Nitrogen Market Update

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Presentation Outline

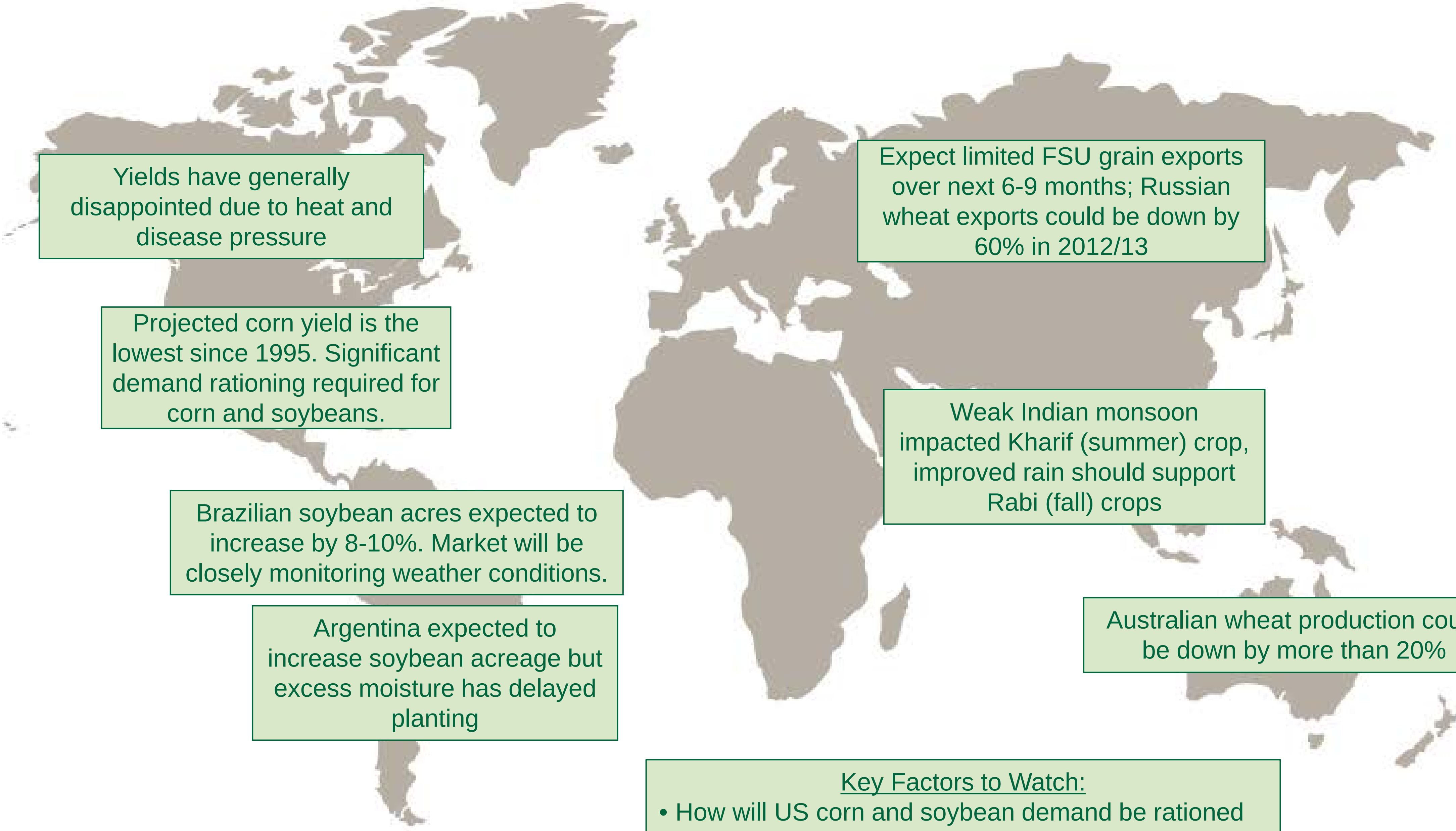
- Brief Agriculture Overview & US Nitrogen Demand Outlook
- Review of Current and Forecasted Costs For Key Global Producers
- Capacity and Trade Outlook

Agriculture Overview & US N Demand Outlook

PotashCorp

Global Crop Condition

Less Than Ideal Conditions Have Impacted 2012 Crop Production



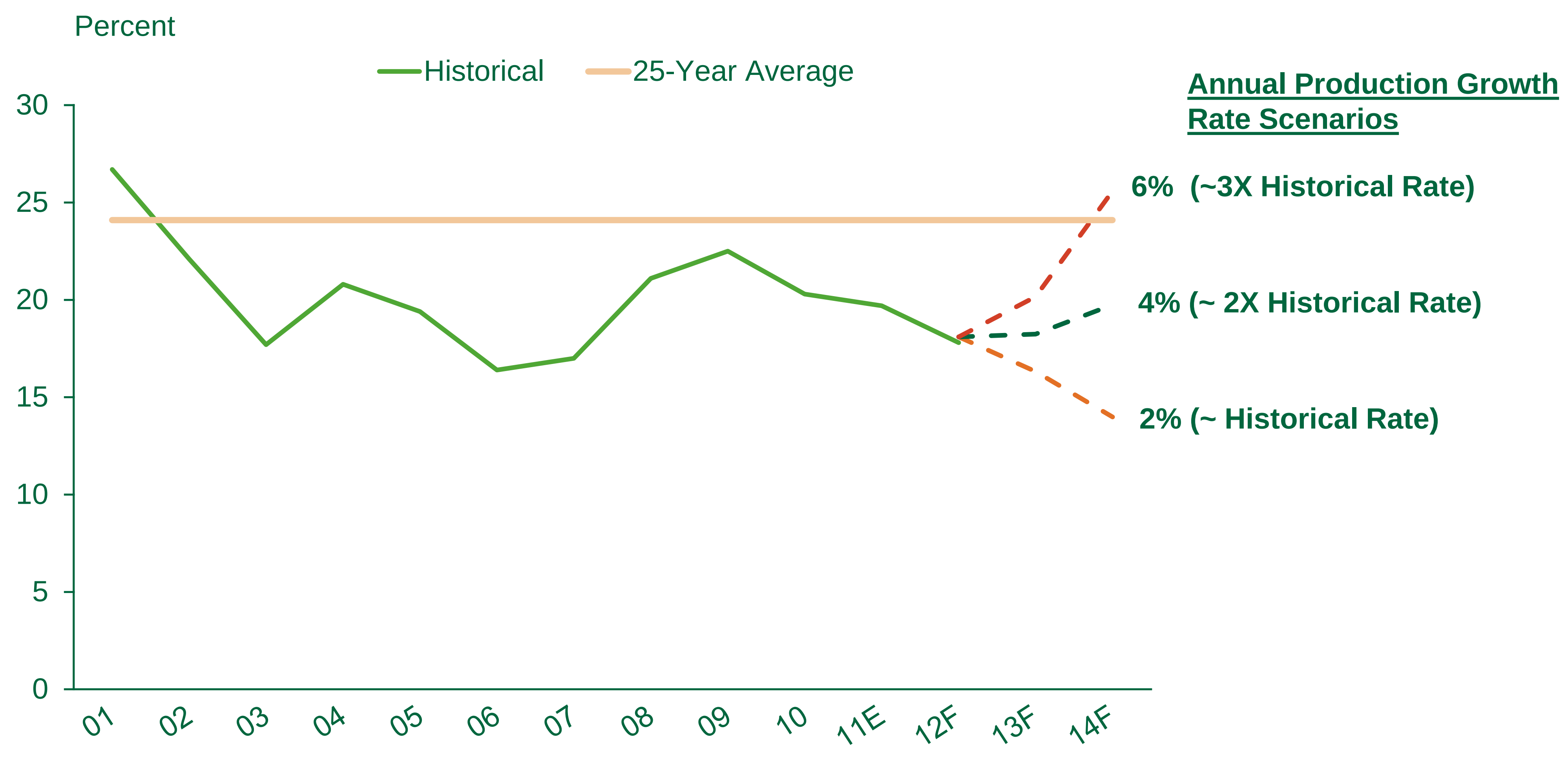
<u>Key Factors to Watch:</u>

- How will US corn and soybean demand be rationed
- Uncertainty of FSU grain export supply
- Planted area and crop conditions in Brazil
- China corn and soybean import demand

Source: USDA, World Commodity Analysis Corporation, Doane, Brilliant Pioneer Consultants, PotashCorp

World Grain Stocks-to-Use Ratio

Consecutive Years of High Growth in Production Required to Replenish Stocks

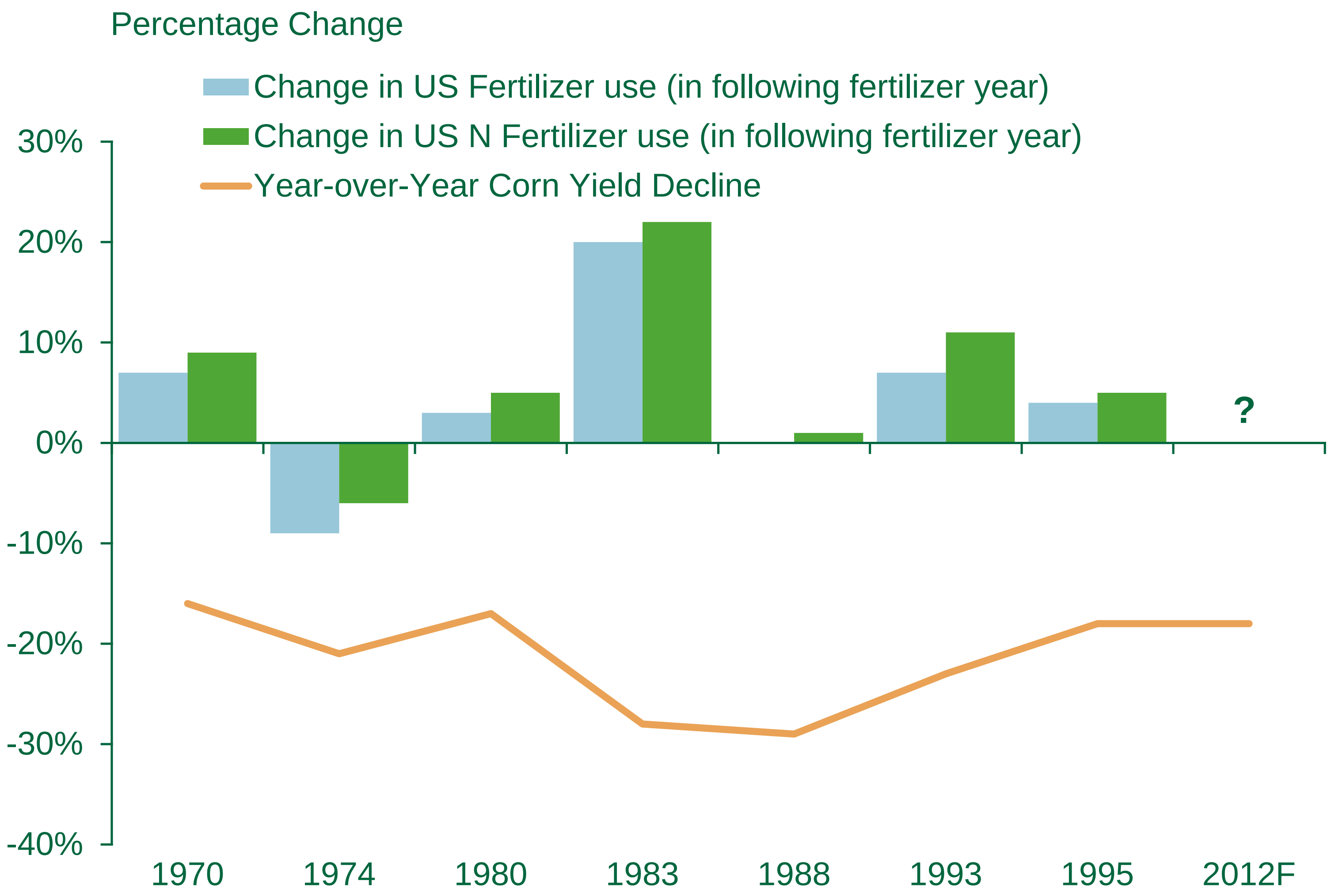


2012F refers to the 2012/13 crop year. Assumes demand growth of 2 percent. Previous 10-year growth in production/consumption averaged approximately 2 percent annually.

