Agrium®

Annual General Meeting 2005

Yielding results

May 9, 2005

Forward looking statements

The information in this material contains certain forward-looking statements. These include statements regarding outlook on prices, expectations of future production, business plans and expectations of capital expenditures.

These statements are based on current expectations that involve a number of risks and uncertainties which could cause actual results to differ from those anticipated by the Company.

These risks include, but are not limited to, the background risks of the fertilizer industry (e.g. operational risks and the uncertainty of estimates relating to production, prices, cost and expenses), risks in conducting foreign operations (e.g. political instability) and from potential delays, or changes in plans with respect to development projects or capital expenditures.

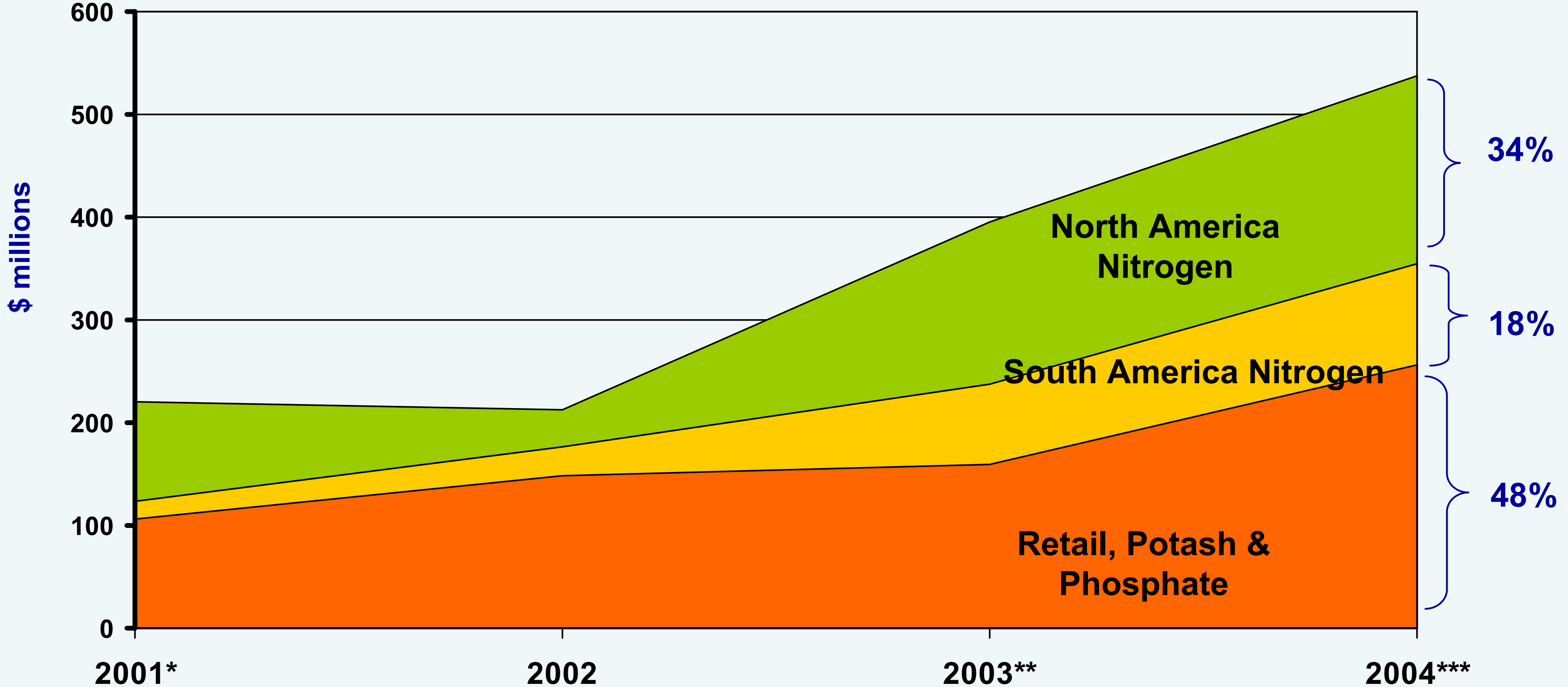
These and other risks are described in the Company's Annual Report and Interim Reports that are available directly from the Company's web page and online from SEDAR, EDGAR.

Strong Position

1. Solid 2004 earnings, with positive outlook
2. Continued growth from our retail, potash, nitrogen & phosphate businesses
3. Strong balance sheet, provides flexibility & opportunity
4. Agrium is much more than a North American nitrogen fertilizer company

Transforming Agrium

- EBITDA from non-nitrogen base has more than doubled since 2001
- Nitrogen leverage provides upside potential



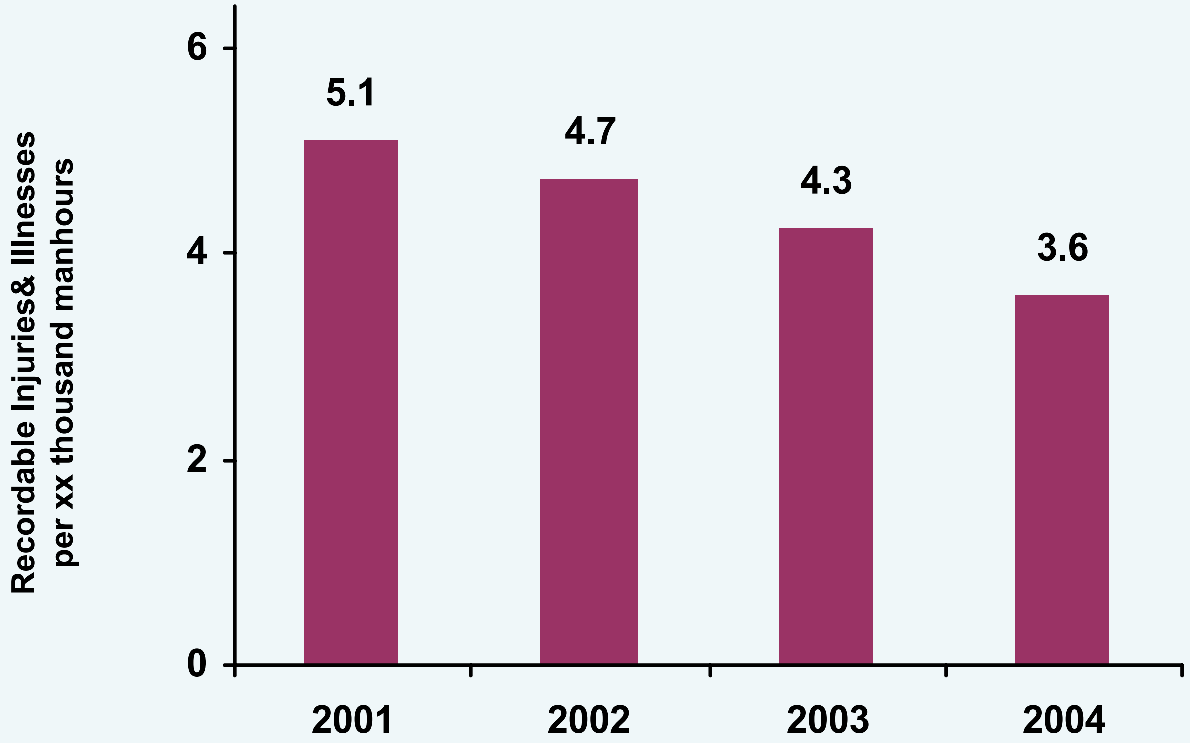
*Excludes one-time Argentine Charges of $49-million for 2001
**Excludes asset impairment of $235-million
***Excludes Kenai award and settlement
These figures are based on actual gross profit with mathematical allocation of costs

Key Developments Past 12 Months

1. Redeemed $175 million in preferred shares
2. Resolution of Kenai issue, with over $150-million in benefits
3. Expanded South American retail presence through acquisition
4. Expanding our potash capacity
5. Expanding our controlled release product line
6. Share buy-back program implemented

Environmental, Health & Safety Stewardship Is Paramount

- Improved performance in 6 out of 7 key EH&S measurement areas
- Illustration: Total Recordable Injury & Illness (TRI) Index



Governance & Management

- **Continued strong Corporate Governance:**
  - Continued recognition of Agrium's commitment to excellence in corporate governance: Rotman Institute, Globe & Mail, Institutional Shareholder Services (ISS), and GovernanceMetrics International (GMI),
- **New Board of Directors:**
  - New Board members bring additional depth to Board:
    - **Ms. Germaine Gibara**
    - **Mr. Russell Horner**

