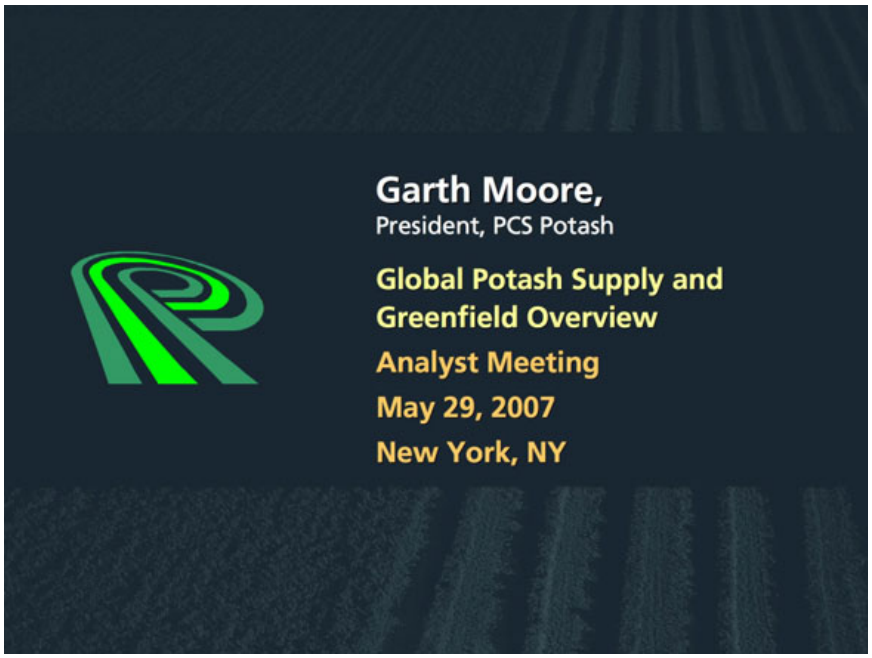
PotashCorp

Garth Moore
President
PCS Potash

Speech to:
Analysts

New York
NY

May 29, 2007



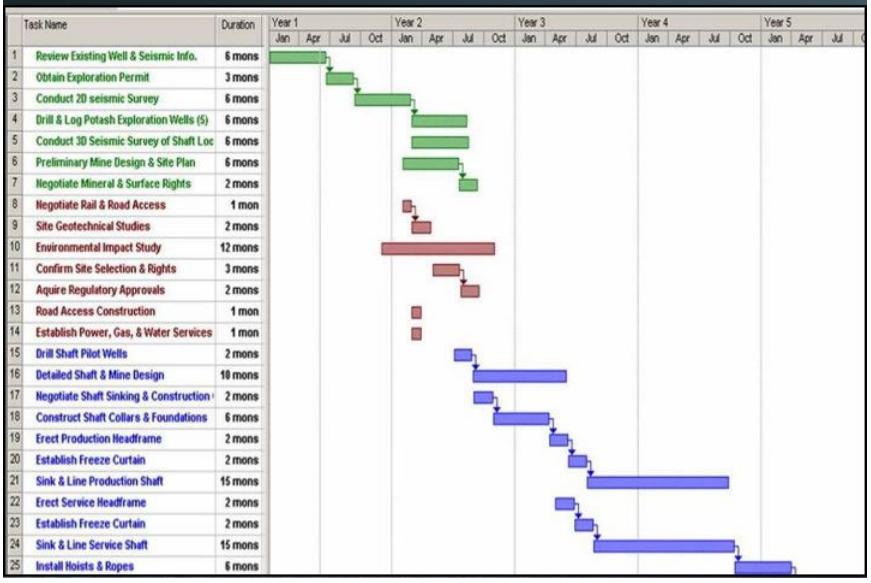
Greenfield Conventional Potash Mine Construction

- What needs to be done to construct a new conventional underground potash mine in Saskatchewan ("greenfield")?
- How long will this take?

Greenfield Conventional Potash Mine Construction

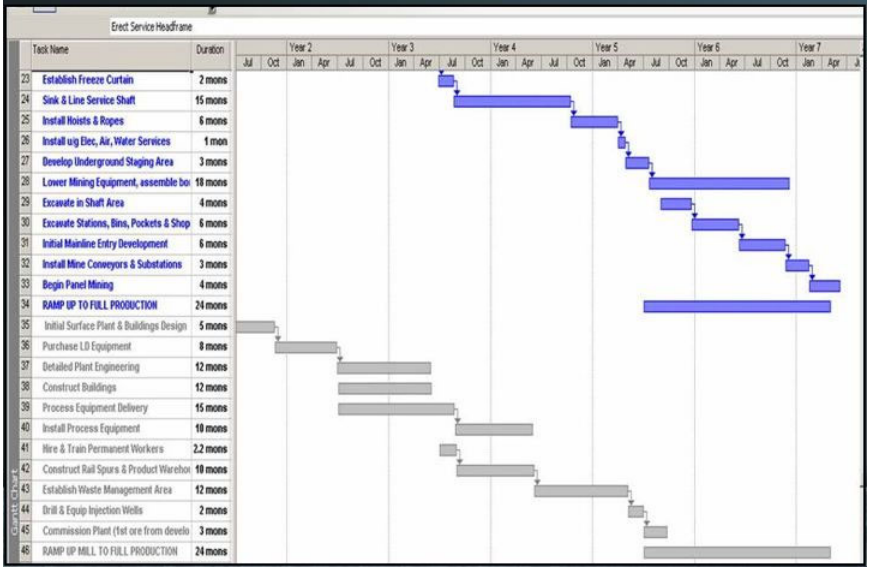
- There are at least 46 major tasks, and these fall into 4 major categories:
  - Exploration
  - Establishing infrastructure
  - Constructing underground operation (mine)
  - Constructing surface operation (mill)
- Some of these tasks can occur concurrently, others depend on completion of previous work

Tasks 1 – 25



	Task Name	Duration
1	Review Existing Well & Seismic Info.	6 mons
2	Obtain Exploration Permit	3 mons
3	Conduct 2D seismic Survey	6 mons
4	Drill & Log Potash Exploration Wells (5)	6 mons
5	Conduct 3D Seismic Survey of Shaft Loc	6 mons
6	Preliminary Mine Design & Site Plan	6 mons
7	Negotiate Mineral & Surface Rights	2 mons
8	Negotiate Rail & Road Access	1 mon
9	Site Geotechnical Studies	2 mons
10	Environmental Impact Study	12 mons
11	Confirm Site Selection & Rights	3 mons
12	Aquire Regulatory Approvals	2 mons
13	Road Access Construction	1 mon
14	Establish Power, Gas, & Water Services	1 mon
15	Drill Shaft Pilot Wells	2 mons
16	Detailed Shaft & Mine Design	10 mons
17	Negotiate Shaft Sinking & Construction	2 mons
18	Construct Shaft Collars & Foundations	6 mons
19	Erect Production Headframe	2 mons
20	Establish Freeze Curtain	2 mons
21	Sink & Line Production Shaft	15 mons
22	Erect Service Headframe	2 mons
23	Establish Freeze Curtain	2 mons
24	Sink & Line Service Shaft	15 mons
25	Install Hoists & Ropes	6 mons

Tasks 23 - 46



	Task Name	Duration
23	Establish Freeze Curtain	2 mons
24	Sink & Line Service Shaft	15 mons
25	Install Hoists & Ropes	6 mons
26	Install u/g Elec, Air, Water Services	1 mon
27	Develop Underground Staging Area	3 mons
28	Lower Mining Equipment, assemble bo	18 mons
29	Excavate in Shaft Area	4 mons
30	Excavate Stations, Bins, Pockets & Shop	6 mons
31	Initial Mainline Entry Development	6 mons
32	Install Mine Conveyors & Substations	3 mons
33	Begin Panel Mining	4 mons
34	RAMP UP TO FULL PRODUCTION	24 mons
35	Initial Surface Plant & Buildings Design	5 mons
36	Purchase LD Equipment	8 mons
37	Detailed Plant Engineering	12 mons
38	Construct Buildings	12 mons
39	Process Equipment Delivery	15 mons
40	Install Process Equipment	10 mons
41	Hire & Train Permanent Workers	22 mons
42	Construct Rail Spurs & Product Wareho	10 mons
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44	Drill & Equip Injection Wells	2 mons
45	Commission Plant (1st ore from develo	3 mons
46	RAMP UP MILL TO FULL PRODUCTION	24 mons

Greenfield Conventional Potash Mine Construction
Phase 1 – Exploration
Phase 2 – Establishing Infrastructure

