

Potash Supply Overview



PotashCorp

Helping Nature Provide

Garth Moore

President, PCS Potash



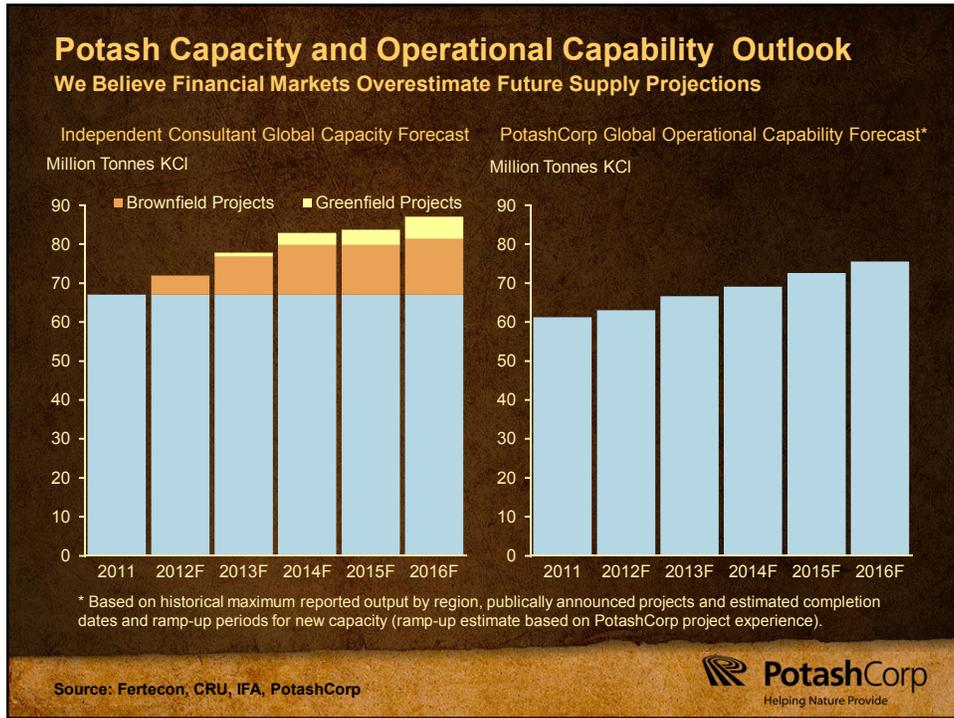
Forward-Looking Statements

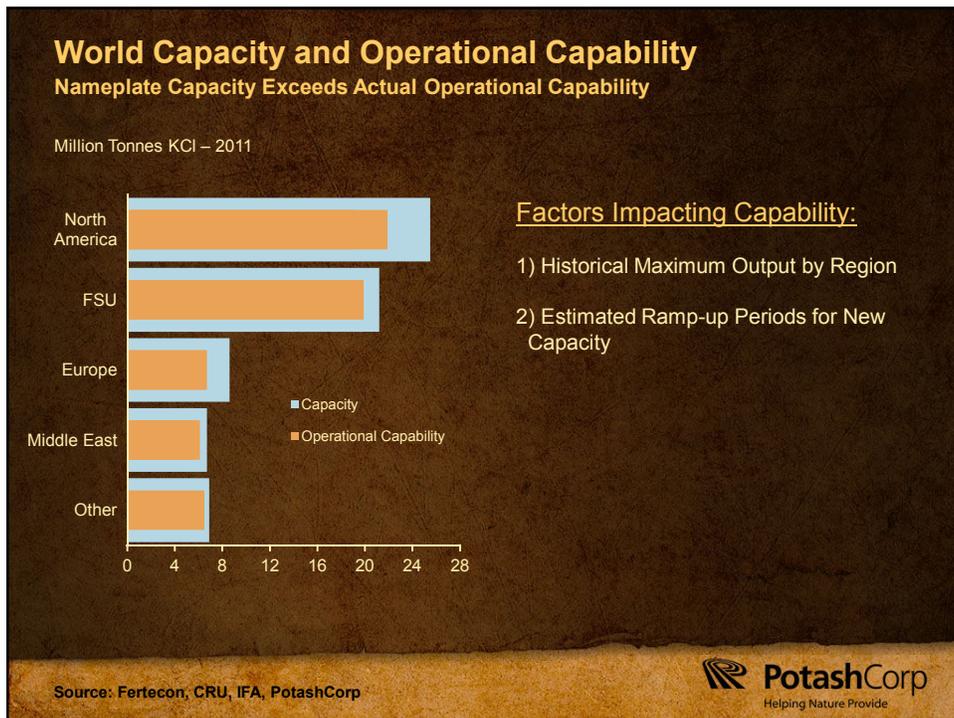
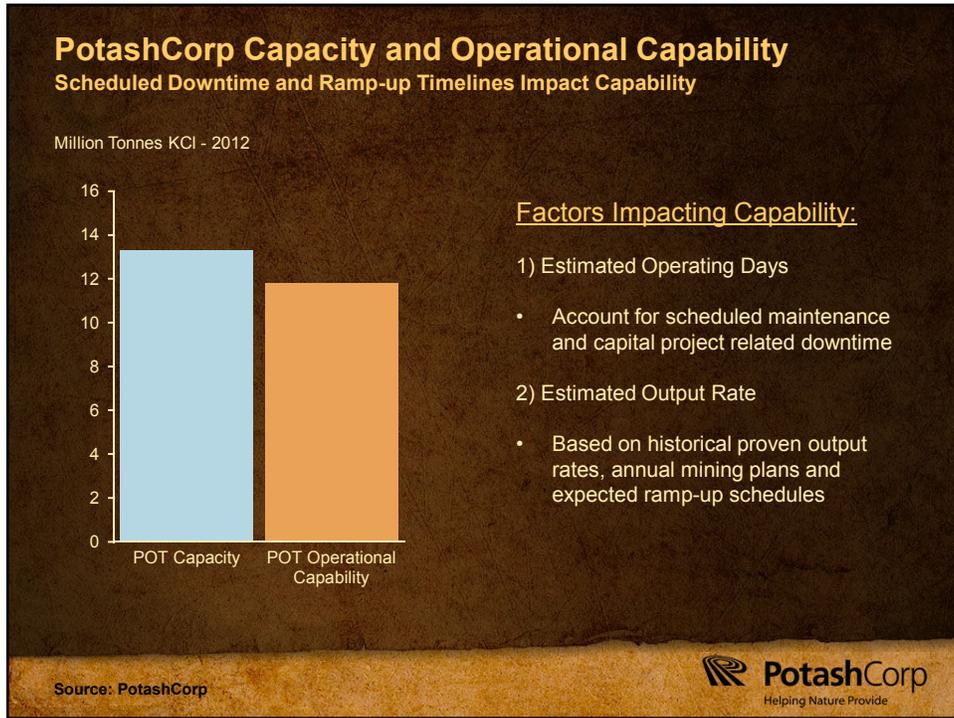
This presentation contains forward-looking statements or forward-looking information (forward-looking statements). These statements can be identified by expressions of belief, expectation or intention, as well as those statements that are not historical fact. These statements are based on certain factors and assumptions including with respect to foreign exchange rates, expected growth, results of operations, performance, business prospects and opportunities and effective tax rates. While the company considers these factors and assumptions to be reasonable based on information currently available, they may prove to be incorrect. Several factors could cause actual results to differ materially from those expressed in the forward-looking statements, including, but not limited to: variations from our assumptions with respect to foreign exchange rates, expected growth, results of operations, performance, business prospects and opportunities, and effective tax rates; fluctuations in supply and demand in the fertilizer, sulfur, transportation and petrochemical markets; costs and availability of transportation and distribution for our raw materials and products, including railcars and ocean freight; changes in competitive pressures, including pricing pressures; adverse or uncertain economic conditions and changes in credit and financial markets; the results of sales contract negotiations with major markets; the European sovereign debt crisis and the recent downgrade of US sovereign debt and political concerns over budgetary matters; timing and impact of capital expenditures; risks associated with natural gas and other hedging activities; changes in capital markets and corresponding effects on the company's investments; unexpected or adverse weather conditions; changes in currency and exchange rates; unexpected geological or environmental conditions, including water inflows; imprecision in reserve estimates; adverse developments in new and pending legal proceedings or government investigations; acquisitions we may undertake; strikes or other forms of work stoppage or slowdowns; changes in and the effects of, government policies and regulations; security risks related to our information technology systems; and earnings, exchange rates and the decisions of taxing authorities, all of which could affect our effective tax rates. Additional risks and uncertainties can be found in our Form 10-K for the fiscal year ended December 31, 2011 under the captions "Forward-Looking Statements" and "Item 1A – Risk Factors" and in our other filings with the US Securities and Exchange Commission and the Canadian provincial securities commissions. Forward-looking statements are given only as at the date of this presentation and the company disclaims any obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