Governance & Management

- **Management Team Changes:**
  - Ron Wilkinson, Senior Vice President, Wholesale
  - Richard Gearheard, Senior Vice President, Retail, expanded duties to cover South American Retail
  - Welcome Mark Copping, Vice President & Controller

Recent Results & Outlook

2004 Operating Highlights

- Cash flow from operations of $449-million
- One of our highest earnings in our 12-year history
- Earned EBITDA of $537-million*,
- Our Retail operations achieved a record $99-million in EBITDA in 2004, accounting for almost 20% of total EBITDA*
- Increased margins for all our major wholesale products (nitrogen, phosphate & potash)

**Excludes Kenai-related award and settlement*

First Quarter 2005 Results

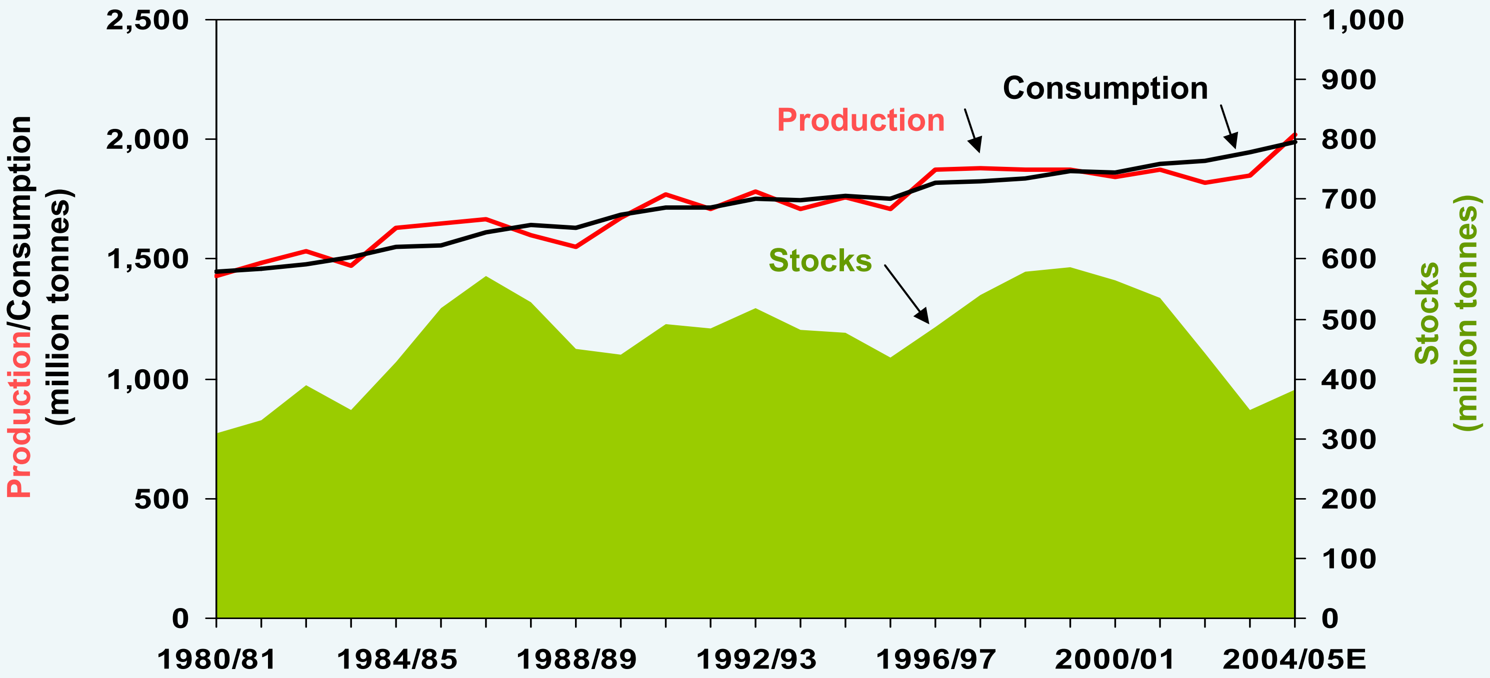
- Guidance for first half of 2005 is $1.00-1.10/diluted EPS, almost 70% above first half of 2004

Key Drivers

1. Crop prices (farm income)
2. Weather by region
3. Global nutrient operating rate & additions/closures
4. Energy & other input costs
5. GDP growth, industrial use
6. Government policies
7. Other: exchange rates, freight rates

World Grain: Supply, Demand & Inventory

- World grain consumption has exceeded production in 4 of the last 5 years
- World stocks-to-use remains 30% below previous 20 year average



Source: USDA

Retail

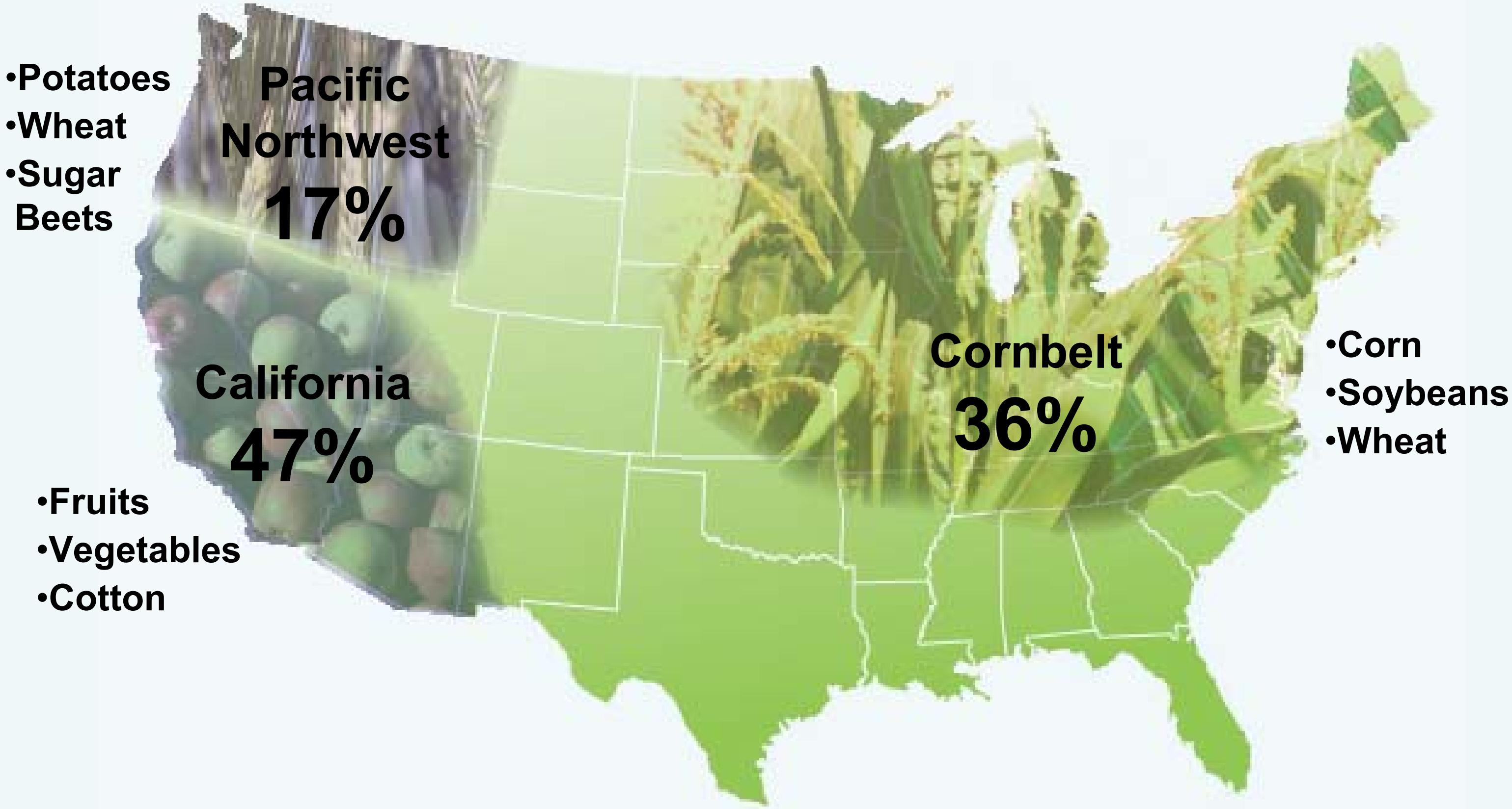
Yielding results Agrium®

Retail Highlights

- **Best in Class Retail**
  - Billion dollar business with consistently increasing earnings
- **Retail is an integral part of the supply chain to farmers**
  - Direct ear to the farmer
  - Our U.S. retail owns > 500K tons of fertilizer storage
- **Continues to grow & diversify**
  - Marketing approximately $600-million in chemicals, seed and services
  - Expanded South American operations

