



Terra Industries Inc.
600 Fourth Street
P.O. Box 6000
Sioux City, IA 51102-6000
Telephone: (712) 277-1340
Telefax: (712) 277-7383
www.terrainindustries.com

NEWS

For immediate release

Contact: Joe Ewing
(712) 277-7305
jewing@terrainindustries.com

TET packaging and distribution agreement with Excelda Manufacturing makes TerraCair Ultrapure® DEF available to all consumers

Sioux City, Iowa (April 1, 2009)—Terra Industries Inc. (NYSE symbol: TRA) (Terra) announces that Terra Environmental Technologies Inc. (TET), a wholly owned Terra subsidiary, has signed a multi-year agreement with Excelda Manufacturing Company (Excelda). Under the terms of the agreement, Excelda will package and distribute TerraCair Ultrapure® Diesel Exhaust Fluid (DEF) in package sizes of 50 gallons or less, and specialize in one- to 2.5-gallon containers.

TerraCair Ultrapure® DEF is a nitrogen-based urea solution that helps clean the air by reducing nitrogen oxide (NOx) emissions from the exhaust stream of diesel engines. Its use is driven by legislation set to take effect in 2010 that will require new on-road vehicles with diesel engines to meet more stringent emissions requirements.

This agreement will allow Excelda to make TerraCair Ultrapure® DEF available to new end-use markets, including original equipment manufacturers (OEMs), automotive fluid distributors, truck stops and a variety of retail outlets. This agreement complements one that TET signed with Brenntag North America (Brenntag) in December 2008. Together, the Excelda and Brenntag agreements provide avenues for TET to distribute TerraCair Ultrapure® DEF in package sizes ranging from one-gallon containers to bulk truckloads.

Said Terra President and CEO Michael Bennett, “This agreement is an important piece of the total distribution network, allowing us to reach the final segment of potential TerraCair consumers. We’re pleased to partner with Excelda because they have high quality standards, a proven ability to meet their delivery deadlines, and established relationships in the automotive industry, among other advantages.

“The agreement also marks progress toward Terra’s stated goal of establishing TET as a leader in environmental technologies,” Bennett continued. “We continue to be pleased with TET’s growth and contribution to Terra.”

Excelda will package TerraCair Ultrapure® DEF at its primary facility in Fowlerville, Mich., specializing in package sizes ranging from one to 2.5 gallons.

About TET

Terra Environmental Technologies provides products and services to customers using nitrogen products to reduce NOx emissions from various sources, including power plants and diesel engines, and in other environmental processes such as water treatment. As a wholly owned subsidiary of Terra Industries Inc., TET has access to the full range of Terra resources. Terra, with 2008 revenues of \$2.9 billion, is a leading North American producer and marketer of nitrogen products.

About Excelda

Excelda is a complete solution provider of private label consumer and automotive products, specializing in fluid blending, packaging, warehousing and order fulfillment services to original equipment manufacturers and retail marketing companies worldwide.

Forward-looking statement

Certain statements in this new release may constitute “forward-looking” statements within the meaning of the Private Litigation Reform Act of 1995. Forward-looking statements are based upon assumptions as to future events that may not prove to be accurate. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Actual outcomes and results may differ materially from what is expressed or forecasted in these forward-looking statements. As a result, these statements speak only as of the date they were made and Terra undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Words such as “expects,” “intends,” “plans,” “projects,” “believes,” “estimates,” and similar expressions are used to identify these forward-looking statements. These include, among others, statements relating to:

- financial markets,
- general economic conditions within the agricultural industry,
- competitive factors and price changes (principally, sales prices of nitrogen and methanol products and natural gas costs),
- product mix,
- the seasonality of demand patterns,
- weather conditions,
- environmental and other government regulation, and
- agricultural regulations.

Additional information as to these factors can be found in Terra’s 2008 Annual Report/10-K, in the section entitled “Business,” “Legal Proceedings,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and in the Notes to the consolidated financial statements.

###

Note: Terra Industries’ news announcements are also available on its Web site, www.terrainindustries.com.