

Agrium's approach towards the Water Management of the Danube River

***Bucharest, November 6
2012***



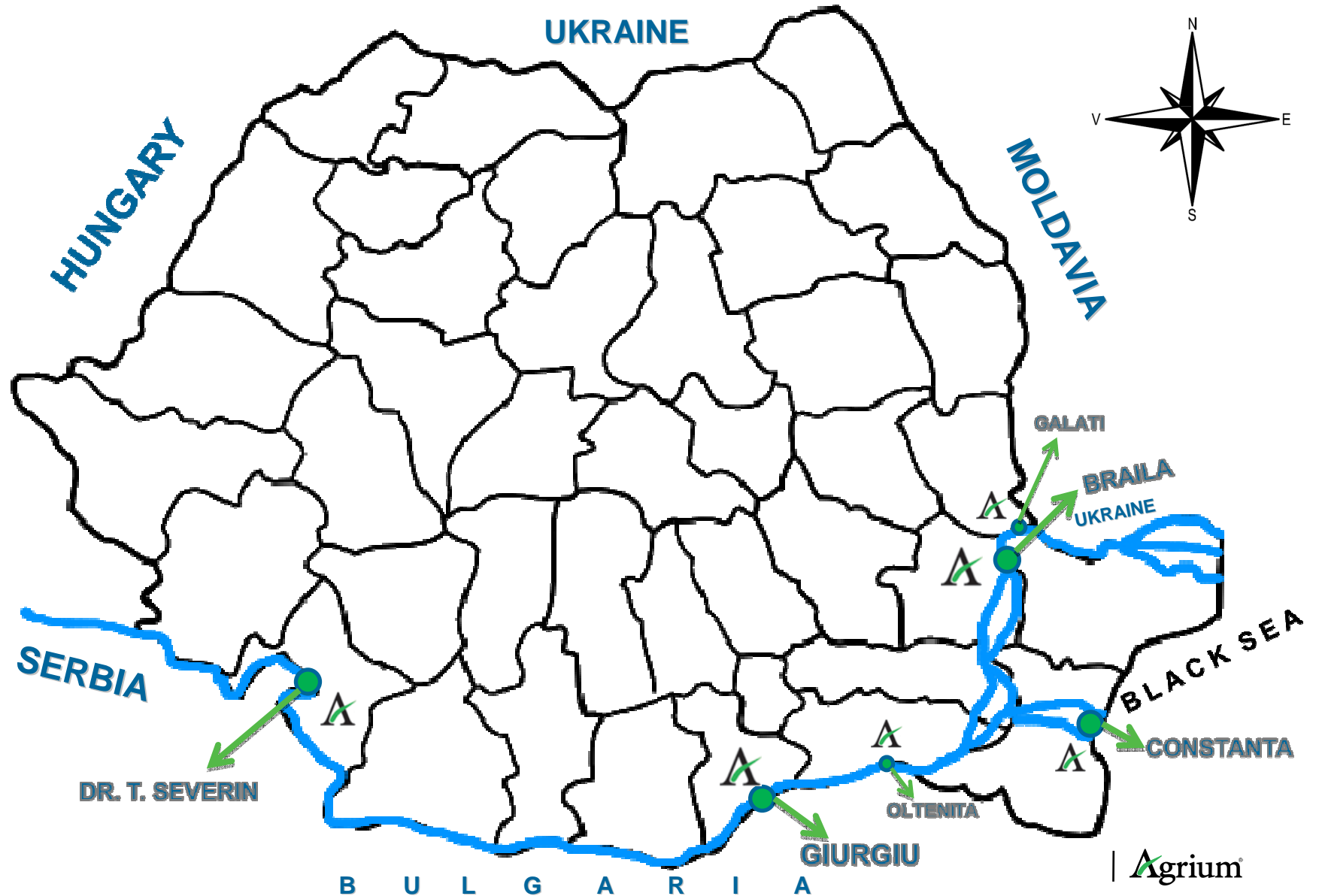
Agrium®

What does the Danube River mean for Agrium?

- Agrium is one of the worlds largest suppliers for agricultural products and services with a network that operates in North America, South America, Europe and Australia, but what does this have to do with the Danube?
- Agrium's business in the Central Europe is very close connected to the Danube which is the main logistic tool of the company for operating and forwarding specialty fertilizers and grain, via it's subsidiary Agrium-Agroport Romania, in 5 ports located along the Danube: Braila, Galati, Oltenita, Giurgiu and Drobeta Turnu Severin.
- The Danube River is a highly important topic for Agrium's development by sustaining the logistics, and strengthening the supply chain.
- Agrium's present and future plans are directly linked to the Danube and therefore it's in the company's interest to show all the support and concern for the environment and clean water.



Where does Agrium operate along the Danube?