U.S. Retail: Geographic & Crop Diversity

- Geographic diversity provides stability with mix of crops, products and weather

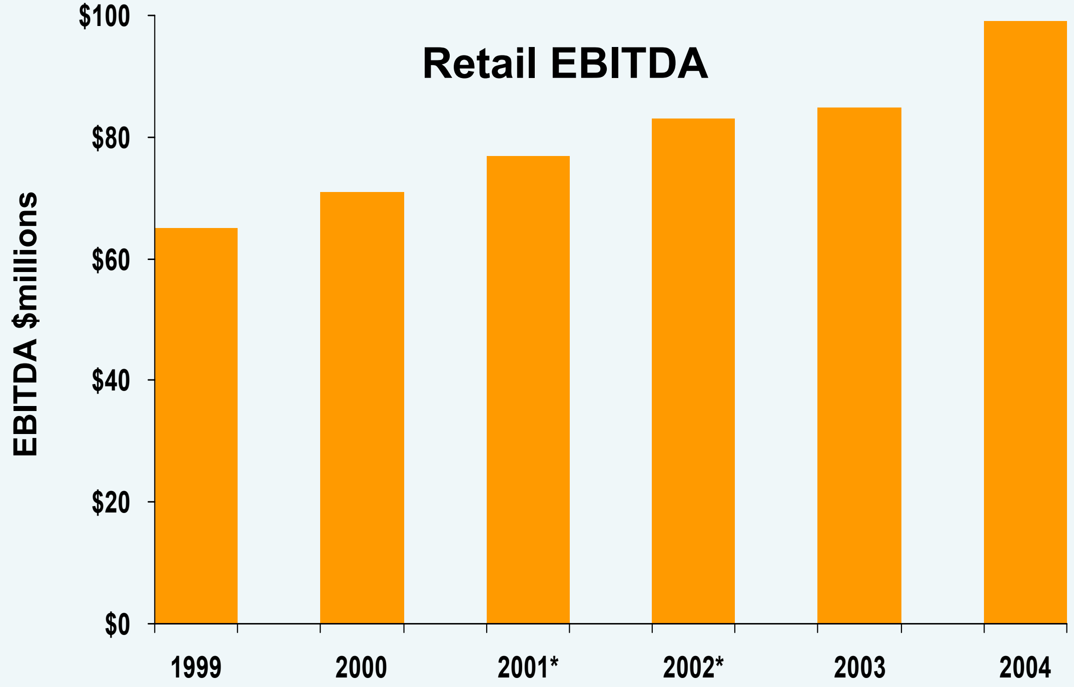


Growing South American Market

- South American Retail accounted for about 10% of our Retail sales & EBITDA in 2004
- Recent South American acquisition with 2003 revenue of $31-million
- Acquisition has good strategic fit:
  - Increase fertilizer sales in new outlets
  - Increase branded chemical sales at existing ASP outlets

Strong Growth in Total Retail Results

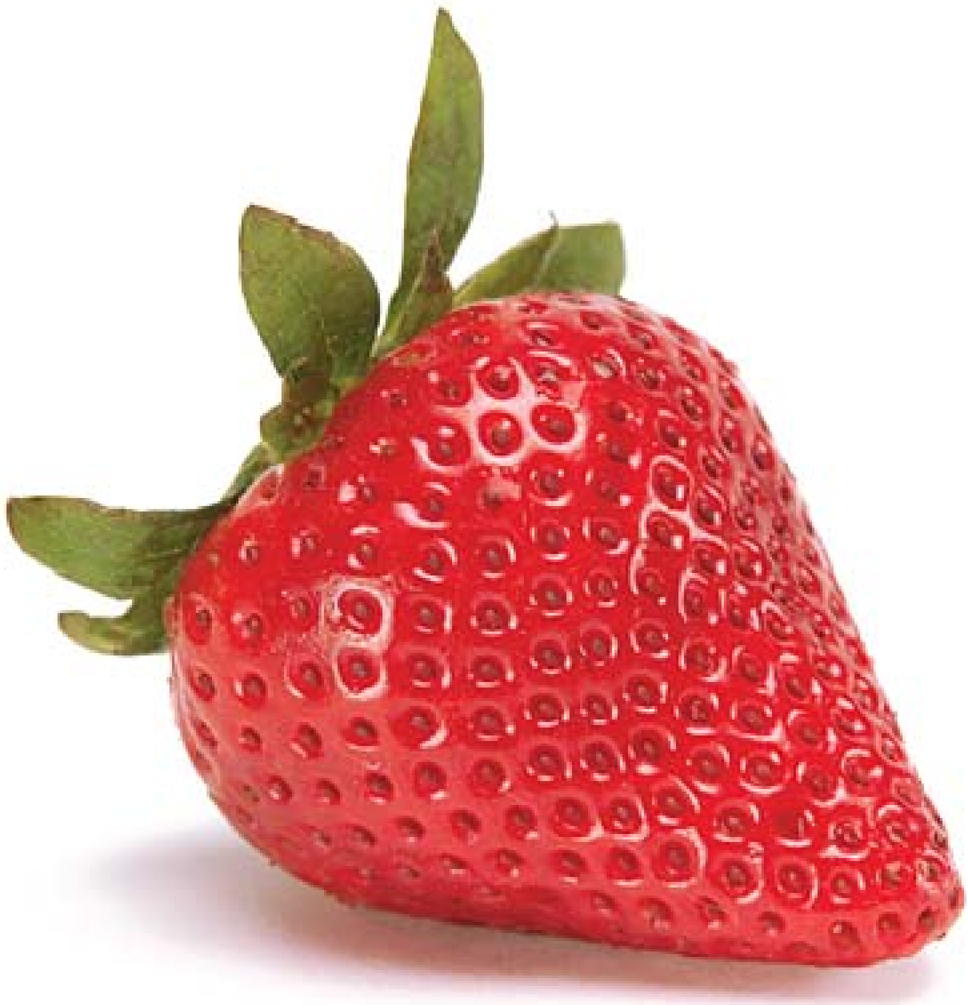
- U.S.-based retail, eighth consecutive year of record results
- South American based retail, comparable EBITDA: revenue ratio as U.S.-based retail operations



