

LETTER OF TRANSMITTAL

for the surrender by non-dissenting shareholders of certificate(s) formerly representing shares of the Common Stock of

KAISER VENTURES INC.

which were converted by merger into the right to receive cash and Class A Units of

KAISER VENTURES LLC

pursuant to the Agreement and Plan of Merger Relating to the Merger of Kaiser Ventures Inc. into Kaiser Ventures LLC

Deliver by Mail or by Hand to:

**ACS Securities Services, Inc.
3988 North Central Expressway
Building 5, 6th Floor
Dallas, Texas 75204**

***By Facsimile Transmission (Eligible Institutions Only)
(214) 887-7198***

***Confirm by Telephone:
(866) 275-3703***

DESCRIPTION OF SHARES SURRENDERED		
Name(s) and Address(es) of Registered Holders	Certificate(s) Surrendered (Attach additional list if necessary)	
	Certificate Number(s)	Number of Shares Represented by Certificate
	Total Shares	

GENERAL PROVISIONS

In connection with the merger (the "**Merger**") of Kaiser Ventures Inc., a Delaware corporation ("**Kaiser Inc.**"), with and into Kaiser Ventures LLC, a Delaware limited liability company ("**Kaiser LLC**"), the undersigned holder(s), as the registered holder(s) of the certificate(s) referred to above or the assign(s) of such registered holder(s), hereby irrevocably surrenders to Kaiser LLC the certificate(s) referred to above, which represented the shares of Common Stock of Kaiser Inc., \$.03 par value (the "**Shares**"), each in exchange for \$10 in cash (the "**Cash Consideration**") and one Class A Membership Unit (a "**Class A Unit**") in Kaiser LLC (collectively, the "**Merger Consideration**") pursuant to that Agreement and Plan of Merger between Kaiser Inc. and Kaiser LLC, as described in Kaiser Inc.'s Proxy Statement, dated October 23, 2001 (the "**Proxy Statement**"), and in this Letter of Transmittal. Capitalized terms used in this Letter of Transmittal but not defined in it have the meanings given to such terms in the Proxy Statement.

PLEASE READ CAREFULLY THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL

Each of the undersigned hereby represents and warrants that he or she has full power and authority to surrender the Shares surrendered hereby, without restriction. The undersigned will, upon request, execute and deliver any additional documents deemed by Kaiser Inc. or Kaiser LLC to be necessary or desirable to complete the cancellation and exchange of the Shares surrendered hereby. All authority herein conferred or agreed to be conferred shall survive the death or incapacity of the undersigned and all obligations of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors, and assigns of the undersigned.

METHOD OF TRANSMITTAL (CHECK ONE)

- CHECK HERE if surrendered Shares are being forwarded with this Letter of Transmittal.
- CHECK HERE if surrendered Shares will be delivered to ACS Securities Services, Inc. (“ACS”) by The Depository Trust Company (“DTC”) upon receipt by ACS of this Letter of Transmittal.

BENEFICIAL OWNERSHIP (CHECK ONE)

Because of the tax consequences of holding a limited liability company unit, if the Shares are held in street name, the Class A Units will be issued in the name of the beneficial holder(s) (the “Beneficial Holder(s)”) of the surrendered Shares, unless the nominee signs the certification in Part II of the “Beneficial Ownership Schedule” on page 4.

- CHECK HERE IF SHARES ARE HELD IN STREET NAME. The undersigned holder(s), as the registered holder(s) of the certificate(s) referred to above (the “Registered Holder(s)”), is a bank, brokerage firm, etc. and holds the Shares for the benefit of certain Beneficial Holder(s). **All Registered Holders checking this box must complete the Beneficial Ownership Schedule on page 4.** If any of the Beneficial Holder(s) object to registering their Units in their names despite the tax implications, please complete Part 2 of the Beneficial Ownership Schedule on page 4. Except as set out in Part 2, the Class A Units will be registered in the name of the Beneficial Holder(s), whose name(s), address and tax identification or social security number(s) are set forth in the “Beneficial Ownership Schedule” on page 4, and mailed, along with the Cash Consideration (payable by check (or wire transfer for payments of \$250,000 or more) to the Registered Holder(s)), to the Registered Holder at its address above for further distribution as appropriate to the Beneficial Holder(s).
- CHECK HERE IF SHARES ARE NOT HELD IN STREET NAME. The Shares are not held in street name, and the undersigned is the Beneficial Holder of the Shares for tax purposes. The Merger Consideration will be issued and mailed to the stockholder(s) named above, at the address set forth above, unless otherwise indicated under the “Special Delivery Instructions,” or “Special Payment and/or Registration Instructions” below.

