

FREQUENTLY ASKED QUESTIONS

Relating to the Surrender of Common Stock of
KAISER VENTURES INC.

For Cash and Class A Units of
KAISER VENTURES LLC

These questions and answers summarize some of the Instructions included with the Letter of Transmittal, which is available to the former stockholders of Kaiser Ventures Inc. (“**Kaiser Inc.**”) in connection with its conversion into a limited liability company, Kaiser Ventures LLC (“**Kaiser LLC**”). You should also read and follow those Instructions carefully. If you do not, your receipt of the cash and the Certificates for your Class A Units may be delayed.

Why am I Being Asked to Surrender my Common Stock in Kaiser Ventures Inc.?

Our stockholders have approved the conversion of Kaiser Inc. into a limited liability company, Kaiser LLC. As a result, each share of Kaiser Inc. Common Stock has been automatically converted into the right to receive \$10 in cash (the “**Cash Consideration**”) and one Class A Membership Unit (a “**Class A Unit**”) in Kaiser LLC. However, to receive your cash and your Class A Unit certificates, you must complete a Letter of Transmittal and surrender the certificates for your Common Stock.

How do I Surrender my Common Stock for Payment of the Merger Consideration?

If you are not a broker, dealer, commercial bank, trust company or other nominee, and you hold your Common Stock certificates in your own name, you will need to complete pages 1, 2 and 3 of the Letter of Transmittal, but you will not have to complete the “Beneficial Ownership Schedule” on page 4. On page 2 of the Letter of Transmittal, you will probably check the first box under “Method of Delivery,” and the second box under “Beneficial Ownership.” You will also need to send your Letter of Transmittal and your stock certificate(s) to Kaiser LLC’s transfer agent, ACS Securities Services, Inc. (“**ACS**”), at the address on page 1 of the Letter of Transmittal. Promptly after receiving a properly completed Letter of Transmittal and the related stock certificates, ACS will issue you a certificate for your Class A Units and instruct that a check be issued in your name for your cash, both of which will be sent to your registered address, unless you otherwise direct ACS in the Letter of Transmittal.

If you are not a broker, dealer, commercial bank, trust company or other nominee, but your shares are held in an account with one of these “nominees,” the actual surrender of your shares will be coordinated by your nominee. (Your nominee may contact you in this regard.) Because of the tax effects of holding a limited liability company unit, we recommend that Class A Units be issued in your name and not that of the nominee. Therefore, unless you specifically direct your nominee to retain the Class A Unit certificates in its name (and your nominee agrees to do so), the certificates for the Class A Units will be issued in your name. Promptly after receiving a properly completed Letter of Transmittal and the related Kaiser Inc. stock certificates are surrendered, ACS will issue you a certificate for your Class A Units, which will be mailed to your nominee, and will instruct that the Cash Consideration be either mailed or wired to your nominee. Wire transfers will only be made for payments of \$250,000 or more. You should make arrangements with your nominee to continue to hold the cash and your Class A Unit certificate, or to send them on to you.

If you are a broker, dealer, commercial bank, trust company or other nominee, you should review a copy of our “Letter to Brokers.” You will need to complete pages 1, 2, 3 and 4 of the Letter of Transmittal. Unless otherwise specifically directed by the beneficial holder(s), you should complete Part 1 of the “Beneficial Ownership Schedule” on page 4 of the Letter of Transmittal to have the Class A Units registered in the name of the beneficial holder(s). In order

to facilitate the delivery of the Merger Consideration in exchange for surrendered Shares, nominees may submit Letters of Transmittal on a rolling basis as they receive instructions from their clients. If your shares were held through The Depository Trust Company (“DTC”), DTC will arrange to surrender your shares upon notification from ACS that you have submitted a properly completed Letter of Transmittal. If you hold your shares through DTC, you do not need to submit shares with your Letter of Transmittal. Promptly after receiving a properly completed Letter of Transmittal and DTC surrenders your Kaiser Inc. stock certificates, ACS will issue and mail to you the certificates for your client’s Class A Units (which certificates will be registered in their name unless otherwise certified). **A check issued in your name as nominee for the aggregate Cash Consideration attributable to each Letter of Transmittal will be sent to you unless you complete the wiring instructions in Part 3 of the “Beneficial Ownership Table” of the Letter of Transmittal. Wire transfers will only be made for payments of \$250,000 or more.** Depending on your arrangements with your clients, you may then either continue to hold the cash and the Class A Unit certificate(s), or send them to the client.

Do I need to have my Letter of Transmittal Signature Guaranteed?