Source: USDA, PotashCorp

US Fertilizer Use Following Major Yield Declines

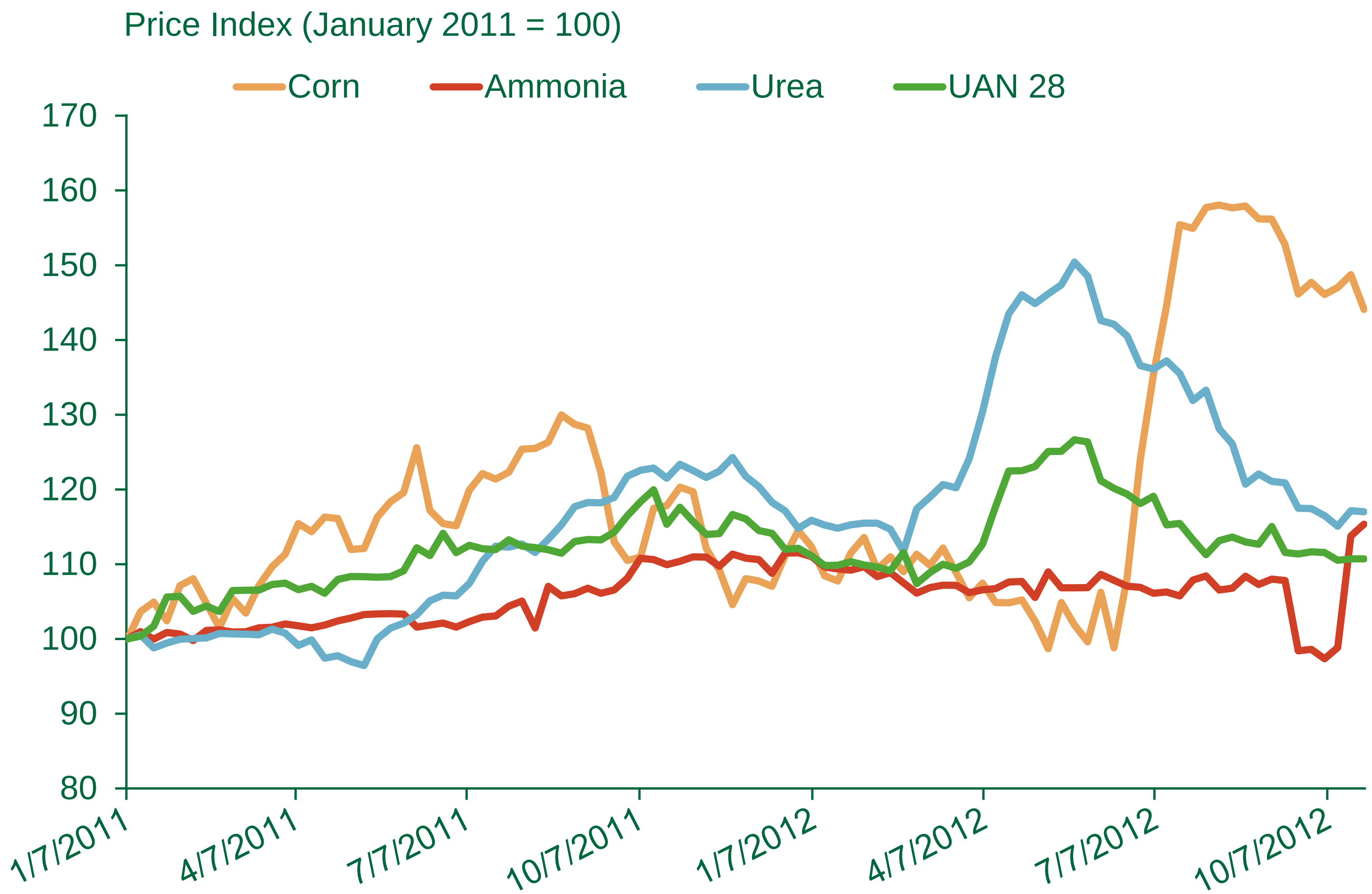
Fertilizer Use Increased in Most Fertilizer Years Following a Major Yield Decline



Source: USDA, AAPFCO

US Crop and Retail Fertilizer Prices

Nitrogen Prices are Lagging Increases in Crop Prices



Source: DTN, Bloomberg

Fertilizer Cost Percentage of US Corn Revenue

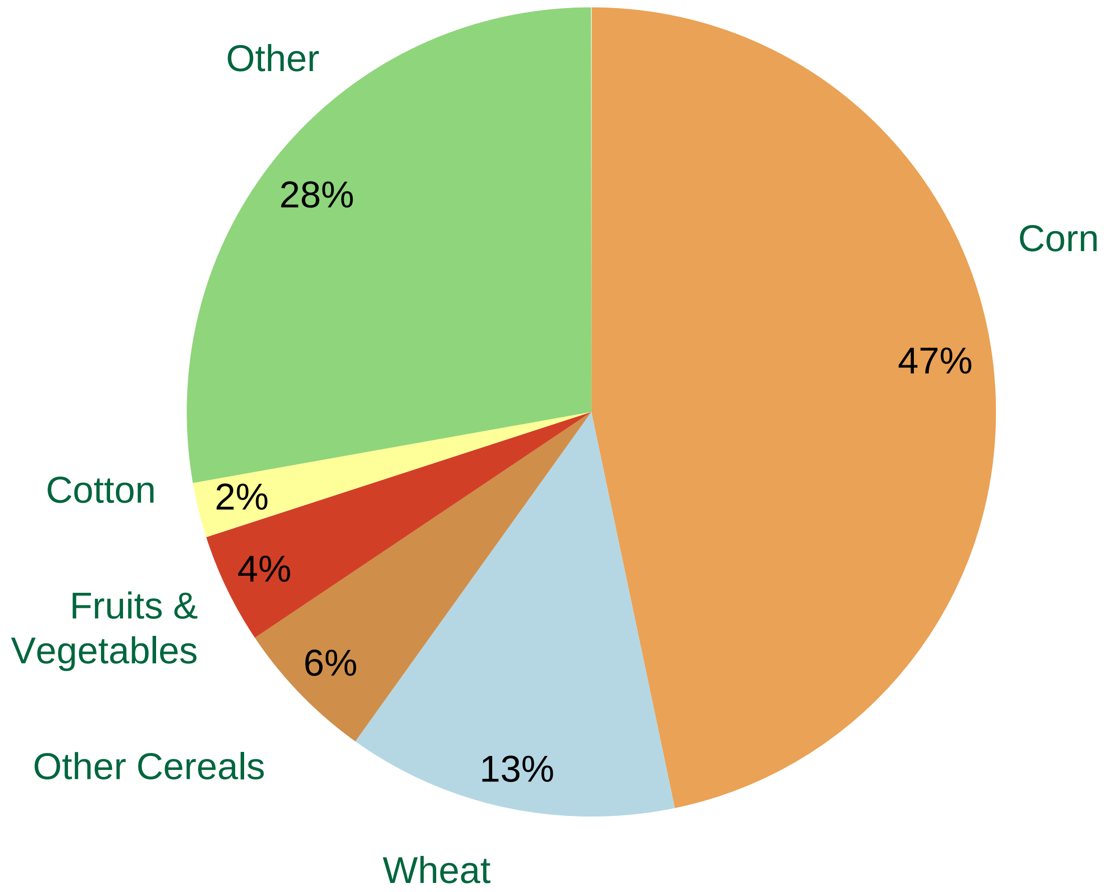
Expect Farmers Will Respond to Favorable Fertilizer Economics