* 2001 excludes negative impact of the Argentine currency devaluation

** 2002 excludes an estimate of one time benefit of Argentine currency devaluation of $15-million

Nitrogen



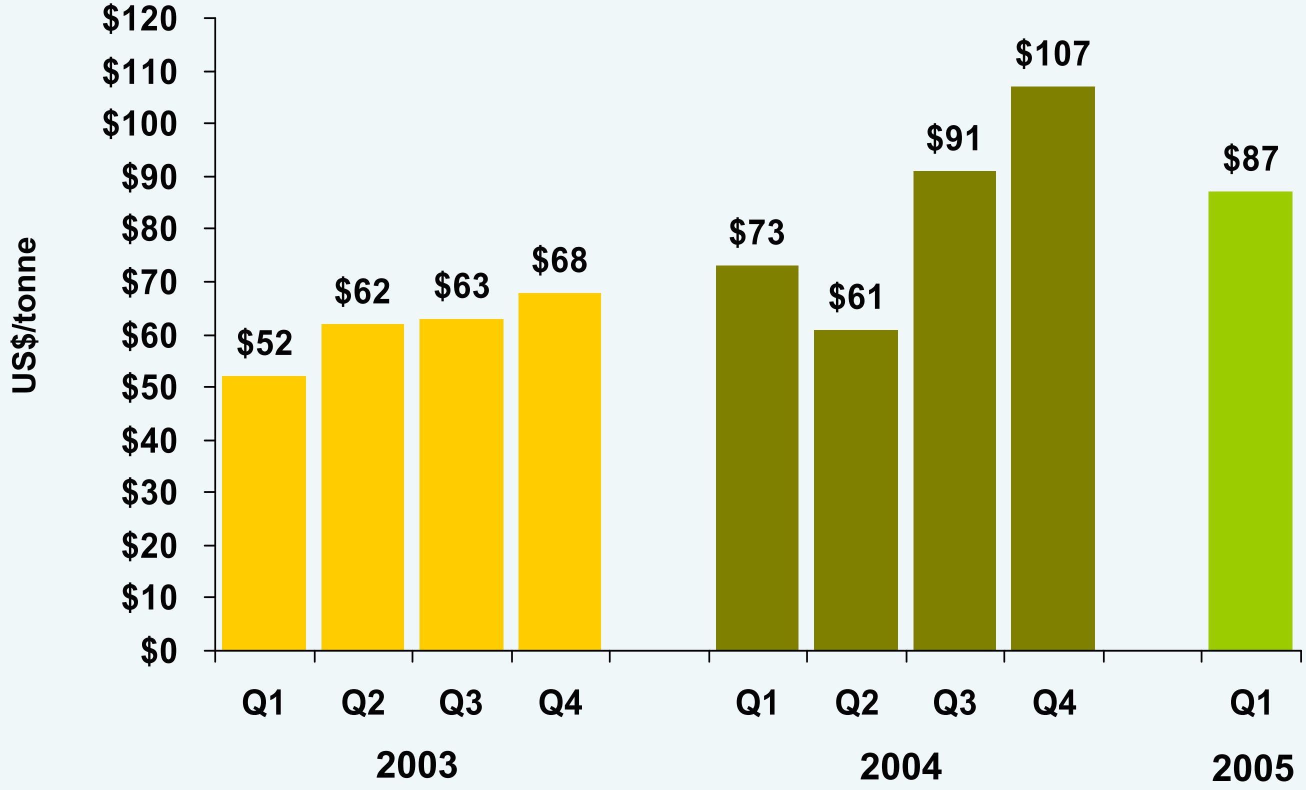
Yielding results Agrium®

Global Nitrogen Position

- **Market Advantages**
  - – Facilities situated in key markets with significant transportation advantages
- **Cost Advantages**
  - – Low cost international natural gas at less than $2/MMBtu
  - – Alberta gas advantage $0.86/MMBtu less than NYMEX in 2004
  - – Efficient plants consume 3 – 5 MMBtu/tonne less gas
- **Distribution Advantages**
  - – Strong distribution capability in core markets

Strong Urea Margins to Continue

- Strong fundamentals to continue in 2005



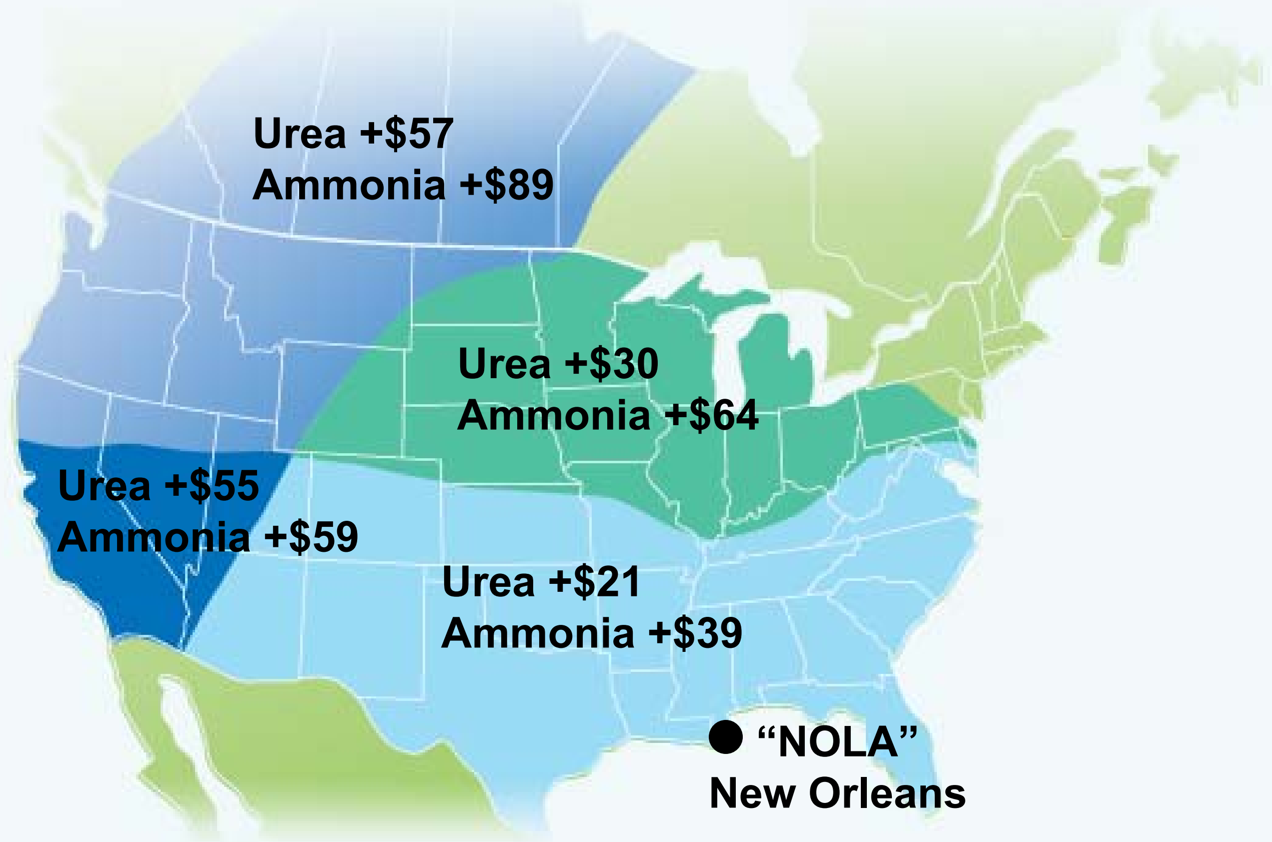
Source: Calculated from Company Reports.

South America Wholesale: Strategic Strengths

- 2004 Net Sales of $143-million
- 2004 EBITDA of $98-million
- Low cost gas, new facility
- Significant transportation advantages in-country and to Brazil

Regional Nitrogen Price Spread Over NOLA

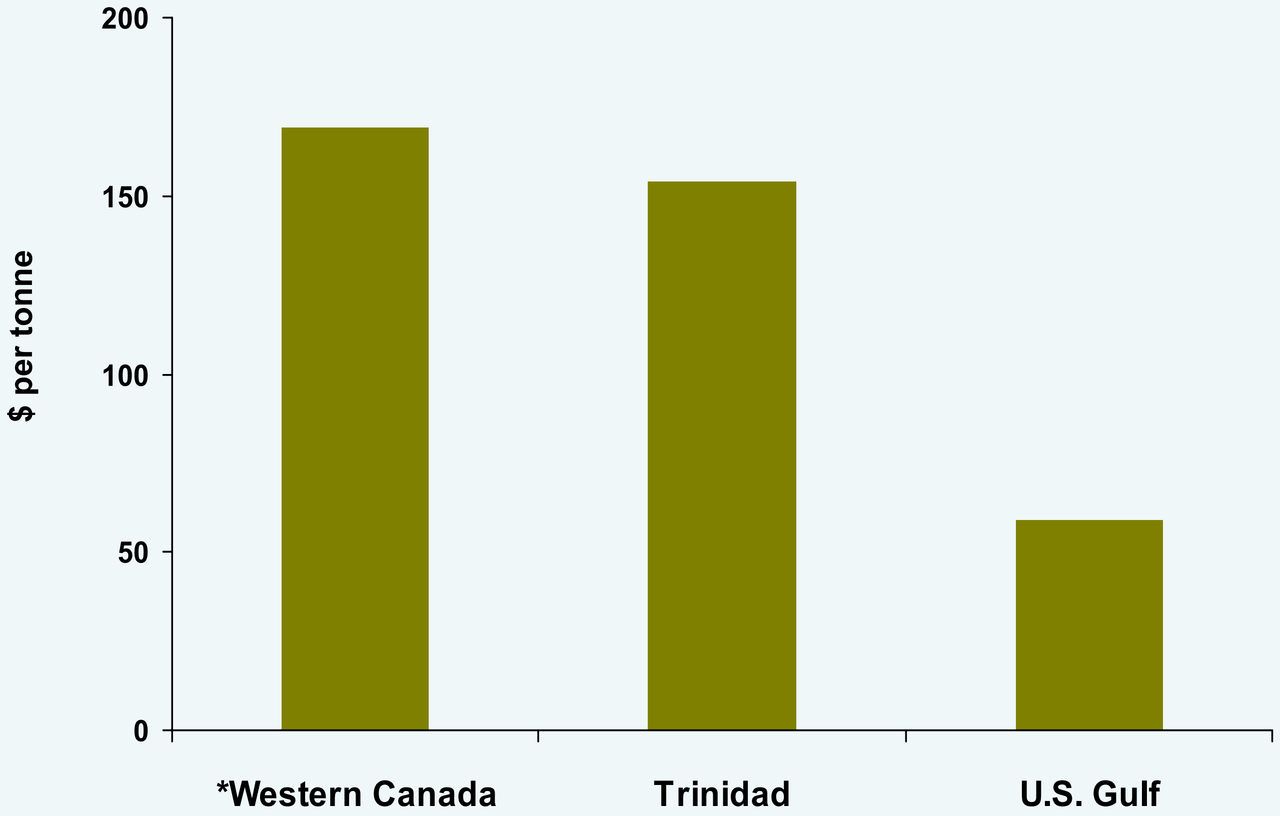
- Highlights importance of storage & distribution, especially as ocean freight & domestic transport costs rise



