

LSB INDUSTRIES INC
Form 8-K
August 15, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): August 12, 2013

LSB INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-7677
(Commission
File Number)

73-1015226
(IRS Employer
Identification No.)

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16 South Pennsylvania Avenue, Oklahoma City, Oklahoma

(Address of principal executive offices)

Registrant's telephone number, including area code (405) 235-4546

73107

(Zip Code)

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

On August 12, 2013, El Dorado Ammonia L.L.C. (*EDA*), an indirect subsidiary of LSB Industries, Inc. (the *Company*), entered into an Engineering Procurement and Construction Agreement (the *Agreement*) with SAIC Constructors, LLC (*Constructors*), a subsidiary of Science Applications International Corporation (*SAIC*), to engineer and construct a 375,000 ton per year ammonia plant and certain support facilities at the *Company* 's chemical production facility located in El Dorado, Arkansas. The obligations of *EDA* and *Constructors* under the *Agreement* are guaranteed by the *Company* and *SAIC*, respectively. The ammonia plant project is expected to be completed by the end of 2015, subject to timely receipt of environmental permits or unexpected delays.

The total cost of the ammonia plant project, including additional support facilities that are not covered by the *Agreement* and work to be performed under the management of the *Company*, is expected to total between \$250 million and \$300 million. The *Company* expects *Constructor* 's fees under the *Agreement* to be approximately \$22 million. The *Company* will fund the construction of the ammonia plant and support facilities from a portion of the net proceeds of the *Company* 's sale of \$425 million 7.75% Senior Secured Notes due 2019, which was completed on August 7, 2013.

Mr. Lance Benham was appointed as a new member of our Board of Directors on March 15, 2013, to fill a vacancy. In January 2013, Mr. Benham retired as Senior Vice President of SAIC Energy, Environment & Infrastructure, LLC (*SAIC Energy*), a subsidiary of SAIC. During 2012, the *Company* incurred approximately \$127,000 with SAIC Energy for engineering services relating to our chemical facilities. During the first six months of 2013, the *Company* incurred approximately \$2,872,000 with SAIC Energy for engineering services and deconstruction services relating to our chemical facilities. There are no arrangements or understandings between Mr. Benham and any other person pursuant to which Mr. Benham was appointed as a director of LSB.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

- 10.1 Engineering Procurement and Construction Agreement, dated August 12, 2013, between El Dorado Ammonia L.L.C. and SAIC Constructors, LLC.
- 99.1 Press Release dated August 14, 2013.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: August 15, 2013

LSB INDUSTRIES, INC.

By: /s/ Tony M. Shelby
Tony M. Shelby,
Executive Vice President of Finance,
Chief Financial Officer