

This document is important and requires your immediate attention. If you are in any doubt as to how to deal with it, you should consult your investment dealer, stockbroker, trust company manager, bank manager, lawyer or other professional advisor. No securities regulatory authority has expressed an opinion about the securities that are the subject of this Offer and it is an offence to claim otherwise.

This Offer has not been approved by any securities regulatory authority in Canada or the United States nor has any securities regulatory authority in Canada or the United States passed upon the fairness or merits of the Offer or upon the adequacy of the information contained in this document. Any representation to the contrary is an offence.

November 8, 2005



**OFFER TO PURCHASE
all of the outstanding Income Deposit Securities of
ROYSTER-CLARK LTD.**

– and –

ROYSTER-CLARK ULC

at a price of Cdn. \$10.00 cash for each Income Deposit Security

This offer (the "**Offer**") by Agrium Acquisitions Inc. (the "**Offeror**"), a wholly owned subsidiary of Agrium Inc. ("**Agrium**"), to purchase all of the issued and outstanding income deposit securities ("**IDSs**") issued by Royster-Clark Ltd. ("**Royster-Clark Ltd.**") and Royster-Clark ULC ("**Royster-Clark ULC**", and together with Royster-Clark Ltd., "**Royster-Clark**") will be open for acceptance until 4:00 p.m. (Calgary time) on December 15, 2005, unless withdrawn or extended (the "**Expiry Time**").

This Offer is for IDSs only, and deposits to the Offer of any separate common shares of Royster-Clark Ltd. ("Common Shares") or subordinated notes of Royster-Clark ULC ("Subordinated Notes") which may be outstanding and held otherwise than in the form of IDSs, whether as a result of the separation of the IDSs or otherwise, will not constitute a valid acceptance of the Offer by the holders thereof and such separate Common Shares and Subordinated Notes will not be taken up by the Offeror. Any holder of separate Common Shares or Subordinated Notes wishing to tender such securities pursuant to the Offer must recombine the applicable number of Common Shares and principal amount of Subordinated Notes to form IDSs, in accordance with the terms of the IDSs, prior to tendering such securities.

The Offer is conditional upon, among other things, at least 90% of the outstanding IDSs (calculated on a "diluted basis", as defined herein), being validly deposited under the Offer and not withdrawn prior to the Expiry Time and the time the Offeror first takes up and pays for IDSs under the Offer, and the receipt of regulatory and third party approvals on terms and conditions satisfactory to the Offeror. All conditions of the Offer are described under Section 4 of the Offer, "Conditions of the Offer". None of the Offeror or any of its affiliates currently own any IDSs or other securities of Royster-Clark.

As the IDSs are currently held in "book entry form" by The Canadian Depository for Securities Limited, in order to tender IDSs to the Offer, holders of IDSs ("**Unitholders**") need to complete the documentation and follow the instructions provided by their broker or other nominee through which their IDSs are held. **Unitholders should contact their broker, investment dealer, bank, trust company or other nominee for assistance.**

The IDSs are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**"). On November 7, 2005, the last trading day prior to the public announcement by the Offeror of the Offer, the closing trading price of the IDSs on the TSX was \$7.85.

Questions and requests for assistance may be directed to Georgeson Shareholder Communications Canada Inc., the information agent for the Offer, at its address and telephone number set forth on the last page of this Offer and Circular, and additional copies of this Offer and Circular and the Letter of Acceptance are available from the Depository at its offices set forth on the last page of this Offer and Circular.

Except as otherwise indicated, the information concerning Royster-Clark contained in this Offer and Circular has been taken from, or is based upon, publicly available information and records on file with Canadian securities regulatory authorities and other public sources. The Offeror has no means of verifying the accuracy or completeness of any of the information contained herein that is derived from those filings or whether there has been a failure by Royster-Clark to disclose events that may have occurred or may affect the significance or accuracy of any such information.

The Information Agent for the Offer is:

**Georgeson Shareholder
Communications Canada Inc.**

North American Toll Free: 1-866-787-5864

The Dealer Manager for the Offer is:

RBC Capital Markets

In Canada:

**RBC Dominion
Securities Inc.**

In the United States:

**RBC Capital
Markets Corporation**

(This cover page continued on the next page)

NOTICE TO UNITHOLDERS IN THE UNITED STATES

This Offer is being made for the securities of Canadian companies and is subject to disclosure requirements applicable in Canada. Investors should be aware that these requirements are different from those of the United States. Financial statements and other financial information included in the Offer and Circular, if any, have been prepared in accordance with Canadian generally accepted accounting principles and may not be comparable to the financial statements or financial information of U.S. companies.

The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that Agrium, the Offeror, Royster-Clark Ltd. and Royster-Clark ULC are located in Canada, and that some or all of their assets are located outside the United States and some or all of their officers and directors may be residents of countries other than the United States.

Unitholders should be aware that the purchase by the Offeror of their IDSs as described in the Offer and Circular may have tax consequences under the laws of the United States and Canada. Such tax consequences for Unitholders who are resident in, or subject to taxation in, the United States may not be fully described in the Offer and Circular.

Investors should be aware that the Offeror or its affiliates, directly or indirectly, may bid for or purchase securities of Royster-Clark subject to the Offer, or related securities, during the period of the tender offer, as permitted by applicable laws or regulations.

All dollar references in the Offer and Circular are in Canadian dollars, unless otherwise indicated. On November 7, 2005, the rate of exchange for the United States dollar, expressed in Canadian dollars, based on the Bank of Canada noon spot rate of exchange, was U.S.\$1.00 = CDN \$1.1901.

NOTICE TO NON-REGISTERED HOLDERS OF INCOME DEPOSIT SECURITIES

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Offeror or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

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DEFINITIONS

In the Offer, the Circular and the Letter of Acceptance, the capitalized terms set forth below have the following meanings:

"**affiliate**" has the meaning ascribed thereto in National Instrument 45-106: *Prospectus and Registration Exemptions*, adopted by the Canadian securities regulatory authorities except as otherwise provided herein.

"**Agrium**" means Agrium Inc., a corporation incorporated under the CBCA.

"**AMF**" means the Autorité des marchés financiers.

"**associate**" has the meaning ascribed thereto in the *Securities Act* (Alberta), except as otherwise provided herein.

"**Business Day**" means any day excepting a Saturday, Sunday or statutory holiday in Toronto, Ontario.

"**CBCA**" means the *Canada Business Corporations Act* and the regulations thereto, as the same has been and may be amended from time to time.

"**CDS**" means CDS & Co., the nominee of The Canadian Depository for Securities Limited, or such other nominee of The Canadian Depository for Securities Limited.

"**CDS Participants**" means participants in the book-entry system maintained by CDS.

"**Circular**" means the take-over bid circular that accompanies and forms part of the Offer and which is attached hereto.

"**Common Shares**" means the common shares in the capital of Royster-Clark Ltd.

"**Compulsory Acquisition**" has the meaning ascribed to that term in the Circular under the heading "Acquisition of Securities Not Deposited – Compulsory Acquisition".

"**CRA**" means the Canada Revenue Agency.

"**Dealer Manager**" means RBC Dominion Securities Inc., in Canada, and RBC Capital Markets Corporation, in the United States.

"**Delaware Acquisition Transaction**" means any transaction pursuant to which Agrium or any of its affiliates acquires or may acquire the Class B and/or Class C common shares of Royster-Clark Holdings or that results or would result in Royster-Clark Holdings becoming a direct or indirect wholly owned subsidiary of Agrium.

"**Depository**" means CIBC Mellon Trust Company at the offices specified in the Letter of Acceptance.

"**diluted basis**" means, (i) with respect to the number of outstanding IDSs at any time, such number of outstanding IDSs calculated assuming that no IDSs have been separated or, if separated, all rights to recombine Common Shares and Subordinated Notes to form IDSs following their separation pursuant to their terms, are exercised; and (ii) with respect to the number of outstanding Common Shares, such number of outstanding Common Shares calculated assuming that all options, warrants and other rights to acquire Common Shares that are or may in the future be issued or outstanding are exercised.

"**Dissenting Offeree**" has the meaning ascribed thereto under "Acquisition of Securities Not Deposited – Compulsory Acquisition" in the Circular.

"**Effective Date**" has the meaning ascribed thereto under "Manner of Acceptance – Letter of Acceptance" in the Offer.

"**Effective Time**" means the time that the Offeror shall have acquired ownership of and paid for at least the Minimum Required Securities pursuant to the terms of the Offer.

"Eligible Institution" means a Canadian schedule 1 chartered bank, a major trust company in Canada, a member of the Securities Transfer Agent Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Dealers Association of Canada, members of the National Association of Securities Dealers or banks and trust companies in the United States.

"Expiry Date" means the date on which the Expiry Time occurs.

"Expiry Time" means the Initial Expiry Time unless the Offer has been or is required to be extended, in which case it means the expiry time of the Offer as extended, or required to be extended, from time to time.