USD/ metric tonne

Source: Green Markets: Spread equals regional reference price minus NOLA reference price. Based on a 5-year average from 2000-2004

2004 Ammonia Proxy Cash Margin Comparison

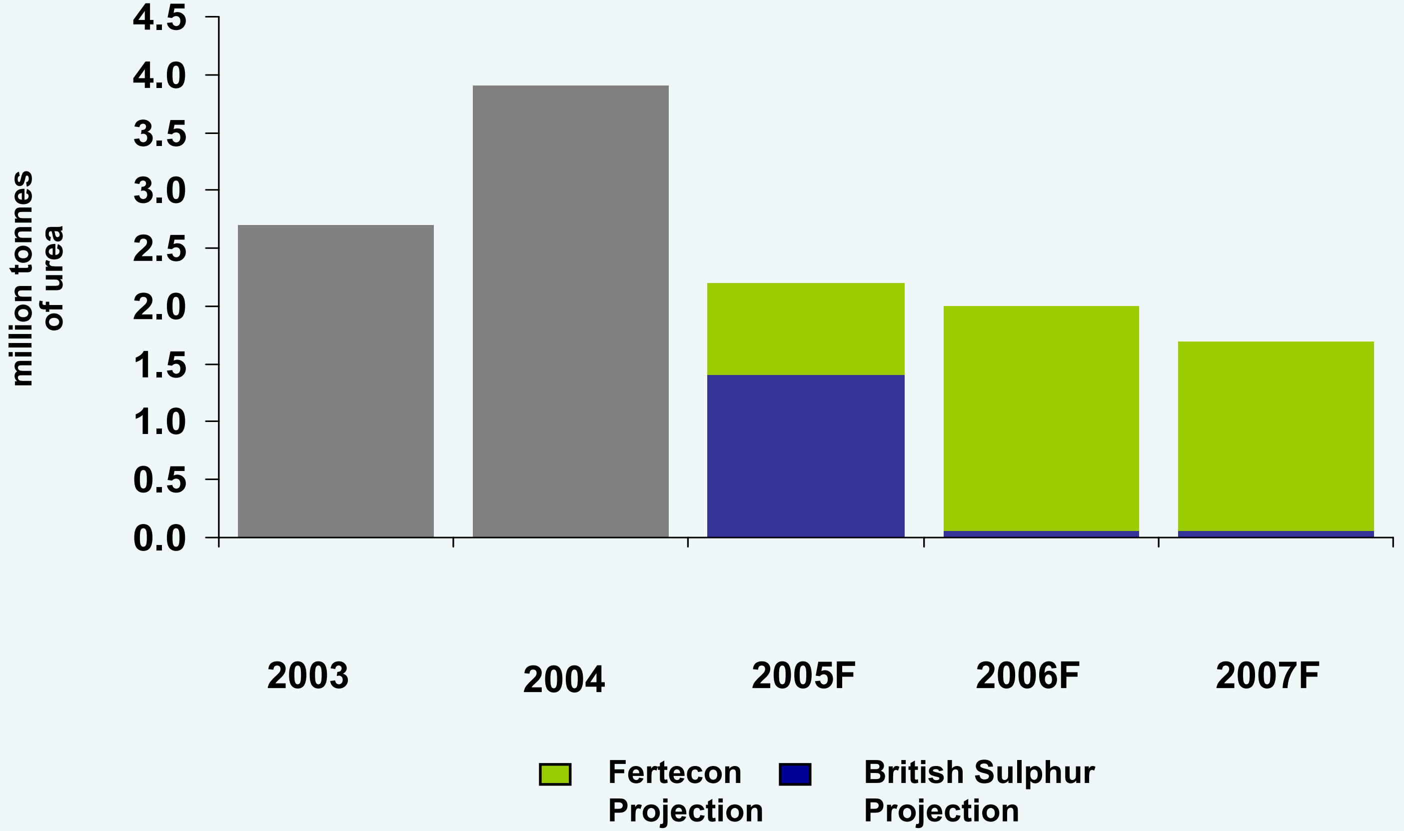


** Margins on Western Canadian sales from Agrium's Alberta nitrogen facilities assuming an average distribution cost of $30/mt & a 3% price discount from Green Markets price quotes. No transport costs or discounts are deducted for other two producing regions.*

Source: Blue Johnson and Associates, Fertecon, Agrium

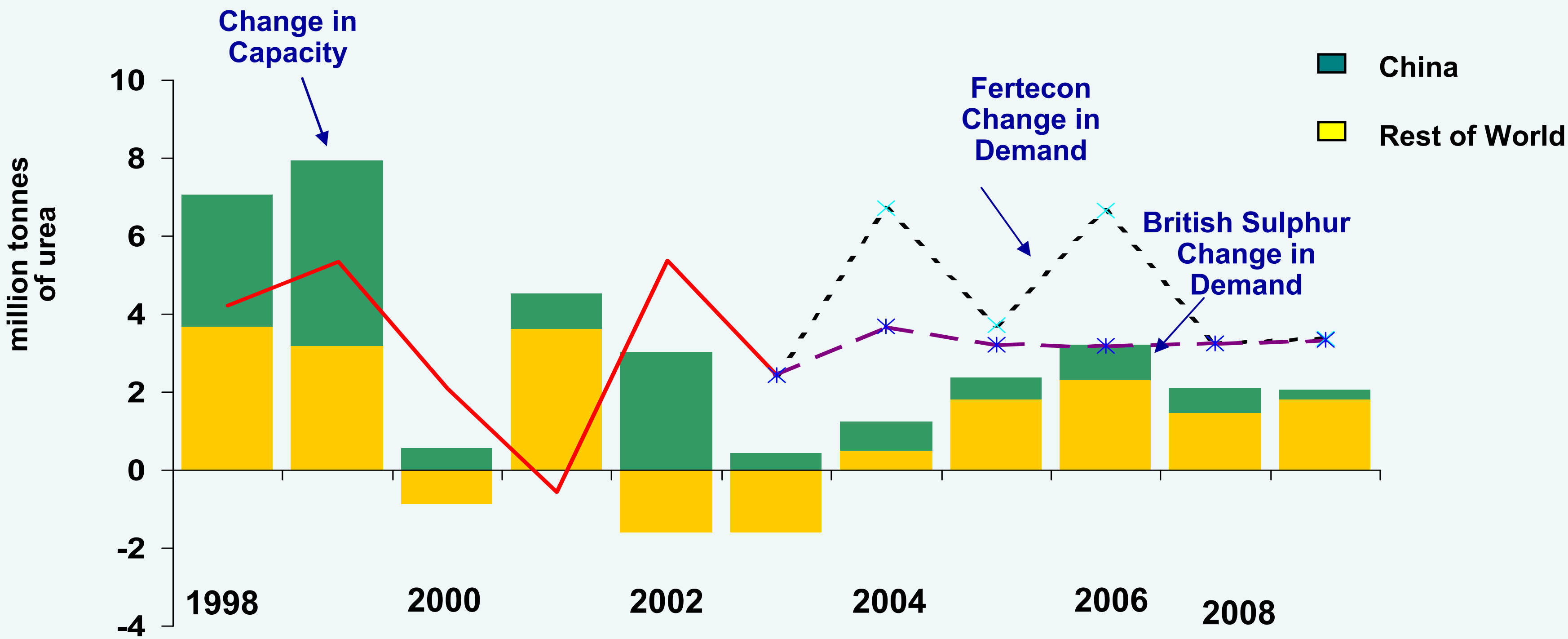
Chinese Net Urea Exports Expected to Decline

- China eliminated the export subsidy on urea & introduced export taxes in early 2005 to keep more product in domestic market



Source: British Sulphur, Fertecon

Change in Urea Supply and Demand



British Sulphur and Fertecon forecast urea consumption to grow on average over the next 3 years by 2.45% and 4.25%, respectively