	Task Name	Duration
1	Review Existing Well & Seismic Info.	6 mons
2	Obtain Exploration Permit	3 mons
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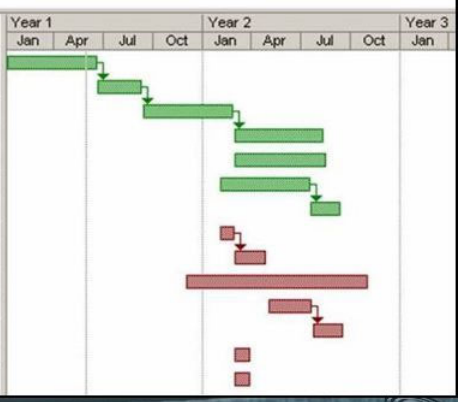
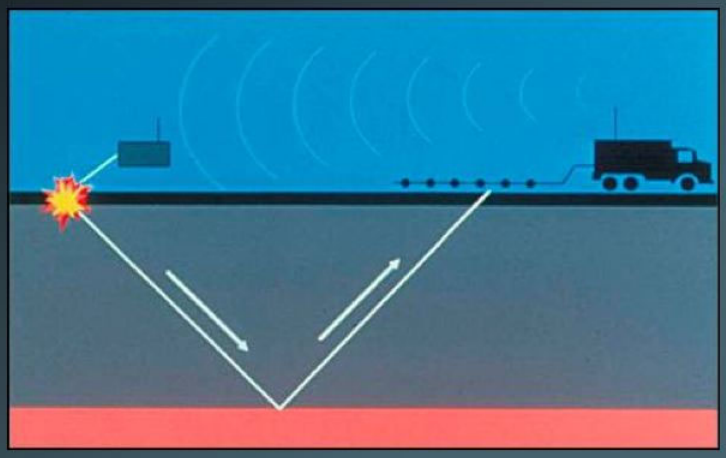
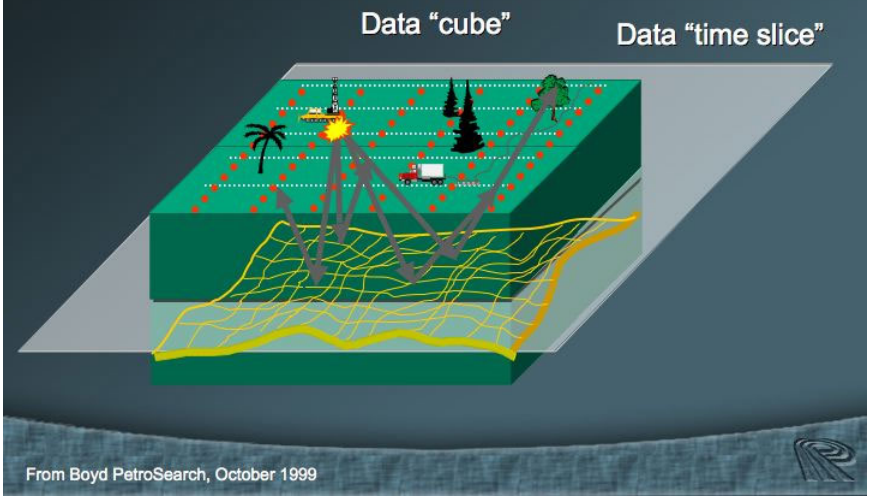
7	Negotiate Mineral & Surface Rights	2 mons
8	Negotiate Rail & Road Access	1 mon
9	Site Geotechnical Studies	2 mons
10	Environmental Impact Study	12 mons
11	Confirm Site Selection & Rights	3 mons
12	Aquire Regulatory Approvals	2 mons
13	Road Access Construction	1 mon
14	Establish Power, Gas, & Water Services	1 mon



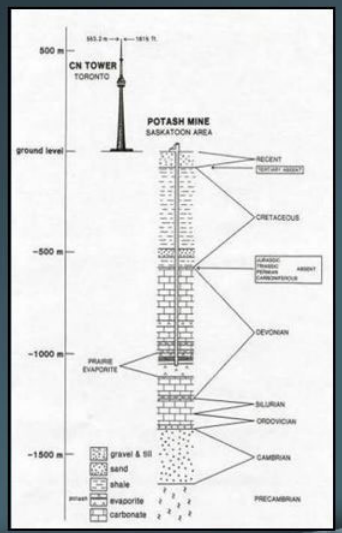
Conduct Seismic Surveys



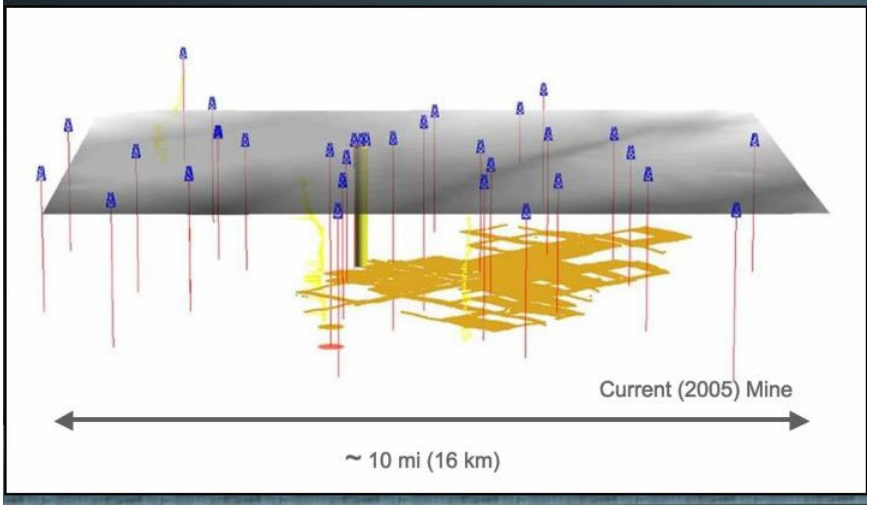
Three Dimensional (3D) Seismic



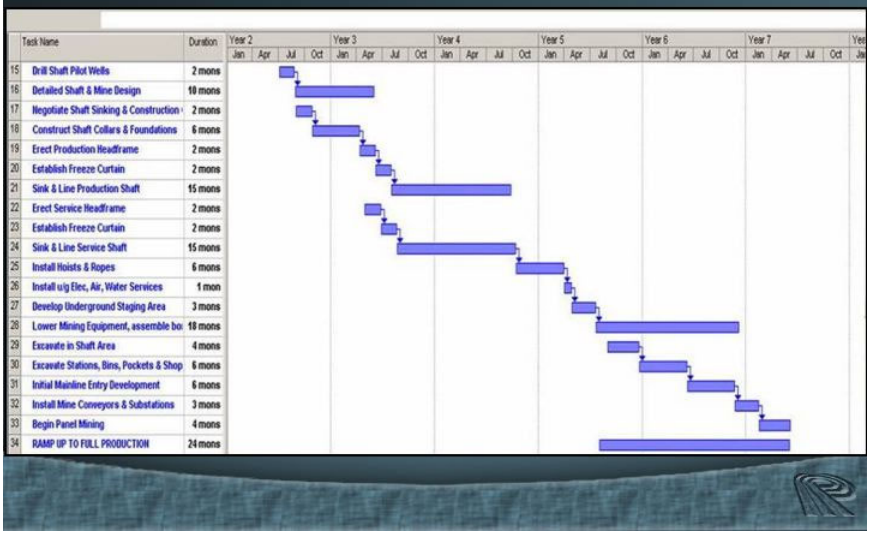
Drill Exploration Wells



32 Wells Were Drilled at Lanigan
2 Shaft, 2 Disposal, and 28 Exploration
(for a total area coverage ~ 100 mi²)



Greenfield Conventional Potash Mine Construction
Phase 3 – Shaft Sinking and Mine Development



	Task Name	Duration
15	Drill Shaft Pilot Wells	2 mons
16	Detailed Shaft & Mine Design	10 mons
17	Negotiate Shaft Sinking & Construction	2 mons
18	Construct Shaft Collars & Foundations	6 mons
19	Erect Production Headframe	2 mons
20	Establish Freeze Curtain	2 mons
21	Sink & Line Production Shaft	15 mons
22	Erect Service Headframe	2 mons
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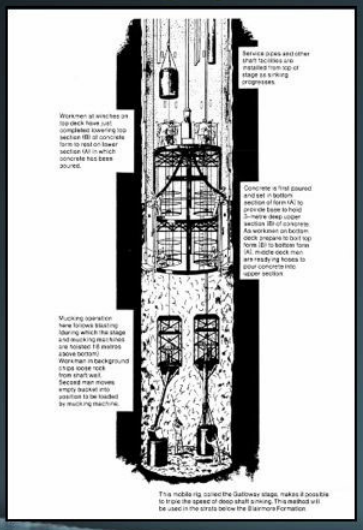
25	Install Hoists & Ropes	6 mons
26	Install u/g Elec, Air, Water Services	1 mon
27	Develop Underground Staging Area	3 mons
28	Lower Mining Equipment, assemble bo	18 mons
29	Excavate in Shaft Area	4 mons
30	Excavate Stations, Bins, Pockets & Shop	6 mons
31	Initial Mainline Entry Development	6 mons
32	Install Mine Conveyors & Substations	3 mons
33	Begin Panel Mining	4 mons
34	RAMP UP TO FULL PRODUCTION	24 mons