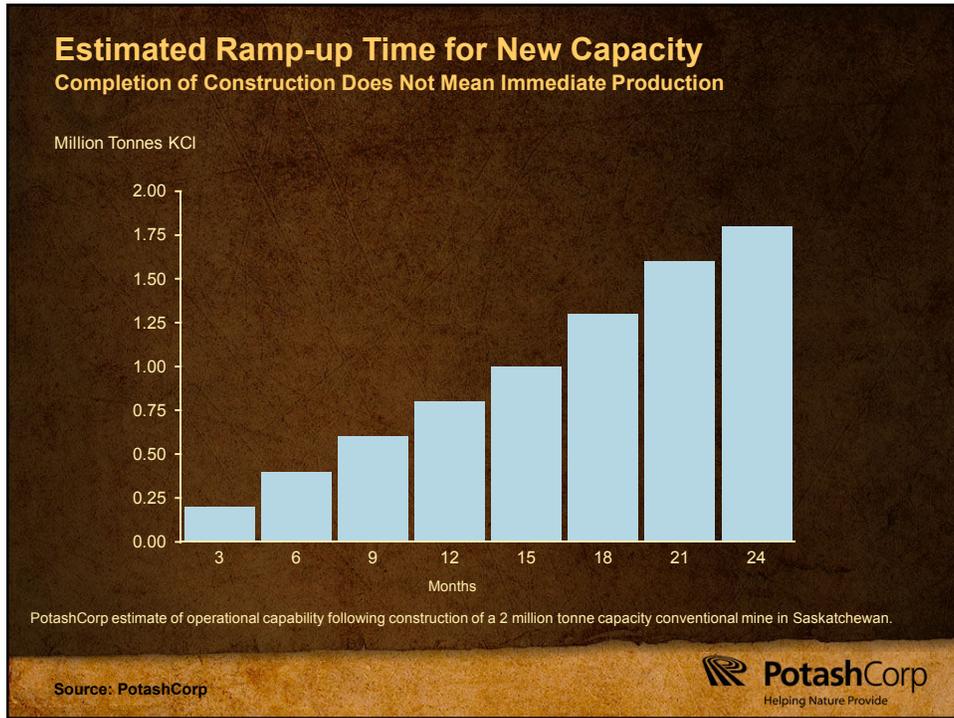
Potash Supply Outlook

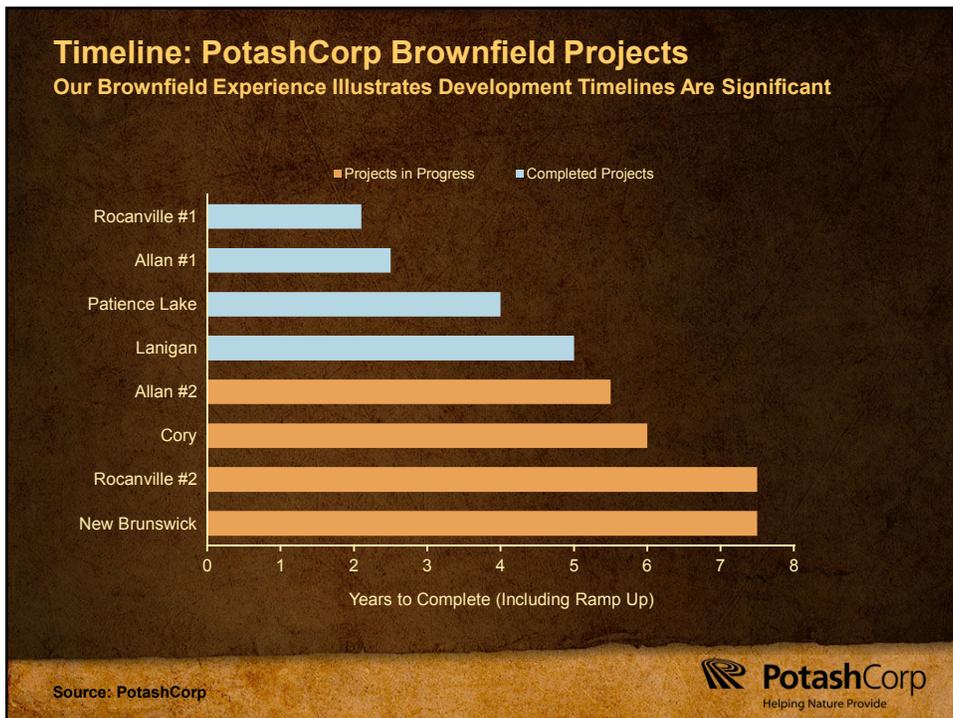