Source: DTN, USDA, Bloomberg, PotashCorp

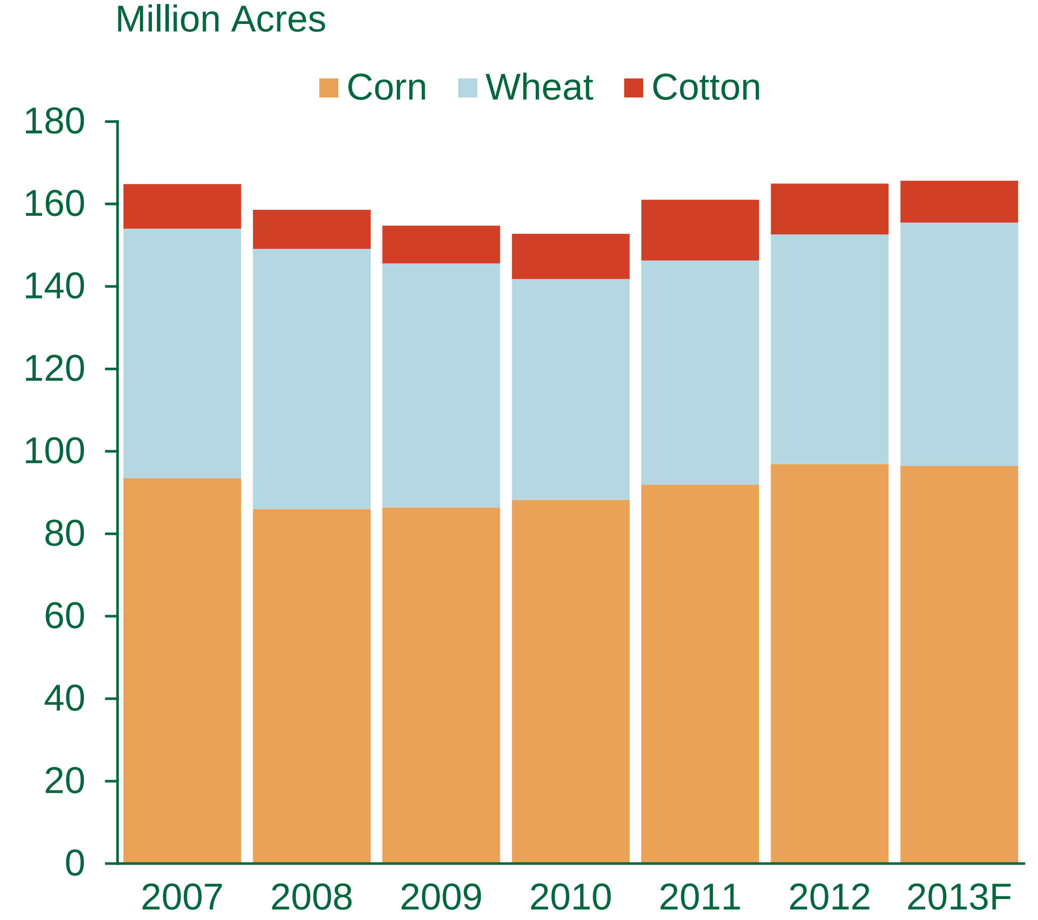
US N Use by Crop and Acreage Forecast*

Expect Another Large Planted Acreage of Major Nitrogen Consuming Crops

US N Use by Crop, Percentage



US Major Crop Acreage*

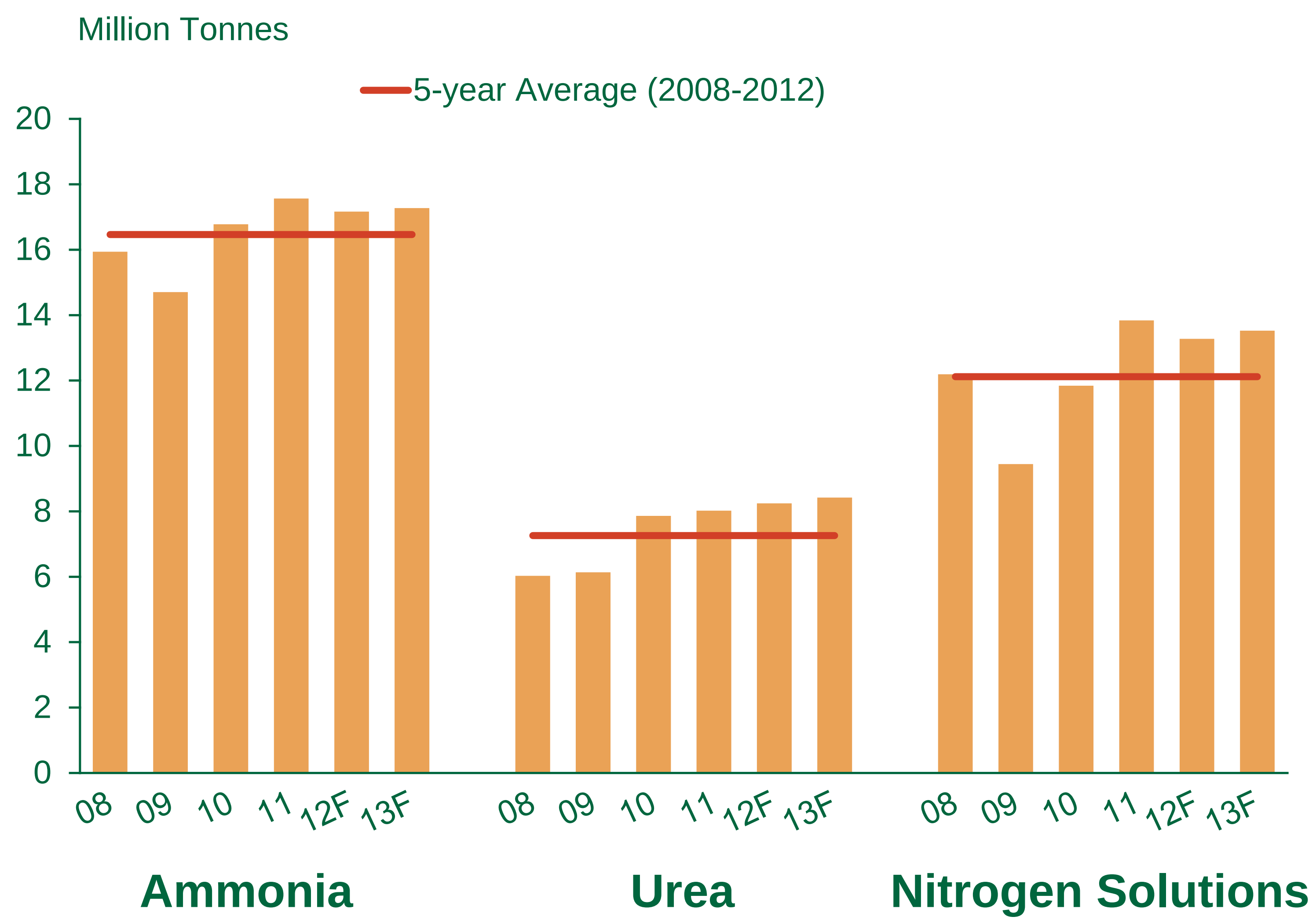


* Based on corn, wheat and cotton acreage.
2013F refers to the 2013/14 crop year.

Source: USDA, IFA, Doane

US Nitrogen Consumption

US Nitrogen Demand Expected to Be Strong in 2013

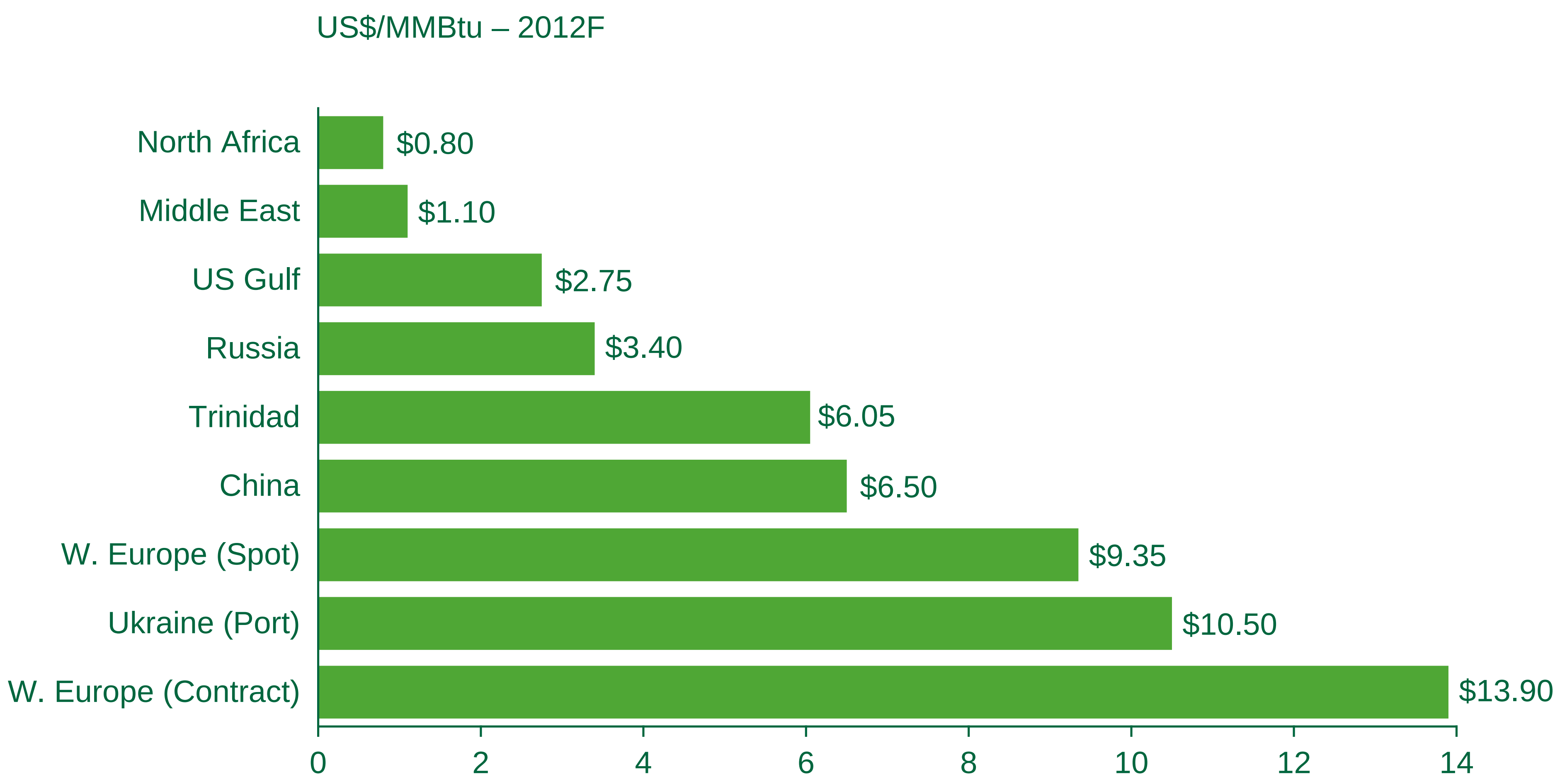


Source: USDOC, TFI, CRU

Nitrogen Costs Update

Natural Gas Prices in Key Nitrogen-Producing Regions

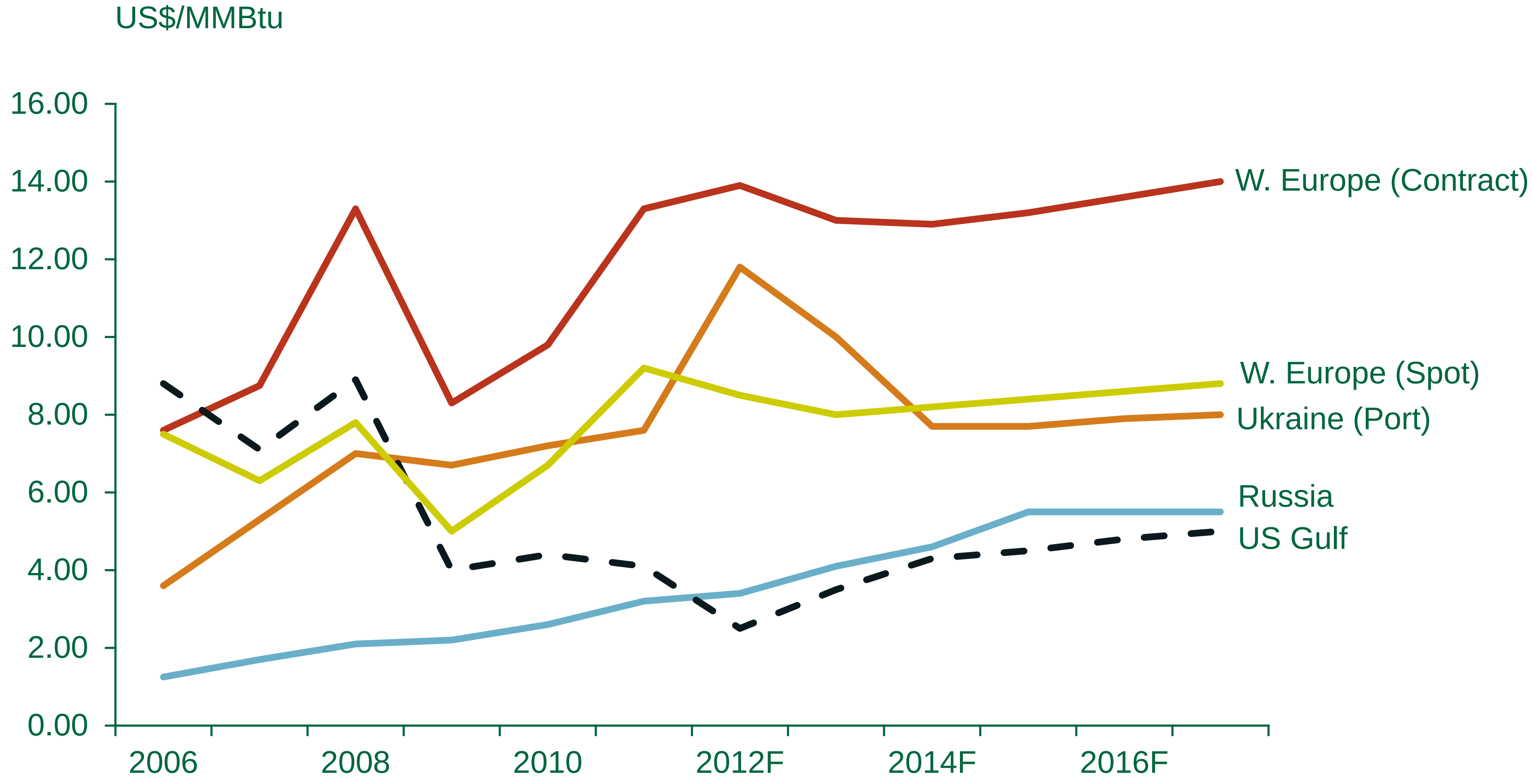
Gas Prices Remain Elevated In Required Producing Regions



