



Potash first

FOR MORE GROWTH

Fertilizer is for the future – the future of the world and its growing population, the future of our company. Our focus on the needs of tomorrow has encouraged us to put Potash First, and make the best potash resources in the world the heart of our business, complemented by world-class phosphate and nitrogen businesses.

Our strategies are designed to capitalize on distinct advantages we have in each nutrient to increase earnings and minimize volatility over the long term. Our unparalleled position in potash, where we have the world's largest production capability and greatest growth potential, drives our Potash First strategy. In phosphate, our superior-quality rock provides flexibility to make the optimal combination of fertilizer, animal feed and industrial products to maximize gross margin while minimizing volatility. In nitrogen, long-term, lower-cost natural gas contracts at our large production facility in Trinidad help us meet rising demand in the US, the world's largest nitrogen importer.

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PotashCorp Is the Largest Producer by Capacity

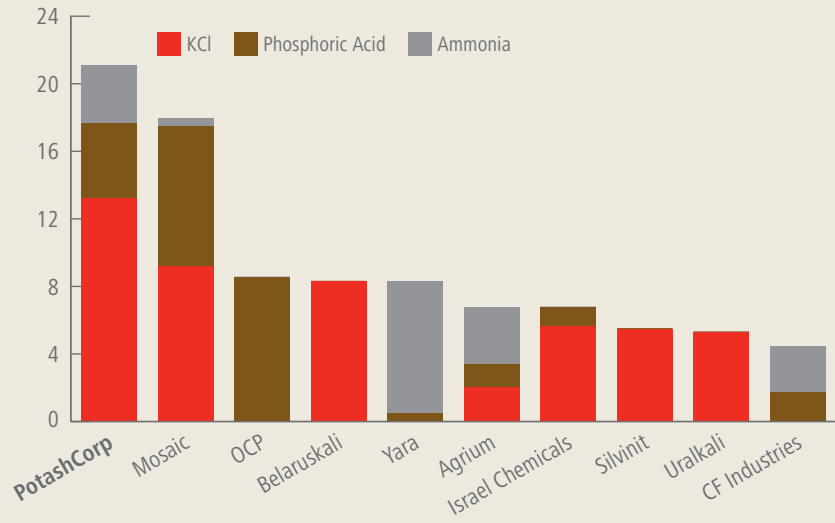
PotashCorp is the world's largest producer of the three primary crop nutrients: potash, phosphate and nitrogen.

We are the largest potash company by capacity and production. Our low-cost operations, backed by significant resources, are among the best in the world.

We are the world's third largest phosphate company, with access to high-quality rock and the industry's most diversified product line.

PotashCorp is also the third largest nitrogen producer by ammonia capacity, with 60 percent of our ammonia production in Trinidad where it benefits from long-term, lower-cost gas contracts.

Million Tonnes Primary Product Capacity



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

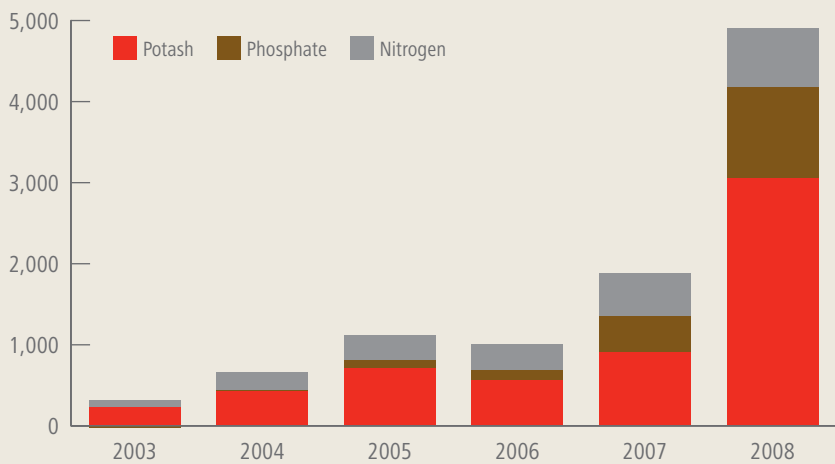
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Potash Gross Margin Exceeds That of Other Nutrients

While each of our three nutrients generated record gross margin in 2008, potash is the driver of our company. Our long-term Potash First strategy is designed to capitalize on our comparative advantages in this nutrient.