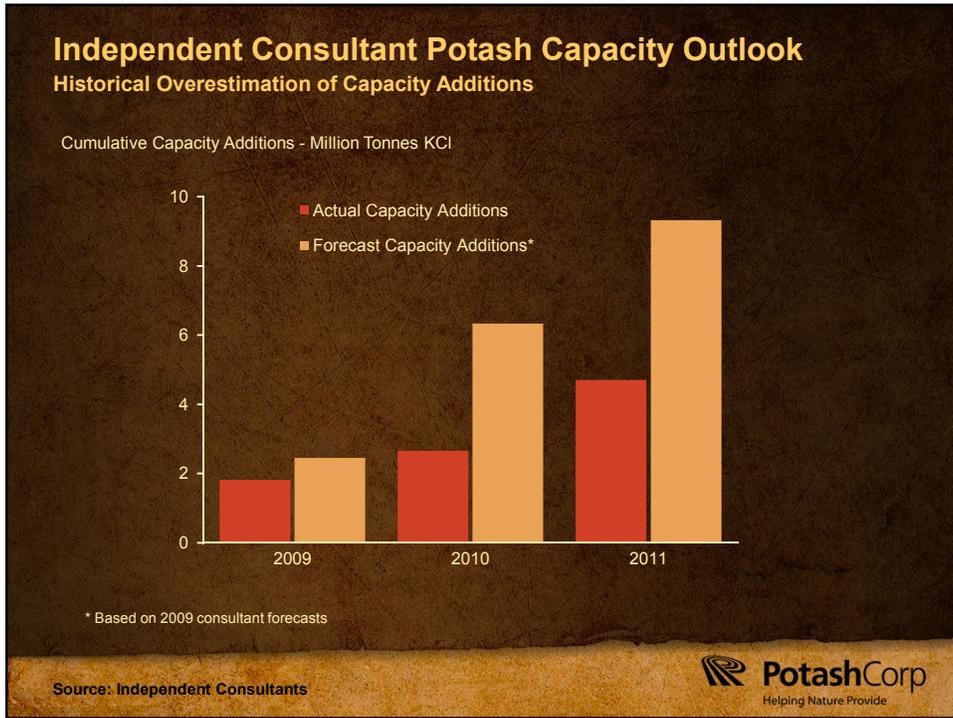
We Believe Financial Markets Overestimate Future Supply Projections