Source: Fertecon, CRU, PotashCorp

Natural Gas Forecast For Key Producing Regions

Input Costs Expected To Remain High In Many Key Producing Regions

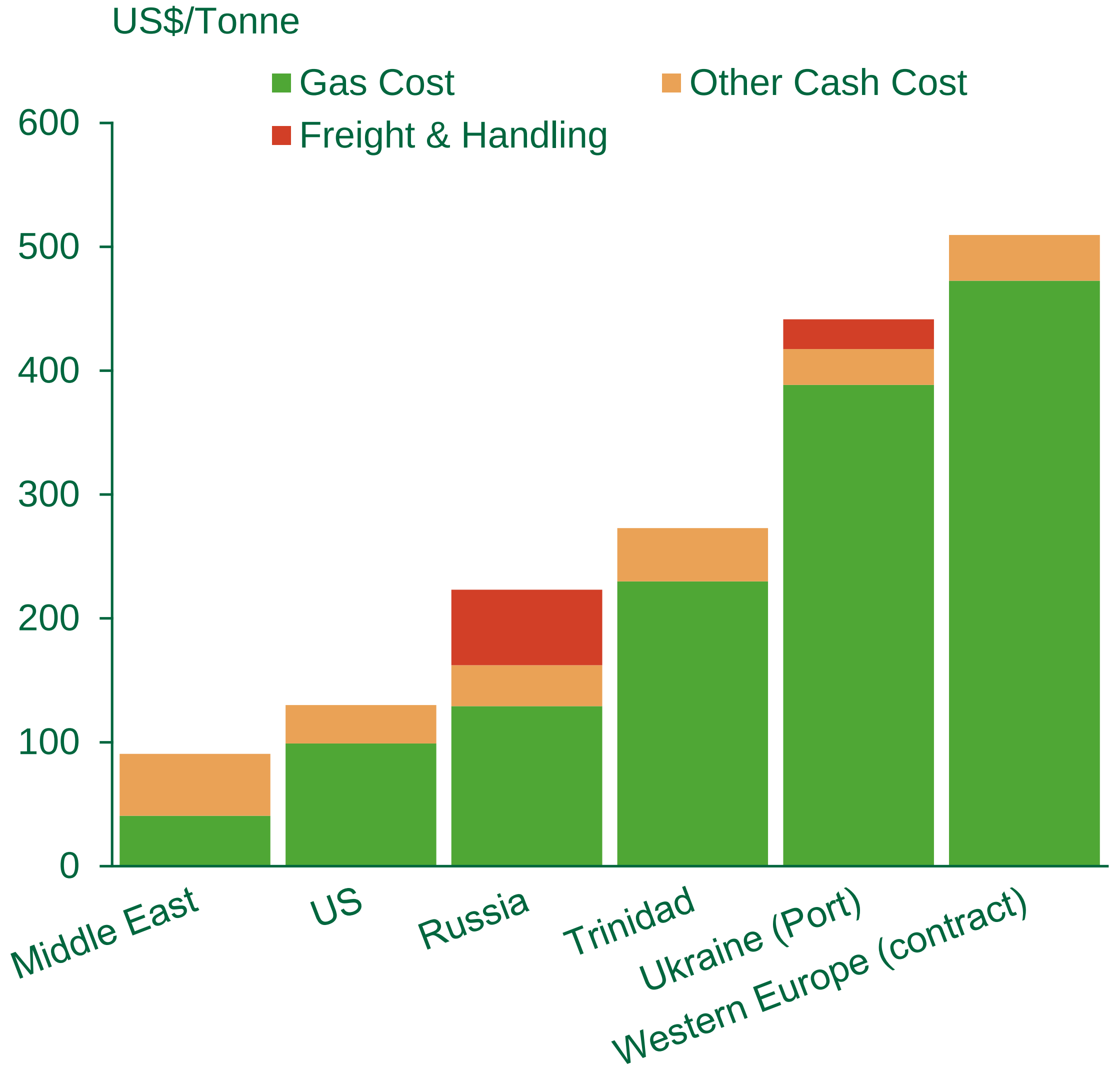


Source: Fertecon, CRU, PotashCorp

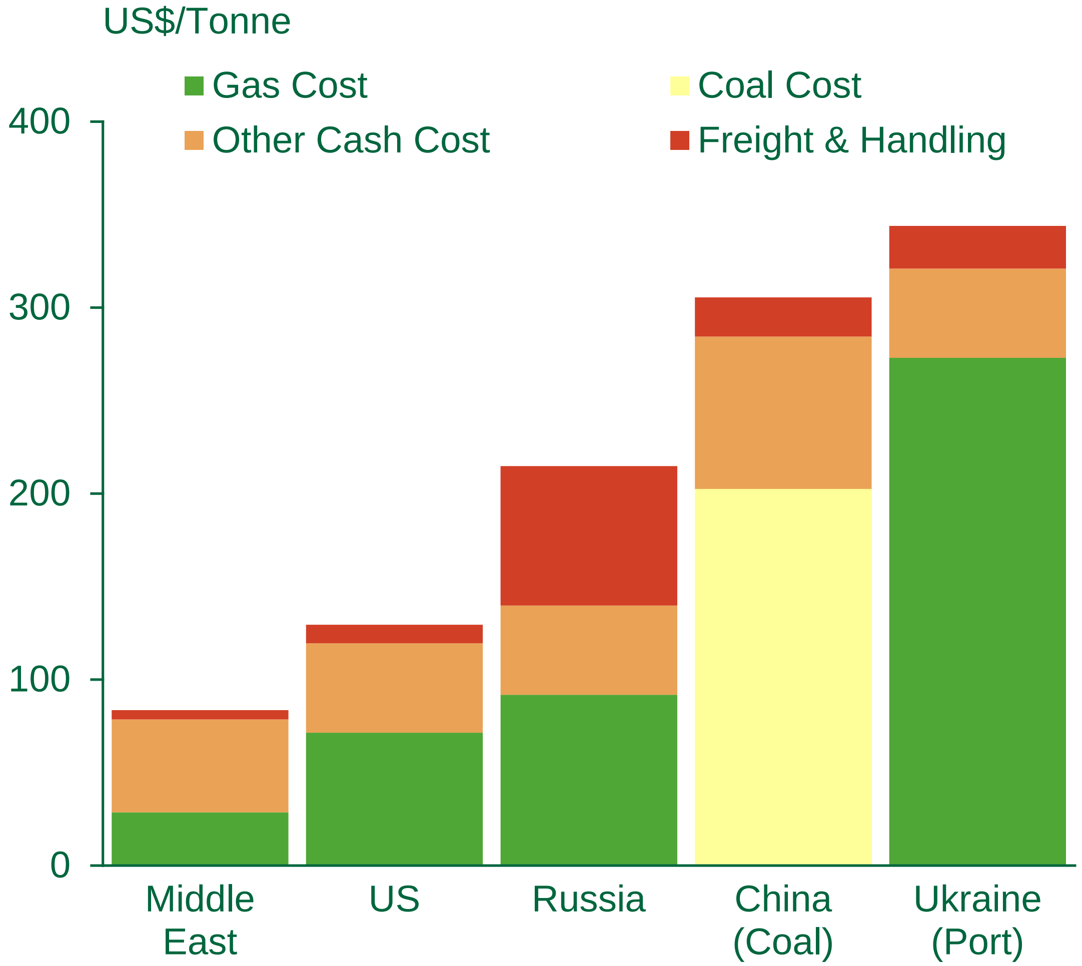
Nitrogen Production Cash Costs

High-Cost Production Required During Periods of Strong Demand

Ammonia



Urea

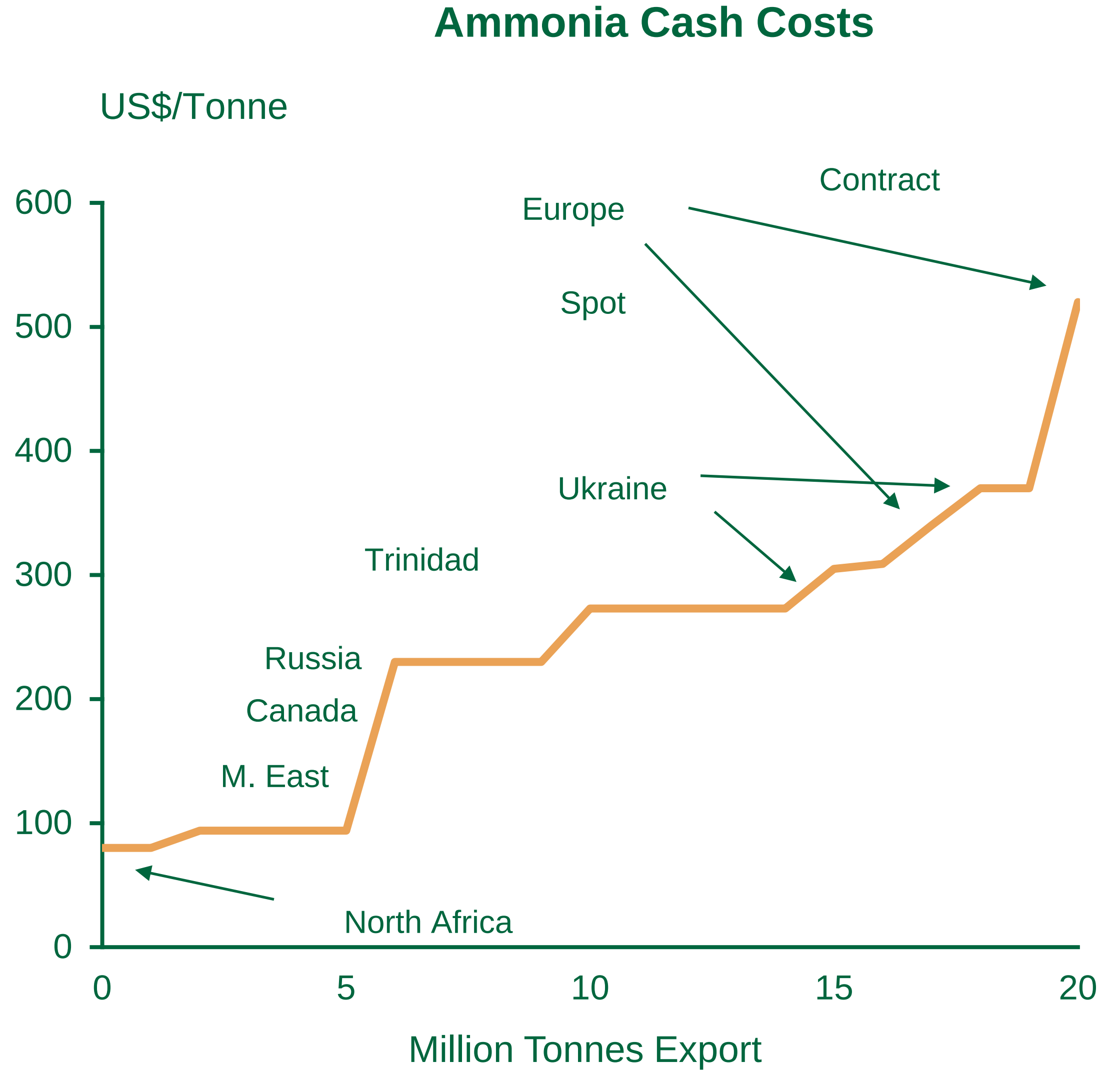


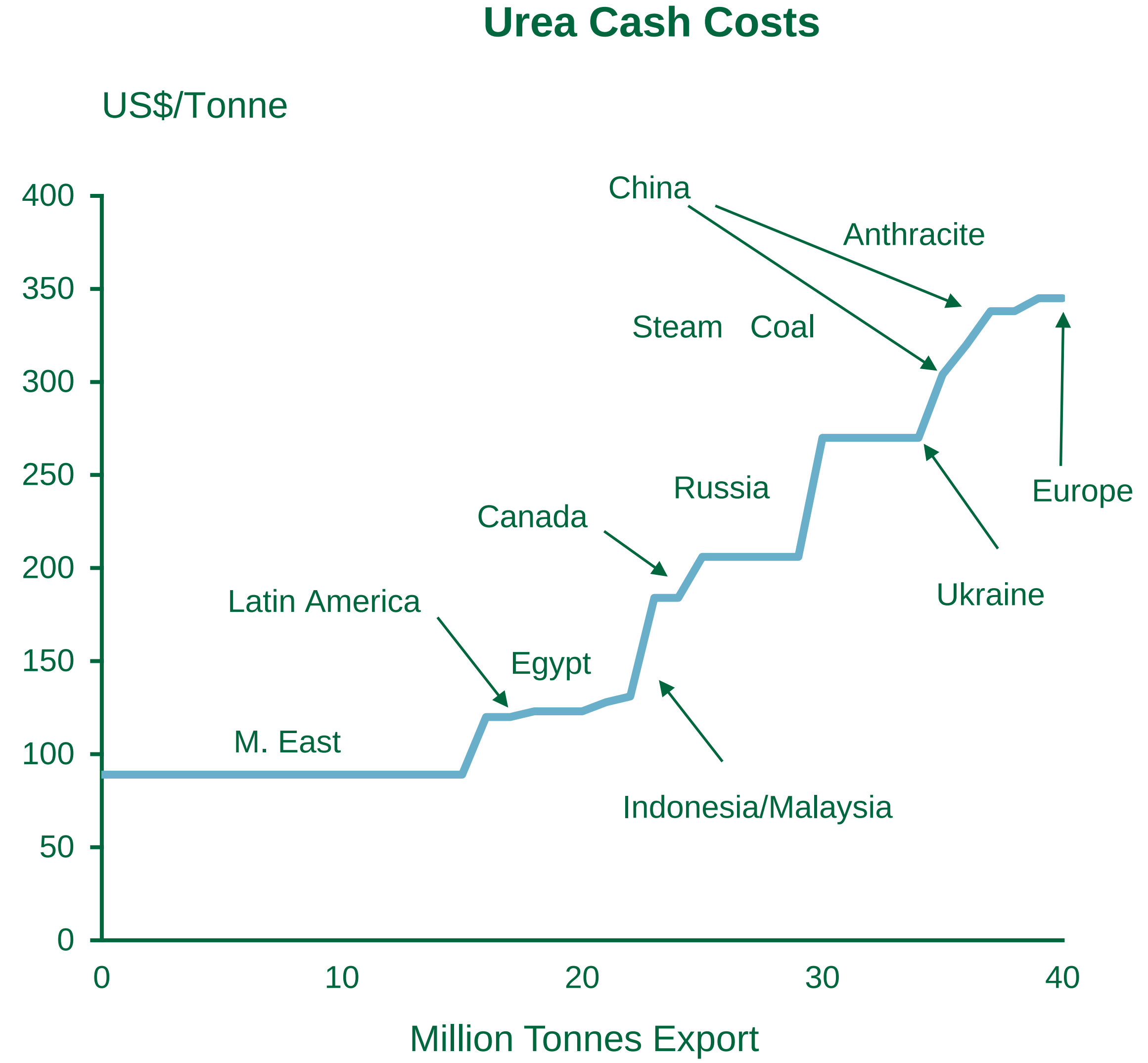
Note: Cost of production estimates based on natural gas price forecast for 2012

Source: Fertecon, CRU, PotashCorp

Supply Cost Curves for Nitrogen Exporters