Potash remains our focus moving forward, as it holds the greatest gross margin potential of the three nutrients. In 2008, when we generated \$4.9 billion in gross margin, nearly two-thirds (\$3.1 billion) came from potash. As we are continuing to reinvest in our potash assets and raise our production capability, we expect the percentage of our gross margin generated by potash to become even larger.

\$US Millions



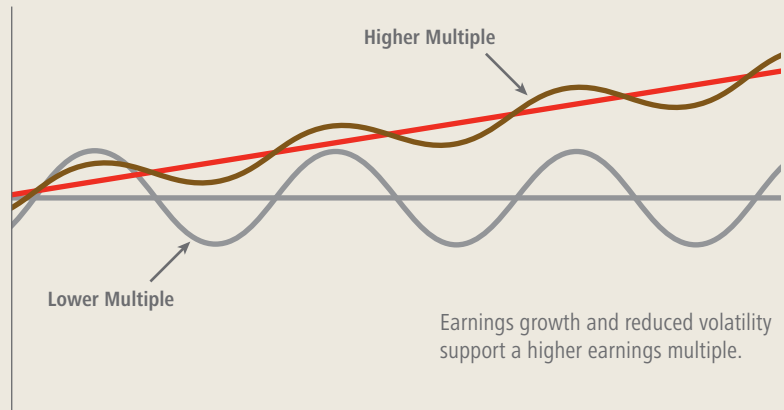
Source: PotashCorp

Focus on Creating Value for Shareholders

Our long-term strategies are designed to generate earnings growth and minimize downside risk, which should drive a premium market valuation.

Our Potash First strategy is key to our ability to grow earnings: it offers unmatched growth in volumes, potential for higher prices, lower production costs as volumes increase and earnings contributions from our offshore investments.

Our strategies also focus on reducing volatility to improve the quality of our earnings. In potash, we match our production to market demand. In phosphate, our high-quality rock gives us flexibility to allocate resources to higher-margin, less cyclical products. In nitrogen, we focus on our lower-cost Trinidad ammonia production.



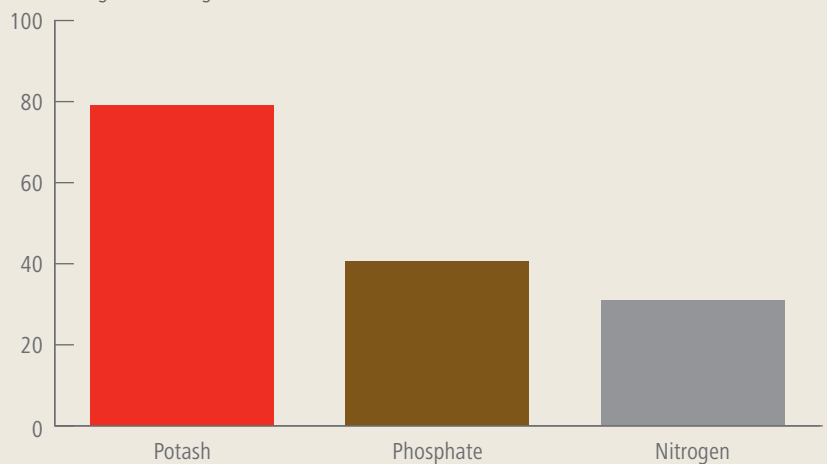
Source: PotashCorp

P and N Contributing Strongly, But Potash Margins Are Superior

Our strategy is to focus on areas of our business that can deliver the greatest gross margin with the least exposure to swings in commodity cycles over an extended period of time. That is why we emphasize our natural advantages in potash and invest in the growth of this valuable nutrient.