SPECIAL DELIVERY INSTRUCTIONS (See Instruction 4)	SPECIAL PAYMENT AND/OR REGISTRATION INSTRUCTIONS (See Instruction 4)
To be completed ONLY if the Merger Consideration is to issued to the holder(s) listed on page 1, but mailed to an address other than that shown on page 1. Mail check and certificate to: Name: _____ (Please print) Address: _____ _____ (Include Zip Code) _____ (Tax Identification or Social Security Number)	To be completed ONLY if the Merger Consideration is not held in street name and is to be issued in the name of someone other than the holder(s) listed on page 1. Issue check and certificate to: Name: _____ (Please print) Address: _____ _____ (Include Zip Code) _____ (Tax Identification or Social Security Number)

ALL REGISTERED HOLDER(S) SIGN HERE

Must be signed by all Registered Holder(s) exactly as name(s) appear(s) on Share certificate(s) or by person(s) authorized to become Registered Holder(s) by certificates, stock powers and other documents transmitted herewith. If you are signing as a trustee, executor, administrator, guardian, or other fiduciary or representative capacity, please set forth your full title. See Instruction 3. Signatures must be guaranteed. See Instruction 3.

You must complete pages 1 and 2 and sign below, with signature guarantee if required. If the Registered Holder is not the Beneficial Holder of the Shares surrendered with this Letter of Transmittal, then the "Beneficial Ownership Schedule" on page 4 must also be completed. In order to avoid backup withholding, you may also need to complete and sign page 8 of this Letter of Transmittal. See Instruction 12 and the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9."

X _____

X _____

Signature(s) of Holder(s)

Print or type name(s): _____

Address: _____

(Include Street, City, State, Zip)

Dated: _____

Area Code and Telephone Number: _____

Tax Identification or Social Security Nos.: _____

GUARANTEE OF SIGNATURE(S)
(If Required – See Instruction 3)

Authorized Signature: _____

Print or type name(s): _____

Title: _____

Name of Firm: _____

Address: _____

(Include Street, City, State, Zip)

Dated: _____

Area Code and Telephone Number: _____

INSTRUCTIONS
Forming Part of the Terms and Conditions of the Merger

1. Delivery of Letter of Transmittal and Certificates for Shares. This Letter of Transmittal or a facsimile hereof, properly completed and duly executed (with signatures guaranteed as required), must be used in connection with a surrender of Shares. If Shares are registered in different ways on different certificates, you must complete, sign and submit as many separate Letters of Transmittal as there are different registrations of such certificates.

THE METHOD OF DELIVERY OF CERTIFICATES FOR SHARES AND OTHER DOCUMENTS IS AT YOUR ELECTION AND RISK. WE RECOMMEND THAT, IF YOU SEND STOCK CERTIFICATES BY MAIL, DELIVERY BE BY REGISTERED MAIL WITH RETURN RECEIPT REQUESTED AND PROPER INSURANCE.

2. Signatures, Stock Powers and Endorsements. If this Letter of Transmittal is signed by the Registered Holder(s), such signatures must correspond exactly with the name(s) of the Registered Holder(s) as they appear on the face of each such certificate, without any alteration or change whatsoever. If any certificate transmitted hereby is registered in the names of two or more holders, **each** Registered Holder must sign this Letter of Transmittal.

When the Letter of Transmittal is properly signed by all of the Registered Holder(s), no endorsements of the certificate(s) and no separate stock power(s) are required. If anyone other than the Registered Holder(s) executes this Letter of Transmittal, or anyone other than the Beneficial Holder is to receive the Merger Consideration, as indicated under "Special Delivery Instructions," or "Special Payment and/or Registration Instructions" on page 2, the Share certificate(s) must be properly endorsed or the certificate must be accompanied by a stock power properly signed by the Registered Holder(s) of such certificate.

Signatures on any certificates or stock powers and on this Letter of Transmittal must be guaranteed by an Eligible Institution as provided in Instruction 3.

If you are signing this Letter of Transmittal as a trustee, executor, administrator, guardian, attorney-in-fact, officer of a Company, partner of a partnership or any other fiduciary or representative capacity, you must so indicate when signing. In addition, you must deliver to ACS proper evidence satisfactory to Kaiser Inc. of your authority so to act.

3. Guarantee of Signatures. Unless you are exempt under this paragraph, you will need to have all signatures on your Letter of Transmittal guaranteed by 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 do not need a signature guarantee for a Letter of Transmittal which is signed by the Registered Holder(s) of the Shares being surrendered and which requests that payment be made directly to that Registered Holder (including any participant in DTC whose name appears on a security position listing as the owner of the Shares). A Signature Guarantee is also not required for Shares surrendered for the account of an Eligible Institution.