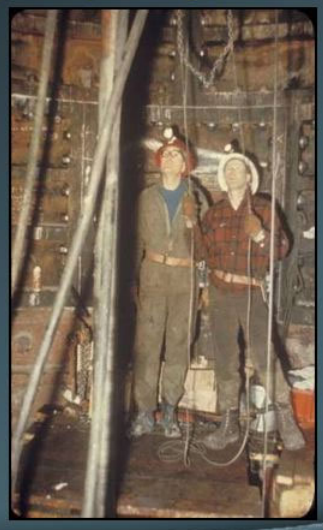
Erect Two Permanent Headframes

Shaft Sinking System



Drilling Blast Holes - picking up rock

Installing Steel Shaft Lining - Inspecting Results

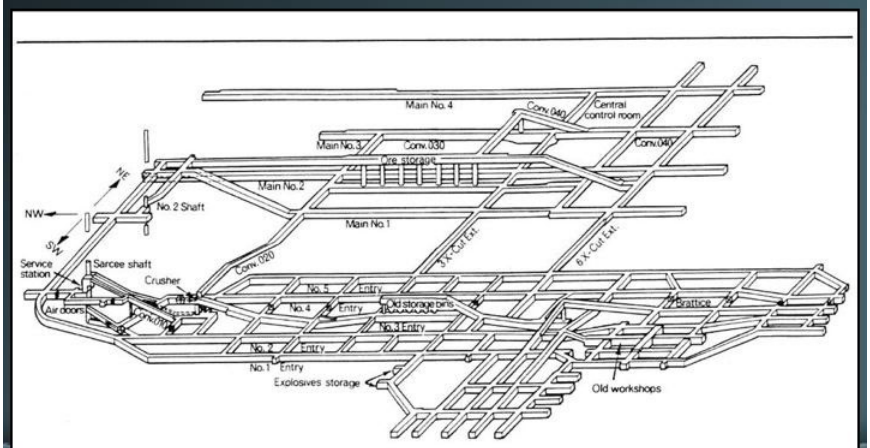


After a Year of Sweat and Toil - a Steel Lined Shaft from Surface Down to the Potash Beds

Excavate Underground Stations and Bins

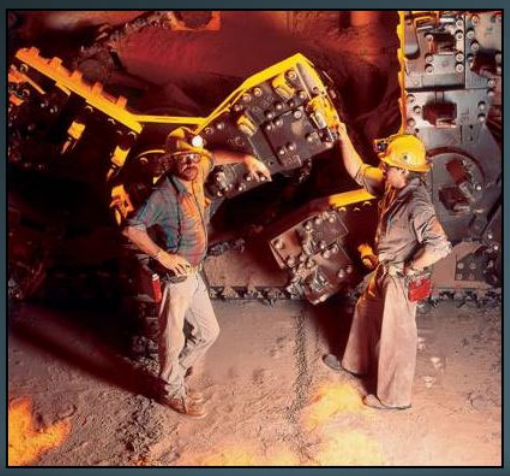
Excavate Shaft-bottom, Warehouse and Shops

Lanigan Near-Shaft Development Mining
Occurs Before Potash Panel Development



ig. 2: Underground layout in the shafts area of Lanigan Division.

Lower and Assemble Mining Equipment



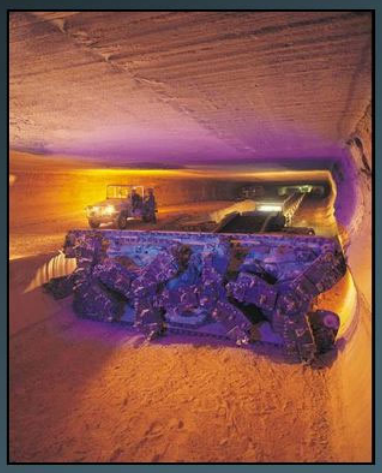
Requirements for a 2-Million-Tonne Operation

Need 6 Production Mining Machines:

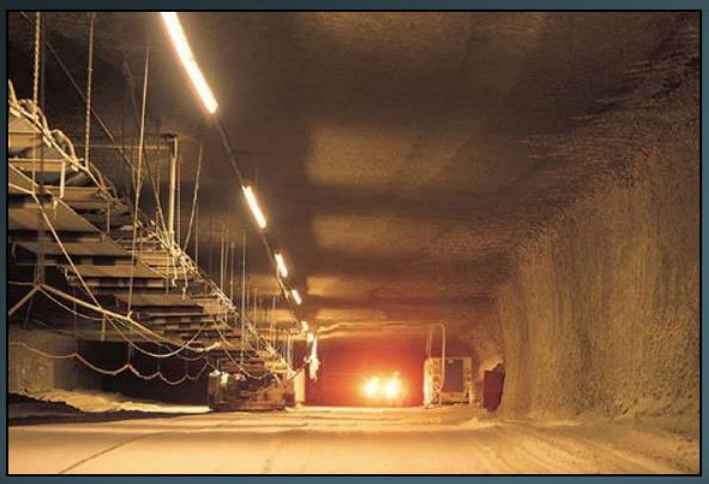
- 1 on maintenance overhaul
- 1 or 2 on development mining
- 3 or 4 on production mining

Lower Support Equipment, Excavate Areas Away from Shaft

Mainline Entry Development



Install Conveyors and Substations



Five Years from Shaft Sinking to Ramp Up

- Lower and assemble mining machines one at a time
  - Minimum of three months per machine, so 6 x 3 = 18 months
- Send machines to cut
  - #1 and #2: development rooms in shaft area (shops, bins)
  - #3, #4, and perhaps #5: development panels
  - #6 and eventually other machines: production panels (by then #1 will likely be ready for overhaul)
- At Rocanville:
  - Shaft sinking started in 1968
  - First tonnes hoisted in 1970
  - Full 1.2 MMT/yr capacity reached by 1973
- It takes about 5 years to ramp up to full production from start of shaft sinking

Greenfield Conventional Potash Mine Construction
Phase 4 – Constructing Surface Plant

	Task Name	Duration
34	RAMP UP TO FULL PRODUCTION	24 mons
35	Initial Surface Plant & Buildings Design	5 mons
36	Purchase LD Equipment	8 mons
37	Detailed Plant Engineering	12 mons
38	Construct Buildings	12 mons
39	Process Equipment Delivery	15 mons
40	Install Process Equipment	10 mons
41	Hire & Train Permanent Workers	22 mons
42	Construct Rail Spurs & Product Warehou	10 mons
43	Establish Waste Management Area	12 mons
44	Drill & Equip Injection Wells	2 mons
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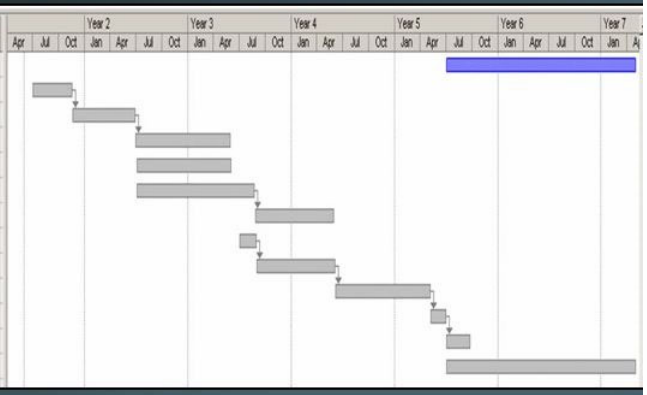
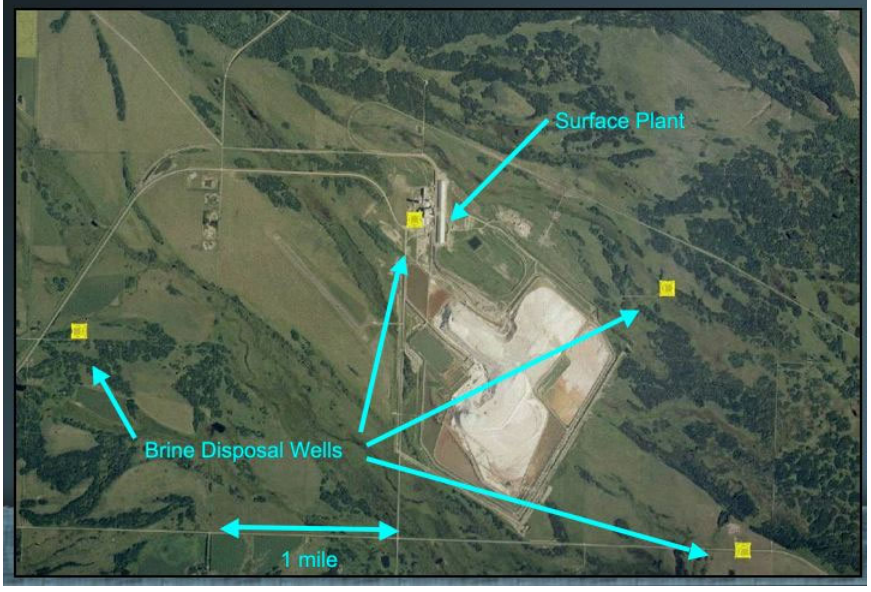
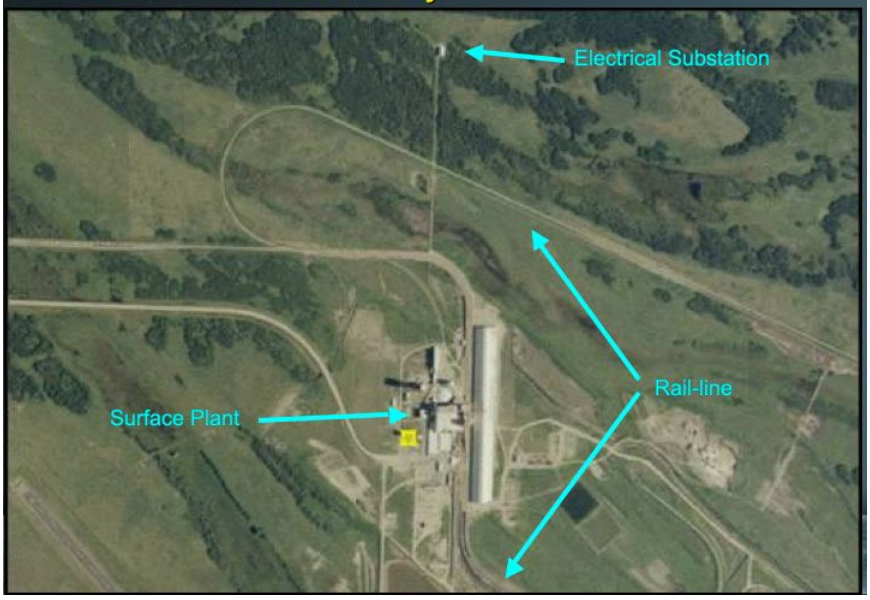