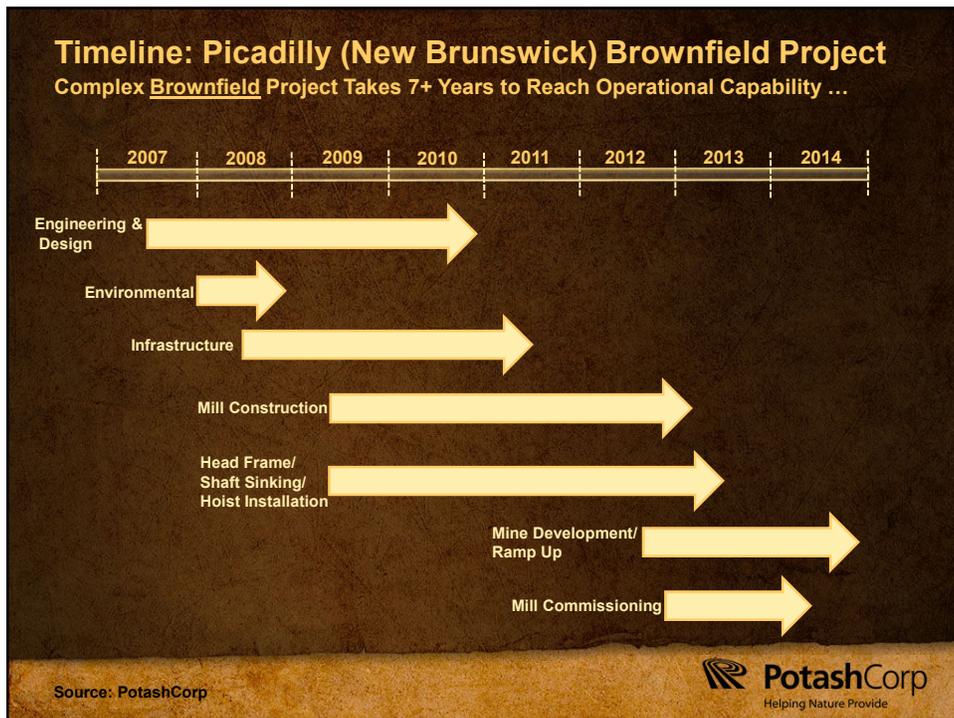
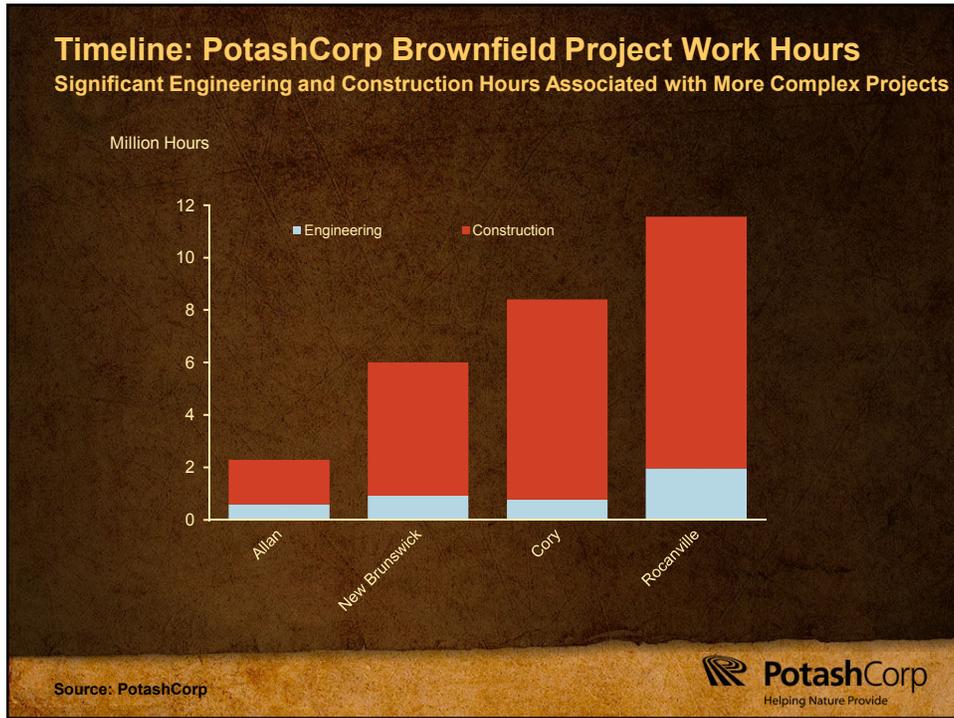
- 1 Nameplate capacity overstates actual operational capability
 - Regular maintenance downtime required
 - Significant ramp-up time for new capacity
- 2 Number and timing of new projects generally overstated
- 3 Projects are becoming more complex and costly to complete