Wide Range In Cost Profiles Intensifies Typical Market Seasonality





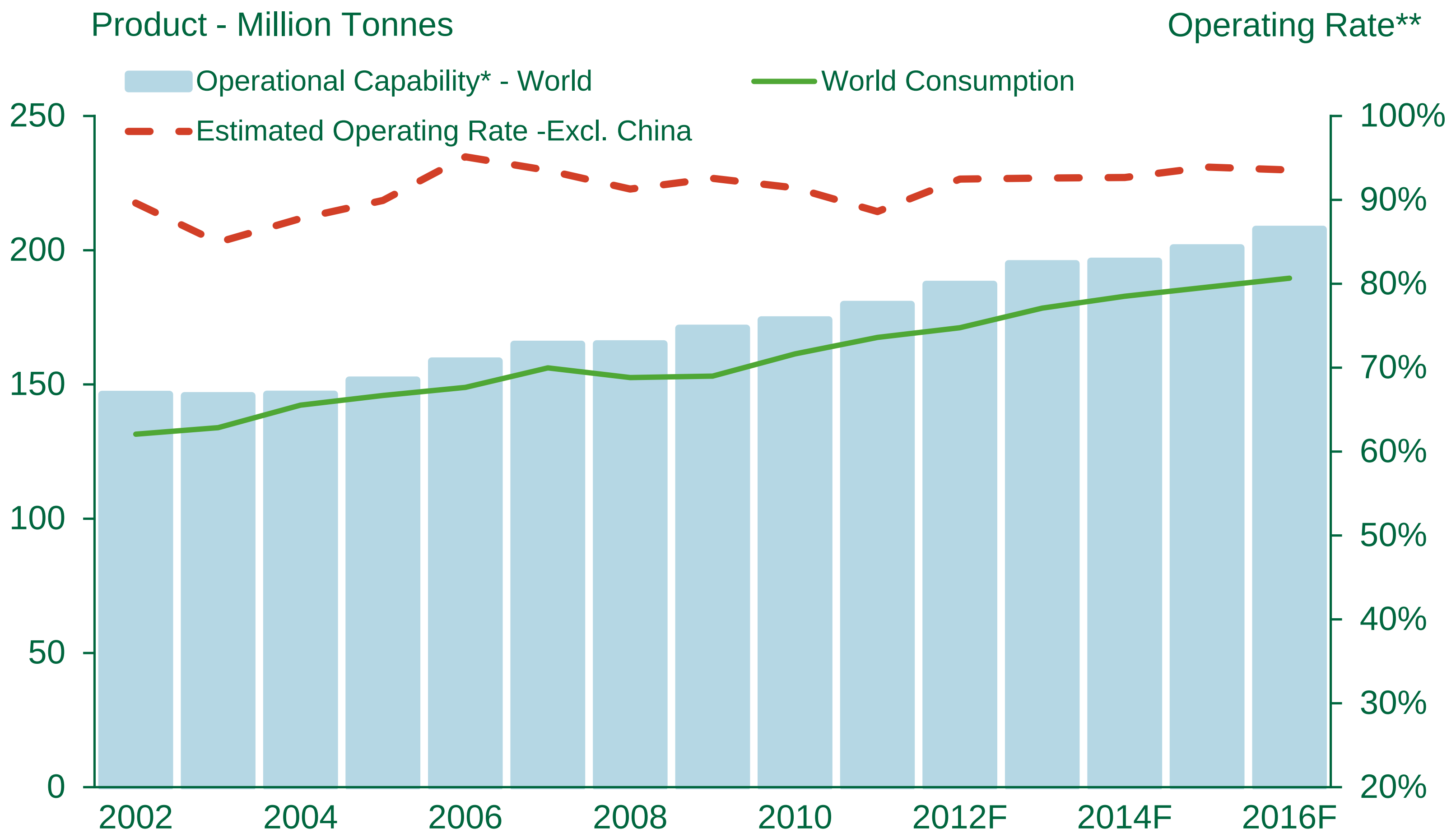
Note: Cost of production estimates based on natural gas and coal price forecast for 2012. Excludes transportation cost.

Source: Fertecon, CRU, PotashCorp

Capacity & Trade

World Ammonia Supply and Demand

Relatively Balanced Ammonia Market Outside of China



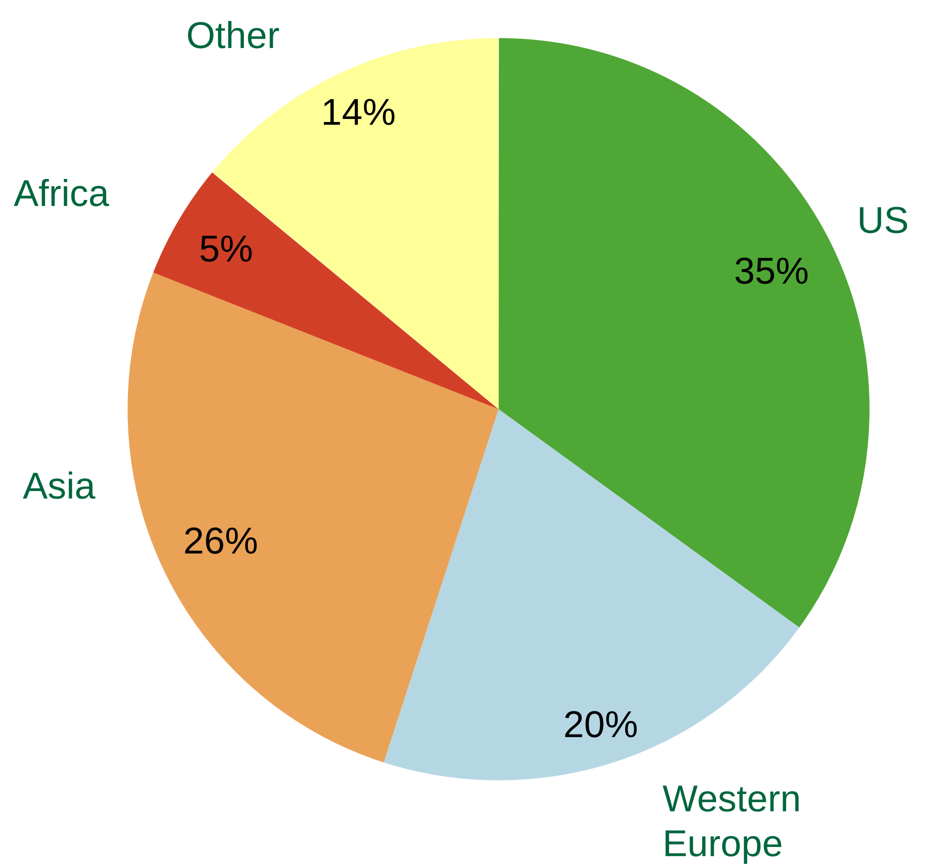
*Estimated annual achievable production level from existing operations and projected new capacity.
**Operating rate forecast based on forecasted demand divided by estimated operational capability (including announced projects; assuming typical ramp-up period for new capacity).