Rocanville Surface Facility

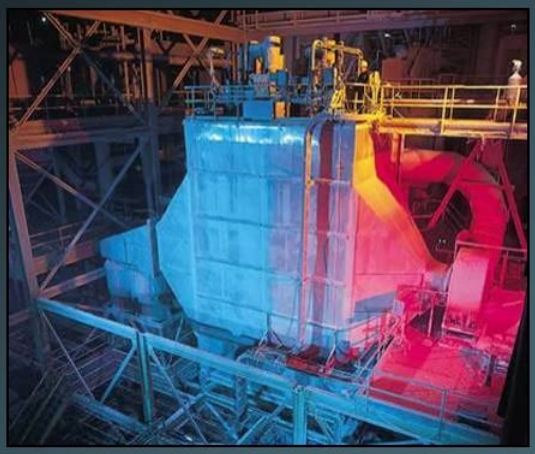


Rocanville Surface Facility



Erect Surface Buildings

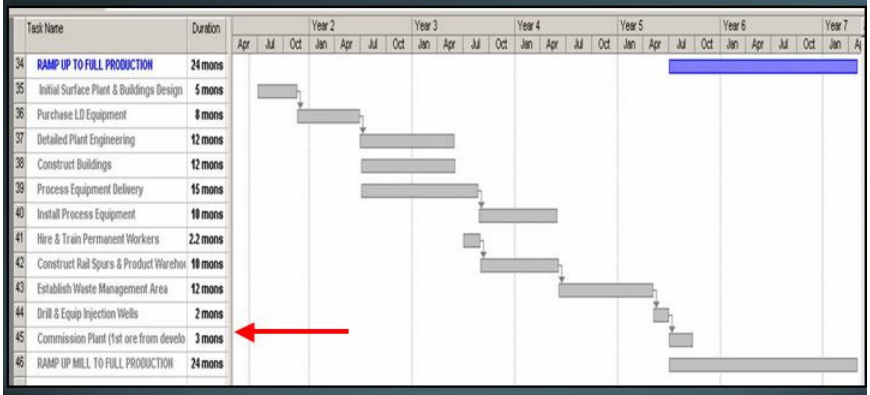
Install Process Equipment



Build Rail Yard

Construct Product Storage and Transportation Infrastructure

Greenfield Conventional Potash Mine Construction Phase 4 – Environmental Construction



	Task Name	Duration
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35	Initial Surface Plant & Buildings Design	5 mons
36	Purchase LD Equipment	8 mons
37	Detailed Plant Engineering	12 mons
38	Construct Buildings	12 mons
39	Process Equipment Delivery	15 mons
40	Install Process Equipment	10 mons
41	Hire & Train Permanent Workers	2.2 mons
42	Construct Rail Spurs & Product Warehou	10 mons
43	Establish Waste Management Area	12 mons
44	Drill & Equip Injection Wells	2 mons
45	Commission Plant (1st ore from develo	3 mons
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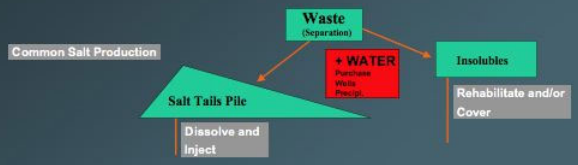
Potash Tailings Management Plan

Traditional Co-mingled Potash Mine Waste Deposition



Recent Waste Deposition Trend (PCS Standard)

Rocanville Tailings Management Area

There are approximately 80 groundwater monitoring wells around the tailings management area

Pumping wells used to lower hydraulic head up gradient of the slurry wall

Construct Ditches, Berms and Pipelines

Drill and Equip Injection Wells

Construct Slurry Wall

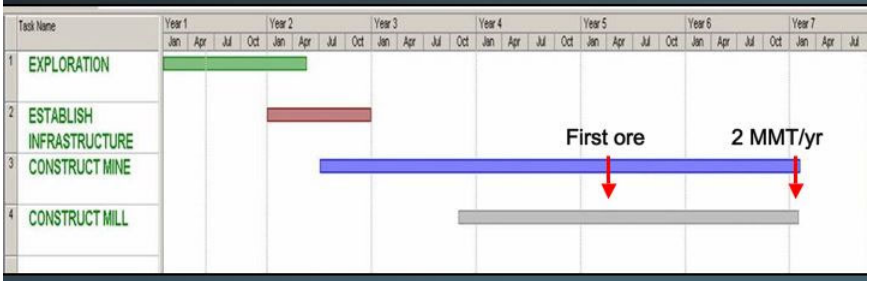
Complete and Fully Functioning Surface Facility

Greenfield Conventional Potash Mine Construction

- To sum up, this is what it takes to construct a greenfield conventional potash mine in Saskatchewan:
  - 1 – 1 ½ years of exploration
  - 6 – 12 months to establish infrastructure
  - 5 – 7 years to construct mine to full 2 MMT/yr capacity
  - 3 – 3 ½ years to construct mill
- Assumptions:
  - No difficulties with environmental review
  - No geological difficulties (shaft sinking is riskiest part)
  - No difficulties connecting to existing infrastructure
  - No labor difficulties, etc.

Greenfield Conventional Potash Mine Construction

In summary, this is probably as fast as any new Saskatchewan underground potash mine could be constructed:



Greenfield Conventional Potash Mine Construction

- In 2007, construction of a greenfield potash mine will take about as long as it did in 1965 (5 – 7 yrs)
- However, full-capacity in 2007 will be ~2 MMT/yr, while full-capacity in 1965 was 1 MMT/yr or less

Greenfield Conventional Potash Mine Construction

- An important note: absolute minimum time estimates are given for all tasks that were listed here, and many tasks were fast-tracked
- For example, both shafts were sunk concurrently, which is achievable but not desirable from an operating standpoint

Greenfield Conventional Potash Mine Construction

- Capital Cost Estimate by AMEC – April 2007
  - Includes:
    - 2 million tonne per year facility consisting of two shafts, surface storage and tailing management area constructed in Saskatchewan
    - Land and environmental assessment (excluded in Mar. 2005 estimate)
    - Escalation costs during project (excluded in Mar. 2005 estimate)
  - Excludes:
    - Major infrastructure development for port facilities, rail, road, power, natural gas, communication, etc.
    - Capitalized interest
  - Although a new grassroots potash facility has not been constructed in Saskatchewan for a number of decades, AMEC's cost estimates are based on knowledge of previous potash expansions and studies, and on costs currently being incurred on Saskatchewan brownfield projects

Greenfield Conventional Potash Mine Construction
Capital Cost Estimates, Excluding Infrastructure

Area	May 2006 Cost ($US MM)	April 2007 Cost ($US MM)
Mine	135	139
Shafts and Hoists	240	246
Surface Facilities	945	975
Capitalized Mine Development	Not Included	67
Escalation during Project	Not Included	143
Contingency	235	405
Owner's Costs	45	48
Total ($USD)	1,600	2,023

Greenfield Solution Potash Mine Construction
A High-Level Comparison to Underground Mine

- For a 2 MMT/yr facility, assuming sufficient infrastructure exists (port facilities, natural gas, water, power, major road and rail, etc):
  - Similar exploration and environmental process, but construction timeline could be up to two years shorter
    - Can choose to ramp up capacity more slowly, which could reduce costs and financial risk versus full underground mine development
  - Similar capital cost for surface facilities (US $975 M), with different equipment required for crystallization and evaporation.
  - Deep well infrastructure, which covers injection, pumping, piping etc. of brine could cost ~US $100 M, versus US $385 million for a conventional mine
  - Capitalized mine development, contingency and owner's costs should be similar
  - Escalation costs could be less due to a shorter project time frame
- Higher operating costs due to solution mining being far more energy (natural gas) intensive.

