a number of important factors. These factors include, but are not limited to, the risks and uncertainties discussed under the headings "Special Note Regarding Forward Looking Statements" and "Risk Factors" in our annual report on Form 10-K for the fiscal year ended December 31, 2007 and our Forms 10-Q for quarters ended March 31, 2008 and June 30, 2008. We do not intend to and undertake no duty to update the information contained in this press release.