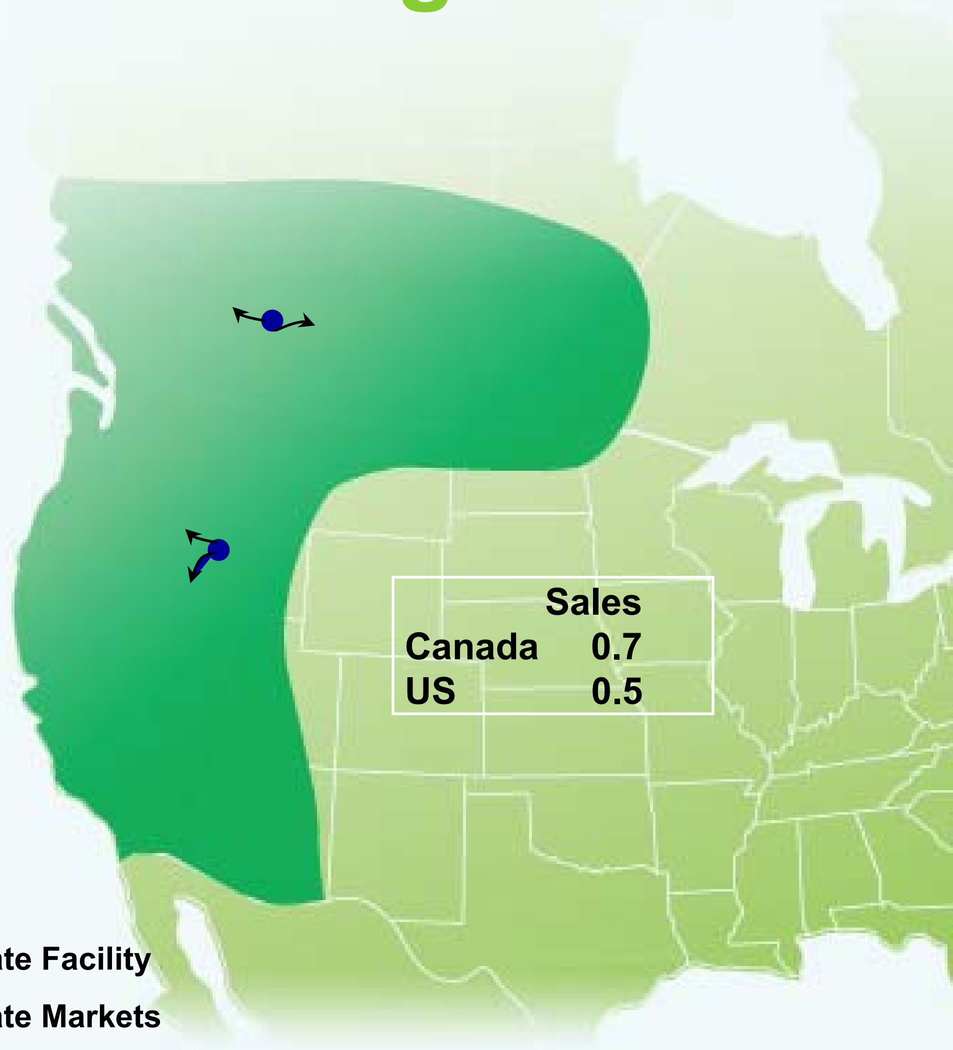
Source: British Sulphur, Fertecon, Agrium

Phosphate & Potash

Yielding results Agrium®

Regional Phosphate Advantages

- **Market Advantages**
  - Facilities situated in key markets provide significant transportation advantages
- **Cost Advantages**
  - Competitive cost production
  - Low-cost sulphur
  - Vertically integrated
- **Distribution Advantages**



