

APRIL 28, 2008

THE WALL STREET TRANSCRIPT

Questioning Market Leaders For Long Term Investors

THE FOLLOWING REPORT IS EXCERPTED FROM
THE WALL STREET TRANSCRIPT

COMPANY INTERVIEW

RICHARD T. PENNING

Rentech, Inc.

NOTICE

The Wall Street Transcript does not in any way endorse or guarantee the accuracy or reliability of any of the information, statements or opinions expressed in the reports or comments of other firms or individuals. We take due care to report or transcribe accurately what has been written or said by others but because of the possibility of human or mechanical error, we cannot assume any liability for the correctness of the transcription. We point out further that, of course, all opinions expressed are subject to change without notice. Neither the information or any opinion which may be expressed constitutes a solicitation for the purchase or sale of any securities referred to herein. For further information, contact the individual or investment organization concerned.

CHIEF EXECUTIVE OFFICER FORUMS/INTERVIEWS

Important Note: Wall Street Transcript forums and interviews with Chief Executive Officers are published verbatim as editorial content and include "forward-looking statements" (as such term is defined in the United States Private Securities Litigation Reform Act of 1995). These "forward-looking statements" may be subject to and be made pursuant to the "safe-harbor" provisions of Section 27A of the United States Securities Act of 1933, as amended, and Section 21E of the United States Securities Exchange Act of 1934, as amended. Since these statements are based on factors that

involve risks and uncertainties, actual results may differ materially from those expressed or implied by such "forward-looking statements". Such factors are often included in the company's filings of reports with the United States Securities and Exchange Commission, including Forms 10-K, 10-Q, 8-K and Proxy Statements; the company's annual and interim reports to shareholders and similar documents. In carrying out our responsibilities to our readers and to the Chief Executive Officers selected for forums or interviews, we are required to offer, and we offer, each Chief Executive Officer an opportunity to back-up the interview and provide our readers and potential investors with specific financial data, including earnings statements, balance sheet statements and other material business and financial data, through the sponsored publication of such reports or highlights therefrom, with meaningful information.

Founded 1963
Published by Wall Street Transcript Corporation
48 West 37th Street, 8th Floor, New York, NY 10018
Copyright 2008 Wall Street Transcript Corporation
All Rights Reserved

Rentech, Inc. (RTK)



RICHARD T. PENNING was appointed Executive Vice President of Commercial Affairs at Rentech, Inc., in January 2007. In this position, Mr. Penning oversees Rentech's project and business development; the marketing and licensing of its patented and proprietary Fischer-Tropsch ultra-clean fuels technology; as well as oversight of the company's product development strategies.

Mr. Penning came to Rentech with over 30 years of experience in business development for energy process technologies. This includes 28 years with UOP LLC, a leading provider of cutting edge technology, professional services and related equipment and products to the refining and petrochemical industries. Mr. Penning served in various capacities at UOP, including President of UOP Management Services and Vice President and General Manager of Ventures and Business Development. Mr. Penning acquired a BS in Engineering (Chemical) with honors from Case Western Reserve University and an MBA in Finance with concentrations in Marketing and International Business from the University of Chicago, Graduate School of Business.

SECTOR – ENERGY

(AJM600) TWST: Please begin with a brief historical sketch of the company and a picture of the things you are doing now.

Mr. Penning: Rentech is actually over 25 years old. It was started in the early 1980s as a spinoff of the National Renewable Energy Laboratory in Golden, Colorado. It was started by four folks from there, managed to survive the lower oil prices of \$10 of the late 1980s, and early 1990s. It has come out today as a synthetic fuels technology company providing basically synthetic fuels from any carbon-containing material.

TWST: Would you explain exactly what your processes are?

Mr. Penning: The process we use is a modern version of what's called Fischer-Tropsch

chemistry, which was used in World War II in Germany and has also been used in the 1950s in South Africa to produce synthetic fuels from coal in those cases. The process takes what's called synthesis gas, which is a mixture of hydrogen and carbon monoxide, and makes synthetic hydrocarbons out of that, which are upgraded into very clean fuels and chemicals, substitutes for petroleum fuels and chemicals.

TWST: How much success has the company had so far?