In 2008, our potash gross margin was 79 percent of net sales, while phosphate and nitrogen gross margins were 41 percent and 31 percent, respectively.

Gross Margin Percentage of Net Sales – 2008



Source: PotashCorp

> A COMPARISON VIEW OF OUR NUTRIENTS

The Potash Advantage Over Other Nutrients

Although there are many consumers, only 12 countries produce potash. Good deposits are rare and Canada, Russia and Belarus together account for more than 80 percent of global reserves. Compared to the other nutrients, government involvement is limited, with markets primarily driven by economic, not political, factors.

The most significant barriers to becoming a potash producer are money and time. The cost for a 2-million-tonne greenfield mine in Saskatchewan is approaching CDN \$3 billion – and necessary infrastructure development and the potential purchase of reserves could push that well over CDN \$4 billion. Development and ramp-up at a new mine take a minimum of seven years.

	Potash (KCl)	Phosphate (P ₂ O ₅)	Nitrogen (NH ₃)
PotashCorp % of World Capacity	22% #1 in world	5% #3 in world	2% #3 in world
# of Producing Countries	12	~ 40	~ 60
% Government Control	19%	46%	57%
Time for Greenfield (including ramp-up)	Minimum 7 years	3-4 years	3 years
Cost for Greenfield*	CDN \$2.8 billion** 2 million tonnes	US \$1.5 billion 1 million tonnes	US \$1.4 billion*** 1 million tonnes

* Estimated costs exclude infrastructure outside plant gates (rail, road networks, utility systems, port facilities, etc.) and, if applicable, cost of deposits/reserves

** Conventional greenfield mine in Saskatchewan

*** Ammonia/urea complex

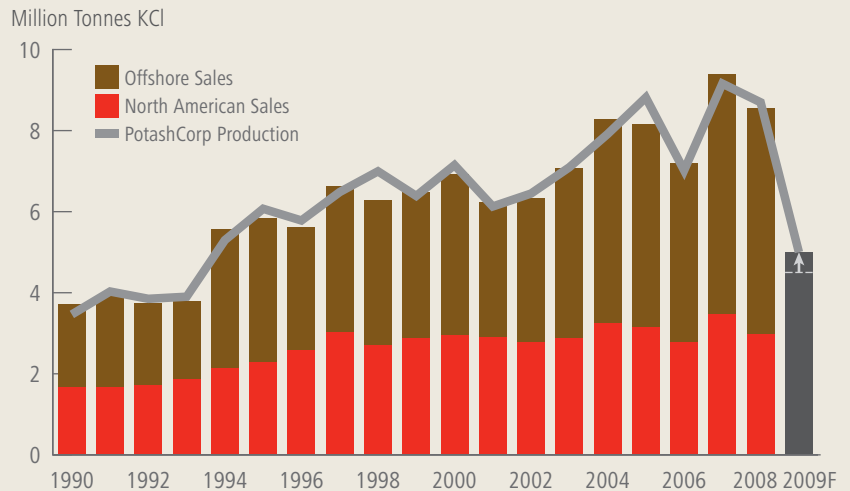
Source: Fertecon, British Sulphur, PotashCorp

> POTASHCORP POTASH PRODUCTION AND SALES

Minimizing Downside Risk to Potash by Producing to Meet Market Demand

While demand for potash has risen over time, growth has never been in a straight line. We attempt to minimize downside risk when events cause short-term fluctuations in sales volumes by producing to meet market demand.