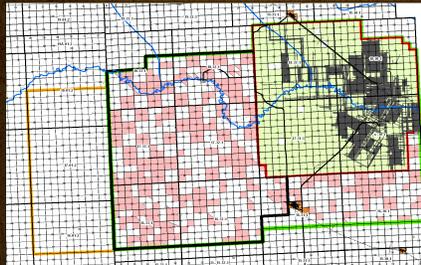




Timeline: Conventional Potash Mine Considerations

... Greenfield Projects Expected To Require More Time Than Brownfield

- Development (2-4 years)
 - Exploration (2D/3D seismic, bore holes)
 - Environmental assessment
 - Secure mineral rights (Crown & Freeholders); convert from permit to lease
 - Unitization of mineral rights
 - Engineering and design; purchase engineered equipment
 - Mine plan



Timeline: Conventional Potash Mine Considerations

... Greenfield Projects Expected To Require More Time Than Brownfield

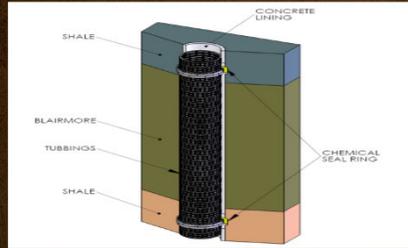
- Infrastructure (2-3 years)
 - Power, gas and water supply
 - Roads and rail spurs
 - Employee camp
 - Product storage and rail yard



Timeline: Conventional Potash Mine Considerations

... Greenfield Projects Expected To Require More Time Than Brownfield

- Head Frame/Shaft Sinking/Hoist Installation (3-4 years)
 - Select shaft location based on seismic and surface factors (access, topography and hydrology)
 - Bore holes with core samples
 - Head frame design (shaft sinking equipment then production setup)
 - Freeze plant design/installation (for new shafts in Saskatchewan)
 - Shaft sinking; design liner (tubing or composite – steel and concrete)
 - Install hoists and skips



Picadilly Service Shaft Development



Conventional Potash Mine Considerations

... Greenfield Projects Expected To Require More Time Than Brownfield

- Mine Development/Ramp Up (2-3 years)
 - Connect production and service shafts; develop service area
 - Lower and assemble development machines
 - Develop main entry way and maintenance areas; connect power and piping; lower and assemble service equipment
 - Lower and construct conveyor systems
 - 2 million tonne mine would require approximately 5-7 mining machines (assemble 2-3 mining machines per year)



Conventional Potash Mine Considerations

... Greenfield Projects Expected To Require More Time Than Brownfield

- Mill Construction (3-4 years)
 - Raw ore storage
 - Wet mill (brine tanks, thickeners, flotation systems, screening)
 - Dry mill (compactors, dryers, precipitators)
 - Load out facilities