Source: Fertecon, PotashCorp

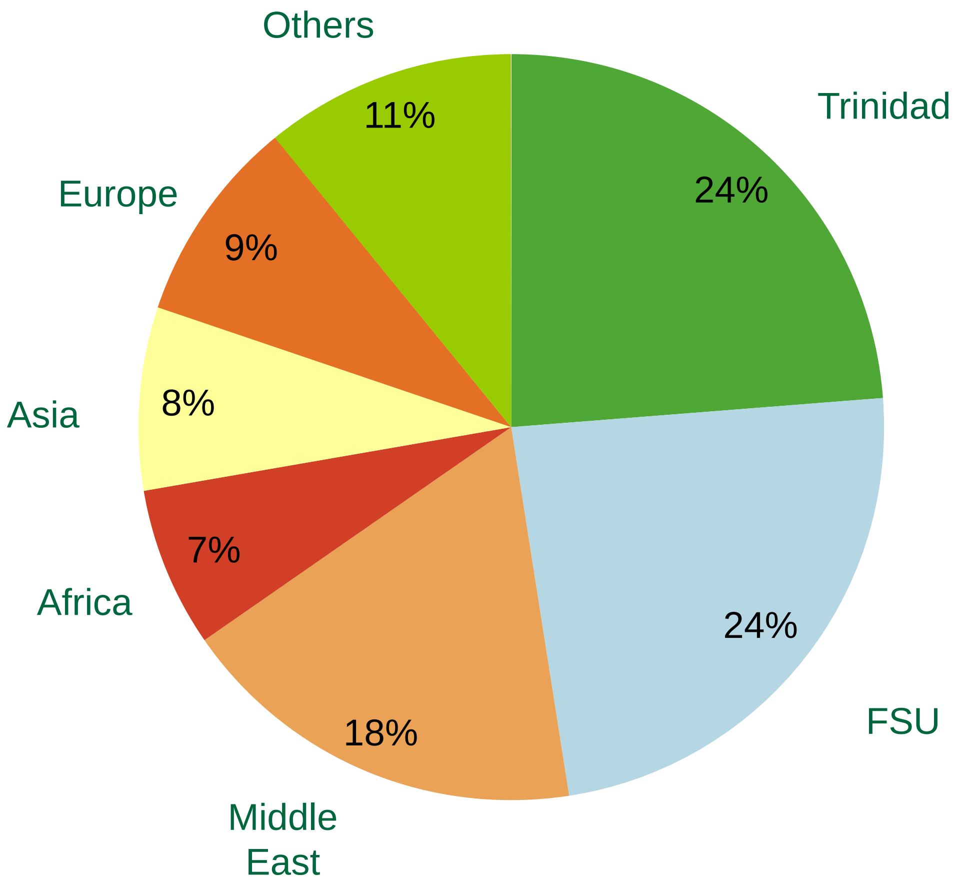
World Ammonia Trade

Expect Majority of Import Growth From Asian Markets

Import Profile



Export Profile

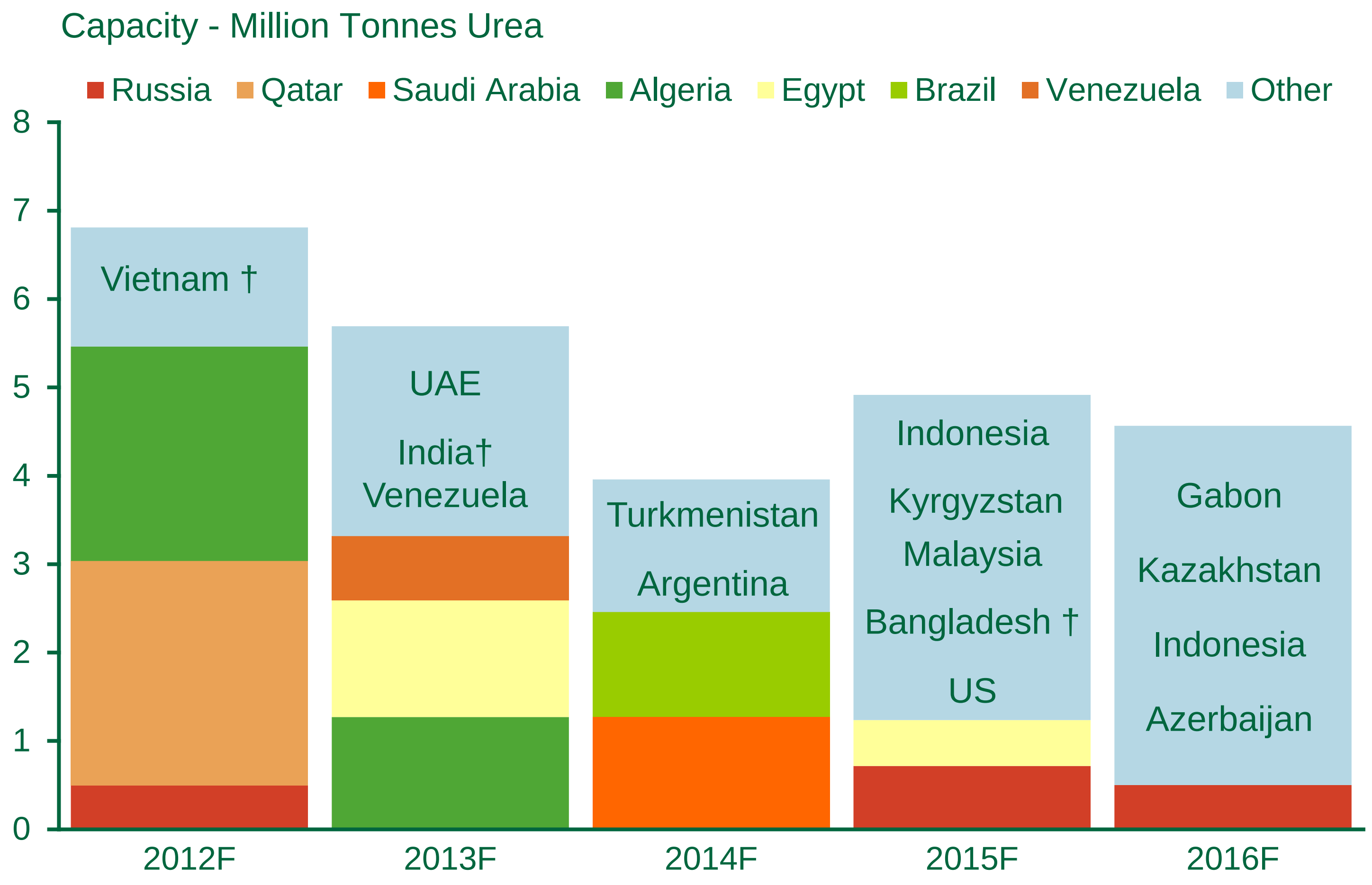


Global Ammonia Trade 2011: 19.6 Million Tonnes

Source: Fertecon, CRU, PotashCorp

Global Urea Capacity Additions*

Uncertainty Over Timing and Probability of Announced New Capacity



*Excludes Chinese urea capacity additions and capacity curtailments

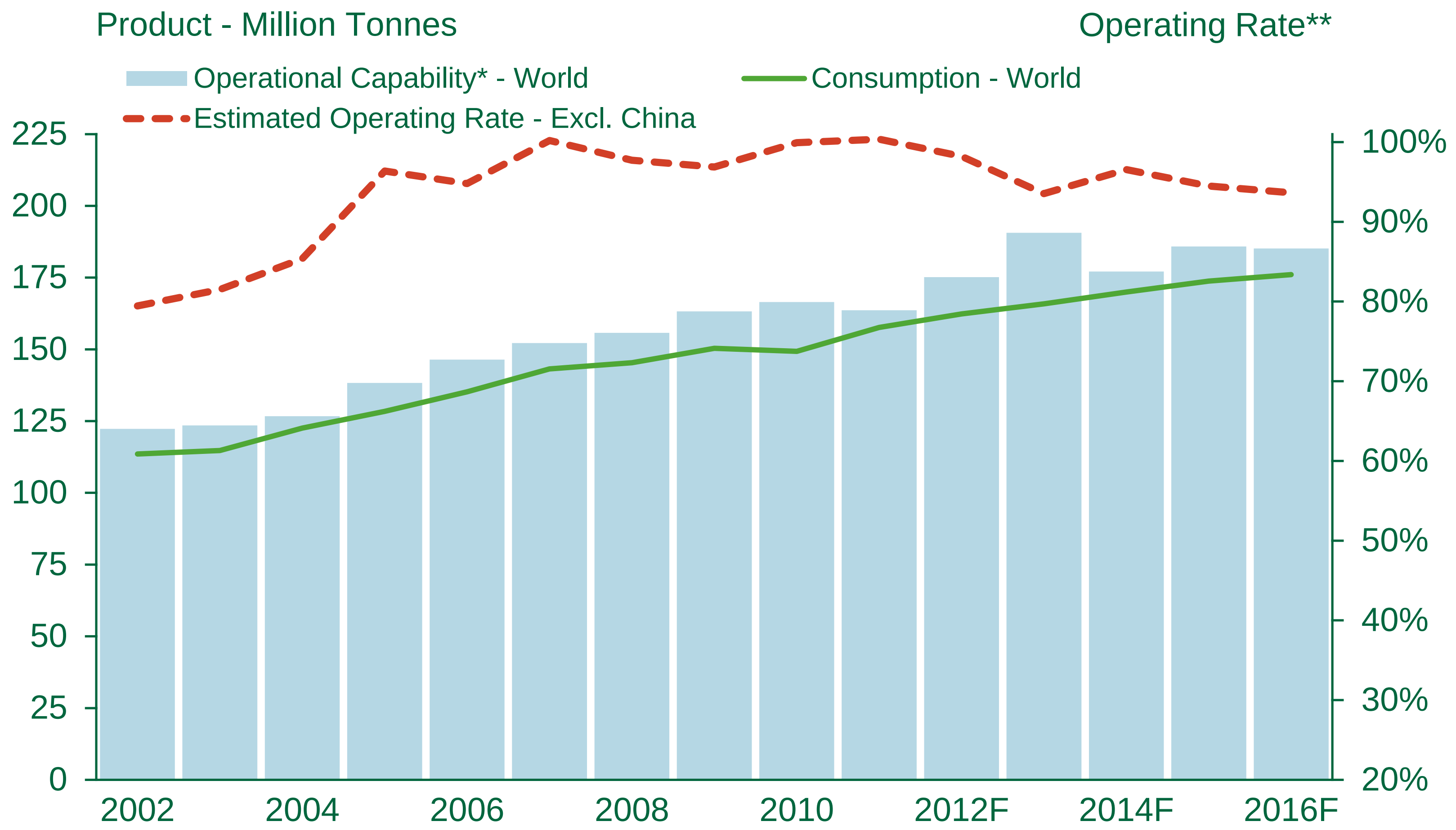
*Approximately 80 percent of the new capacity is export oriented