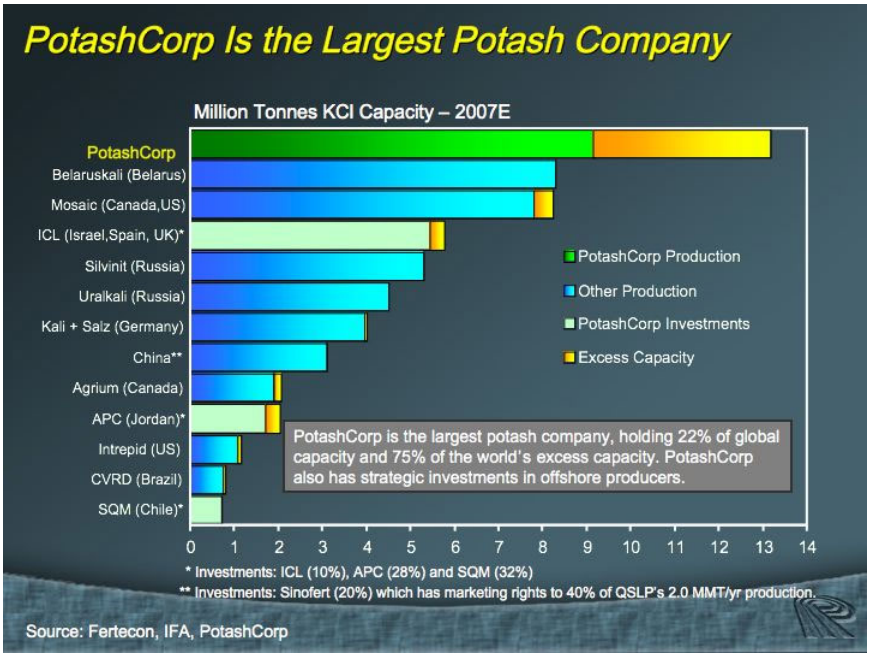
Debottlenecking Projects

- The following are "debottlenecks" in existing conventional underground operations that could potentially add incremental production:
  - Shafts and Hoists
    - Objective is to deliver more ore to surface for processing
    - Increase hoisting speed (loads per hour)
    - Increase skip size (tonnes per load)
    - Larger hoist rope size
    - Reduce physical constraints
  - Underground
    - Add mining machines
    - Increase size and/or speed of conveyor systems
    - Add ore storage capacity
    - Increase power supply

Debottlenecking Projects

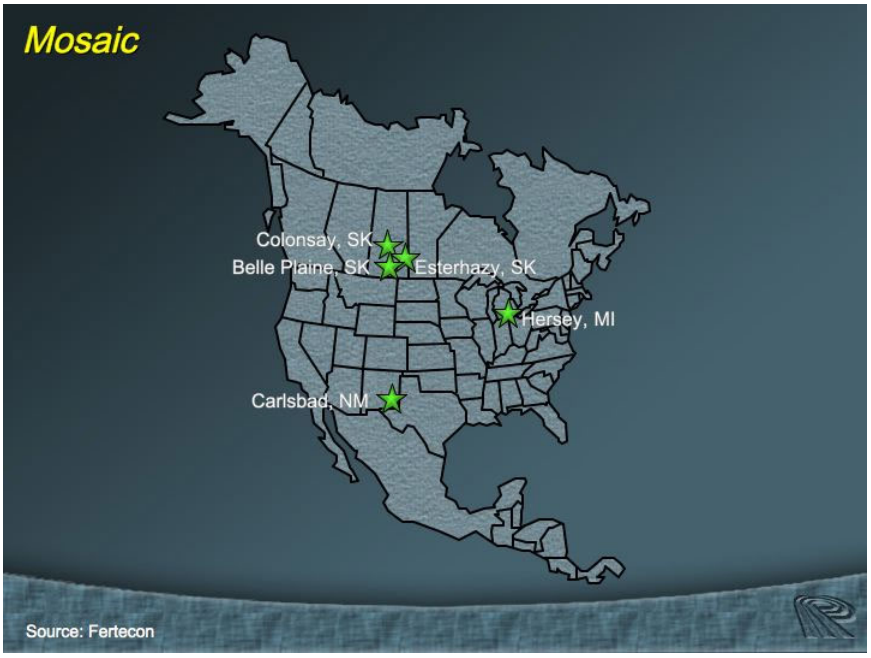
- The following are "debottlenecks" to existing surface operations that could potentially add incremental production:
  - Add larger/more efficient process equipment
  - Increase size and/or speed of conveyor systems
  - Increase power supply
  - Improve waste handling
  - Increase water supply
  - Add flexibility to product mix, increase compaction capacity
  - Increase product storage capability

World Potash Supply Developments


PotashCorp Is the Largest Potash Company
Million Tonnes KCl Capacity – 2007E
PotashCorp
Belaruskali (Belarus)
Mosaic (Canada,US)
ICL (Israel,Spain, UK)*
Silvinit (Russia)
Uralkali (Russia)
Kali + Salz (Germany)
China**
Agrium (Canada)
APC (Jordan)*
Intrepid (US)
CVRD (Brazil)
SQM (Chile)*
PotashCorp Production
Other Production
PotashCorp Investments
Excess Capacity
PotashCorp is the largest potash company, holding 22% of global capacity and 75% of the world's excess capacity. PotashCorp also has strategic investments in offshore producers.
0 1 2 3 4 5 6 7 8 9 10 11 12 13 14
* Investments: ICL (10%), APC (28%) and SQM (32%)
** Investments: Sinofert (20%) which has marketing rights to 40% of QSLP's 2.0 MMT/yr production.
Source: Fertecon, IFA, PotashCorp


North American Producers

Mosaic



Source: Fertecon

Mosaic

	2007 Capacity (Million tonnes KCl)	2006 Production (Million tonnes KCl)
Belle Plaine, SK	2.5	2.0
K1 & K2, Esterhazy, SK	3.5	2.2
Colonsay, SK	1.7	1.3
Carlsbad, NM	0.3	0.3
Hersey, MI	0.2	0.1
Total	8.2	5.9

- Production rates were reduced in 2006 due to extended contract negotiations with China and India.
- Mosaic stemmed a major brine inflow at K2 in early 2007.
- Hersey, Michigan is set to close in 2007.

Source: Fertecon, Company/Industry Reports

Mosaic Expansion Plans

- Completed 1.1 million tonne expansion in late 2006 at Esterhazy of which PotashCorp has the right to 275,000 tonnes.
- Plans for potential future potash projects have been revised:

	Initial Plans (Apr 05)	Revised Plans Feb 07)
Belle Plaine	545,000 tpy	480,000 tpy
Colonsay #1	200,000 tpy	200,000 tpy
Colonsay #2	200,000 tpy	0
Carlsbad	75,000 tpy	0
Esterhazy #2	450,000 tpy	0

Source: Fertecon, Company/Industry Reports

Agrium

Source: Fertecon

Agrium

	2007 Capacity (Million tonnes KCl)	2006 Production (Million tonnes KCl)
Vanscoy, SK	2.1	1.2

- Production rates were reduced in 2006 due to extended contract negotiations with China and India.
- New expansion capacity of 310,000 tonnes was completed in Q4 2006.
- Proposing an additional 350,000 tonne expansion to include installation of a new hoist and upgrade of mine and mill, with a possible decision in 2007.

Source: Fertecon, Company/Industry Reports

Intrepid

Source: Fertecon

Intrepid

	2007 Capacity (Million tonnes KCl)	2006 Production (Million tonnes KCl)
Carlsbad, NM	0.5	0.4
Carlsbad, NM	0.5	0.3
Cane Creek, UT	0.1	0.1
Wendover, UT	0.1	0.1
Total	1.2	0.9

- Intrepid reserve base is deteriorating.
- Some KCl production was transferred to 250,000 MTPA $KMgSO_4$ (sulphate of potash magnesium).
- There are reports of a possible future expansion.

Source: Fertecon, Company/Industry Reports

Offshore Competitors

Potash Producers in the Former Soviet Union

Source: Fertecon, PotashCorp

Belaruskali

	2007 Capacity (Million tonnes KCl)	2006 Production (Million tonnes KCl)
Soligorsk 1	1.7	
Soligorsk 2	2.2	
Soligorsk 3	2.2	
Soligorsk 4	2.2	
Total	8.3	7.4

- Belaruskali is a state-run company
- It reduced production in 2006 due to extended contract negotiations with China and India
- Is a low-cost producer, but is expected to pay significantly more for Russian gas in 2007

Source: Fertecon, Company/Industry Reports

Belaruskali Expansion Plans

- New capital is being spent on modernizing Belaruskali's mines and processing plants
- A new mine Soligorsk 5 (Krasnoslobodski mine) is under construction to replace Soligorsk 1, with planned completion in 2009
- Belaruskali recently announced that it intends to build a new mine at Berezovski to be completed by 2009
- Output is expected to be limited to about 8.3 million tonnes over the next few years

Source: Fertecon, Company/Industry Reports

Uralkali

	2007 Capacity (Million tonnes KCl)	2006 Production (Million tonnes KCl)
Berezniki 1*	0.4	
Berezniki 2	1.4	
Berezniki 3	1.2	
Berezniki 4	1.5	
Total	4.5	4.2

* Chemical plant to use ore from mine #4

- Uralkali is a Joint Investment Company
- Its production was reduced in 2006 due to extended contract negotiations with China and India and flooding of Berezniki #1 mine in October 2006. Its net annual production loss was about 1.0 MMT
- Low-cost production but older operation, with rising costs for gas, power and transportation

Source: Fertecon, Company/Industry Reports

Uralkali Expansion Plans

- Uralkali's original plan of increasing capacity to 6.2 million tonnes in 2007 was abandoned due to the flooding of Berezniki #1
- The floatation circuit at plant #1 is to be decommissioned, but the chemical plant will be operational to produce KCl from ore supplied from mine #4
- It is expanding ore throughput at mines #3 and #4, adding floatation capacity at #3 plant, installing extra floatation and other debottlenecking at plant #2, adding a new floatation circuit at #4 plant by 2009 and refurbishing currently unused crystallizers at #4 plant