"HSR Act" means the United States *Hart-Scott-Rodino Antitrust Improvements Act of 1976*, and the rules promulgated thereunder, as amended from time to time.

"IDSs" means the income deposit securities of Royster-Clark, each comprised of one Common Share and \$6.08 principal amount of Subordinated Notes.

"Information Agent" means Georgeson Shareholder Communications Canada Inc.

"Initial Expiry Time" means 4:00 p.m. (Calgary time) on December 15, 2005.

"Letter of Acceptance" means the letter of acceptance and transmittal for use in connection with the Offer in the form enclosed herewith which accompanies the Offer.

"material" means, where used in relation to Royster-Clark Ltd. and its subsidiaries, a fact, asset, liability, transaction or circumstance concerning the business, assets, rights, liabilities, capitalization, operations, prospects or financial condition of Royster-Clark Ltd. and its subsidiaries, taken as a whole, that the Offeror determines, in its sole judgment: (i) would be reasonably likely to have a significant effect on the market price or value of any of the Royster-Clark Securities; or (ii) would prevent or materially delay completion of the Offer in accordance with its terms or any Compulsory Acquisition, Subsequent Acquisition Transaction or Delaware Acquisition Transaction.

"Material Adverse Change" means any change (or any condition, event or development involving a prospective change) in the business, operations, results of operations, assets, capitalization, financial condition, licenses, permits, leases, concessions, rights, liabilities, prospects or privileges, whether contractual or otherwise, of Royster-Clark Ltd. or any of its subsidiaries which is, or could reasonably be expected to be, materially adverse to the business of such party and its subsidiaries considered as a whole or the value of any of the Royster-Clark Securities.

"Minimum Condition" has the meaning ascribed thereto in subsection (a) of Section 4 of the Offer, "Conditions of the Offer".

"Minimum Required Securities" means at least that number of the outstanding IDSs required pursuant to the Minimum Condition, unless the Offeror shall have waived the Minimum Condition in which case "Minimum Required Securities" means that number of the outstanding IDSs which the Offeror takes up on the Take-Up Date.

"Noteholders" means the holders of Subordinated Notes, and **"Noteholder"** means any of them.

"NYSE" means the New York Stock Exchange.

"OBICA" means the *Business Corporations Act* (Ontario) and the regulations thereto, as the same has been and may be amended from time to time.

"Offer" means the offer to purchase the IDSs made hereby to the holders of IDSs.

"Offer Period" means the period commencing on November 8, 2005 and ending at the Expiry Time.

"Offeror" means Agrium Acquisitions Inc., a corporation incorporated under the OBICA and a wholly owned subsidiary of Agrium.

"**Offeror's Notice**" has the meaning ascribed thereto under "Acquisition of Securities Not Deposited – Compulsory Acquisition" in the Circular.

"**OSC**" means the Ontario Securities Commission.

"**Other Securities**" has the meaning ascribed thereto under "Manner of Acceptance – Letter of Acceptance" in the Offer.

"**Permitted Payments**" means monthly cash payments to holders of IDSs (comprised of cash dividends paid to holders of Common Shares forming part of the IDSs and cash interest payments to holders of Subordinated Notes forming part of the IDSs) made to holders of record at the close of business on the last Business Day of each month in conformity and consistency in all respects with the dividend and interest payment policies and requirements of Royster-Clark Ltd. and Royster-Clark ULC, respectively, in effect as of the date of the Offer and having a record date for determination of holders entitled to such payments that is prior to the date of transfer into the name of the Offeror or its nominee or transferee following acceptance of deposited IDSs for purchase pursuant to the Offer, but not to exceed an aggregate of \$0.096 per IDS per month, consisting of a monthly dividend of \$0.025 per Common Share and a monthly interest payment of \$0.071 per \$6.08 principal amount of Subordinated Notes.

"**Policy Q-27**" means Policy Statement No. Q-27: *Protection of Minority Securityholders in the Course of Certain Transactions* of the AMF, as the same may be amended.

"**Purchased Securities**" has the meaning ascribed thereto under "Manner of Acceptance – Letter of Acceptance" in the Offer.

"**Regulations**" has the meaning ascribed thereto under "Acquisition of Securities Not Deposited – Subsequent Acquisition Transactions" in the Circular.

"**Rights**" has the meaning ascribed thereto in the Royster-Clark Rights Plan, if any.

"**Royster-Clark**" means together, Royster-Clark Ltd. and Royster-Clark ULC.

"**Royster-Clark Group**" means Royster-Clark Holdings and its consolidated subsidiaries, and where the context requires, the predecessor of such entities.

"**Royster-Clark Holdings**" means Royster-Clark Holdings, Inc. a Delaware corporation in which Royster-Clark Ltd. owns a 91.12% economic interest.

"**Royster-Clark Ltd.**" means Royster-Clark Ltd., an Ontario corporation.

"**Royster-Clark Rights Plan**" means any shareholder rights plan or similar plan that may be adopted by Royster-Clark Ltd. or any of its subsidiaries on or after November 8, 2005.

"**Royster-Clark Securities**" means, collectively, IDSs, Common Shares and Subordinated Notes, or any of them as the context may require and "**Royster-Clark Security**" means any one of them.

"**Royster-Clark ULC**" means Royster-Clark ULC, a Nova Scotia unlimited liability company.

"**Rule 61-501**" means OSC Rule 61-501: *Insider Bids, Issuer Bids, Business Combinations and Related Party Transactions*, as the same may be amended.

"**SEC**" means the United States Securities and Exchange Commission.

"**Securityholders**" means collectively, Unitholders, Shareholders and Noteholders, and "**Securityholder**" means any one of them.

"**Shareholders**" means holders of Common Shares and "**Shareholder**" means any one of them.

"**Subordinated Notes Indenture**" means the 14.0% subordinated notes indenture dated July 22, 2005 among Royster-Clark ULC, Royster-Clark Holdings, certain guarantors of the Subordinated Notes and Computershare Trust Company of Canada, as trustee, as may be amended from time to time.

"**Subordinated Notes**" means the 14.0% subordinated notes due July 22, 2020 issued by Royster-Clark ULC pursuant to the Subordinated Notes Indenture.

"**Subsequent Acquisition Transaction**" means any proposed statutory arrangement, amalgamation, merger, reorganization, consolidation, recapitalization or other transaction involving Royster-Clark Ltd. and/or any of its subsidiaries and the Offeror or an affiliate of the Offeror which, if successfully completed, would result in the Offeror owning, directly or indirectly, all of the Common Shares or effecting an amalgamation or merger of Royster-Clark Ltd.'s business and assets with or into the Offeror or its affiliates, as contemplated in the Circular under "Acquisition of Shares Not Deposited - Subsequent Acquisition Transactions".

"**subsidiary**" has the meaning set forth in the *Securities Act* (Alberta) and, in respect of Royster-Clark Ltd., includes without limitation, Royster-Clark Holdings, Royster-Clark, Inc. and Royster-Clark ULC.

"**Take-Up Date**" means the date that the Offeror first takes up IDSs pursuant to the Offer.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended.

"**Tax Proposals**" means all specific proposals to amend the Tax Act and the Tax Regulations publicly announced by or on behalf of the Minister of Finance of Canada prior to the date hereof.

"**Tax Regulations**" means the regulations under the Tax Act.

"**TSX**" means the Toronto Stock Exchange.

"**United States**" or "**U.S.**" mean the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

"**Unitholders**" means holders of IDSs and "**Unitholder**" means any one of them.

In this Offer, the Circular and the Letter of Acceptance, unless otherwise stated, references to "**dollars**" and "**\$**" are to the currency of Canada and words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine gender and vice versa.

SUMMARY

The following is intended as a summary only and reference is made to the more detailed disclosure contained in the attached Offer and Circular and the Letter of Acceptance, and is qualified in its entirety by the more detailed disclosure contained in those documents. Unitholders are urged to read the Offer and Circular and the Letter of Acceptance in their entirety.

The Offer

The Offeror is offering to purchase, on and subject to the terms and conditions set forth in the Offer, all of the issued and outstanding IDSs of Royster-Clark. This Offer is made only for IDSs, and deposits to the Offer of any separate Common Shares or Subordinated Notes which may be outstanding and held otherwise than in the form of IDSs, whether as a result of the separation of the IDSs or otherwise, will not constitute a valid acceptance of the Offer by the holders thereof and such separate Common Shares and Subordinated Notes will not be taken up by the Offeror. Any holder of separate Common Shares or Subordinated Notes wishing to tender such securities pursuant to the Offer must recombine the applicable number of Common Shares and principal amount of Subordinated Notes to form IDSs, in accordance with the terms of the IDSs, prior to tendering such securities. Additionally, this Offer is not made for any options, warrants or other rights to acquire IDSs or other Royster-Clark Securities (other than any Rights). Any holder of such options, warrants or other rights who wishes to accept the Offer must exercise the options, warrants or other rights (other than any Rights) and deposit the IDSs through their broker or other nominee under and in accordance with the Offer. Any such exercise must be completed in sufficient time to comply with the procedures referred to in Section 3 of the Offer, "Manner of Acceptance".