† Indicates the country is a net importer

Source: CRU, Fertecon, PotashCorp

World Urea Supply and Demand

Modest Pressure On Market Possible If Proposed Project Are Completed

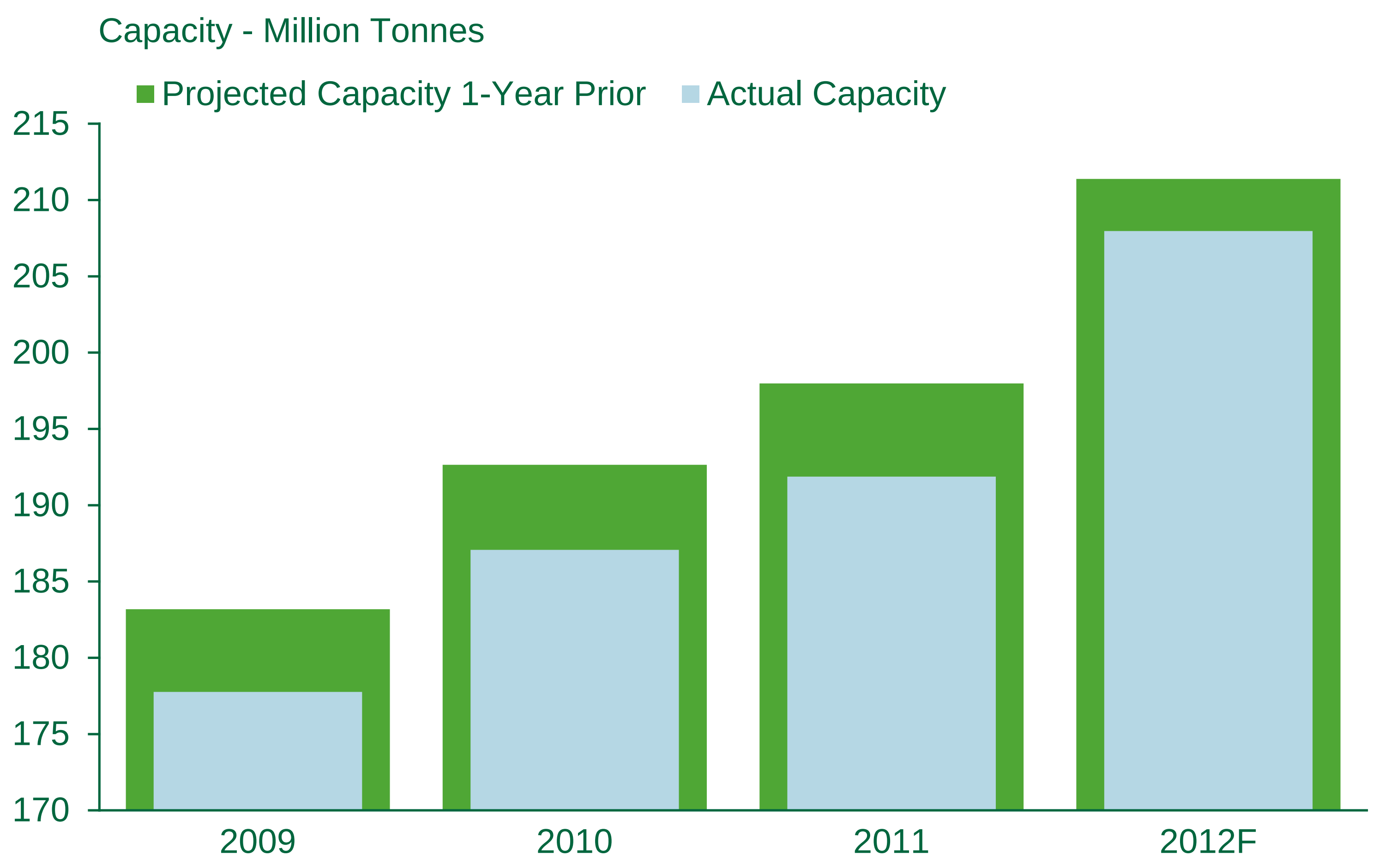


*Estimated annual achievable production level from existing operations and projected new capacity.
**Operating rate forecast based on forecasted demand divided by estimated operational capability (including announced projects; assuming typical ramp-up period for new capacity).

Source: Fertecon, PotashCorp

Nitrogen Capacity Projections vs. Actual Additions

Numerous Global Urea Project Delays Have Impacted the Market

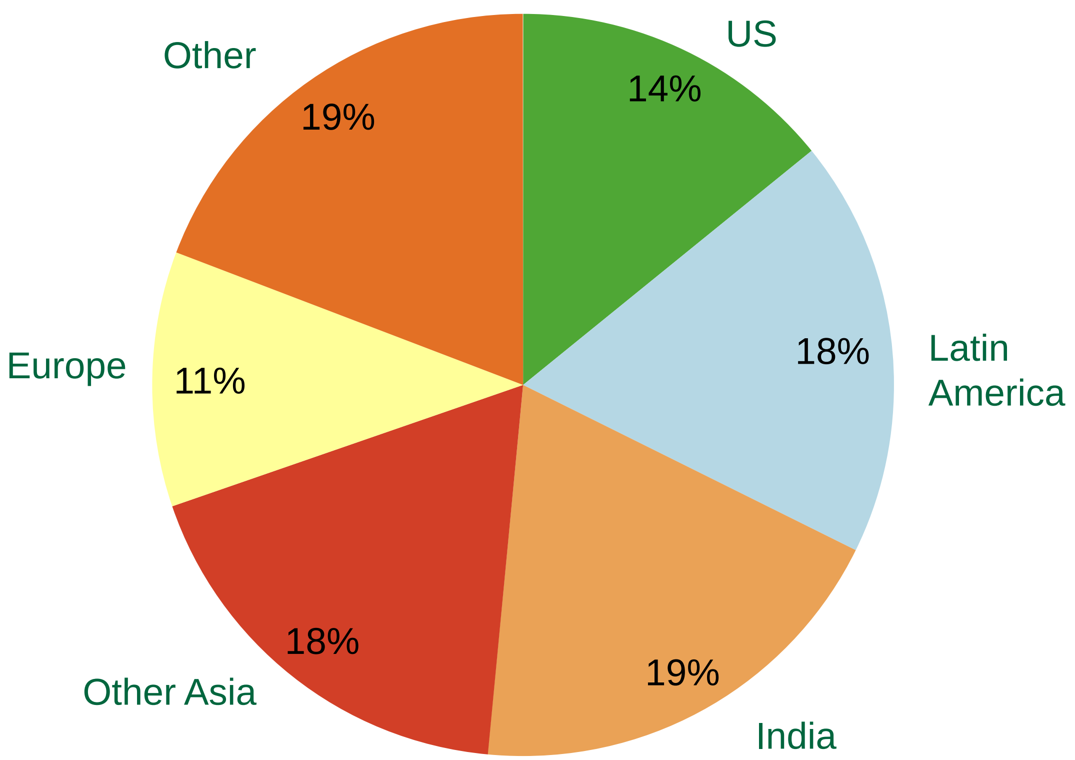


Source: Fertecon, CRU, PotashCorp

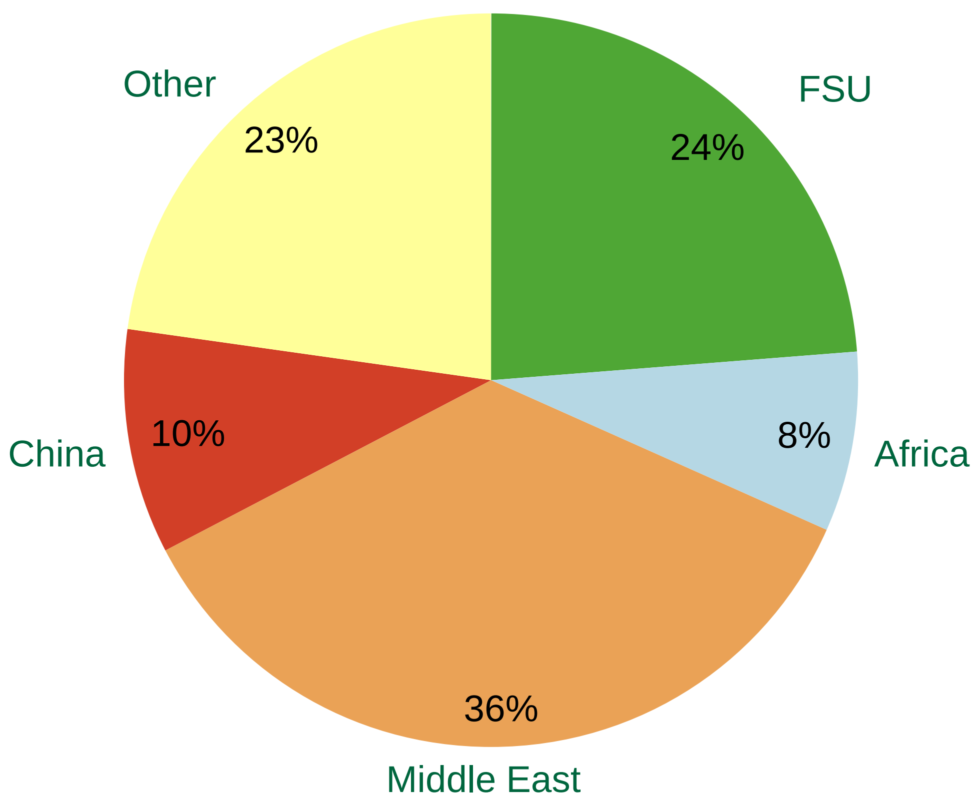
World Urea Trade

The Middle East and Africa are Forecast to Supply Import Growth

Import Profile



Export Profile



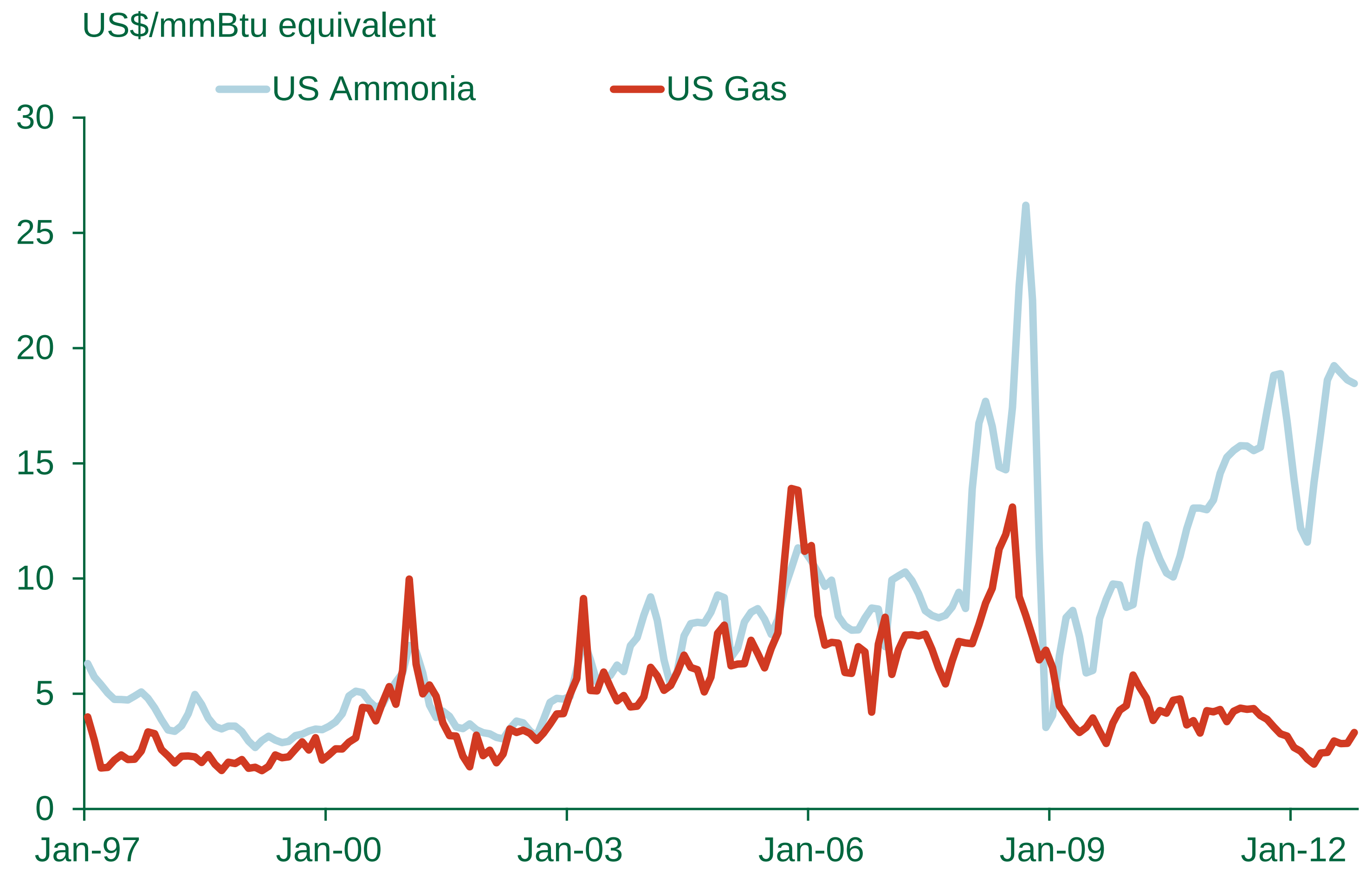
Global Urea Trade 2011: 40.6 Million Tonnes