Source: Fertecon, Company/Industry Reports

Uralkali Expansion Plans

- Uralkali's production is expected to be limited to about 4.5 million tonnes in 2007 constrained by its ability to supply ore from mines #2 and #4 to its four plants. Berezniki #4 mine supplies ore to plants #3 and #4, after mine #3 was flooded in 1985
- Uralkali has reported expectations of reaching 2005 production levels of 5.4 million tonnes in 2008, and 7 million tonnes in 2009
- It has acquired a license to develop new reserves within the Ust-Yaivinski deposit, and has reported plans to build a replacement mine and/or new mine and mill

Source: Fertecon, Company/Industry Reports

Silvinit

	2007 Capacity (Million tonnes KCl)	2006 Production (Million tonnes KCl)
Solikamsk 1	0.9	
Solikamsk 2	2.2	
Solikamsk 3	2.2	
Total	5.3	5.3

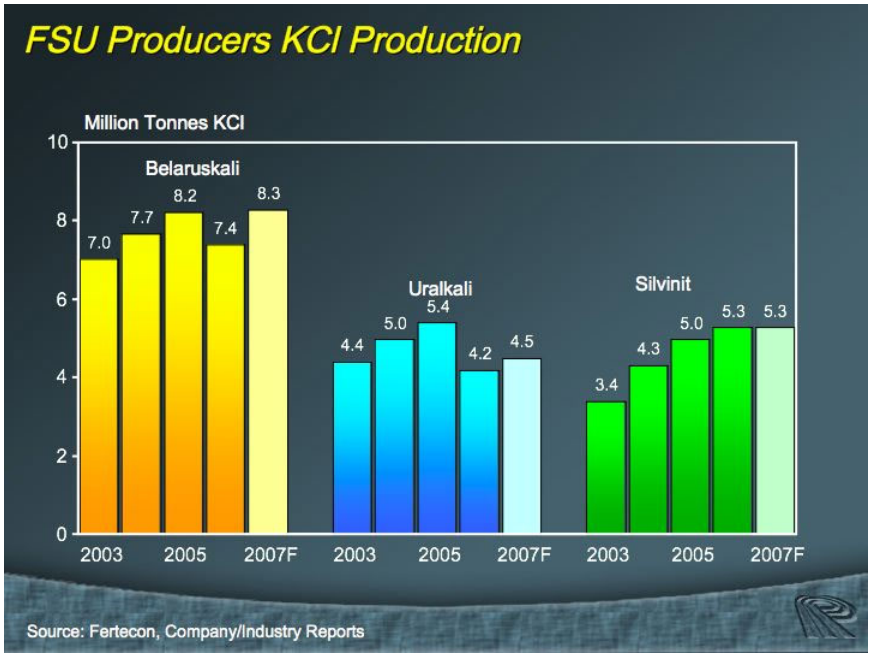
- Silvinit is a Joint Investment Company
- Its low-cost operations are old and, like Uralkali, costs are rising
- Silvinit implemented a "Million Plus" program from 2005 – 2008 to upgrade processing plants, granulation capacity, enhance transportation capabilities and complete construction/retrofitting of mine shaft at Solikamsk #2

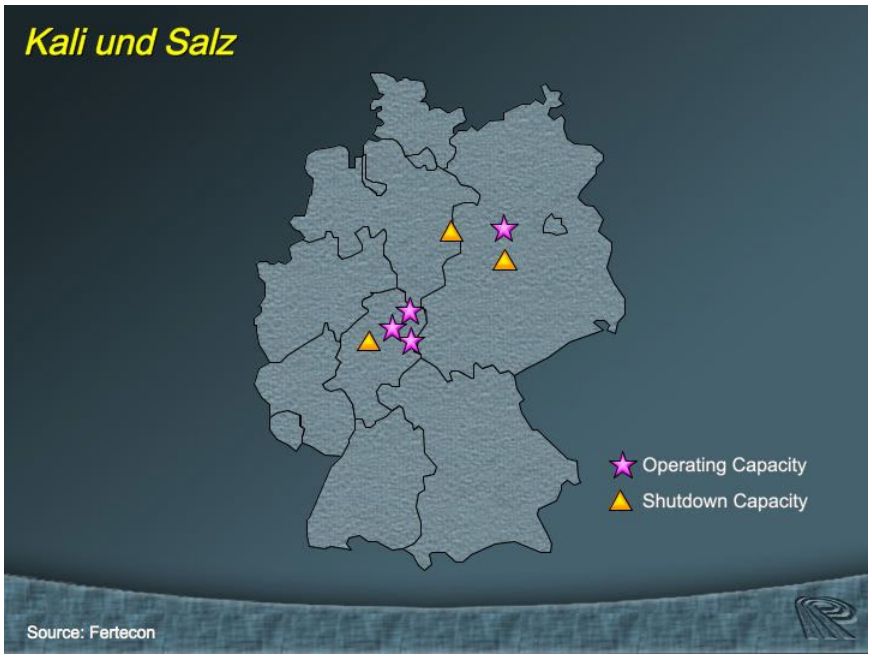
Source: Fertecon, Company/Industry Reports

Silvinit Expansion Plans

- In May 2007 Silvinit's management approved an investment program to raise capacity to 6 MMT/yr by 2009 and 7 MMT/yr by 2012
- The expansion program is reported to include a new shaft #5, an additional mill section at Solikamsk #2, retrofitting shaft #4 and a seventh mill section at Solikamsk #3

Source: Fertecon, Company/Industry Reports


FSU Producers KCl Production
Million Tonnes KCl
10
8
6
4
2
0
Belaruskali
7.0
7.7
8.2
7.4
8.3
Uralkali
4.4
5.0
5.4
4.2
4.5
Silvinit
3.4
4.3
5.0
5.3
5.3
2003
2005
2007F
2003
2005
2007F
2003
2005
2007F
Source: Fertecon, Company/Industry Reports


Kali und Salz
Operating Capacity
Shutdown Capacity
Source: Fertecon

Kali und Salz

	2007 Capacity (Million tonnes KCl)	2006 Production (Million tonnes KCl)
Hattorf	0.50	
Unterbreizbach	0.55	
Wintershall	0.65	
Zielitz	2.30	
Total	4.00	3.8

- Some older operations have been shut in and, except for Zielitz, the remaining operations are old
- K+S has depleting ore reserves, low ore grade and high cost production with limited potential for significant expansion
- Completed sylvinite project that raised the K_2O content of crude salts and added 250,000 tonnes of KCl capacity

Source: Fertecon, Company/Industry Reports

Israel Chemicals

Source: Fertecon

Israel Chemicals

	2007 Capacity (Million tonnes KCl)	2006 Production (Million tonnes KCl)
Dead Sea Works, Israel	3.7	3.5
Iberpotasas, Llobreget, Sp	0.7	0.8
Iberpotasas, Suria, Spain	0.4	
Cleveland Potash, England	1.0	.7
Total	5.8	5.0

- Dead Sea Works is a low-cost operation
- It has limited area for pond expansions but is planning to add 350,000 MTPA of new capacity through improved brine recovery and processing plant bottlenecks
- ICL's Spanish operations are high cost, with poor ore bodies, difficult mining conditions and limited expansion potential
- CPL has difficult mining conditions and depleting ore reserves

Source: Fertecon, Company/Industry Reports

Arab Potash Company

Source: Fertecon

Arab Potash Company

	2007 Capacity (Million tonnes KCl)	2006 Production (Million tonnes KCl)
Safi, Jordan	2.0	1.7

- APC is also a low cost, Dead Sea producer
- A 500,000 tonne/yr expansion project is under way with completion scheduled for 2008
- There is potential for a second expansion of 500,000 tonnes/yr

Source: Fertecon, Company/Industry Reports

Potash Producers in China

- KCl Projects
  - QSLP is the largest KCl producer in China with 800,000 tonnes/yr from an older plant, 1.0 MMT from a new plant, and a new subsidiary that began operation in Q3 2006 with capacity of 200,000 tonnes/yr KCl
  - Two other producers include Qinghai Lenghu Lake Potash with 400,000 tonnes/yr and Geermu Zangge Potash with 200,000 tonnes/yr. In addition there are as many as 30 other very small potash producers
- Non-KCl Projects
  - Construction is underway on the planned 1.5 MMT/yr Xinjiang Luobupo SOP project in Xinjiang Province to be completed in 2010 or earlier, and the 1.0 MMT/yr Qinghai CITIC Qinghai Xitaijier Salt Lake KMgSOP project to be completed in 2009

Source: Fertecon, Company/Industry Reports

Potash Producers in South America

Fertecon

Brazil

	2007 Capacity (Million tonnes KCl)	2006 Production (Million tonnes KCl)
CVRD	0.85	0.7

- A mine expansion of 250,000 tonnes was completed in 2005, but has yet to reach full capacity of 850,000 tonnes/yr
- Mining conditions are difficult with relatively high costs
- CVRD has reportedly completed a conceptual study for the development of a new potash mine based on carnalite reserves in the state of Sergipe