Notwithstanding anything contained to the contrary in the Offer or in the Circular or the Letter of Acceptance, holders of IDSs who have deposited IDSs to the Offer will be deemed to have deposited any Rights associated with the IDSs, and any such Rights will also be deemed to have been taken up if the associated IDSs are taken up by the Offeror. No additional payments will be made for any Rights and no amount of the consideration to be paid by the Offeror will be allocated to any Rights.

The obligation of the Offeror to take up and pay for IDSs pursuant to the Offer is subject to certain conditions. See Section 4 of the Offer, "Conditions of the Offer".

Offer Price

The Offer price is \$10.00 per IDS. The Offer price represents a 27.4% premium to the closing price of the IDSs on the TSX on November 7, 2005, the last trading day prior to the announcement of the Offer, and a 32.1% premium to the \$7.57 weighted average trading price of the IDSs on the TSX for the 20 trading days prior to announcement of the Offer.

The purchase price of \$10.00 per IDS shall be allocated as to \$2.00 per Common Share forming part of the IDS and \$8.00 for each \$6.08 principal amount of Subordinated Notes forming part of the IDS. Acceptance of the Offer constitutes an agreement to this allocation by a holder of Royster-Clark Securities.

A Unitholder of record on November 30, 2005 who accepts the Offer and whose IDSs are taken up by the Offeror will still receive the monthly payment to be made by Royster-Clark on or about December 15, 2005 to Unitholders of record on November 30, 2005.

The Offeror and Agrium

The Offeror is a corporation organized under the OBCA and is a wholly owned subsidiary of Agrium. The registered office of the Offeror is located at 199 Bay Street, Suite 2800, Commerce Court West, Toronto, Ontario, M5L 1A9.

Agrium is a publicly-traded company based in Calgary, Alberta which is engaged in the business of producing and distributing agricultural nutrients and industrial products and services. The head and registered office of Agrium is located at 13131 Lake Fraser Drive S.E., Calgary, Alberta, T2J 7E6. The common shares of Agrium are listed and posted for trading on the TSX and the NYSE under the trading symbol "AGU".

None of the Offeror or any of its affiliates currently own any Royster-Clark Securities.

Purpose of the Offer

The purpose of the Offer is to enable the Offeror to acquire all of the IDSs or the Common Shares and Subordinated Notes that comprise the IDSs. Agrium also intends to acquire the approximate 8.88% economic interest in Royster-Clark Holdings not currently owned by Royster-Clark Ltd. by implementing a Delaware Acquisition Transaction. See "Purpose of the Offer and the Offeror's Plans for Royster-Clark" in the Circular.

Time for Acceptance

The Offer is open for acceptance until 4:00 p.m. (Calgary time) on December 15, 2005, unless extended or withdrawn by the Offeror. See Section 2 of the Offer, "Time for Acceptance".

Manner of Acceptance

Registration of interests in and transfers of IDSs may currently only be made through a book-entry only system administered by CDS. As such, in order to tender their IDSs to the Offer, Unitholders must complete the documentation and follow the instructions provided by their broker or other nominee through which their IDSs are held. **Unitholders should contact their broker, dealer, bank, trust company or other nominee for assistance.** CDS, as the sole registered holder of the IDSs (and the Common Shares and Subordinated Notes comprising the IDSs), will be required to complete and return the Letter of Acceptance in respect of all IDSs tendered pursuant to the Offer by CDS Participants on behalf of holders of IDSs. See Section 3 of the Offer, "Manner of Acceptance".

Conditions of the Offer

The Offeror reserves the right to withdraw or terminate the Offer and not take up and pay for, or extend the Expiry Time and postpone taking up and paying for, any IDSs tendered to the Offer unless the conditions described in Section 4 of the Offer, "Conditions of the Offer", are satisfied or waived by the Offeror prior to the Expiry Time. Such conditions include, among other things, at least 90% of the outstanding IDSs (calculated on a diluted basis) being validly deposited under the Offer and not withdrawn prior to the Expiry Time and the time the Offeror first takes up and pays for IDSs under the Offer, and the receipt of regulatory and third party approvals on terms and conditions satisfactory to the Offeror (including those under the HSR Act).

For a complete description of the conditions of the Offer, see Section 4 of the Offer, "Conditions of the Offer".

Payment for Deposited IDSs

Upon and subject to the terms and conditions of the Offer (including that all conditions referred to in Section 4 of the Offer, "Conditions of the Offer", have been satisfied or waived by the Offeror), the Offeror may, following the expiration of 35 days from the date of the Offer, commence taking up and paying for IDSs validly deposited under the Offer, and not withdrawn, within 10 days from the Expiry Date. Any IDSs taken up by the Offeror prior to the Expiry Time shall be paid for by the Offeror as soon as possible, and in any event not more than three Business Days after the taking up of such IDSs. Any IDSs deposited pursuant to the Offer subsequent to a date on which the Offeror has previously taken up IDSs deposited under the Offer shall be taken up and paid for within 10 days from the time such IDSs were deposited. See Section 6 of the Offer, "Payment for Deposited Securities".

Acquisition of Securities Not Deposited

If the Offeror takes up and pays for IDSs validly deposited under the Offer and, as a result, acquires not less than 90% of the issued and outstanding Common Shares (other than Common Shares held at the date hereof by or on behalf of the Offeror or its affiliates or associates (as such terms are defined in the OBCA)), the Offeror intends, to the extent possible, to acquire the remaining Common Shares pursuant to a Compulsory Acquisition. If the Minimum Condition is satisfied, the Offeror will own sufficient Common Shares to effect a Compulsory Acquisition. Under a Compulsory Acquisition, the Offeror will become the owner of the remaining Common Shares that it has not acquired pursuant to the Offer, including those Common Shares that constitute part of an IDS not acquired pursuant to the Offer. As a result, holders of IDSs not acquired by the Offeror pursuant to the Offer will no longer hold such IDSs or the Common Shares forming part of such IDSs, but will be entitled to receive the portion of the Offer price allocated to the Common Shares in respect of such IDSs and will continue to hold the Subordinated Notes that formed part of such IDSs.

If the Offeror takes up and pays for IDSs validly deposited under the Offer and, as a result, acquires less than 90% of the Common Shares or a Compulsory Acquisition is otherwise unavailable or if the Offeror elects not to proceed by way of a Compulsory Acquisition, the Offeror intends to consider other means of acquiring, directly or indirectly, all of the equity interest in Royster-Clark Ltd. available in accordance with applicable law, including pursuant to a Subsequent Acquisition Transaction. If the Offeror acquires at least 66 2/3% of the issued and outstanding IDSs (on a diluted basis), the Offeror will own sufficient Common Shares to effect such Subsequent Acquisition Transaction.

Under the provisions of the Subordinated Notes Indenture and applicable laws, neither a Compulsory Acquisition or a Subsequent Acquisition Transaction is currently permitted with respect to the Subordinated Notes, and the Offeror may in the future make additional purchases of Subordinated Notes at the times and on the terms it deems appropriate. See Section 13 of the Offer, "Acquisition of Securities Not Deposited" and "Acquisition of Securities Not Deposited" in the Circular.

Certain Canadian Federal Income Tax Considerations

Securityholders tendering their IDSs to the Offer will be considered to dispose of their ownership of the Common Shares and Subordinated Notes represented by their IDSs as separate properties and will be deemed to agree to the allocation of the purchase price included in the Offer. Although the Offeror believes this allocation to be reasonable, such allocation is not binding on the CRA.

Securityholders that are resident or deemed to be resident in Canada will realize a capital gain (or a capital loss) in respect of a Subordinated Note equal to the amount by which the purchase price allocated to the Subordinated Note, net of the amount included in the Securityholder's income as accrued interest and reasonable costs of disposition, exceeds (or is exceeded by) the adjusted cost base of the Subordinated Note. Accrued interest on the Subordinated Notes from the date of the last interest payment to the date of disposition generally must be included in a Securityholder's income in the year of disposition.

Securityholders that are resident or deemed to be resident in Canada will realize a capital gain (or a capital loss) in respect of a Common Share equal to the amount by which the purchase price allocated to the Common Share, net of reasonable costs of disposition, exceeds (or is exceeded by) the adjusted cost base of the Common Share.

Securityholders that are not (and are not deemed to be) resident in Canada for income tax purposes and tender their IDSs to the Offer generally will not be subject to tax in Canada in respect of the sale of their IDSs.

Securityholders are urged to seek independent tax advice in respect of the consequences to them of the Offer. See "Certain Canadian Federal Income Tax Considerations" in the Circular.

Certain Material U.S. Federal Income Tax Consequences

Securityholders tendering their IDSs pursuant to the Offer will be considered to dispose of their ownership of the Common Shares and Subordinated Notes represented by their IDSs as separate properties and will be deemed to agree to the allocation of the purchase price included in the Offer. Although the Offeror believes this allocation to be reasonable, such allocation is not binding on the Internal Revenue Service.