Mr. Penning: The company has actually built six different facilities, both pilot and demo units over the years. We actually had 15 or almost 20 years ago, a plant built which operated using landfill gas. We had one of the first biomass-to-liquid fuel facilities located in Colorado. Currently, our

demonstration unit in Colorado is expected to begin production this spring. We are also in the process of developing our first commercial scale facility in Natchez, Mississippi, which is expected to be the first synthetic fuels plant in North America.

“In a carbon-constrained world, we will have a competitive advantage because our fuels and chemicals will be cleaner than petroleum product. We believe we are part of the energy picture. Synthetic fuels will be a part of it.”

TWST: What are you doing with regard to partnerships and alliances?

Mr. Penning: Obviously, these plants are very large and we are seeking alliances and partnerships to help us along. Rentech will provide the enabling piece of technology in the production process, but there are many process units, inside one of these facilities. These include the unit which supplies the synthesis gas from the raw material, which can be coal, petroleum, coke or biomass, the unit that cleans up that gas before it enters our reactor with the Rentech process as well as the unit that upgrades them into the final product streams. So we are looking at alliances both with gasification technology providers as well as resource owners and product off-takers.

TWST: What will you be doing at Natchez?

Mr. Penning: Natchez is being designed to be able to use petroleum coke, coal and biomass to produce synthetic fuels and chemicals facility. The initial phase is planned to be 1,600 barrels a day with a startup date around 2011. From there, we will expand by adding another 28,000 barrels to a total capacity of 29,600 with that startup probably a couple of years later. That site is also rather unique. The first product that we have sold from that site is the captured carbon dioxide, which is produced dur-

ing the production process. That’s being sold to a company called Denbury Resources, which currently is using natural CO₂ for enhanced oil recovery in the region. Our produced CO₂ will be displacing natural CO₂. With the CO₂ agreement, funds produced at this facility are expected to have a CO₂ footprint that is significantly cleaner than those produced with petroleum derived sources.

TWST: What other kinds of customers will you be dealing with?

Mr. Penning: Of most interest to us is aviation fuel. The airlines’ largest cost item at this point in time is jet fuel. The US military also has a target of replacing half of its fuels with synthetic fuels by 2016 or 2017. They are very interested in domestic production of those synthetic fuels and there are no domestic producers today. The aviation industry would be a key market for our products. The certification of fuels from the Fischer-Tropsch process is already underway and the B-52 and C-17 are certified to use synthetic fuel.

TWST: What kind of competition do you have? What are your competitive advantages?

Mr. Penning: There are several different types of alternative fuels that can be produced. The ethanol industry is well established and we actually would benefit from that because we currently own an ammonia fertilizer plant in East Dubuque, Illinois, which supplies fertilizer to local farmers who plant corn supplied to ethanol producers. We are partners, if you will, with the ethanol industry from that aspect. If you look a little closer to home and synthetic fuels that can be used in only today’s engines and pipelines, there are only a few companies in the world that have developed synthetic fuels technology. Most of them are the major oil companies and Sasol, which is the state oil company of South Africa. Those tend to be the large competitors. Most of them are looking at produc-

ing synthetic fuels from natural gas. The biggest area of development is in the Middle East, like Qatar. The only company, producing it from coal today is Sasol in South Africa. That is why Rentech's planned commercial scale facility in Natchez would be the first in the US.

TWST: I believe you hold some patents.

Mr. Penning: Yes, we do. We have somewhere around two dozen active patents. We also have about half that number of patents pending for approval. Our technology development efforts have increased as we've built our R&D department in the last two years. In fact, the company has actually grown from about two dozen people to 200 people in the last two years.

TWST: What else is on your agenda for the next three to four years?

Mr. Penning: Currently on our agenda is the startup of our product development unit in Sand Creek, Colorado, that's scheduled to begin production this spring. It is a demonstration unit that will produce approximately 10 barrels a day, but its main purpose is to produce products for potential customers to test, like the military, and potential fuel or chemical off-takers. We are looking forward to the demonstration unit to begin production and it will actually be the first integrated producing plant in North America. Other than that plant in Natchez, we have a joint development agreement with the Mingo County Redevelopment Authority in Mingo County, West Virginia, where, again, we are looking at a phased investment plan. The plant would start at around 3,000 barrels and ultimately topping at around 30,000 barrels. That's a very interesting market because in that part of West Virginia, most of the fuel is brought in there for use in mining and rail transportation, and has to be transported in by truck or by rail. This will allow

them to use indigenous resources to produce fuel for the local industry.