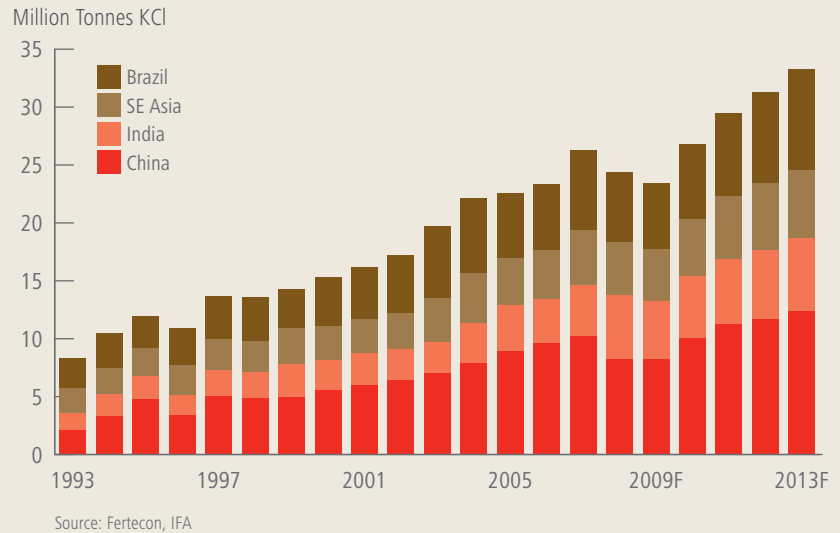
Commitment to our strategy was evident this year, when uncertainty in the global economy and extended contract negotiations with key offshore customers temporarily slowed potash demand. We curtailed nearly 5 million tonnes in the first half of 2009, and anticipate further reductions in the second half. We believe we will be rewarded for our patience as customers are expected to begin to rebuild depleted inventories in the soil and the distributor supply chain.



Source: PotashCorp

Long-Term Growth in Major Offshore Markets

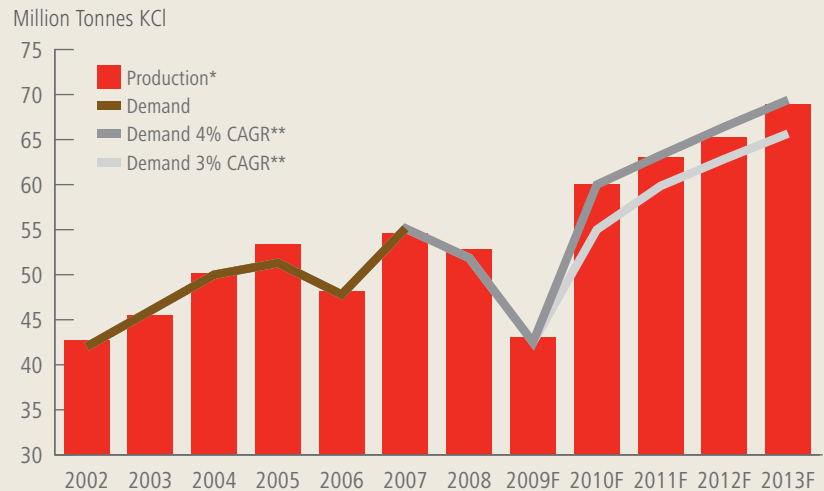
Growth in potash demand is most apparent in major offshore markets, where consumption has trended strongly upward for many decades, supported by a rising population and demand in developing countries for more and better-quality food. Despite unprecedented demand deferral in 2008/2009 resulting from the global economic crisis, we expect the long-term growth potential in these markets to be driven by the need to produce more from their potassium-deficient soils.



Tight Global Potash Market Expected Through at Least 2013

Despite the recent deferral of potash demand – offset by curtailment of more than 15 million tonnes of global production – keeping pace with growth in demand for this vital nutrient is expected to be a long-term challenge.

While greenfield mines will be needed in the future, there are no significant projects on the horizon and it would take at least seven years to bring a new mine into full production. This makes brownfield capacity expansions even more valuable, and PotashCorp’s projects represent more than half of the world’s constructed capacity over the next five years.