Securityholders that are resident or deemed to be resident in the United States will realize capital gain (or a capital loss) in respect of a Common Share equal to the amount by which the purchase price allocated to the Common Share exceeds (or is exceeded by) the adjusted cost basis of the Common Share.

Securityholders that are resident or deemed to be resident in the United States will realize capital gain (or a capital loss) in respect of a Subordinated Note equal to the amount by which the purchase price allocated to the Subordinated Note, net of the amount included in the Securityholder's income as accrued interest, exceeds (or is exceeded by) the adjusted cost basis of the Subordinated Note. Accrued interest on the Subordinated Note from the date of the last interest payment to the date of disposition generally must be included in a Securityholder's income in the year of disposition.

Securityholders that are resident or deemed to be resident in the United States may also realize foreign currency exchange gain or loss, see "Certain Material U.S. Federal Income Tax Consequences – U.S. Holders – Foreign Currency Exchange Gain or Loss" in the Circular.

Securityholders that are not resident in the United States for federal income tax purposes and tender their IDSs pursuant to the Offer generally will not be subject to tax in the United States in respect of the sale of their IDSs.

Securityholders are urged to consult their brokers or other nominees through which they hold IDSs for further information regarding the procedures adopted by such financial institutions with respect to U.S. backup withholding.

Securityholders are urged to consult their tax advisors with respect to the U.S. tax consequences of tendering Royster-Clark securities. For a summary of certain material U.S. federal income tax consequences of the Offer, see "Certain Material U.S. Federal Income Tax Consequences" in the Circular.

Rights to Withdraw

All deposits of IDSs pursuant to the Offer are irrevocable except as provided in Section 7 of the Offer, "Withdrawal of Deposited Securities".

Stock Exchange Listings

The IDSs are listed and posted for trading on the TSX under the symbol "ROY.UN". On November 7, 2005, the last trading day prior to the public announcement by the Offeror of the Offer, the closing trading price of the IDSs on the TSX was \$7.85.

Depository and Information Agent

CIBC Mellon Trust Company is acting as the depository for the receipt of certificates from registered Unitholders in respect of IDSs and Letters of Acceptance deposited under the Offer at the offices of the Depository specified in the Letter of Acceptance. The Depository will be responsible for giving certain notices, if required, and for making payment for all IDSs purchased by the Offeror under the Offer. See "Depository and Information Agent" in the Circular.

As registration of interests in and transfers of IDSs (and the Common Shares and Subordinated Notes comprising the IDSs) may currently only be made through a book-entry system administered by CDS, it is anticipated that Letters of Acceptance must only be completed and signed by CDS in respect of all IDSs (and the Common Shares and Subordinated Notes comprising the IDSs) tendered to the Offer by CDS Participants under CDS' book-entry system on behalf of beneficial holders of IDSs. In order to tender IDSs to the Offer, beneficial holders must follow the instructions of their broker or other nominee through which such securities are held.

Georgeson Shareholder Communications Canada Inc. has been retained as the Information Agent for the Offer. The Information Agent may contact Unitholders by mail, telephone, facsimile or personal interview and may request banks, brokers, dealers and other nominees to forward materials relating to the Offer to beneficial holders of IDSs. Questions and requests for assistance relating to the Offer may be directed to the Information Agent at the address and phone numbers set forth on the last page of this Offer and Circular. See "Depository and Information Agent" in the Circular.

Dealer Manager

The Offeror has engaged the services of RBC Dominion Securities Inc. as Dealer Manager in Canada to solicit acceptances of the Offer. RBC Dominion Securities Inc. intends to form a soliciting dealer group (the "**Soliciting Dealer Group**") comprised of members of the Investment Dealers Association of Canada and members of the TSX and the TSX Venture Exchange to solicit acceptances of the Offer from persons who are resident in Canada and it will also solicit acceptances of the Offer in the United States through its United States registered broker dealer affiliate, RBC Capital Markets Corporation.

No fees or commissions will be payable by any Unitholder who accepts the Offer by depositing their IDSs directly with the Depository or who uses the services of the Dealer Manager to accept the Offer. However, a depositing Unitholder's broker or other nominee may charge a fee or commission in connection with the Offer. Unitholders should contact their broker or other nominee for information on any such fees or commissions that may be payable.

Unitholders should contact the Dealer Manager, the Depository, the Information Agent or their broker or dealer for assistance in accepting the Offer.

OFFER

November 8, 2005

TO: THE HOLDERS OF IDSs OF ROYSTER-CLARK

1. The Offer

The Offeror hereby offers to purchase, on and subject to the terms and conditions hereinafter specified, all of the issued and outstanding IDSs at a price of \$10.00 per IDS, allocated as to \$2.00 per Common Share forming part of the IDS and \$8.00 for each \$6.08 principal amount of Subordinated Notes forming part of the IDS. Acceptance of the Offer constitutes an agreement to this allocation by a holder of Royster-Clark Securities.

A Unitholder of record on November 30, 2005 who accepts the Offer and whose IDSs are taken up by the Offeror will still receive the monthly payment to be made by Royster-Clark on or about December 15, 2005 to Unitholders of record on November 30, 2005.

This Offer is for IDSs only, and deposits to the Offer of any separate Common Shares or Subordinated Notes which may be outstanding and held otherwise than in the form of IDSs, whether as a result of the separation of the IDSs or otherwise, will not constitute a valid acceptance of the Offer by the holders thereof and such separate Common Shares and Subordinated Notes will not be taken up by the Offeror. Any holder of separate Common Shares or Subordinated Notes wishing to tender such securities pursuant to the Offer must recombine the applicable number of Common Shares and principal amount of Subordinated Notes to form IDSs, in accordance with the terms of the IDSs, prior to tendering such securities.

This Offer is not made for any options, warrants or other rights to acquire IDSs, Common Shares or Subordinated Notes (other than any Rights). Any holder of such options, warrants or other rights who wishes to accept the Offer must exercise the options, warrants or other rights (other than any Rights) and deposit the IDSs through their broker or other nominee under and in accordance with the Offer. Any such exercise must be completed in sufficient time to comply with the procedures set forth in Section 3 of the Offer, "Manner of Acceptance".

Notwithstanding anything contained to the contrary in the Offer or in the Circular or the Letter of Acceptance, Unitholders who have deposited IDSs to the Offer will be deemed to have deposited any Rights associated with the IDSs or the Common Shares or Subordinated Notes forming the IDSs, and any such Rights will also be deemed to have been taken up if the associated IDSs are taken up by the Offeror. No additional payments will be made for any Rights and no amount of the consideration to be paid by the Offeror will be allocated to any Rights.

The accompanying Circular and Letter of Acceptance are incorporated into and form part of the Offer and contain important information which should be read carefully before making a decision with respect to the Offer.

2. Time for Acceptance

The Offer is open for acceptance until 4:00 p.m. (Calgary time) on December 15, 2005 (or such later time and date or times and dates as may be fixed by the Offeror from time to time pursuant to Section 5 of the Offer, "Extension and Variation of the Offer"), unless withdrawn or terminated by the Offeror.

3. Manner of Acceptance

Book-Entry Only System

Registration of interests in and transfers of IDSs may currently only be made through a book-entry only system administered by CDS. As such, in order to tender their IDSs to the Offer, Unitholders must complete the documentation and follow the instructions provided by their broker or other nominee through which their IDSs are held. **Holders of IDSs should contact their broker, investment dealer, bank, trust company or other nominee for assistance.** CDS, as the registered holder of the IDSs (and the Common Shares and Subordinated Notes comprising the IDSs), will be required to complete and return the Letter of Acceptance in respect of all IDSs tendered pursuant to the Offer by CDS Participants on behalf of beneficial holders of IDSs.

All Unitholders whose IDSs are deposited with CDS through their broker or other nominee hereby expressly acknowledge and agree to be bound by the terms of the Letter of Acceptance and that the Offeror may enforce such terms against such holder of IDSs. A copy of the Letter of Acceptance may be obtained on the SEDAR profile of Royster-Clark Ltd. or Royster-Clark ULC at www.sedar.com or without charge from the Associate General Counsel of Agrium, on behalf of the Offeror, at 13131 Lake Fraser Drive S.E., Calgary, Alberta, T2J 7E8 (telephone (403) 225-7000).

Letter of Acceptance

The procedures set forth below with respect to acceptance of the Offer and delivery of certain documents apply only to CDS as the sole registered holder of the IDSs. Beneficial holders of IDSs should contact their broker or other nominee through which their IDSs are held for assistance in depositing their IDSs to the Offer.

The Offer may be accepted by delivering to the Depositary at any of the offices of the Depositary listed in the Letter of Acceptance so as to arrive there no later than the Expiry Time:

- (a) the certificate or certificates representing the IDSs in respect of which the Offer is being accepted;
- (b) a Letter of Acceptance, or a manually executed facsimile thereof, properly completed and duly executed as required by the instructions to the Letter of Acceptance; and
- (c) any other documents required by the instructions to the Letter of Acceptance.

