



## **CVR Partners, LP to Combine with Rentech Nitrogen Partners, L.P. To Create a North American Nitrogen Fertilizer Leader**

- *Creates a leading nitrogen fertilizer producer with more diversified assets, feedstocks, and markets.*
- *At least \$12 million of annual run-rate operating synergies expected.*
- *Rentech Nitrogen unitholders to receive, for each unit, 1.04 units of CVR Partners (worth \$11.12 at the closing price of August 7), plus \$2.57 of cash, and retain the value of the Pasadena facility.*
- *Equity consideration enables all unitholders to participate in benefits of combination.*
- *The transaction is the culmination of a strategic review process publicly announced by Rentech Nitrogen on February 17, 2015.*

SUGAR LAND, TEXAS and LOS ANGELES, CALIFORNIA (August 10, 2015) – CVR Partners, LP (NYSE: UAN) and Rentech Nitrogen Partners, L.P. (NYSE: RNF) announced today the execution of a definitive merger agreement under which CVR Partners will acquire all outstanding units of Rentech Nitrogen. The combination excludes Rentech Nitrogen's Pasadena facility, which will be retained by current holders of Rentech Nitrogen, or sold separately for their benefit. Total consideration for Rentech Nitrogen excluding the Pasadena facility is \$533 million, implying a total enterprise value of approximately \$839 million, based on closing prices on August 7, 2015. The transaction is the culmination of a strategic review process publicly announced by Rentech Nitrogen on February 17, 2015.

CVR Partners and Rentech Nitrogen will host a conference call today at 10 a.m. EDT to review additional details regarding today's announcement, as summarized in an investor presentation that will be posted on each partnership's website prior to the call.

Under the terms of the transaction, each outstanding common unit of Rentech Nitrogen will be exchanged for 1.04 units of CVR Partners and \$2.57 of cash. The value of the CVR Partners units plus the cash consideration, which excludes the value of the Pasadena facility, represents a 20.3% premium to the unit value implied from the unaffected exchange ratio on February 16, 2015, one day before Rentech Nitrogen announced its process to explore strategic alternatives; a 32.9% premium at the current exchange ratio; or a 14.1% premium to the unit value implied from the last 30-day volume weighted average price exchange ratio through August 7, 2015. Any value realized from the sale of the Pasadena facility would add to such premium.

Upon closing of the transaction, Rentech Nitrogen's unitholders (including Rentech, Inc.) will own approximately 40.5 million units, or 35.6%, of the combined partnership. As part of the transaction, CVR Partners will assume or refinance Rentech Nitrogen's net debt, which was approximately \$307<sup>1</sup> million as of March 31, 2015.

"The merger of CVR Partners and Rentech Nitrogen Partners creates a new leader in the growing nitrogen fertilizer industry. Once the merger is complete, we will be the second largest producer of urea ammonium nitrate (UAN) in North America," said Jack Lipinski, executive chairman of CVR Partners. "In addition to enhancing our current attractive market position, we expect the merger will be double-digit accretive to distributable cash per unit before synergies. The combination of our two strategically located fertilizer assets in Kansas and Illinois, a strong combined balance sheet and highly experienced management teams positions the merged companies to generate long-term value for unitholders."

"The addition of Rentech Nitrogen's East Dubuque fertilizer facility increases our scale and diversifies our geography and raw material feedstock," said Mark Pytosh, chief executive officer of CVR Partners. "Our customers will benefit from the expanded availability and variety of nitrogen fertilizer products manufactured at the two facilities. The merger also expands our footprint into the upper Corn Belt region, which has the largest concentration of users in the U.S. for the direct application of nitrogen fertilizer products."

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<sup>1</sup> Rentech Nitrogen cash balance above includes Pasadena, the amount of which may not be part of the transaction.

“The merger of CVR Partners and Rentech Nitrogen Partners brings significant value to our respective unitholders, customers and employees,” Pytosh said. “We welcome the talented and experienced Rentech Nitrogen employees to CVR Partners.”

“We believe this combination with CVR Partners is a compelling opportunity to create value for Rentech Nitrogen’s unitholders. The transaction is structured to provide our unitholders with significant value, as well as the chance to participate in future value creation in a combined partnership that is well-positioned for success,” said Keith Forman, chief executive officer of Rentech Nitrogen. “We believe that the resulting company will benefit from larger scale; diversification of plants, feedstocks, and markets; and reduced costs. We intend to immediately return to a focused process to sell the Pasadena facility, before the closing of the merger with CVR Partners.”

### **Strategic Rationale**

The combination of two pure-play, complementary nitrogen fertilizer producers creates an entity of significantly increased scale and production capacity, improved overall operating reach and greater cash flow generation. The combined entity will also benefit from the world’s most attractive grain market in the Mid Corn Belt, in addition to competitive and diversified feedstocks. Furthermore, both have identical distribution policies, where they pay out to unitholders all cash available for distribution each quarter, and their opposite year plant turnarounds reduce earnings volatility.

