



February 22, 2008

Dear Shareholders,

We believe there is significant value in the Rentech Process and our fertilizer production facility. Rentech has the technology that can produce synthetic fuels from a wide range of feedstock, and we believe that our fuels have better performance and are better for the environment than any other commercially available fuels today. We believe fuels from the Rentech Process will be the cleanest burning fuels on the market and can have a carbon footprint that is lower than corn ethanol. Our technology provides a solution for energy security, pollution and will invigorate local and national economies.

We believe that the environmental and legislative hesitation surrounding carbon will not hold us back from developing and constructing our first synthetic fuels facilities in the U.S. This is because our first commercial scale facility will use petroleum coke and biomass as feedstock and we have secured a long-term carbon dioxide solution for the plant. We also see considerable opportunities with potential licensees internationally where coal, petroleum coke, natural gas and biomass are significant resources.

I would like to take this opportunity to review some of the highlights from our fiscal 2008 first quarter conference call:

Technology

- When biomass is used as the sole feedstock for the production of synthetic fuels from the Rentech Process along with sequestration, the value and competitive advantage our company's technology offers is the production of synthetic fuels with a zero and potentially a negative carbon footprint.
- Even if our technology uses coal or petroleum coke as the feedstock for the production of synthetic fuels, with carbon capture and sequestration we can still produce synthetic fuels that have a carbon footprint that is below that of petroleum-derived fuels.
- When using fossil-based fuels, the addition of biomass for 20% of the feedstock by mass offers the opportunity to have a carbon footprint significantly below that of petroleum-derived fuels.
- The Rentech Process offers significant opportunities for deployment in a carbon constrained world.

Synthetic Fuels Facilities

- We plan to have a carbon reduction solution for all projects developed by Rentech.
- Currently it is estimated that over 200,000 barrels per day or nearly 3 billion gallons per year of synthetic fuels are produced internationally.



- There are over 1.2 million barrels per day of announced projects for synthetic fuel production in the U.S. and internationally. Rentech has participation in at least five of the projects included in that production figure and all of the projects Rentech is involved in are expected to have a carbon footprint below that of petroleum-derived fuels.
- The domestic coal debate should not impede the progress of our Natchez Project (Phase 1 of 1,600 barrels per day and Phase 2 of an additional 28,000 barrels per day of synthetic fuels production) as we will be using sequestration along with petroleum coke, a waste product of the refinery process, in conjunction with waste biomass as feedstock.
- We believe our Natchez Project is the only synthetic fuels facility in the nation to have announced a firm carbon dioxide solution.

Product Demonstration Unit (PDU)

- Rentech's demonstration facility of 10 barrels per day remains on track for fuel production in spring 2008.
- We believe fuels produced at the PDU will enable us to secure off-take contracts with customers at our large scale synthetic fuels facilities and also support discussions with potential domestic and international licensees.

Legislation

- At this time, we do not believe greenhouse gas legislation prevents the creation of a significant synthetic fuels industry in the U.S.
- We see ongoing support in Washington for the synthetic fuels industry as Congress continues negotiations on the Farm Bill, which includes the extension of the alternative fuels excise tax credit.
- The renewable fuels standard recently doubled the corn ethanol mandate in the U.S. to 15 billion gallons per year by 2015 which we expect will result in continued strong pricing and demand for the ammonia fertilizer products produced at Rentech Energy Midwest Corporation (REMC).

Market Opportunities

- The Department of Defense currently has the ability to sign five-year fuel contracts with a five-year extension.
- Rentech would welcome the opportunity to supply to the Air Force fuels produced at our Natchez project (and intends to supply the Air Force with our fuels for testing this year) and supports even longer term contracts.



- The FAA plans to certify the use of blended synthetic fuels in commercial aircrafts this year and the use of pure synthetic fuels in 2010.

Financials

- In light of better than anticipated pricing and demand for REMC fertilizer products this year, we are revising upward our fiscal 2008 REMC EBITDA projection to over \$40 million¹ from over \$35 million.
- Comparable fertilizer businesses are currently trading in the range of six to nine times EBITDA.
- We had cash and cash equivalents of \$57.8 million as of December 31, 2007.
- We intend to terminate the CIT Facility at REMC. The facility imposes restrictive covenants on Rentech that limited the parent company's liquidity. Therefore, we believe termination of the CIT Facility will enhance Rentech's liquidity position.
- With the cash flows at REMC and other potential sources of cash, we believe we have sufficient liquidity to operate our business through the fiscal year. We still do not expect any significant equity raises for the next 12 – 18 months, which is when we expect to raise the equity portion of our capital requirements for the Natchez project.

We appreciate your continued support as we work to commercialize the Rentech Process and deploy our technology domestically and internationally. I look forward to speaking with you at our 2008 Annual General Meeting.

Sincerely,

D. Hunt Ramsbottom
President and CEO

¹ A reconciliation of projected REMC EBITDA to a GAAP measure is available on our website www.rentechinc.com in the "Investor Relations" section of the site under "Financial Reports – Quarterly & Other Reports."