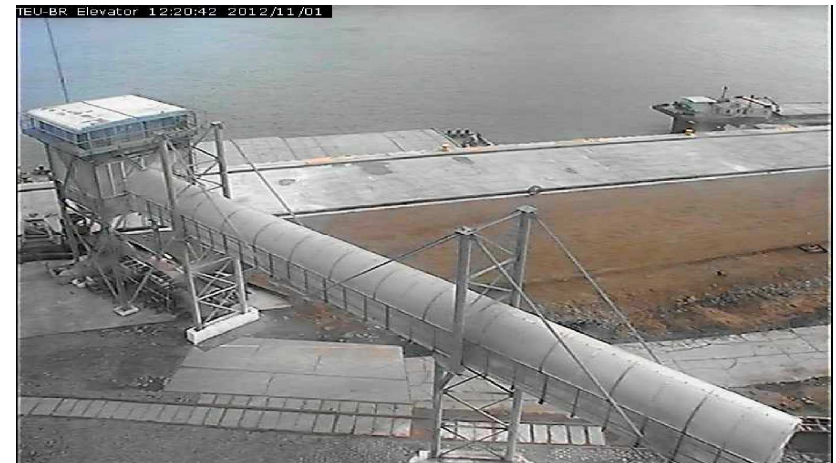
How does Agrium handle its operations along the Danube?

- Agrium runs in Braila Port it's main terminal where the company operates fertilizers in bulk from maritime vessels, packs them into bags using special machinery, stores and delivers the final product to the customers, also the company is operating grains through a 4.000 MT metal bin silo.
- Agrium also owns 15 barges located in Braila, totaling 15.500 mt of storage capacity available for both fertilizers and grains.



What is Agrium doing to prevent pollution of the Danube?

- Given the nature of its business Agrium is very aware of the constant danger involved in operating fertilizers in such a sensitive area located so close to the Danube and for this reason we always try to focus on finding solutions to prevent pollution of the Danube and to protect the environment.
- In order to prevent pollution of the Danube, Agrium understood that it had to act properly and for this matter the company has its own approach:
 1. *We've developed a special design for a completely covered scaffold used to transfer the fertilizers from maritime vessels or barges to the packing machine in order to prevent any accidental spill of fertilizers into the Danube or down the terminal's platform which might reach, in the end, the Danube due to wind or rain.*

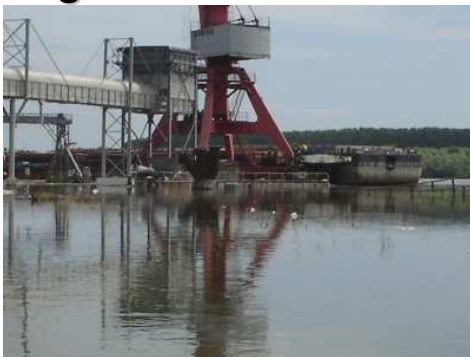


What is Agrium doing to prevent pollution of the Danube?

- 2. Besides the internal policies of Agrium on environmental protection and the quality management system applied inside the company we have implemented also environmental policies as per ISO 14001/2005 and we constantly work to comply with the environmental procedures and the protection of Danube, which is subject to annual audit.*
- 3. The storage of bulk fertilizers is made using only covered barges and the barges lids are sealed after each operation, we also have ongoing maintenance programs for the barges in order to check for possible leaks and we organize on an annually basis a period for repairs and maintenance of the lids for all the barges to ensure tightness and to prevent pollution of Danube water with fertilizers.*
- 4. The cranes are subject to constant maintenance inspections and repairs in order to avoid accidental spills of fertilizers in the Danube due to improper closing of the grabs.*
- 5. We only work with highly specialized personnel for operating the barges also the anchoring and all the maneuvers involving the barges must be done in terms of maximum security.*

Alternative causes that could have caused the pollution of the Danube

- One of our biggest fears, when we talk about the Danube, is related to the flooding that might occur and this comes after we've experienced in 2006 and 2010 an extreme situation when our terminal in Braila Port was completely flooded by the Danube, due to heavy rain that lasted almost 1 week.
- Despite having to cope with these kind of events there was no spill of fertilizers from our barges in the Danube and this was due to our constant work to ensure that we have proper storage at any time for our fertilizers while showing at the same time our support for the environment.



What does Agrium do further on?

- Agrium acts as an active participant in any debate related to the potential development of the Danube region and is concerned in the implementation of the Danube Strategy which is a project proposed to the European Commission by Austria and Romania, regarding the infrastructure of the Danube Ports (by building new docks, widening the sailing lines) and the development of clean energy projects for supplying the port operations from the near future.
- Agrium will continue to focus on finding the best solutions for preventing the fertilizers pollution from the Danube and we will continue to develop our procedures related to environmental protection.