Source: Fertecon, CRU, PotashCorp

US Capacity Story

Ammonia Cost and Natural Gas Price Comparison

US Natural Gas Situation Provides Significant Interest In Nitrogen Production



Source: NYMEX Henry Hub, Fertecon, PotashCorp

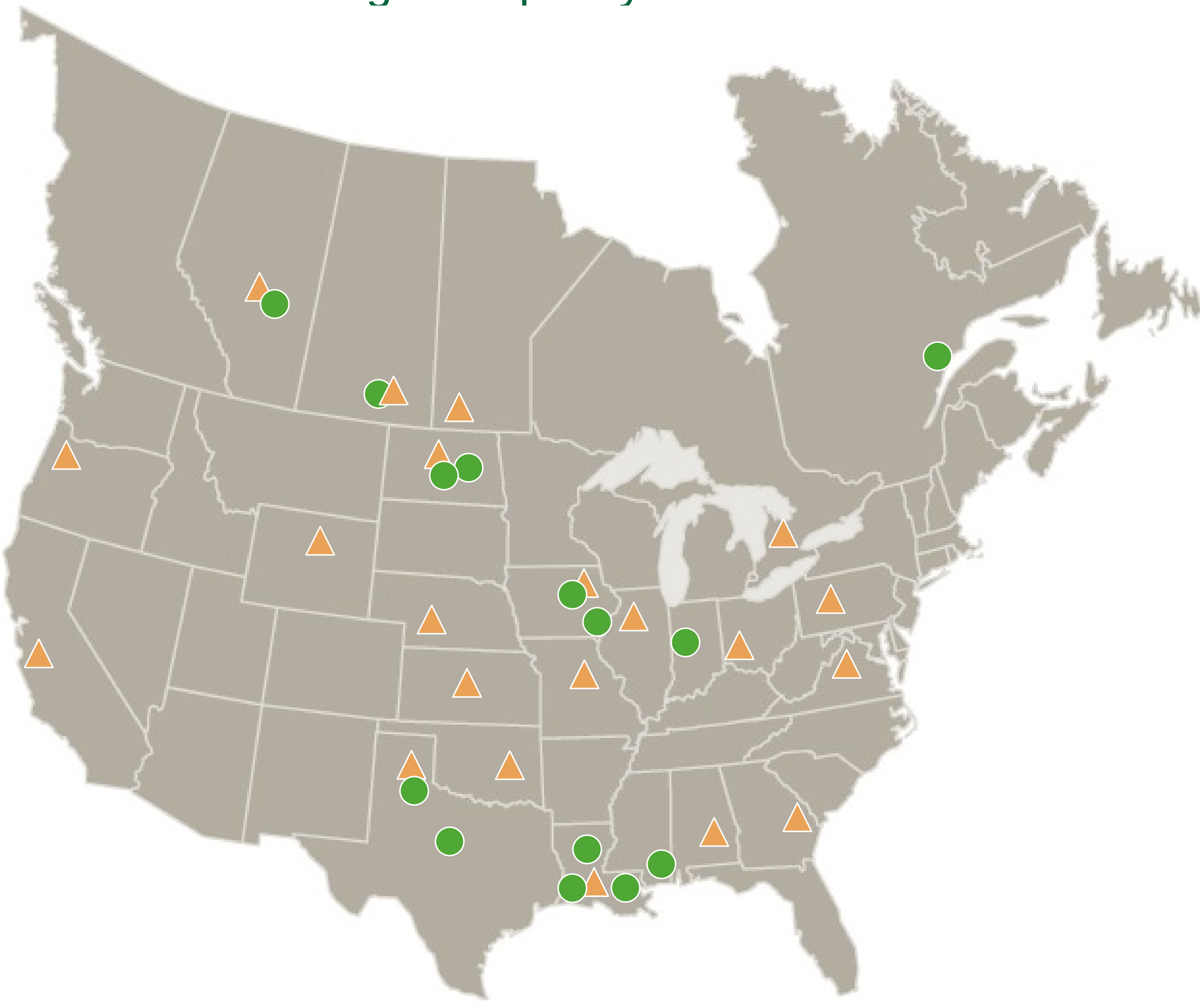
Proposed Capacity Additions in North America

Company	Location	Ammonia ST/Year	Urea ST/Year	Start up
LSB	Pryor, OK	60,000	-	4Q12
OCI	Beaumont, TX	250,000	-	2Q12
PCS	Augusta, GA	70,000	-	Q412
PCS	Geismar, LA	550,000	-	1Q13
Austin Powder	Moshein, TN	125,000	-	2H13
CF-Brownfield	Donaldsonville, LA	100,000	-	3Q13
Rentech	East Dubuque, IL	75,000	17,500	4Q13
Yara	Belle Plaine, SK	880,000	1,450,000	1H2016
CF-Brownfield	Donaldsonville, LA Port Neal, IA	2,100,000	2,400,000	2H2015 and 2016 2016
Agrium - Brownfield	TX, AB	135,000	890,000	
OCI	Iowa	880,000	510,000	3Q15
CHS	Spiritwood, ND	750,000	1,020,000	2H16
Subtotal		**5,975,000**	**6,287,500**	
Agrium - Greenfield	US	1,000,000	1,980,000	
Koch	numerous	1,800,000	500,000	
Dyno Nobel	Waggaman, LA	850,000	-	
Summit	Texas	406,000	700,000	
Mosaic	Faustina, LA	1,100,000		
IFFCO	East Canada (on water)	1,700,000	2,600,000	
ND Corn Growers	North Dakota	800,000	1,400,000	
OVR	Indiana	822,000	688,000	
Agrifos	Pasadena, Texas	TBD	TBD	TBD
Subtotal		**8,478,000**	**7,868,000**	
Total		**14,453,000**	**14,155,500**	

Source: CRU, Fertecon, Blue Johnson & Associates, Public Filings, PotashCorp

Major North American Fertilizer Production Locations

Numerous Nitrogen Capacity Announcements



▲ - Existing N Complex

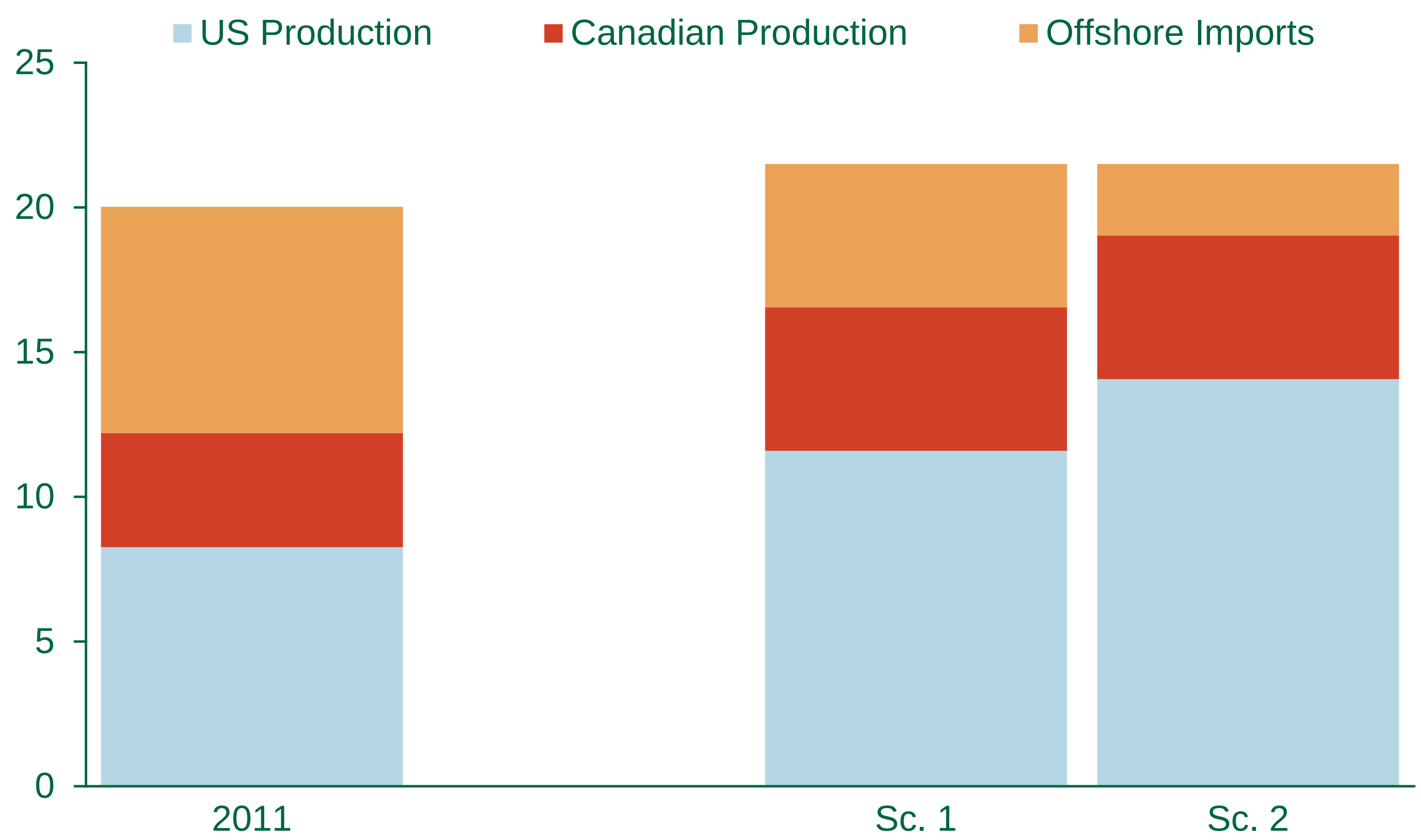
● - Select N Expansions and Greenfields

PotashCorp

NA Nitrogen Supply Profile Scenarios

New Capacity Expected to Impact Imports

Million Tonnes N



2017 Sc. 1: assumes major debottlenecking and expansions proceed at existing sites.

2017 Sc. 2: In addition to Sc. 1, three greenfields proceed.

Source: CRU, Fertecon, USDOC, PotashCorp

Concluding Summary and Comments

- Agriculture fundamentals are providing an optimistic backdrop for the upcoming fertilizer season – especially North American N demand.

- Appears to be minimal relief in cost profile for key offshore producing regions.

- Numerous projects in various stages of development but history shows timing of completion is often optimistic.

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