Source: Fertecon, Company/Industry Reports

Chile

	2007 Capacity (Million tonnes KCl)	2006 Production (Million tonnes KCl)
SQM	0.7	0.7

- The majority of SQM's production is utilized in KNO_3 production
- There is limited potential for significant future expansion

Source: Fertecon, Company/Industry Reports

Potential Greenfield Projects

Argentina's Proposed Potash Projects

- In 2005, Rio Tinto purchased Potasio Rio Colorado S.A., giving it control of the Rio Colorado potash project
- It is located in a remote area in the foothills of the Andes far from the port of Bahia Blanca. Ore is a mixture of carnalite and sylvinite, with a relatively short reserve life. A link is needed to a rail head, and a major rail upgrade is necessary
- A final feasibility study was to be completed in 2006 and a go no-go decision in 1H 2007 on a 1.6 -2.4 MMT/yr greenfield solution potash mine, but a decision whether to proceed has been delayed until later this year
- CVRD is assessing reserves in the adjacent province of Neuquen

Source: Fertecon, Company/Industry Reports, PotashCorp

Argentina's Proposed Potash Projects

- Would be a greenfield solution mine
- Drilling wells and establishing caverns similar time frame to shaft sinking
- Evaporation ponds constructed during well nest establishment
- Full pond production after 2 - 3 years of evaporation cycle
- Mill construction time similar everywhere
- Significant infrastructure required
  - Power, gas
  - Roads
  - Railroads
  - Port
  - Employee camp
- A secure, long-term, low-cost natural gas source is necessary for an energy-intensive solution mine here to be economically feasible

Source: Fertecon, PotashCorp

Thailand's Proposed Potash Projects

- ITD, Thailand's largest construction firm, has acquired controlling interest in APR
- APR's proposed 1.0 MMT/yr APPC Udon South potash project will be difficult to mine:
  - ! fragile roof of salt, carnalite floor below sylvinite ore bed
  - ! no satisfactory salt waste disposal, which is a major environmental concern. Therefore not able to obtain a mining license
  - ! inadequate rail car supply, narrow gauge track and no port facility
  - ! quality issues with mining, processing and warehousing hydroscopic product in a high humidity climate
- The Thai government with 20% interest has pulled out of the proposed 1.0 MMT/yr ASEAN project. It had ore grade just over 10%

Source: Fertecon, PotashCorp

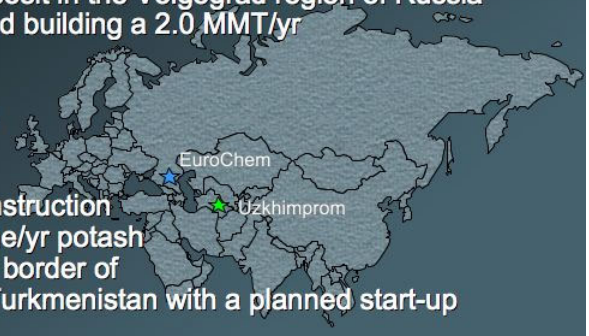
Thailand's Proposed Potash Projects

- Underground mine situation
- Shafts or declines could take less time (shallower)
- Mine development may take longer – difficult geology
- Mill construction time similar
- Require system to get rid of excess brine
- All salt tailings must go back underground – more development and costs
- Dehumidification of processing and storage buildings
- Infrastructure required
  - – Power, gas
  - – Upgrade railroad
  - – Port facility

Source: Fertecon, PotashCorp

Proposed Potash Projects in Russia & Uzbekistan

- Eurochem, a major Russian producer of N and P, is exploring a new potash deposit in the Volgograd region of Russia and has discussed building a 2.0 MMT/yr potash mine
- Uzkhimprom has reportedly announced a tender for the construction of a 200,000 tonne/yr potash mine close to the border of Uzbekistan and Turkmenistan with a planned start-up in July 2009



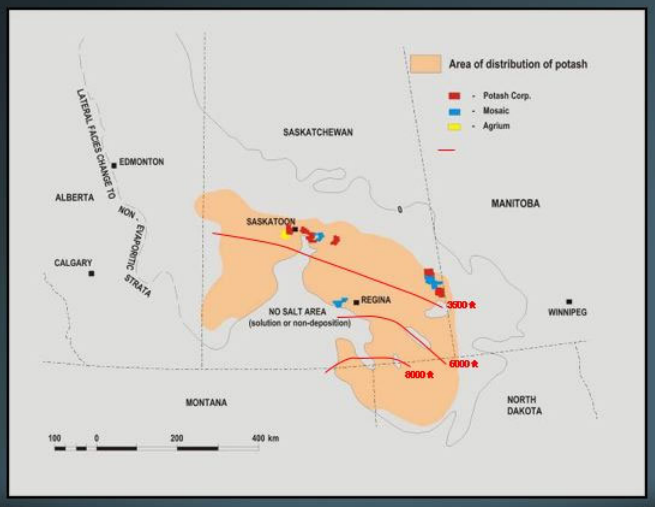
Source: Fertecon, BSC, IFA, PotashCorp

Proposed Potash Projects in Africa

- MagIndustries is proposing to develop a potash solution mine and build a magnesium plant on reserves located 15 km from the deep water port of Pointe Noire in the Congo. Initial plans are for a 600,000 tonne/yr potash mine based on carnalite reserves. It is reportedly in the final stages of a feasibility study.
- BHP Billiton is to explore and evaluate potash reserves in Ethiopia

Source: Fertecon, BSC, IFA, PotashCorp

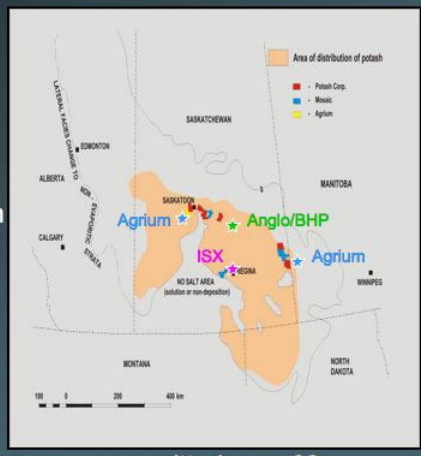
Prairie Evaporite Potash Formation



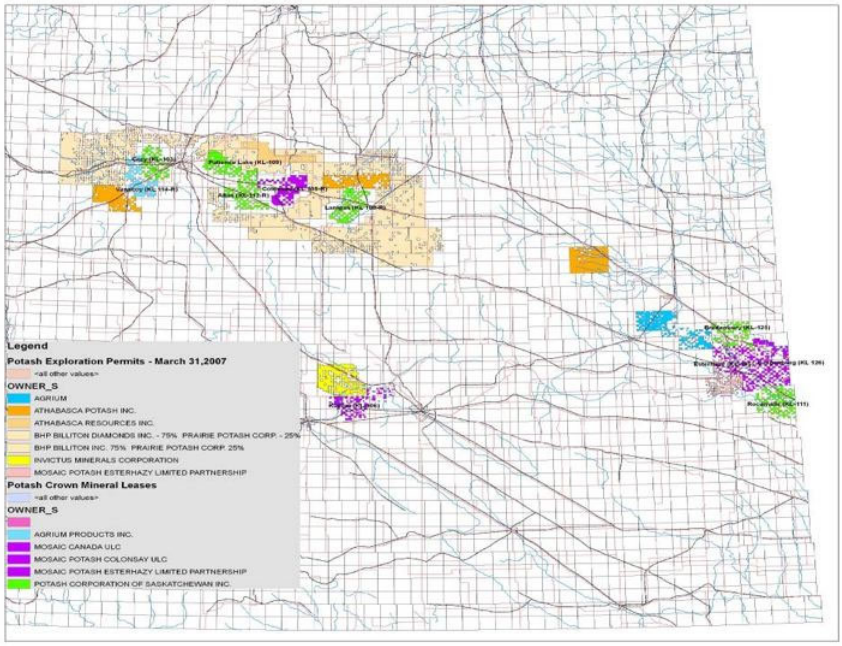
Source: Saskatchewan Industry & Resources

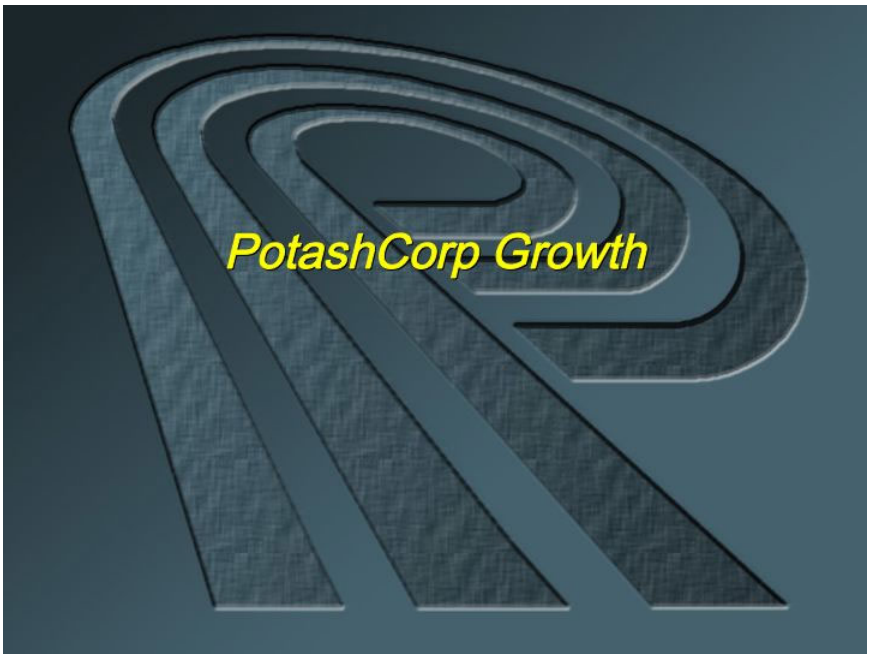
Other Proposed Potash Projects in Canada