The merger provides unitholders with ownership in a much larger and more diverse entity with a combined enterprise value of over \$1.6 billion based on closing prices on August 7. The combined entity will have a stronger balance sheet with increased liquidity in the capital markets and will be capable of pursuing significantly larger and more meaningful growth opportunities as the industry consolidates.

The merger is structured to provide the unitholders of Rentech Nitrogen with an opportunity to benefit from potential future unit price appreciation and increased cash distributions through ownership of CVR Partners’ common units.

### **Financial Details**

CVR Partners expects this transaction to be double-digit accretive to distributable cash per unit before synergies. The partnership expects to realize meaningful synergies of at least \$12 million, from SG&A cost savings, logistics and procurement improvements, and more strategic and efficient marketing of the combined products.

Each partnership has in place plans to increase the output of products and improve efficiency. CVR Partners’ output of ammonia is expected to increase by approximately 75 tons per day in the second half of 2016, as a result of additional hydrogen supply which will be available from the hydrogen plant currently under construction at the adjacent Coffeyville refinery of CVR Refining, LP. Rentech Nitrogen expects to increase its ammonia production by 50 tons per day, and reduce energy input for each ton of ammonia produced by 1.3 MMBTU beginning in the second half of 2016, following the completion of the new ammonia converter project that is currently underway.

Rentech Nitrogen will distribute to its unitholders, pro rata, net proceeds of any future sale of the Pasadena facility. There can be no assurances that the Pasadena facility can be sold prior to the closing date of the merger or at all.

The cash portion of the consideration is expected to be taxable to Rentech Nitrogen unitholders while the distribution of units in CVR Partners is expected to be tax-free.

### **Governance and Leadership**

Upon closing, the Board of Directors of the general partner of CVR Partners will increase from seven to 11 directors, including two newly appointed designees of CVR Energy, Inc. and two newly appointed designees of Rentech, Inc. Jack Lipinski, executive chairman of CVR Partners, will serve as executive chairman of the combined partnership that will operate under the name CVR Partners. Mark Pytosh, chief executive officer of CVR Partners, will serve as chief executive officer.

### **Pro-Forma Ownership Profile**

Existing unitholders of CVR Partners will own approximately 64.4% of the combined entity; CVR Energy, Inc., the owner of the general partner of CVR Partners, will own approximately 34.1%.

Rentech Nitrogen’s unitholders will initially own approximately 35.6% of the combined entity. Rentech, Inc., the current owner of approximately 59.7% of Rentech Nitrogen’s common units, will initially own approximately 21.3% of the combined entity. In conjunction with the closing of the merger, Rentech will exchange a portion of the CVR Partners units it receives for \$140 million of debt and convertible preferred securities owned by GSO Capital Partners, at a unit price to be determined based on a 15% discount from average closing prices in the period just before closing of the merger. This exchange will result in GSO Capital Partners owning a significant portion of the CVR Partners units initially received by Rentech; the exact number of units cannot be determined until the closing of the merger. However, based on the volume weighted average price leading up to August 7,

Rentech would own approximately 10% of the combined entity and GSO would own approximately 11%. The units that Rentech and GSO Capital Partners will receive will be subject to restrictions on sale for six months from the closing date of the merger.

### **Timing and Closing**

The Board of Directors of each partnership has approved the transaction. The transaction is subject to approval by a majority of the outstanding Rentech Nitrogen common units. Certain affiliates of Rentech, Inc. that together hold 59.7% of the outstanding Rentech Nitrogen common units have entered into a support agreement pursuant to which they have agreed to vote all of the Rentech Nitrogen common units owned by them in favor of the merger. The completion of the merger is also subject to the disposition of the Pasadena facility by Rentech Nitrogen, either by sale to a third party, or through the creation of a separate entity that owns the Pasadena facility, to be retained by unitholders of Rentech Nitrogen. Completion of the merger, assuming the requisite unitholder vote is obtained, and subject to the terms and conditions outlined in the merger agreement, is expected to occur by the end of 2015 and no later than May 31, 2016.

### **Regular Quarterly Cash Distributions**

Cash distributions will continue to be paid by each partnership pursuant to their own cash distribution policies while the merger is pending.

### **Advisors**

Morgan Stanley & Co. LLC served as sole financial advisor to Rentech Nitrogen and Latham & Watkins served as Rentech Nitrogen's legal advisor. Vinson & Elkins served as legal advisor to CVR Partners.

### **Conference Call**

CVR Partners and Rentech Nitrogen will host a conference call today at 10 a.m. EDT to discuss the announcement. Callers may listen to the live call, which will be followed by a question and answer segment, by dialing (877) 407-8029. Management will be referencing a presentation that will be available on CVR Partners' and Rentech Nitrogen's respective websites under the Investor Relations sections. An audio webcast of the call can be accessed by visiting the Investor Relations page on the CVR Partners website at [investors.cvrpartners.com](http://investors.cvrpartners.com). The event link is located under "Upcoming Investor Events." The webcast also is available at [www.retechnitrogen.com](http://www.retechnitrogen.com) within the Investor Relations portion of the site under the Presentations section. A replay will be available by audio webcast and teleconference for 14 days. The replay teleconference will be available by dialing (877) 660-6853 and entering conference ID 13617298.