Except as otherwise provided in the instructions to the Letter of Acceptance, all signatures on the Letter of Acceptance must be guaranteed by an Eligible Institution. If a Letter of Acceptance is executed by a person other than the registered holder(s) of the IDSs deposited therewith, and in certain other circumstances described in the Letter of Acceptance, then certificate(s) must be endorsed or be accompanied by an appropriate securities transfer power of attorney duly and properly completed by the registered holder(s), with the signature(s) on the endorsement panel or securities transfer power of attorney guaranteed by an Eligible Institution.

Payment for IDSs deposited and taken up by the Offeror pursuant to the Offer will be made only after timely receipt by the Depositary of: (i) certificates representing the IDSs or the securities comprising the IDSs; (ii) a Letter of Acceptance or a manually executed facsimile thereof, properly completed and duly executed, covering such IDSs with the signatures guaranteed in accordance with the instructions to the Letter of Acceptance; and (iii) any other documents required by the Letter of Acceptance.

The method of delivery of certificates representing the IDSs, the Letter of Acceptance and all other required documents is at the option and risk of the depositing Unitholder. The Offeror recommends that such certificates and documents be delivered by hand to the Depositary and a receipt be obtained. If such certificates or documents are mailed, the Offeror recommends that registered mail be used and that proper insurance be obtained.

The execution by a Unitholder of a Letter of Acceptance irrevocably appoints the Offeror and any officer of the Offeror, and each of them, and any other person designated by the Offeror in writing, as the true and lawful agent, attorney and attorney-in-fact and proxy of such Unitholder with respect to the securities deposited therewith and taken up and paid for by the Offeror (the "**Purchased Securities**") and with respect to any and all dividends, stock dividends, distributions, interest or other payments, securities, rights, warrants, assets or other interests declared, paid, accrued, issued, transferred, made or distributed on or in respect of the Purchased Securities on or after November 8, 2005, (collectively, the "**Other Securities**"), other than Permitted Payments, effective on and after the date that the Offeror takes up and pays for the Purchased Securities (the "**Effective Date**"), with full power of substitution, in the name and on behalf of such Unitholder (such power of attorney being deemed to be an irrevocable power coupled with an interest): (i) to register or record, transfer and enter the transfer of, Purchased Securities and/or any Other Securities on the appropriate registers of holders maintained by Royster-Clark Ltd. and Royster-Clark ULC, as applicable; and (ii) without limiting the foregoing, to exercise any and all of the rights of such holder in respect of the Purchased Securities and/or any Other Securities including, without limitation, the right to vote, execute and deliver any and all instruments of proxy, authorizations or consents in respect of any or all of the Purchased Securities and/or Other Securities, revoke

any such instruments, authorizations or consents given on or prior to, on or after the Effective Date, and designate in any such instruments of proxy any person or persons as the proxy or the proxy nominee or nominees of the holder thereof, all as set forth in the Letter of Acceptance, in respect of such Purchased Securities and/or such Other Securities for all purposes including, without limitation, in connection with any meeting (whether annual, special or otherwise and any adjournments thereof) of holders of securities of Royster-Clark Ltd. or Royster-Clark ULC, as applicable, and execute, endorse and negotiate, for and in the name of and on behalf of, the registered holder of Purchased Securities and/or Other Securities, any and all cheques or other instruments respecting any dividend, distribution, interest payment or other payment payable to or to the order of such registered holder in respect of such Purchased Securities or Other Securities.

Further, a Unitholder who executes the Letter of Acceptance, unless otherwise agreed to by the Offeror, agrees, among other things, from and after the Effective Date: (i) not to vote any of the Purchased Securities or Other Securities at any meeting (whether annual, special or otherwise and any adjournments thereof) of holders of Purchased Securities or Other Securities; (ii) not to exercise any other rights or privileges attached to any Purchased Securities or Other Securities; and (iii) to execute and deliver to the Offeror any and all instruments of proxy, authorizations or consents in respect of any or all of the Purchased Securities and/or Other Securities and to designate in any such instruments of proxy the person or persons specified by the Offeror as the proxy or proxy nominee or nominees of the holder thereof. Upon such appointment, all prior proxies given by the holder of such Purchased Securities and/or Other Securities with respect thereto shall be revoked and no subsequent proxies may be given by such holder with respect thereto.

A holder who executes a Letter of Acceptance covenants to execute, upon request, any additional documents, transfers or other assurances necessary or desirable to complete the sale, assignment and transfer of the Purchased Securities and any Other Securities to the Offeror and acknowledges that all authority therein conferred or agreed to be conferred shall survive the death or incapacity, bankruptcy or insolvency of the holder thereof and all obligations of the holder therein shall be binding upon the heirs, personal representatives, successors and assigns of the holder.

The deposit of IDSs pursuant to the procedures set out in the Letter of Acceptance will constitute a binding agreement between the depositing Unitholder and the Offeror upon the terms and subject to the conditions of the Offer including the depositing Unitholder's representation and warranty that: (i) such person has full power and authority to deposit, sell, assign and transfer the Purchased Securities and any Other Securities being deposited and has not sold, assigned or transferred or agreed to sell, assign or transfer any of such Purchased Securities or Other Securities to any other person; (ii) such Unitholder owns the Purchased Securities and any Other Securities being deposited within the meaning of applicable laws; (iii) the deposit of such Purchased Securities and any Other Securities complies with applicable laws; and (iv) when such Purchased Securities and any Other Securities are taken up and paid for by the Offeror, the Offeror will acquire good title thereto free and clear of all liens, restrictions, charges, encumbrances, claims and equities whatsoever.

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of IDSs deposited pursuant to the Offer will be determined by the Offeror in its sole discretion and depositing Unitholders agree that such determination shall be final and binding. The Offeror reserves the absolute right to reject any and all deposits which it determines not to be in a proper form or which may be unlawful to accept under the laws of any applicable jurisdiction. The Offeror reserves the right to waive any defect or irregularity in the deposit of any IDSs or the Common Shares or Subordinated Notes comprising the IDSs. The Offeror's interpretation of the terms and conditions of the Offer (including the Circular and the Letter of Acceptance) will be final and binding.

There shall be no obligation on the Offeror, the Dealer Manager, the Depositary or the Information Agent to give notice of any defects or irregularities in any deposit and no liability shall be incurred by any of them for failure to give any such notice.

The Offeror reserves the right to permit the Offer to be accepted in a manner other than that set out above.

4. Conditions of the Offer

Notwithstanding any other provision of the Offer, the Offeror reserves the right to withdraw or terminate the Offer and not take up and pay for, or to extend the period of time during which the Offer is open and postpone taking up and paying for, any IDSs deposited under the Offer unless all of the following conditions are satisfied or waived by the Offeror at or prior to the Expiry Time:

- (a) there shall have been validly deposited under the Offer and not withdrawn as at the Expiry Time at least 90% of the outstanding IDSs (calculated on a diluted basis) (the "**Minimum Condition**");
- (b) all outstanding options, warrants and rights (other than Rights, if any) if any, to acquire IDSs, Common Shares or Subordinated Notes shall have been exercised, cancelled or otherwise dealt with on terms satisfactory to the Offeror acting in its sole discretion;
- (c) the Offeror shall have determined in its sole judgment that all material, requisite or desirable regulatory approvals and consents of any stock exchanges or other securities or regulatory authorities shall have been obtained or occurred on terms and conditions satisfactory to the Offeror, in its sole judgment, and all applicable statutory or regulatory waiting periods shall have expired or been terminated, including without limitation, the waiting period (and any extension thereof) as may be applicable to the completion of the Offer under the HSR Act, and any other material waiting period under applicable foreign laws (if any) shall have expired or been terminated without the imposition of any governmental request or order requiring the sale or disposition or holding separate (through a trust or otherwise) of a material portion of the assets or businesses of the Offeror or its affiliates or Royster-Clark Ltd. or its subsidiaries, in each case taken as a whole, as determined in the sole judgment of the Offeror;
- (d) the Offeror shall have determined in its sole judgment that (i) no act, action, suit, proceeding, objection or opposition shall have been threatened or taken before or by any domestic or foreign court or tribunal or governmental agency or other regulatory authority or administrative agency or commission by any elected or appointed public official or by any person in Canada or elsewhere, whether or not having the force of law; and (ii) no law, regulation or policy (including applicable tax laws and regulations in those jurisdictions in which Royster-Clark Ltd. or its subsidiaries carries on business) shall have been proposed, enacted, promulgated, amended or applied, which in either case:
 - (A) has the effect or may have the effect to cease trade, enjoin, prohibit or impose material limitations, damages or conditions on the purchase by, or the sale to, the Offeror of the IDSs or the Common Shares or Subordinated Notes comprising the IDSs or the right of the Offeror to own or exercise full rights of ownership of the IDSs or the Common Shares or Subordinated Notes comprising the IDSs;
 - (B) has had, or if the Offer was consummated could reasonably be expected to result in, a Material Adverse Change or, in the case of (ii) above, could, in the sole judgment of the Offeror, have a material adverse effect on the Offeror or its ability to complete the Offer; or
 - (C) has or, in the sole judgment of the Offeror, could have a material adverse effect on the completion of any Compulsory Acquisition, Subsequent Acquisition Transaction or Delaware Acquisition Transaction;
- (e) the Offeror will have determined in its sole judgment that there shall not exist any prohibition at law against the Offeror making the Offer or taking up and paying for all of the IDSs under the Offer or completing any Compulsory Acquisition or Subsequent Acquisition Transaction in respect of any Common Shares not acquired under the Offer, or any Delaware Acquisition Transaction;
- (f) during the time the Offer is outstanding, the Offeror shall have determined in its sole judgment that there shall not have occurred a Material Adverse Change;