"Rentech is the premier US provider of technology to produce synthetic fuel. We are dedicated to doing that. We are indifferent as to the source of material in the front-end used to produce those fuels. That's why we have multiple streams out there, be it coal, be it pet coke, be it biomass, which we will work on we feel synthetic fuels are an important part of the end picture."

TWST: Looking ahead, what about possible challenges or problems?

Mr. Penning: With the large-scale plant, the biggest news that's been on horizon is the uncertainty around the legislation associated with greenhouse gas. It doesn't affect us very much with our Natchez project because we have already managed the sale of all CO₂ to Denbury Resources, but the large-scale development of synthetic fuels plants would benefit from some certainty in the legislation and/or ultimate regulation. Banks and markets don't like to invest in the phase of uncertainty. Along another path though, the new area that we have developed over the last year is looking at biomass-to-liquid facilities, which will generally be smaller and actually use potentially waste materials. We are solving two problems at once, which is taking waste materials and consuming them in the production of fuels. That's our newest initiative and challenge, if you will, that we are looking forward to.

TWST: Regarding governmental uncertainty with respect to what you are doing, what possible objections could be raised against your procedures?

Mr. Penning: Most of the objections raised are based on an outdated view, if you will, as to what synthetic fuel complexes are like. Modern

designs like ours are designed to capture the vast majority of the CO₂ that's generated during the production. We are also designed to use biomass as a feedstock to the point where you are essentially carbon neutral and potentially carbon negative. The objections raised are largely around greenhouse gases and really we see it as an education process. As far as our fuels that are produced, they are much lower in regulated emissions, SO_x, NO_x, particulate matter specifically than existing fuels petroleum. The same is true with respect to carbon dioxide emissions. There really is no objection to the product that is produced.

TWST: What would you reasonably expect the company to look like in about three years?

Mr. Penning: What we hope the company to look like is we will be a leader in the production of synthetic fuels and chemicals. We will have not only large-scale plants here in construction or in operation, but also have developed a model where we can replicate this on a small scale in the biomass arena, as both a producer of fuels and as a provider of technology. We also hope to license our technology both domestically and internationally

TWST: What might be some year-by-year milestones or indicators that investors could look for?

Mr. Penning: Obviously, the startup of our PDU is this year's prime indicator. Also the development of our Natchez project and progress on our waste-to-fuels initiative here in California that we are co-developing. Those would be the nearest-term milestones that I would see.

TWST: What is the company's attitude with respect to mergers, acquisitions and being acquired?

Mr. Penning: We are always looking for opportunities to expand our participation in the

value chain as well as complementary technologies and expanding our portfolio. Obviously, we are also looking at projects where we could deploy our technology. That's really the prime leverage we have at this point as by what means we can deploy our technology. A merger/acquisition venture might be one of those means by which we could deploy the technology. As far as being acquired, our Board of Directors has expressed that this is not the right time to sell our company but our Board evaluates all opportunities to increase shareholder value.

TWST: Would you tell us about the company's approach to research and development?

Mr. Penning: We expanded our research and development in the last two years. We actually hired the person who was heading Fischer-Tropsch technology development for ConocoPhillips, and his name is Dr. Harold Wright. He has been the driving force behind getting our PDU up and operating and expanding our R&D capabilities. We basically have hired a very experienced Fischer-Tropsch group of scientists to further the technology, looking at new and improved catalysts as well as improvements to the design of the process to make it more economically efficient. Our main focus is really in those areas, catalyst improvements and improvements in hardware of the process.

TWST: Would you go tell us about your own background and expertise and the same for one or two of your colleagues?

Mr. Penning: My background is about 30 years in the oil refining technology business. I spent 28 years with a company called UOP, which is the largest provider of process technology to the oil refining and petrochemical industry. I have an engineering degree, which means I can still speak to engineers and I am also from a business background. My background is varied, from R&D to

marketing to ventures, business development, where I ended up running a division of UOP before I moved onto this opportunity. Our CEO is D. Hunt Ramsbottom. He came in here with a group of new investors a little over two years ago and rebuilt the company from the original owners who have taken a well-deserved retirement. The original founder, Dennis Yakobson, is still our Chairman of the Board. Hunt comes from an M&A or business-building background, if you will, and is a serial entrepreneur. He has bought and sold several businesses over his history. While the energy industry is relatively new to him, the building of a team and building of a business is routine to him. Our CFO is Merrick Kerr, who comes to us from the Wind Division of ScottishPower where he was a CFO of the division that developed wind power projects. So he is very familiar with the renewable energy space. Our COO is Douglas Miller who was Vice President of Corporate Development for Unocal and was responsible for the sale of Unocal to Chevron. He also has excessive international operating experience in the oil industry, largely in Southeast Asia. Our Senior VP of Government Relations was head of government relations for Sempra Energy. We have quite an experienced management team, a large group of them from the energy industry bringing different aspects both in the power side, the E&P side as well as the process downstream side.