You do not need to complete a stock power, or have your signature “guaranteed” by an “Eligible Institution”, unless you are not either the registered holder of the shares when you execute the Letter of Transmittal, or if you have completed the “Special Delivery Instructions,” or “Special Payment and/or Registration Instructions” on page 2 of the Letter of Transmittal. (Even in these circumstances, a Signature Guarantee is not required for Shares surrendered for the account of an Eligible Institution). *An “Eligible Institution” is any one of the following: (a) a firm which is a member of a registered national securities exchange or of the Stock Transfer Association’s approved medallion program (such as STAMP, SEMP, or MSP), or (b) a commercial bank or trust company having an office, branch or agency in the United States.* You can make arrangements to have your signature “guaranteed” by calling an Eligible Institution.

Can my Class A Unit Certificates be held by my Broker or other Nominee in “Street Name”?

Because of the tax effects of holding a limited liability company unit, we recommend that Class A Units be issued in your name and not that of the nominee. Therefore, unless you specifically direct the nominee to retain the Class A Unit certificates in its name (and the nominee agrees to do so), the certificates for the Class A Units will be issued in your name. **Even if the certificates are registered in your name, many brokers and other nominees will continue to hold the physical certificate on your behalf for safekeeping.**

When Should I Expect to Receive the Merger Consideration?

ACS will review each Letter of Transmittal as received and, promptly after confirming that it appears to be properly completed and accompanied by Kaiser Inc. stock certificates, will issue the Class A Unit certificates and instruct that the Cash Consideration be paid.

How will the Merger Consideration be Delivered?

If you are not a broker, dealer, commercial bank, trust company or other nominee, and you hold your Common Stock certificates in your own name, ACS will issue the certificate for your Class A Units and instruct that a check in your name be issued for the Cash Consideration, both of which will be sent to your registered address, unless you otherwise direct ACS by completing the “Special Delivery Instructions,” or “Special Payment and/or Registration Instructions” on page 2 of the Letter of Transmittal.

If you are not a broker, dealer, commercial bank, trust company or other nominee, but your shares are held in an account with one of these “nominees,” ACS will arrange for your nominee to receive the cash by check or wire transfer and for the certificates for your Class A Units to be sent to your nominee. You must complete the wiring instructions in Part 3 of the “Beneficial Ownership Schedule” on page 4 of the Letter of Transmittal to receive a wire transfer.

Wire transfers will only be made for payments of \$250,000 or more. You should make arrangements with your nominee to continue to hold the cash and your Class A Units certificate, or to send them on to you.

If you are a broker, dealer, commercial bank, trust company or other nominee, ACS will arrange for you to receive the cash by check or wire transfer and the certificates for your clients' Class A Units (which certificates will be registered in their name unless otherwise certified) to be sent to you. You must complete the wiring instructions in Part 3 of the "Beneficial Ownership Schedule" on page 4 of the Letter of Transmittal to receive a wire transfer. Wire transfers will only be made for payments of \$250,000 or more. Depending on your arrangements with your clients, you may then either continue to hold the cash and the Class A Unit certificate(s), or send them to those clients.

What if I Want the Merger Consideration to be Issued or Mailed to a Person Other than the Beneficial Holder?

If you are not a broker, dealer, commercial bank, trust company or other nominee, and you hold your Common Stock certificates in your own name, you may request that Kaiser LLC issue and/or mail the Merger Consideration to someone else by completing the "Special Delivery Instructions," or "Special Payment and/or Registration Instructions" on page 2 of the Letter of Transmittal. You will likely need to have your signature "guaranteed" by an "Eligible Institution."

What if my Certificate(s) have been Lost, Damaged or Destroyed?

You should promptly notify our transfer agent, ACS Securities Services, Inc., at (866) 275-3703. You will then be instructed as to the steps that must be taken in order to replace the certificate(s). You will not receive the Merger Consideration until the procedures for replacing lost or destroyed certificates have been followed.

How Long do I Have to Surrender my Shares and Complete the Letter of Transmittal?

We urge you to surrender your shares as soon as possible. Although there is no date by which you must surrender your shares, not doing so promptly will mean that you lose any interest you may otherwise have earned on the Cash Consideration. Furthermore, we reserve the right to change the surrender procedures to account for administrative matters or the effect of escheat laws.

What if I Have Perfected my Appraisal Rights?

If you surrender your shares, and we accept that surrender, you will lose your rights to an appraisal. *To have perfected your appraisal rights, you must not have voted in favor of the Merger, and, prior to the Annual Stockholders' meeting on November 28, 2001, you must have delivered a written demand to us for payment of the fair cash value of your shares of Common Stock.* If you have followed all of the procedures to perfect your appraisal rights, we will be contacting you to proceed with the appraisal procedure.

How Can I Obtain Additional Transmittal Documents?

You may call our transfer agent, ACS Securities Services, Inc., at (866) 275-3703 to request additional copies, or you may download the transmittal documents from our website, "www.kaiserverventures.com."

Who Should I Contact if I Have Additional Questions?

You should contact our transfer agent, ACS Securities Services, Inc. by mail at 3988 North Central Expressway, Building 5, 6th Floor, Dallas, Texas 75204, or by phone at (866) 275-3703.