### **Additional Information About the Proposed Transaction**

In connection with the proposed transaction, CVR Partners intends to file a registration statement on Form S-4 that will include a prospectus of CVR Partners and a proxy statement of Rentech Nitrogen, and CVR Partners and Rentech Nitrogen intend to file other documents, with the Securities and Exchange Commission (the "SEC"). INVESTORS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

A definitive proxy statement / prospectus will be sent to unitholders of Rentech Nitrogen seeking their approval of the transaction. Investors and security holders may obtain a free copy of the definitive proxy statement / prospectus (when available) and other documents filed by CVR Partners and Rentech Nitrogen with the SEC at the SEC's website, [www.sec.gov](http://www.sec.gov). The definitive proxy statement / prospectus (when available) and such other documents relating to CVR Partners may also be obtained free of charge by directing a request to CVR Partners LP, Attn: Investor Relations, 2277 Plaza Drive, Suite 500, Sugar Land, TX 77479. The definitive proxy statement / prospectus (when available) and such other documents relating to Rentech Nitrogen may also be obtained free of charge by directing a request to Rentech Nitrogen Partners, L.P., Attn: Investor Relations, Julie Dawoodjee Cafarella, 10877 Wilshire Blvd., 10th Floor, Los Angeles, CA 90024.

### **Participants in Solicitation**

CVR Partners, Rentech Nitrogen and their respective directors and executive officers may, under the rules of the SEC, be deemed to be "participants" in the solicitation of proxies in connection with the proposed transaction. Information regarding directors and executive officers of CVR Partners' general partner is contained in CVR Partners' Form 10-K for the year ended December 31, 2014, which has been filed with the SEC. Information regarding directors and executive officers of Rentech Nitrogen's general partner is contained in Rentech Nitrogen's Form 10-K for the year ended December 31, 2014, which has been filed with the SEC. A more complete description will be available in the registration statement and the proxy statement/prospectus.

This document shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of such securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to appropriate registration or

qualification under the securities laws of such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

#### **About CVR Partners, LP**

Headquartered in Sugar Land, Texas, with manufacturing facilities located in Coffeyville, Kansas, CVR Partners, LP is a Delaware limited partnership focused primarily on the manufacture of nitrogen fertilizers. The CVR Partners nitrogen fertilizer manufacturing facility is the only operation in North America that uses a petroleum coke gasification process to produce nitrogen fertilizer and includes a 1,225 ton-per-day ammonia unit, a 3,000 ton-per-day urea ammonium nitrate unit, and a dual-train gasifier complex having a capacity of 84 million standard cubic feet per day of hydrogen.

#### **About Rentech Nitrogen, L.P.**

Rentech Nitrogen ([www.rentechnitrogen.com](http://www.rentechnitrogen.com)) was formed by Rentech, Inc. to own, operate and expand its nitrogen fertilizer business. Rentech Nitrogen's assets consist of two fertilizer production facilities owned by its operating subsidiaries. The East Dubuque facility is located in the northwestern corner of Illinois, and uses natural gas as a feedstock to produce primarily anhydrous ammonia and UAN solution for sale to customers in the Mid Corn Belt. The Pasadena facility is located in Pasadena, Texas, along the Houston Ship Channel; it uses ammonia and sulfur as feedstocks to produce ammonium sulfate and ammonium thiosulfate fertilizers, and sulfuric acid. Rentech Nitrogen is the largest producer of synthetic granulated ammonium sulfate fertilizer in North America, with sales in the United States and internationally.

#### **Forward-Looking Statements**

This press release may include certain statements concerning expectations for the future that are forward-looking statements as defined by federal law. Such forward-looking statements are subject to a variety of known and unknown risks, uncertainties, and other factors that are difficult to predict and many of which are beyond CVR Partners' and Rentech Nitrogen's control, including the ability to consummate the proposed transaction; the ability to obtain the requisite regulatory approvals, Rentech Nitrogen unitholder approval, the ability of Rentech Nitrogen to divest or distribute its Pasadena facility, and the satisfaction of other conditions to consummation of the transaction; the ability of CVR Partners to successfully integrate Rentech Nitrogen's operations and employees; the ability to realize anticipated synergies and cost savings; the potential impact of announcement of the transaction or consummation of the transaction on relationships, including with employees, suppliers, customers and competitors; the ability to finance the combined company; and the ability to achieve revenue growth. An extensive list of factors that can affect future results are discussed in CVR Partners' Annual Report on Form 10-K, Rentech Nitrogen's Annual Report on Form 10-K and other documents filed from time to time with the SEC. CVR Partners and Rentech Nitrogen undertake no obligation to update or revise any forward-looking statement to reflect new information or events.

#### **For More Information**

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