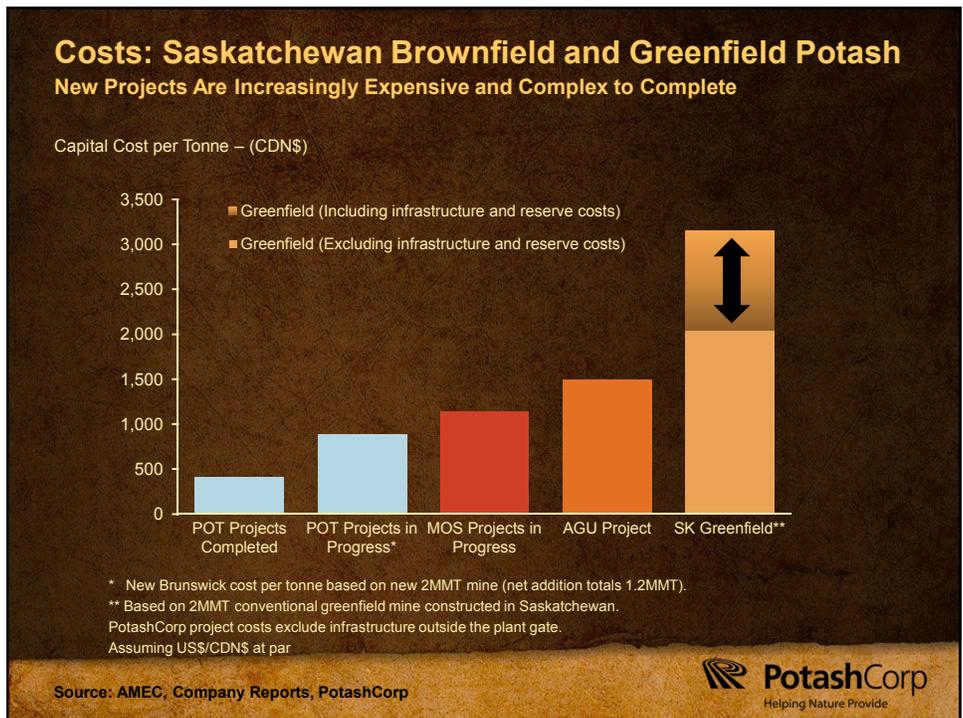
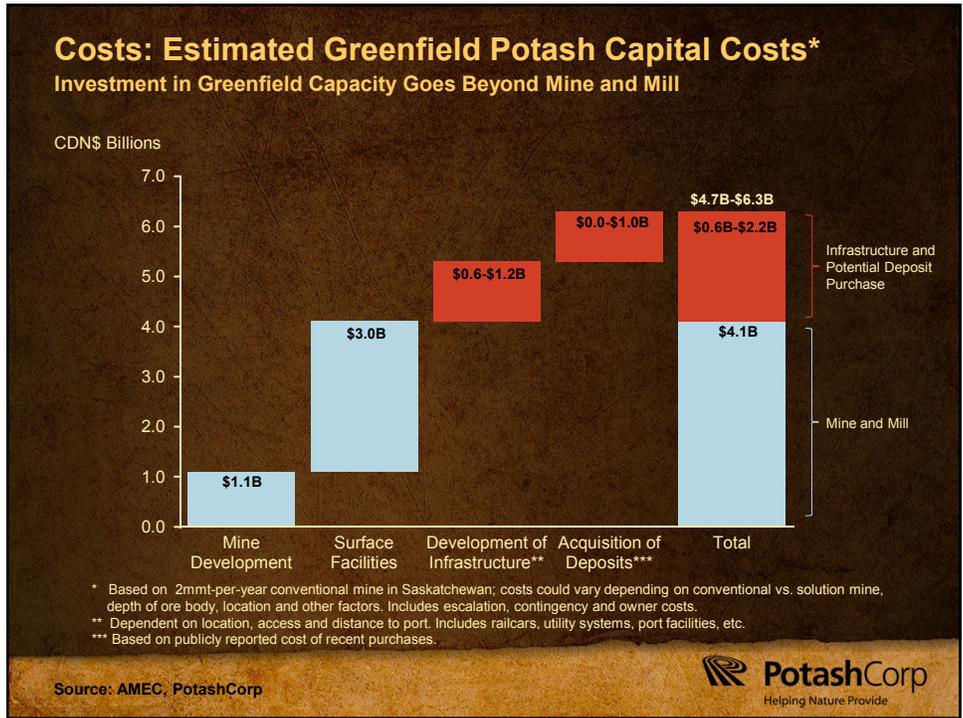
Conventional Potash Mine Considerations

... Greenfield Projects Expected To Require More Time Than Brownfield

- Mill Commissioning (~ 1 year)
 - Define and prioritize sequence of systems (Cory mill involved 242 systems)
 - Circulate brine and feed raw ore
 - Evaluate performance, tune, and ramp up



3 Projects are Becoming More Complex and Costly to Complete



Thank You

There's more online

 PotashCorp.com
Visit us online

 Facebook.com/PotashCorp
Find us on Facebook

 Twitter.com/PotashCorp
Follow us on Twitter

 **PotashCorp**