- (h) the Offeror shall have determined in its sole judgment that neither Royster-Clark Ltd. or Royster-Clark ULC nor any of their respective affiliates or associates or any third party has taken or proposed to take any action or has failed to take any action, or publicly disclosed that it intends to take any action or fail to take any action, and the Offeror shall not have otherwise learned of any previous action taken by Royster-Clark Ltd. or Royster-Clark ULC or any of their affiliates or associates or any material fact which had not been publicly disclosed, which, in the sole judgment of the Offeror, might inhibit, or make it inadvisable for the Offeror to proceed with, the Offer and/or taking up and paying for any or all of the Royster-Clark Securities under the Offer or completing a Compulsory Acquisition or any Subsequent Acquisition Transaction or any Delaware Acquisition Transaction, or that would be materially adverse to the business of Royster-Clark Ltd. and its subsidiaries taken as a whole or to the value of the Royster-Clark Securities to the Offeror; including, without limiting the generality of the foregoing, (i) any action with respect to any agreement, proposal, offer or understanding relating to any material sale, disposition or other dealing with any of the assets or contracts of Royster-Clark Ltd. or any of its subsidiaries, (ii) any issue of shares, options or other securities of Royster-Clark Ltd. or any of its subsidiaries, (iii) the payment of any dividends or other distributions or payments (except for Permitted Payments or the corresponding *pro rata* payments, if any, to which the holders of Class B and Class C common shares of Royster-Clark Holdings may be entitled, and payments by Royster-Clark Holdings or its subsidiaries in furtherance thereof), (iv) any material acquisition from a third party of assets or securities by Royster-Clark Ltd. or any of its subsidiaries, (v) any take-over bid (other than the Offer), amalgamation, statutory arrangement, capital reorganization, merger, business combination or similar transaction involving Royster-Clark Ltd. or any of its subsidiaries, (vi) any material capital expenditure by Royster-Clark Ltd. or any of its subsidiaries not in the ordinary course of business consistent with past practice, (vii) any change of a material nature to the compensation paid by Royster-Clark Ltd. or any of its subsidiaries to their respective directors, officers or employees, or any action with respect to any agreement or arrangement with its directors, officers or employees with respect to change of control or severance arrangements, or (viii) any action or amendment of or with respect to the Securityholders Agreement dated July 22, 2005 respecting Royster-Clark Holdings or the charter documents or securityholders agreement of Royster-Clark Ltd. or any of its subsidiaries, whether or not currently in existence;
- (i) there shall not have occurred any actual or threatened change of any nature whatsoever (including any proposal to amend the Tax Act or other domestic or foreign tax laws, or any announcement, governmental or regulatory initiative, condition, event or development involving a change or a prospective change) that, in the sole judgment of the Offeror, directly or indirectly, is material and adverse with respect to the business or operations of Royster-Clark Ltd. and its subsidiaries, taken as a whole, or with respect to the regulatory regime applicable to their businesses and operations or with respect to completing any Compulsory Acquisition, Subsequent Acquisition Transaction or Delaware Acquisition Transaction;
- (j) the Offeror shall have determined, in its sole judgment, that no covenant, term or condition exists in any instrument or agreement to which Royster-Clark Ltd. or any of its subsidiaries is a party or to which they or any of their assets are subject which might make it inadvisable for the Offeror to proceed with the Offer or to take up and pay for the IDSs deposited under the Offer (including, but not limited to, any default that might ensue as a result of the Offeror taking-up and paying for the IDSs deposited under the Offer);
- (k) there shall not have occurred (i) any general suspension of trading in, or limitation on prices for, securities on any United States or Canadian national securities exchange or in an over-the-counter market, (ii) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or Canada (whether or not mandatory), (iii) a commencement of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States or Canada, (iv) any limitation (whether or not mandatory) by any United States or Canadian governmental or regulatory authority on the extension of credit by banks or other financial institutions, or (v) in the case of any of the foregoing existing as of the date of the Offer, a material acceleration or worsening thereof;

- (l) the Offeror shall have determined, in its sole judgment, that no material right, franchise or licence of Royster-Clark Ltd. or any of its subsidiaries has been impaired (or threatened to be impaired) or adversely affected (or threatened to be adversely affected), whether as a result of the making of the Offer, the taking up and paying for the IDSs deposited under the Offer or otherwise, and no other change or event has occurred which might make it inadvisable for the Offeror to proceed with the Offer or with taking up and paying for the IDSs deposited thereunder;
- (m) the Offeror will not have become aware of any untrue statement of material fact, or any omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made and at the date it was made (after giving effect to all subsequent filings in relation to all matters covered in earlier filings), in any document filed by or on behalf of Royster-Clark Ltd. or Royster-Clark ULC with any securities commission or similar securities regulatory authority in any of the provinces or territories of Canada, which the Offeror will have determined in its sole judgment is material and adverse to a purchaser of any of the Royster-Clark Securities;
- (n) the Offeror shall have been provided with, or been given access to, in a timely manner, all non-public information relating to Royster-Clark Ltd. and its subsidiaries, including access to management of Royster-Clark Ltd. and its subsidiaries as may be given, provided or made available by Royster-Clark Ltd. or any of its subsidiaries at any time within 120 days prior to the announcement of the Offer, or at any time after the announcement of the Offer, to any other potential acquirer of the Royster-Clark Securities or of a significant portion of the assets of Royster-Clark Ltd. or any of its subsidiaries or to any other potential acquirer considering (or seeking such information in order to consider) any take-over bid, merger, amalgamation, statutory arrangement, recapitalization, business combination, share exchange, purchase of Royster-Clark Securities, joint venture or similar transaction involving Royster-Clark Ltd. or any of its subsidiaries, on substantially the same terms and conditions as may be imposed on any such potential acquirer, provided that no such term or conditions shall be imposed on the Offeror that would be inconsistent with or would render the Offeror unable to make the Offer or a revised Offer or to complete the acquisition of any Royster-Clark Securities pursuant to the terms of the Offer or a Compulsory Acquisition, Subsequent Acquisition Transaction or a Delaware Acquisition Transaction, as applicable;
- (o) the Offeror shall have determined, in its sole judgment, that except for: (i) an obligation to make an offer to acquire the Subordinated Notes upon the occurrence of a "change of control" (as defined in the Subordinated Notes Indenture) of Royster-Clark; and (ii) the triggering of an event of default under the terms of Royster-Clark Holdings' credit facility, no covenant, term or condition exists in any instrument or agreement to which Royster-Clark Ltd. or any of its subsidiaries is a party or by which any of them is bound, which might make it inadvisable for the Offeror to proceed with the Offer and/or with taking up and paying for IDSs thereunder including, without limitation, any default, right of termination, acceleration or other adverse event that may ensue as a result of the Offeror taking up and paying for IDSs under the Offer or completing a Compulsory Acquisition, Subsequent Acquisition Transaction or Delaware Acquisition Transaction;
- (p) the directors of Royster-Clark Ltd. shall have made commitments satisfactory to the Offeror, in its sole judgment, to: (i) effect an orderly transition of the board of directors of Royster-Clark Ltd. and the designees of the holders of Class A common shares of Royster-Clark Holdings to the board of directors of Royster-Clark Holdings contemporaneously with, or immediately after, the Offeror taking up and paying for a number of IDSs which, when combined with the number of IDSs then owned by the Offeror and its affiliates, represents not less than a majority of the IDSs then outstanding, including, if requested by the Offeror, resigning in favour of, and appointing, such nominees as may be specified by the Offeror, and (ii) release Royster-Clark Ltd. and its subsidiaries from all claims they may have against Royster-Clark Ltd. and its subsidiaries in their capacity as directors and/or officers, as applicable, other than existing rights to indemnification and insurance and customary directors' fees and expenses for attendance at meetings of the board of directors of Royster-Clark Ltd. or a committee thereof; and

- (g) the Offeror shall have determined in its sole discretion and to its satisfaction that: (i) any Royster-Clark Rights Plan does not and will not adversely affect the Offer or the Offeror either before or on consummation of the Offer or a Subsequent Acquisition Transaction, Compulsory Acquisition or Delaware Acquisition Transaction; (ii) the Rights issued under any Royster-Clark Rights Plan shall have been validly redeemed or the board of directors of Royster-Clark Ltd. (or other appropriate body) shall have waived the application of the Royster-Clark Rights Plan, to the Offeror's satisfaction, to the purchase of IDSs by the Offeror under the Offer and, if applicable, the consummation of a Subsequent Acquisition Transaction, Compulsory Acquisition or Delaware Acquisition Transaction; (iii) if applicable, a binding cease trading order or a binding injunction, in either case satisfactory to the Offeror, shall have been issued that has the effect of prohibiting or preventing the exercise of the Rights or the issue of IDSs, Common Shares and/or Subordinated Notes or other securities upon the exercise of the Rights; (iv) a court of competent jurisdiction shall have ordered that the Rights are illegal, of no force or effect or may not be exercised in relation to the Offer and such order shall have become non-appealable; (v) the Rights and any Royster-Clark Rights Plan shall otherwise have been held by a court of competent jurisdiction unexercisable or unenforceable in relation to the purchase by the Offeror of IDSs under the Offer; or (vi) any Royster-Clark Rights Plan will not adversely affect it.