If anyone other than the Registered Holder(s) of the Shares executes this Letter of Transmittal or anyone other than the Beneficial Holder(s) is to receive the Merger Consideration, as indicated under "Special Delivery Instructions," or "Special Payment and/or Registration Instructions" on page 2, then the Share Certificate must be endorsed or accompanied by an appropriate stock power. The transfer must be signed exactly as the name of the Registered Holder(s) appears on the certificate, with the signature(s) on the certificate or stock power guaranteed by an Eligible Institution.

4. Special Delivery or Payment Instructions. Registered Holders who do not hold Shares in street name may instruct Kaiser LLC to issue the Merger Consideration to a person different from the Registered Holder(s) shown on page 1 of this Letter of Transmittal, or sent to an address different from the address shown on page 1 of this Letter of Transmittal in the section marked "Name(s) and Address(es) of Registered Holder(s)," by completing the "Special Delivery Instructions" or the "Special Payment and/or Registration Instructions," as applicable, on page 2.

5. Shares Held in Street Name. If you are a Registered Holder holding Shares as a nominee for a Beneficial Holder, i.e. in "street name," you must complete the "Beneficial Ownership Schedule" on page 4. Because of the tax effects of holding a limited liability company unit, Kaiser Inc. and Kaiser LLC recommend that Class A Units be issued in the name of the Beneficial Holder(s) of the surrendered Shares, not in the name of a nominee. Unless otherwise specifically directed by the Beneficial Holder(s), nominees must complete Part 1 of the "Beneficial Ownership Schedule" on page 4 to have the Class A Units registered in the name of the Beneficial Holder(s). In the event a Beneficial Holder directs the nominee to instruct Kaiser LLC to issue the Class A Units in the nominee's name, as Registered Holder of the Class A Units, the nominee must complete Part 2 of the "Beneficial Ownership Schedule" on page 4. Regardless of the Registered Holder of the Class A Units, the Merger Consideration will be mailed to the Registered Holders at the address shown on page 1 for the accounts of their clients unless the Registered Holder provides wiring instructions in Part 3 of the "Beneficial Ownership Schedule." Wire transfers will only be made for payments of \$250,000 or more. *Kaiser LLC will not mail the Merger Consideration for Shares held in "street name" unless the "Beneficial Ownership Schedule" on page 4 is completed.* In order to facilitate the delivery of the Merger Consideration in exchange for surrendered Shares, Registered Holders who hold shares as a nominee may submit Letters of Transmittal on a rolling basis as they receive instructions from their clients. As ACS receives Letters of Transmittal, the Merger Consideration will be sent to the Registered Holder in accordance with the terms and conditions contained herein.

6. Stock Transfer Taxes. Kaiser LLC will pay any stock transfer taxes payable because of the exchange of the Shares by pursuant to the Merger. Kaiser LLC will also pay any stock transfer taxes payable because of the transfer of Shares held by a nominee in "street name" to the Beneficial Holder of such Shares. However, Registered Holders who are also Beneficial Holders of Shares will be responsible for paying stock transfer taxes payable as a result of a transfer of Shares to any other person or entity prior to or in connection with a surrender of the Shares pursuant to the Merger. This means that, if the Merger Consideration is to be issued to a person other than the Beneficial Holder(s), you must affix any stock transfer tax stamps required (except as a result of the transfer of Shares to Kaiser LLC in connection with the Merger) to the certificate(s) (unless you attach to this Letter of Transmittal evidence satisfactory to Kaiser LLC of the payment of or exemption from such tax). If such stamps are not affixed, or acceptable evidence of exemption is not submitted with this Letter of Transmittal, the amount of such stock transfer tax may be deducted from the Merger Consideration payable by Kaiser LLC.

7. Inadequate Space. If the space provided on page 1 or in the "Beneficial Ownership Schedule" on page 4 is inadequate, the information required should be listed on a separate, signed schedule attached to this Letter of Transmittal.

8. Lost, Destroyed or Stolen Certificates. If any certificate(s) representing Shares has been lost, destroyed or stolen, you should promptly notify ACS. You will then be instructed as to the steps that must be taken in order to replace the certificate(s). This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost or destroyed certificates have been followed.

9. Irregularities. All questions as to the validity, form, of any surrender of Shares will be determined by Kaiser LLC, which determinations shall be final and binding. Kaiser LLC also reserves the absolute right to waive any of the conditions for the exchange or any defect in any surrender with respect to any particular Shares or any particular stockholder, and Kaiser LLC's interpretations of the terms and conditions of the exchange (including these Instructions) shall be final and binding. Kaiser LLC reserves the right to change these procedures to account for administrative matters or the effect of escheat laws.

10. Additional copies. Additional copies of this Letter of Transmittal may be obtained from the Information Agent at the address set forth in Instruction 11.