TWST: You said that the company was rebuilt starting two years ago. What needed to be rebuilt and how did you go about doing it?

Mr. Penning: It happened a little over two years ago when the company was a technology company and was attempting to license its technology. The realization is that the most difficult unit to license is the first one. They decided take matters into their own hands and build plant number

one. In order to do that, they needed to raise capital. In the process of raising capital, one of the companies that came in brought in a consultant, D. Hunt Ramsbottom, to help provide the expertise to raise capital, which ended up purchasing the East Dubuque plant. Upon owning that, it was to be the platform, if you will, on which we would leverage and build FT. Bringing in that expertise, Hunt came in and assessed the company, assessed what it needed in order to pull off its change from a pure R&D company to an operating company pioneering a new industry. That's when we brought in the rest of the team and restructured the organization, arranged the financing and actually purchased the plant in East Dubuque.

TWST: As Executive Vice President for Commercial Affairs, what occupies your own attention most on a day-by-day basis?

Mr. Penning: What occupies my attention are the projects that we are working on, commercial scale projects like Natchez, like Mingo, West Virginia. I am also working to secure customers for products, such as the US military and commercial airlines. Also, there are international opportunities for our technology. I have been spending more time recently trying to assess the timing and opportunities there. I spent some time in Asia most recently and before that in Europe trying to assess those opportunities and arrange some working relationships in projects in those areas; nothing I can talk about at the moment, but hopefully those will come to fruition soon.

TWST: Do you think that the company will need to improve its capital structure?

Mr. Penning: Obviously, on the project finance side, in order to finance these operating facilities, we will need to raise project finance. From a corporate side, among new plants, our fertilizer plant in East Dubuque is doing quite well

and throwing off sufficient cash to carry out the corporate needs and the plant needs in the foreseeable future.

TWST: Would you describe your current investor base?

Mr. Penning: Our investor base is about 60% institutional investors and that is a change from over two years ago when the vast majority of the investor base was retail investors. That's one transformation that has occurred. Several of our large institutional holders are long-term holders who have either maintained or increased their holdings, recognizing the value of our technology and fertilizer facility.

TWST: What is your feeling about your current stock price?

Mr. Penning: I would say we are undervalued. I think that the market in general, obviously, has been down. The alternate fuels sector specifically, I think, has taken the brunt of that.

TWST: What would be the two or three best reasons for the long-term investor to look very closely at Rentech?

Mr. Penning: I would say that the two or three reasons are wrapped up in the following. In a carbon-constrained world, we will have a competitive advantage because our fuels and chemicals will be cleaner than petroleum product. We believe we are part of the energy picture. Synthetic fuels will be a part of it. Rentech is the premier US provider of technology to produce synthetic fuel. We are dedicated to doing that.

We are indifferent as to the source of material in the front-end used to produce those fuels. That's why we have multiple streams out there, be it coal, be it pet coke, be it biomass, which we will work on. We feel synthetic fuels are an important part of the end picture. It is a momentary opportunity for us as the stock market goes. In the long run, we clearly need domestic sources of synthetic fuels. We believe our technology is the most promising method by which to produce these fuels.

TWST: Is there anything that you would like to add, especially regarding strategies, long-term objectives and reasons for an investor to look at the company?

Mr. Penning: Our strategy is to deploy our technology to pioneer a new industry that is an answer to the energy future. We can produce products that are cleaner and more efficient than the fuels available today. There is a double benefit in both energy security and in air quality.

TWST: Thank you. (MC)

RICHARD T. PENNING
EVP of Commercial Affairs
Rentech, Inc.
10877 Wilshire Boulevard
Los Angeles, CA 90024
(310) 571-9800
(310) 571-9799 – FAX
www.rentech.com
e-mail: ir@rentech.com