The conditions described above are for the exclusive benefit of the Offeror and the Offeror may, in its sole discretion waive, in whole or part, any term or condition of the Offer for its benefit at any time and from time to time or amend any term or condition of the Offer, in accordance with applicable laws.

Any waiver of a condition or the withdrawal of the Offer shall be effective on the day on which written notice or other communication confirmed in writing by the Offeror to that effect is given to the Depositary at its principal office in Calgary, Alberta. The Offeror, forthwith after giving any such notice, shall make a public announcement of such waiver or withdrawal, shall cause the Depositary, if required by law, as soon as practicable thereafter to notify the Unitholders in the manner set forth in Section 11 of the Offer, "Notice and Delivery", and shall provide a copy of the aforementioned notice to the TSX. If the Offer is withdrawn, the Offeror shall not be obligated to take up or pay for any IDSs deposited under the Offer and the Depositary will, at the Offeror's expense, promptly return all certificates for deposited IDSs, Letters of Acceptance and related documents to the parties by whom they were deposited.

5. Extension and Variation of the Offer

The Offer is open for acceptance until, but not after, the Expiry Time.

The Offeror reserves the right, in its sole discretion, at any time and from time to time during the Offer Period (or otherwise as permitted by applicable law), to extend the Expiry Time or to vary the Offer by giving written notice or other communication confirmed in writing of such extension or variation to the Depositary at its principal office in Calgary, Alberta, and by causing the Depositary to provide as soon as practicable thereafter a copy of such notice in the manner set forth in Section 11 of the Offer, "Notice and Delivery", to all registered holders of IDSs whose IDSs have not been taken up prior to the extension or variation. The Offeror shall, as soon as practicable after giving notice of an extension or variation to the Depositary, make a public announcement of the extension or variation as required under applicable laws and stock exchange rules and policies. Any notice of extension or variation will be deemed to have been given and to be effective on the day on which it is delivered or otherwise first communicated in writing to the Depositary at its principal office in Calgary, Alberta.

Except for a variation in the terms of the Offer consisting solely of a waiver of a condition of the Offer where the consideration offered for the securities consists only of cash (as is the case with the Offer), if the terms of the Offer are varied, the Offer shall not expire before ten days after the notice of variation in respect of such variation has been delivered to Unitholders unless otherwise permitted by applicable law and subject to abridgement or elimination of that period pursuant to such orders as may be granted by Canadian courts or securities regulatory authorities.

If, before the Expiry Time, or after the Expiry Time but before the expiry of all rights of withdrawal with respect to the Offer, a change occurs in the information contained in the Offer or the Circular, as amended from time to time, that would reasonably be expected to affect the decision of a Unitholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or an affiliate of the Offeror), the Offeror will give written notice of such change to the Depositary at its principal office in Calgary, Alberta and will cause the Depositary to provide as soon as practicable thereafter a copy of such notice in the manner set forth in Section 11 of this Offer, "Notice and Delivery",

to CDS, as the registered holder of all of the IDSs, if required by applicable law. As soon as possible after giving notice of a change in information to the Depositary, the Offeror will make a public announcement of the change in information as required under applicable laws and stock exchange rules and policies. Any notice of change in information will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Depositary at its principal office in Calgary, Alberta.

Notwithstanding the foregoing, but subject to applicable law, the Offer may not be extended by the Offeror if all of the terms and conditions of the Offer, except those waived by the Offeror, have been satisfied or complied with unless the Offeror first takes up all IDSs deposited under the Offer and not validly withdrawn. An extension without taking up is required in certain cases where withdrawal rights apply.

During any such extension or in the event of any variation, all IDSs previously deposited and not taken up or withdrawn will remain subject to the Offer and may be accepted for purchase by the Offeror in accordance with the terms hereof, subject to Section 6 of the Offer, "Payment for Deposited Securities", and to Section 7 of the Offer, "Withdrawal of Deposited Securities". An extension of the Expiry Time or a variation of the Offer does not constitute a waiver by the Offeror of its rights under Section 4 of the Offer, "Conditions of the Offer". If the consideration being offered for the IDSs under the Offer is increased, the increased consideration will be paid to all depositing Unitholders whose IDSs are taken up under the Offer. If the Offeror purchases IDSs other than pursuant to the Offer during the period of time within which IDSs may be deposited pursuant to the Offer, the IDSs acquired other than pursuant to the Offer will be required to be counted to determine whether the Minimum Condition has been fulfilled.

6. Payment for Deposited Securities

Upon and subject to the terms and conditions of the Offer (including that all of the conditions referred to in Section 4 of the Offer, "Conditions of the Offer" have been satisfied or waived by the Offeror), the Offeror may, following the expiration of 35 days from the date of the Offer, commence taking up and paying for IDSs validly deposited under the Offer, and not withdrawn, within 10 days from the Expiry Date. Any IDSs taken up by the Offeror prior to the Expiry Time shall be paid for by the Offeror as soon as possible, and in any event not more than three Business Days after the taking up of such IDSs. Any IDSs deposited pursuant to the Offer subsequent to a date on which the Offeror has previously taken up IDSs deposited under the Offer shall be taken up and paid for within 10 days from the time such IDSs were deposited.

Subject to applicable law, the Offeror expressly reserves the right in its sole discretion to delay taking up or paying for any IDSs or to terminate the Offer and not take up or pay for any IDSs if any condition specified in Section 4 of the Offer, "Conditions of the Offer", is not satisfied or waived by the Offeror, in whole or in part, by giving written notice thereof or other communication confirmed in writing to the Depositary at its principal office in Calgary, Alberta. The Offeror also expressly reserves the right, in its sole discretion and notwithstanding any other condition of the Offer, to delay taking up and paying for IDSs in order to comply, in whole or in part, with any applicable law, including, without limitation, such period of time as may be necessary to obtain any necessary regulatory approval. The Offeror will be deemed to have taken up and accepted for payment IDSs validly deposited and not withdrawn pursuant to the Offer if, as and when the Offeror gives written notice or other communication confirmed in writing to the Depositary at its principal office in Calgary, Alberta of its acceptance for payment of such IDSs pursuant to the Offer.

The Offeror will pay for IDSs validly deposited pursuant to the Offer and not withdrawn by making a cash payment to or on behalf of the holders of deposited IDSs and providing the Depositary with sufficient funds (by wire transfer or other means satisfactory to the Depositary) for delivery to such holders.

Under no circumstances will interest accrue or be paid by the Offeror or the Depositary to persons depositing IDSs on the purchase price of IDSs purchased by the Offeror regardless of any delay in making such payment.

The Depositary will act as the agent of persons who have deposited IDSs in acceptance of the Offer for the purposes of receiving payment under the Offer from the Offeror and transmitting payment to such persons, and receipt of payment by the Depositary will be deemed to constitute receipt of payment by persons depositing IDSs.

Settlement will be made by the Depositary forwarding a cheque payable in Canadian funds in the amount to which a person depositing IDSs is entitled. Subject to the foregoing and unless otherwise directed by the Letter of Acceptance, the cheque will be issued in the name of the registered holder of the IDSs deposited. Unless the person

depositing the IDSs instructs the Depositary to hold the cheque for pick-up by checking the appropriate box in the Letter of Acceptance, cheques will be forwarded by first class insured mail to such persons at the address specified in the Letter of Acceptance. If no address is specified, cheques will be forwarded to the address of the Unitholder as shown on the registers maintained by Royster-Clark Ltd. and Royster-Clark ULC. **As CDS is the only registered holder of the IDSs, it is anticipated that such payments will only be made to CDS for further credit to beneficial Unitholders' accounts through their broker or other nominee through which the IDSs are held.**

Depositing Unitholders will not be obligated to pay fees or commissions if they accept the Offer by depositing their IDSs directly with the Depositary or if they use the services of the Dealer Manager to accept the Offer. Transfer taxes, if any, on the purchase of IDSs will be paid by the Offeror. However, a depositing Unitholder's broker or other nominee may charge a fee or commission in connection with the Offer. Unitholders should contact their broker or other nominee for information on any such fees or commissions that may be payable.