- Agrium has obtained a 5-year exploration permit from the Manitoba government to explore potash in the St Lazare area
- Anglo Minerals has entered into an JV agreement with BHP Billiton Diamonds to do exploratory work in establishing a 2.0 MMT/yr potash mine east of Lanigan. Current plan is to spend $40 million over 60 months and complete a feasibility study
- Canadian Resource Company ISX plans to evaluate potash reserves on a permitted area 60 miles north of Regina



Source: Fertecon, BSC, IFA, PotashCorp


Legend
Potash Exploration Permits - March 31,2007
<all other values>
OWNER_S
AGRIUM
ATHABASCA POTASH INC.
ATHABASCA RESOURCES INC.
BHP BILLITON DIAMONDS INC. - 75% PRAIRIE POTASH CORP. - 25%
BHP BILLITON INC. 75% PRAIRIE POTASH CORP. 25%
INVICTUS MINERALS CORPORATION
MOSAIC POTASH ESTERHAZY LIMITED PARTNERSHIP
Potash Crown Mineral Leases
<all other values>
OWNER_S
AGRIUM PRODUCTS INC.
MOSAIC CANADA ULC
MOSAIC POTASH COLONSAY ULC
MOSAIC POTASH ESTERHAZY LIMITED PARTNERSHIP
POTASH CORPORATION OF SASKATCHEWAN INC.


PotashCorp Growth

PotashCorp Potash Capacity

	2007 Capacity* (Million tonnes KCl)	2006 Production (Million tonnes KCl)
Allan Division	1.9	1.0
Cory Division	1.4	0.8
Lanigan Division	3.8	1.5
New Brunswick Division	0.8	0.7
Patience Lake Division	1.0	0.2
Rocanville Division	3.1	1.9
Esterhazy Division	1.2	0.9
Total	13.2	7.0

*2007 PotashCorp potash capacity at May 15, 2007

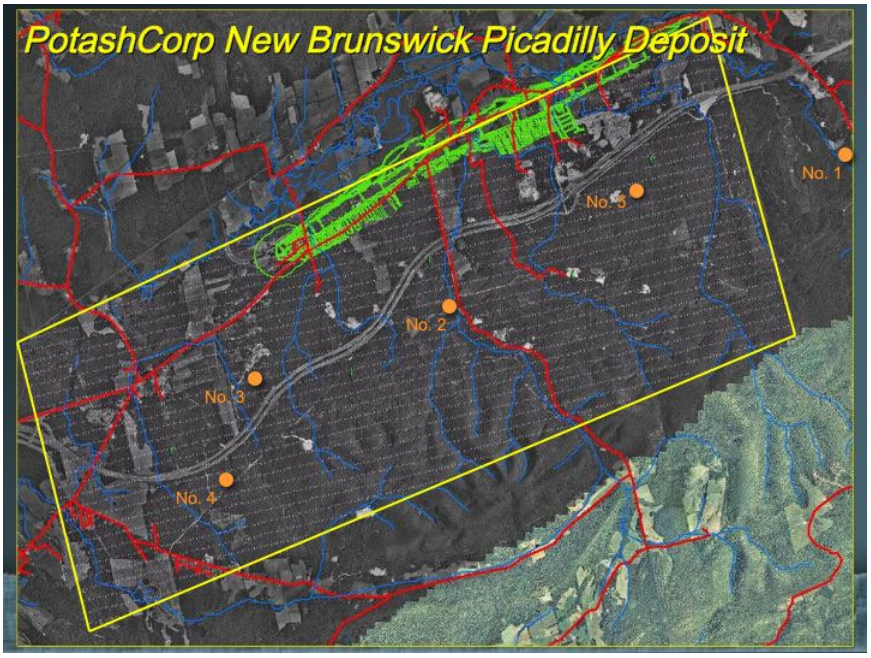
Source: PotashCorp

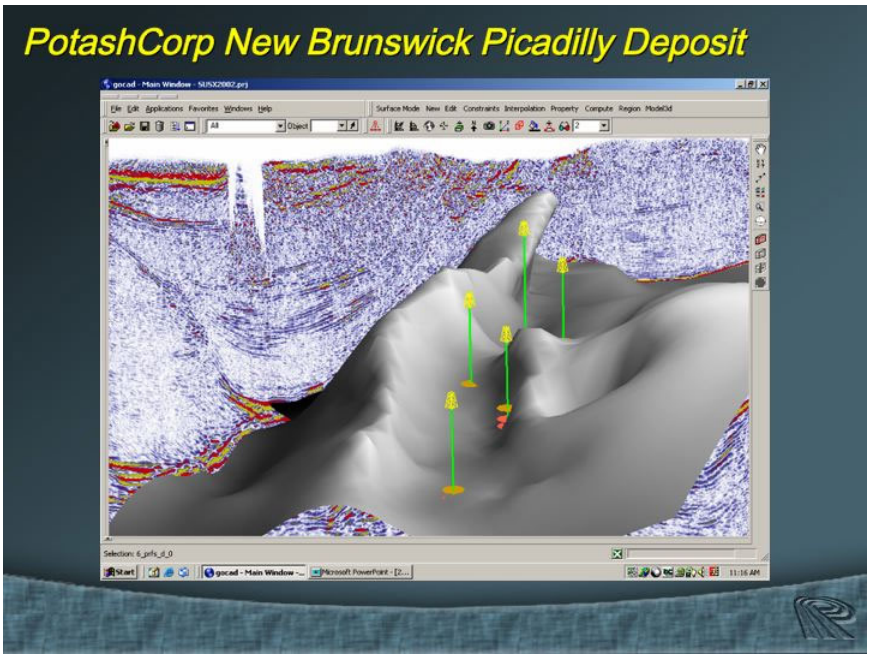
PotashCorp Potash Mine Debottlenecking
Low Capital Cost

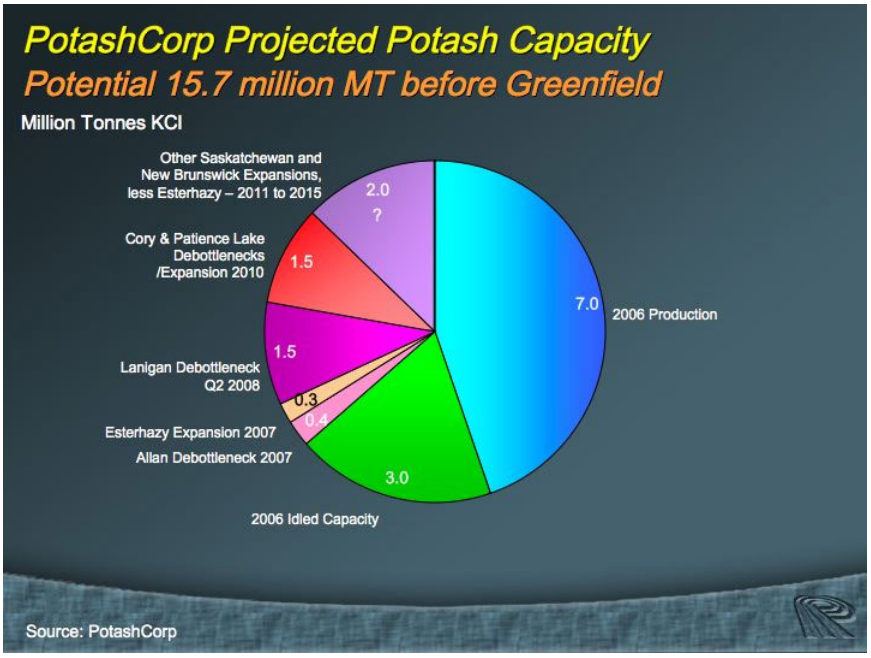
Operations	April 2007 Cost ($US per Tonne)
Allan (400K)	295
Lanigan (1500K)	179
Patience Lake (360K)	258
Cory (1200K)	601
Estimated Saskatchewan Greenfield (2000K)	1,000

Note: Costs for refurbishing or expanding capacity do not include compaction capacity expansions

Source: PotashCorp


PotashCorp New Brunswick Picadilly Deposit
No. 1
No. 2
No. 3
No. 4


PotashCorp New Brunswick Picadilly Deposit


PotashCorp Projected Potash Capacity
Potential 15.7 million MT before Greenfield
Million Tonnes KCl
Other Saskatchewan and New Brunswick Expansions, less Esterhazy – 2011 to 2015
2.0
?
Cory & Patience Lake Debottlenecks /Expansion 2010
1.5
7.0
2006 Production
1.5
Lanigan Debottleneck Q2 2008
0.3
Esterhazy Expansion 2007
0.4
Allan Debottleneck 2007
3.0
2006 Idled Capacity
Source: PotashCorp