11. Questions. Any questions concerning the surrender of Shares may be directed to the ACS Securities Services, Inc. at the address and telephone numbers listed on page 1 of this Letter of Transmittal, or from your broker, dealer, commercial bank or trust company.

IMPORTANT TAX INFORMATION

12. Certain Federal Income Tax Consequences.

(a) *Backup Withholding.* In order to avoid Federal income tax backup withholding on payments that are made to a stockholder with respect to Shares exchanged pursuant to the Merger, each stockholder of record (or each Beneficial Holder of Shares, if other than the stockholder of record, hereinafter also referred to as "**Stockholder**") must, unless an exemption applies, provide ACS with such Stockholder's taxpayer identification number on the Substitute Form W-9 set forth on this Letter of Transmittal and certify under penalties of perjury that such number is correct. If ACS is not provided with the correct taxpayer identification number, the Stockholder may be subject to penalties imposed by the Internal Revenue Service.

The Stockholder is required to give ACS the social security number or employer identification number of the record owner of the Shares. If the Shares are in more than one name or are not in the name of the Beneficial Holder(s), consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 (the "Guidelines") for additional guidelines on which number to report.

If the Stockholder has not been issued a Taxpayer Identification Number ("**TIN**") but has applied for a number or intends to apply for a number in the near future, the Stockholder must write "Applied For" in the appropriate space provided for in Part I, and sign and date the Substitute Form W-9. If the Stockholder writes "Applied For" in the space provided in Part I, ACS will withhold 30.5% on all payments of the purchase price if the Stockholder does not provide ACS with the TIN within sixty (60) calendar days from the date of the Substitute Form W-9. However, such amounts will be refunded to such Stockholder if a TIN is provided to ACS within sixty (60) calendar days from the date of the Substitute Form W-9.

If backup withholding applies, ACS, as Kaiser LLC's transfer agent, is required to withhold 30.5% on all payments made to the Stockholder. Backup withholding is not an additional tax. Rather, the amount withheld is applied to the taxpayer's Federal income tax liability. If backup withholding results in an overpayment of taxes, the Stockholder may claim a refund from the Internal Revenue Service.

Certain Stockholders (including, among others, corporations and certain foreign persons) are not subject to these backup withholding and reporting requirements. To qualify as an exempt recipient on the basis of foreign status, noncorporate foreign Stockholders should complete and sign the main signature page and the appropriate Certificate of Foreign Status, attesting to that Stockholder's exempt status, a copy of which may be obtained from ACS, in order to avoid backup withholding. A Stockholder should consult his or her tax advisor as to his or her qualification for exemption from the backup withholding and reporting requirements and the procedure for obtaining an exemption. For additional information, Stockholders should also see the instructions contained in the enclosed Guidelines.

(b) *Withholding of Tax on Certain Foreign Persons.* Under Federal income tax law, ACS, as Kaiser LLC's transfer agent, is required to withhold a tax on certain types of payments made to a nonresident alien individual, foreign partnership or foreign corporation. In certain situations, a Stockholder may be exempt from withholding. A Stockholder should consult his or her tax advisor as to his or her qualification for exemption from these withholding requirements and the procedure for obtaining an exemption.

PRINT NAME OF STOCKHOLDER(S): _____		
SUBSTITUTE FORM W-9 Department of the Treasury Internal Revenue Service	Part I - PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY BY SIGNING AND DATING BELOW. IF AWAITING TIN WRITE "APPLIED FOR" _____	_____ Social Security Number _____ Employer Identification Number
Part II – FOR U.S. PAYEES EXEMPT FROM BACKUP WITHHOLDING _____ (If exempt from backup withholding write "Exempt")		
Payer's Request for Taxpayer Identification Number and Certification	Part III CERTIFICATION-- Under the penalties of perjury, I certify that: (1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me and either (a) I have mailed or delivered an application to receive a Taxpayer Identification Number to the appropriate Internal Revenue Service (the "IRS") or Social Security Administration office, or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a TIN to ACS by the time of payment, 30.5% of all reportable payments made to me thereafter will be withheld, but that such amounts will be refunded to me if I provide a certified TIN to ACS within sixty (60) calendar days of this Substitute Form W-9.), and (2) I am NOT subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the IRS that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and (3) I am a U.S. Person (including a U.S. resident alien). Certification Instructions -- You must cross out item (2) above if you have been notified by the IRS that you are subject to backup withholding because of underreporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you are no longer subject to backup withholding, do not cross out item (2) . (Also see instructions in the enclosed Guidelines.)	
Signature of Stockholder Providing a TIN _____ Date _____		

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 30.5% OF ANY PAYMENT MADE TO YOU PURSUANT TO THE MERGER. PLEASE REVIEW THE ENCLOSED "GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9" FOR ADDITIONAL DETAILS.