* Based on actual production (2002-2008), estimated production (2009) and production potential (2010-2013); production potential assumes no project construction delays, normal ramp-ups following construction and no major unplanned plant outages

** Compound annual growth rate (CAGR) from 2007 to 2013

Source: Fertecon, PotashCorp

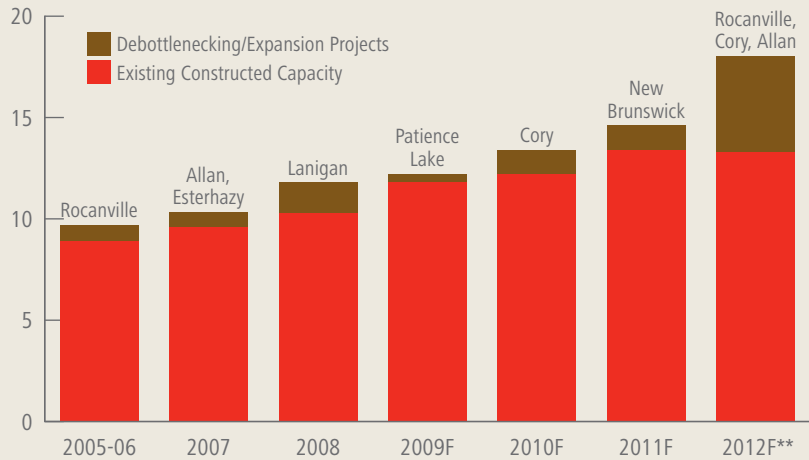
> POTASHCORP EXPANDING CAPACITY

Construction to Be Completed on 18 Million Tonnes by End of 2012

The growth in potash demand creates opportunity for PotashCorp, and more than five years ago, we began preparing for the anticipated rise. In 2008, we completed a 1.5-million-tonne debottlenecking/expansion project at our Lanigan facility. During 2009, our new 360,000-tonne-per-year debottlenecking project at Patience Lake was finished.

Projects at our Cory, New Brunswick, Rocanville and Allan facilities are expected to raise our constructed capacity to 18 million tonnes by the end of 2012, nearly doubling our 2005 level. At completion of construction, each facility will require a ramp-up period; it can take more than two years to reach full productive capability.

Million Tonnes Constructed KCl Capacity*



* Capacity expected to be constructed by the end of each fiscal year; a period of ramp-up is required to achieve full operating levels

** 2012 includes a 1.3-million-tonne reduction for depletion of PotashCorp reserves at Esterhazy

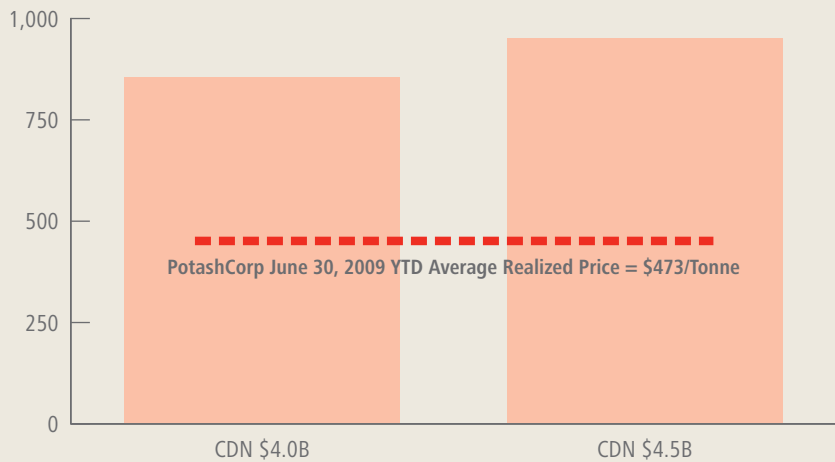
Source: PotashCorp

> SASKATCHEWAN GREENFIELD POTASH SENSITIVITIES

Reinvestment Economics Require Prices That Justify Investment

For decades the potash business was defined by excess capacity, suppressing pricing and limiting reinvestment in capacity – with the world’s last greenfield mine developed in 1985. However, demand has grown significantly since that time and now is expected to challenge supply on a long-term basis, requiring new potash capacity to be built. While higher prices have increased interest in building greenfield mines, we believe prices have yet to reach and sustain a level that justifies the significant investment of time and money required.