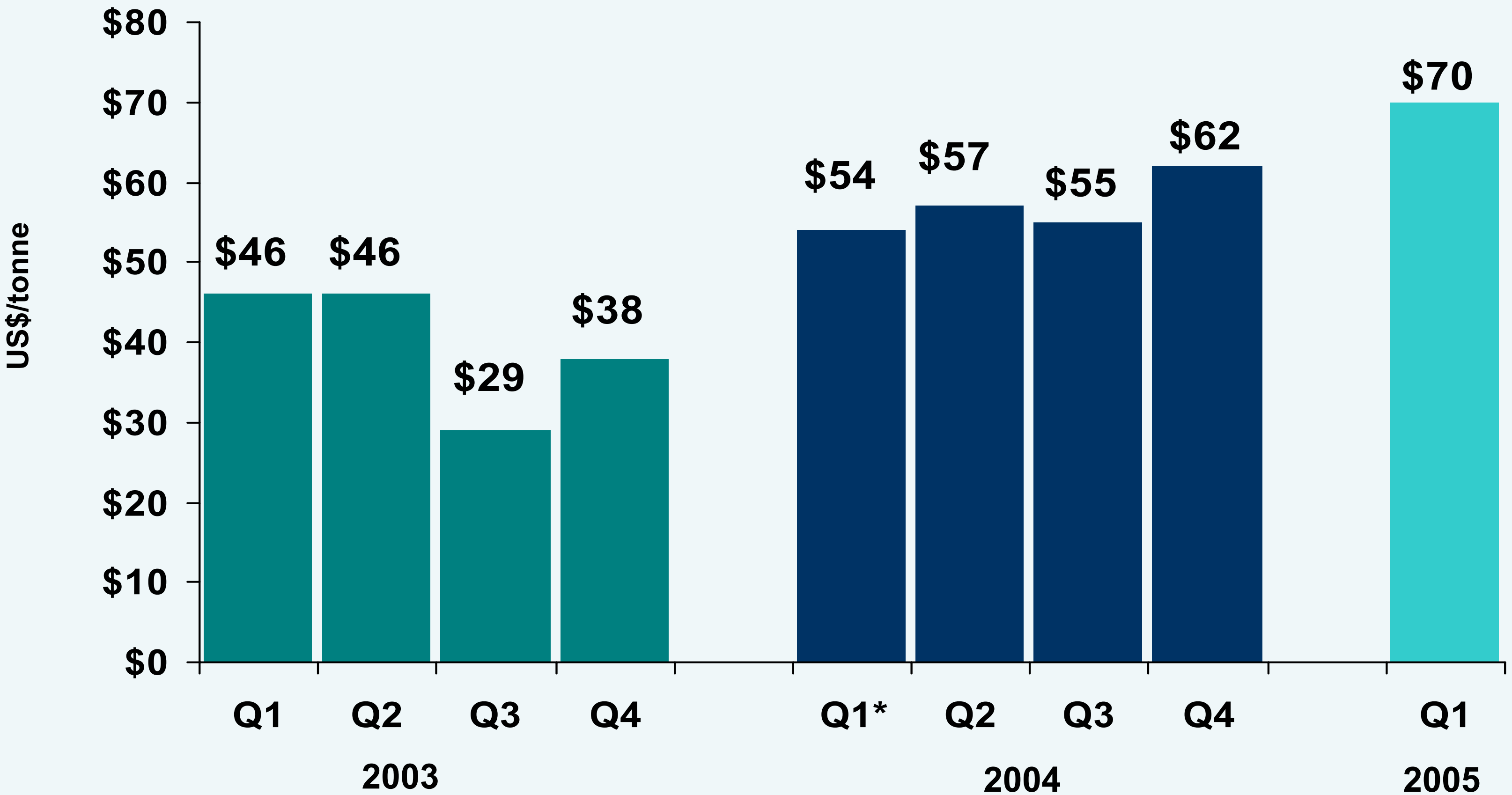
● Phosphate Facility

■ Phosphate Markets

2004 Sales: Million tonnes of product

Phosphate Margin Improvement

- Continued focus on margin improvement yielding results



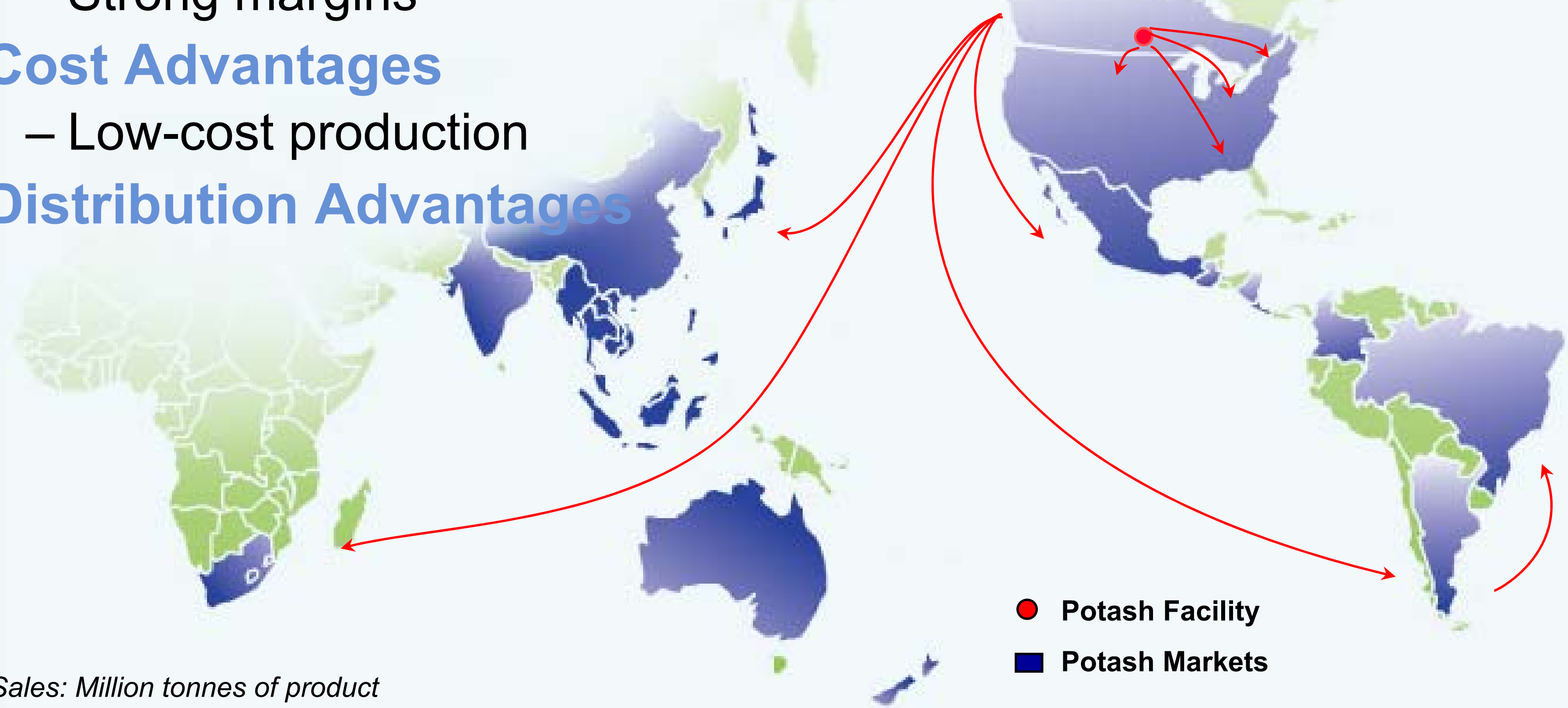
*Q1 2004 results exclude $12/tonne favorable impact of a phosphate rock inventory adjustment

Source: Company reports

Internationally Competitive Potash

- **Market Advantages**
  - Market internationally through Canpotex
  - Strong margins
- **Cost Advantages**
  - Low-cost production
- **Distribution Advantages**

	Sales
Canada	0.1
US	0.9
Intl	0.7



2004 Sales: Million tonnes of product

Potash Margin Improvement

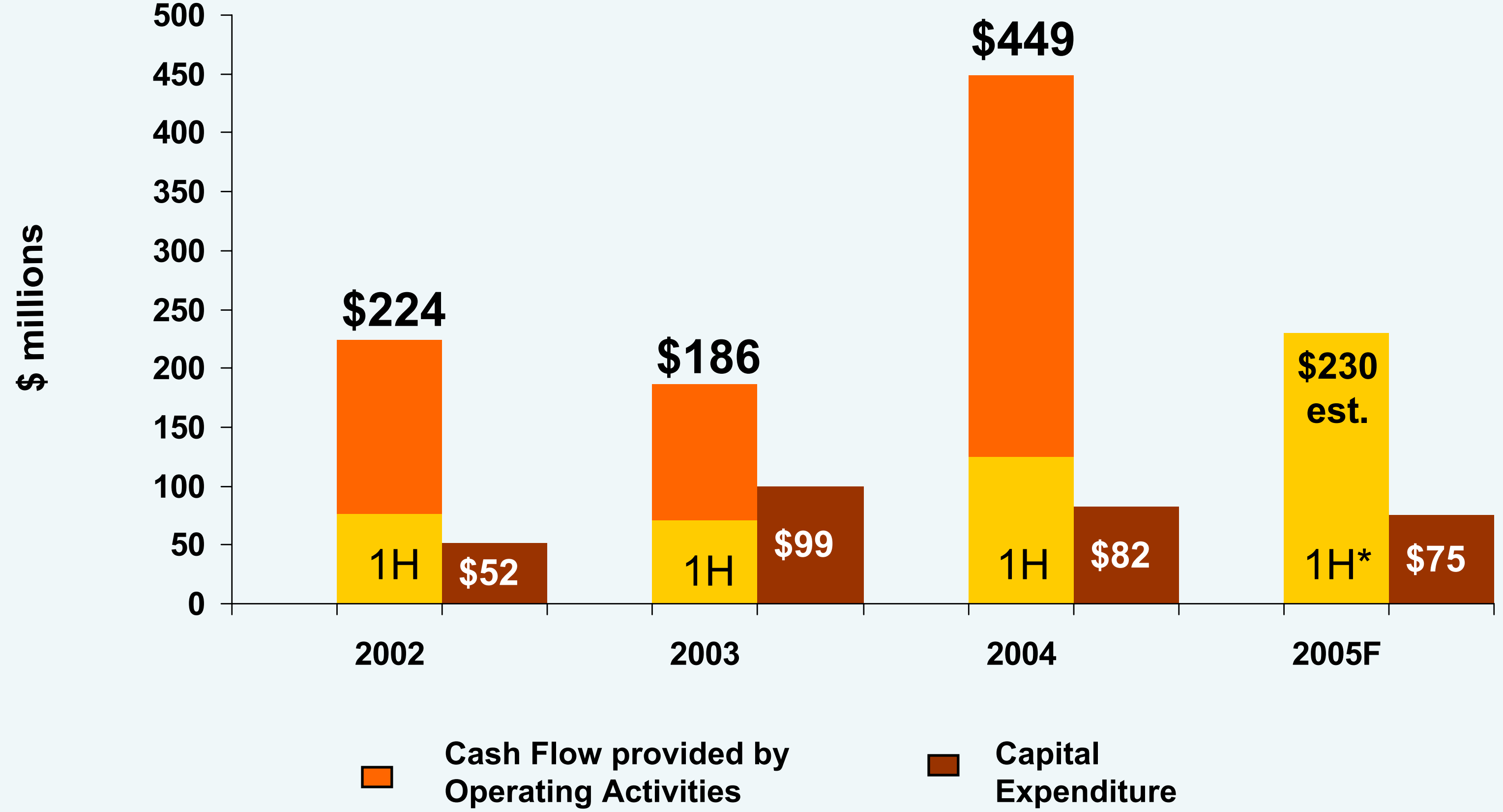
- Record margins due to strong North American and global prices