\$US/Tonne KCl, FOB Mine



Key Assumptions:

- 2-million-tonne conventional mine constructed in Saskatchewan (CDN \$2.8 billion)
- Infrastructure costs (CDN \$1.2 billion-CDN \$1.7 billion) include estimates for rail, road networks, utility systems, port facilities and potential purchase price of reserve
- 7-10 year construction and ramp-up timeline; 15 percent required rate of return

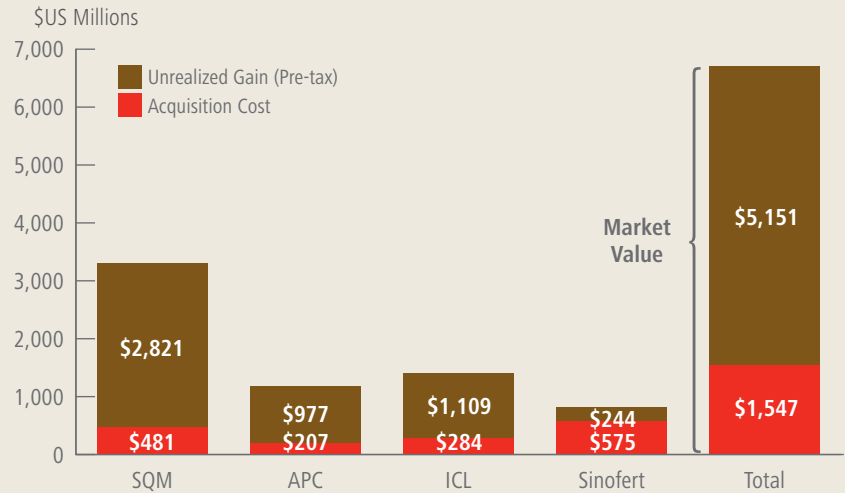
Source: PotashCorp

PotashCorp Offshore Investments Provide Significant Value

We began increasing our exposure to potash more than a decade ago with offshore investments in SQM in Chile, APC in Jordan, ICL in Israel and Sinofert in China. As we have benefited from the strong fundamentals in potash, so, too, have our investments.

In 2008, they contributed \$363 million to our Other Income. More than that, they gave us insight into key offshore potash markets and increased ability to participate in global growth.

Our investments continue to add financial value and were worth \$6.7 billion as of July 24, 2009, or approximately \$23 per PotashCorp share.

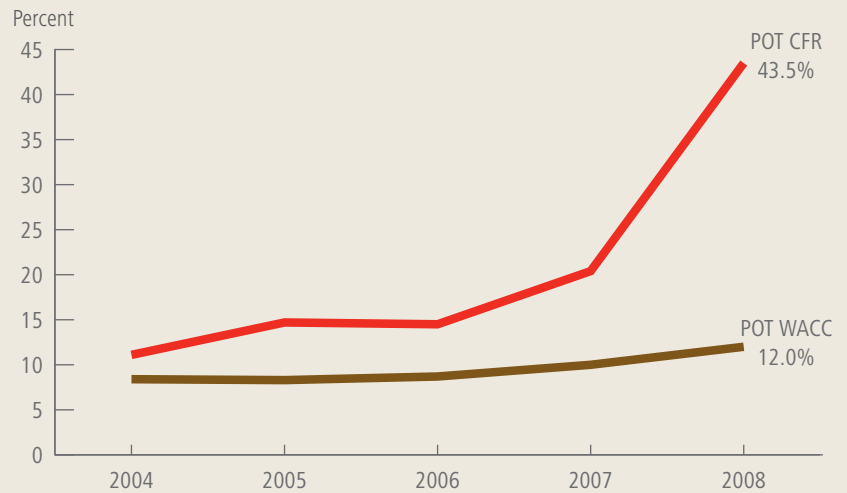


Share prices as at July 24, 2009
Source: Bloomberg, PotashCorp

Cash Flow Return Illustrates PotashCorp Success in Creating Shareholder Value

One of our primary goals is to maximize long-term shareholder value. A key measure of our success is the return we achieve from our cash flow reinvestment.

Our 2008 cash flow return (CFR) on investment exceeded our weighted average cost of capital (WACC) by 3,150 basis points, soundly beating our target of 1,200 basis points.



Source: PotashCorp