Source: Company reports

Financial Summary

Yielding results Agrium®

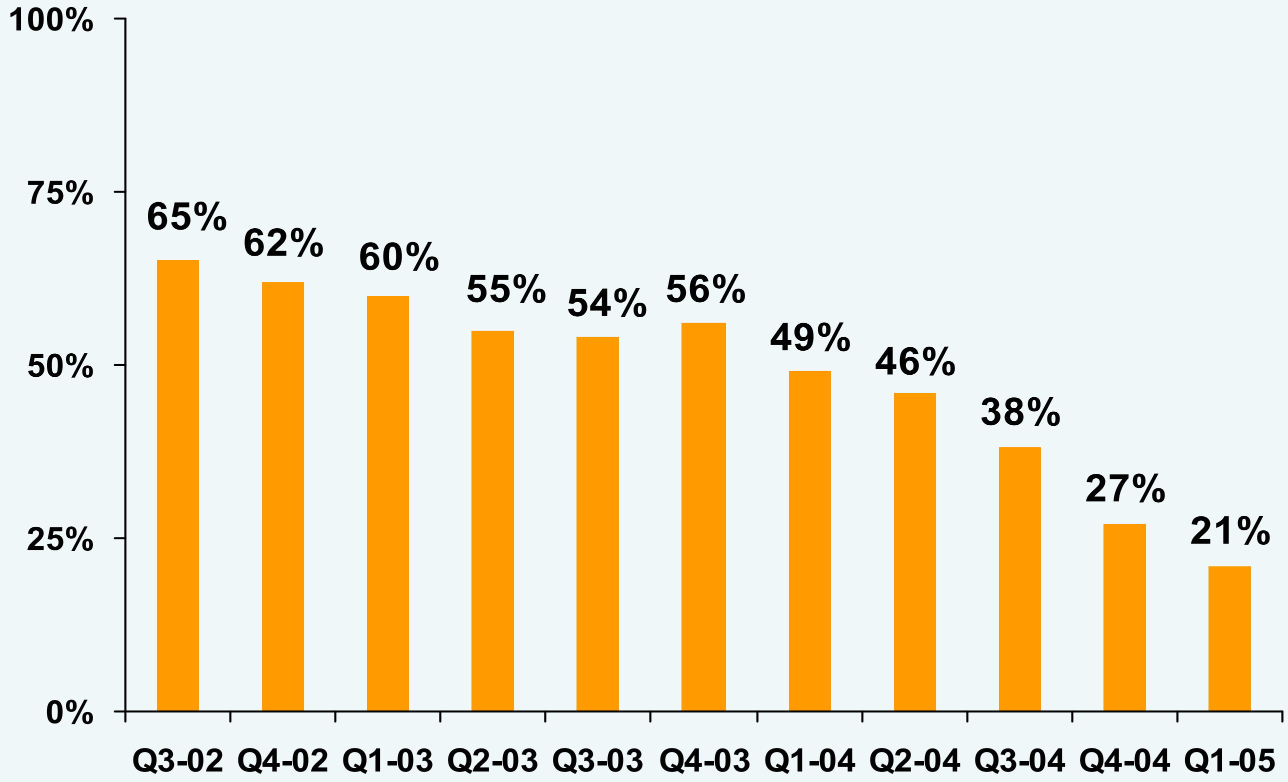
Cash Flow and Capital Expenditures



*First half 2005 forecast numbers do not include potential impact from share repurchases

Improved Balance Sheet

- Debt to debt + equity

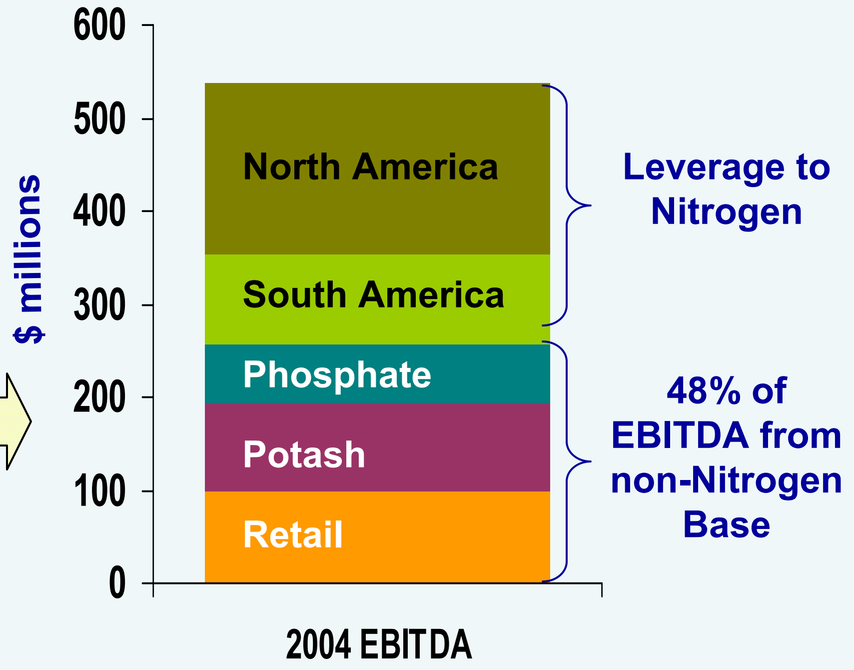


Note: Debt = LTD + Bank Indebtedness + Current portion of LTD + Preferred Securities (COPrS) – Cash
Equity = Common Shares + Retained Earnings + Cumulative Translation Adjustment

Current Valuation: 2004 EBITDA

- Agrium is being valued primarily as a nitrogen play even though Non-Nitrogen base contributed half of EBITDA**

	Agrium
Market Cap (Apr 29, 2005)	2,396
Debt net of cash* (March 31, 2005)	263
Enterprise Value	**2,659**
Adjusted 2004 EBITDA**	537
EV/EBITDA	**5.0**



**Debt net of cash as at March 31, 2005 = (Debt) – (Cash & cash equivalents)*
***EBITDA excludes Kenai settlement & award*

Growing the Future

Yielding results Agrium®

Continued Focus on Growth

- **Build on our strong base**
  - Incremental potash expansions
  - Profertil debottleneck
- **Develop new technologies**
  - *Smart* Nitrogen ESN® & Duration ®
- **Underpin existing marketing & distribution position with low-cost Greenfield opportunities**
  - Egypt
- **Focus on potential for consolidation of retail & distribution**

Potash Expansion Underway

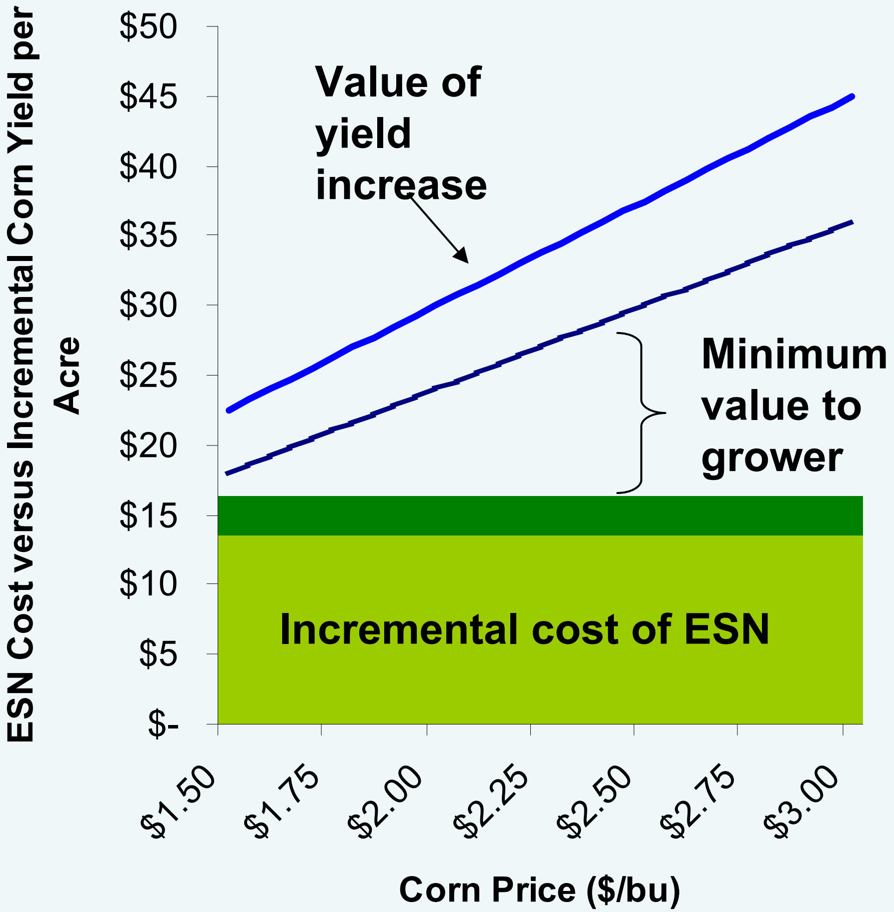
- Potash expansion of 310,000 tonnes is underway for approximately $65-million investment
- Expansion includes increased capacity, compaction and storage. Margins to benefit from higher production of quality “premium” potash compared to standard potash.
- Additional 300,000 tonne expansion being evaluated

ESN SmartNitrogen

Easy
Effective
Environmentally Smart

The Value Proposition

- Expanding capacity to 150,000 tonnes/year
- Corn yields increase by 12 - 15 bu/acre over UAN application
- 10 - 12 ¢ per lb of nitrogen premium over urea still provides improved grower return
- Increases returns for both Agrium & the grower



The Future is Promising

- **Market fundamentals are strong**
- **Agrium is in a sound financial position**
  - Redeemed preferred shares
  - Implemented a share buyback program
- **Continue to grow and stabilize our earnings**
  - Potash expansion
  - New/differentiated technology ESN®
  - Pursing low cost offshore production
  - Strengthening distribution position
  - Consolidating retail

Agrium®

The Future is Promising