7. Withdrawal of Deposited Securities

Withdrawals of IDSs deposited pursuant to the Offer must be effected via CDS and through a Unitholder's broker or other nominee. A notice of withdrawal of IDSs deposited must actually be received by the Depositary in a manner such that the Depositary has a written or printed copy of such notice of withdrawal. Unitholders should contact their broker or other nominee for assistance.

Except as otherwise provided in this Section 7, all deposits of IDSs pursuant to the Offer are irrevocable. Unless otherwise required or permitted by applicable law, any IDSs deposited in acceptance of the Offer may be withdrawn on behalf of the depositing Unitholder:

- (a) at any time when the IDSs have not been taken up by the Offeror;
- (b) if the IDSs have not been paid for by the Offeror within three Business Days after having been taken up; or
- (c) at any time before the expiration of 10 days from the date upon which either:
 - (i) a notice of change relating to a change which has occurred in the information contained in the Offer or the Circular, as amended from time to time, that would reasonably be expected to affect the decision of a Unitholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or an affiliate of the Offeror), in the event that such change occurs before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal in respect of the Offer; or
 - (ii) a notice of variation concerning a variation in the terms of the Offer (other than (A) a variation consisting solely of an increase in the consideration offered for the IDSs where the Expiry Time is not extended for more than 10 days or (B) a variation consisting solely of a waiver of a condition of the Offer so long as the consideration offered for the securities consists only of cash (as is the case with the Offer)),

is delivered to CDS as the registered holder of all of the outstanding IDSs (subject to abridgement of that period pursuant to such order or orders as may be granted by applicable courts or securities regulatory authorities) and only if such deposited IDSs have not been taken up by the Offeror at the date of the notice.

A Unitholder's broker or other nominee may set deadlines for the withdrawal of IDSs deposited to the Offer that are earlier than those specified above. Unitholders should contact their broker or other nominee for assistance.

In order for any withdrawal to be effective hereunder, notice of the withdrawal must be in writing (which includes a facsimile communication or notice by electronic means that produces a printed copy), and must be actually received by the Depositary at the place of deposit of the applicable IDSs within the period permitted for withdrawal. Any such notice of withdrawal must be: (i) signed by or on behalf of the person who signed the Letter of Acceptance that accompanied the IDSs to be withdrawn; (ii) specify such person's name, the number of IDSs to be withdrawn, the

name of the registered holder and the certificate number shown on each certificate representing the IDSs to be withdrawn; and (iii) must be addressed to the Offeror and to the Depository. Any signature on a notice of withdrawal must be guaranteed by an Eligible Institution in the same manner as in the Letter of Acceptance (as described in the instructions set out in such letter), except in the case of IDSs deposited for the account of an Eligible Institution. The withdrawal shall take effect upon receipt of the properly completed and executed written notice by the required office of the Depository listed in the Letter of Acceptance.

All questions as to the validity (including timely receipt) and form of notices of withdrawal shall be determined by the Offeror, in its sole discretion, and such determination shall be final and binding. There shall be no duty or obligation on the Offeror, the Depository, the Dealer Manager, the Information Agent or any other person to give notice of any defect or irregularity in any notice of withdrawal and no liability shall be incurred by any of them for failure to give any such notice.

If the Offeror extends the Offer, is delayed in taking up or paying for IDSs or is unable to take up or pay for IDSs for any reason, then, without prejudice to the Offeror's other rights, IDSs deposited under the Offer may be retained by the Depository on behalf of the Offeror except to the extent that depositing holders thereof are entitled to withdrawal rights as set forth in this Section 7 or pursuant to applicable law.

IDSs withdrawn will be deemed not validly deposited for the purposes of the Offer, but may be redeposited at any subsequent time on or prior to the Expiry Time by following any of the applicable procedures described in Section 3 of the Offer, "Manner of Acceptance".

In addition to the foregoing rights of withdrawal, Unitholders in certain provinces of Canada are entitled to statutory rights of rescission in certain circumstances. See "Statutory Rights" in the Circular.

8. Return of Deposited Securities

If any deposited IDSs are not taken up and paid for by the Offeror for any reason, or if certificates are submitted for more IDSs than are deposited, certificates for IDSs not taken up or paid for or for IDSs not deposited will be returned at the Offeror's expense by either sending new certificates representing IDSs not purchased or returning the deposited certificates (and other relevant documents). The certificates (and other relevant documents) will be forwarded by first class mail in the name of and to the address specified by the Unitholder in the Letter of Acceptance or, if such name or address is not so specified, in such name and to such address as shown on the registers maintained by Royster-Clark Ltd. and Royster-Clark ULC, as applicable, or their respective agents, as soon as practicable following the Expiry Time or withdrawal or termination of the Offer.

9. Changes in Consolidated Capitalization, Distributions and Liens

If, on or after November 8, 2005, either Royster-Clark Ltd. or Royster-Clark ULC should subdivide, consolidate or otherwise change any of the IDSs or the Common Shares or Subordinated Notes forming part of the IDSs or their capitalization or make any distribution of securities on the IDSs (or the Common Shares or Subordinated Notes forming part thereof), or shall disclose that it has taken or intends to take any such action, then the Offeror may, in its sole discretion and without prejudice to its rights under Section 4, "Conditions of the Offer", make such adjustments as it considers appropriate to the purchase price and other terms of the Offer (including, without limitation, the type of securities offered to be purchased and the amounts payable therefore) to reflect such subdivision, consolidation or other change or distribution.

IDSs (and the Common Shares and Subordinated Notes forming part thereof) acquired pursuant to the Offer shall be transferred by the Unitholder and acquired by the Offeror free and clear of all liens, restrictions, charges, encumbrances, claims and equities whatsoever and together with all rights and benefits arising therefrom including the right to any and all Other Securities paid, issued, distributed, made or transferred on or in respect of the IDSs on or after November 8, 2005, other than Permitted Payments. If either Royster-Clark Ltd. or Royster-Clark ULC should, other than in respect of a Permitted Payment, declare or pay any cash dividend, stock dividend or interest payment or declare, make or pay any other distribution or payment on, or declare, allot, reserve or issue any securities, rights or other interests with respect to, any Royster-Clark Security that is payable or distributable to holders of record on a record date that is prior to the date of transfer into the name of the Offeror or its nominee or transferee on the register of holders maintained by Royster-Clark Ltd. or Royster-Clark ULC, as applicable, or their respective agents, of such Royster-

Clark Securities following acceptance thereof for purchase pursuant to the Offer, then the whole of any such dividend, distribution, payment, right or other interest will be received and held by the depositing holder for the account of the Offeror until the Offeror takes up and pays for such Royster-Clark Security, and the depositing Unitholder will be required to promptly remit and transfer to the Depositary for the account of the Offeror any such dividend, distribution, payment, right or other interest, together with appropriate documentation of transfer. Pending such remittance, the Offeror will be entitled to all rights and privileges as the owner of any such dividend, distribution, payment, right or other interest and may withhold the entire purchase price payable by the Offeror pursuant to the Offer or deduct from the consideration payable by the Offeror pursuant to the Offer the amount or value thereof, as determined by the Offeror in its sole discretion.

10. Mail Service Interruption

Notwithstanding the provisions of the Offer or the Letter of Acceptance, cheques, notices and other relevant documentation from the Offeror or the Depositary to Unitholders will not be mailed if the Offeror determines that delivery by mail may be delayed, until such time as the Offeror has determined that delivery by mail will no longer be delayed. Persons entitled to cheques which are not mailed for the foregoing reason may take delivery thereof at the office of the Depositary at which the IDSs, in respect of which the cheques are being issued, were deposited. Notwithstanding Section 6 of this Offer, cheques or documents not mailed for the foregoing reason will be conclusively deemed to have been delivered on the first day upon which they are available for delivery to the depositing Unitholders at the appropriate office of the Depositary. Notice of any determination regarding mail service delay or interruption made by the Offeror shall be given in accordance with Section 11 of this Offer, "Notice and Delivery".

11. Notice and Delivery

Without limiting any other lawful means of giving notice, any notice which the Offeror or the Depositary may give or cause to be given under the Offer will be deemed to have been properly given to holders of IDSs if: (i) it is mailed by first class mail postage prepaid to the registered holders of IDSs at their respective addresses appearing in the registers for such IDSs maintained by Royster-Clark Ltd. and Royster-Clark ULC and will be deemed to have been received on the first Business Day following mailing; or (ii) it is given in such other manner as may be permitted by applicable law.

These provisions apply notwithstanding any accidental omission to give notice to any one or more holder of IDSs and notwithstanding any interruption of mail service following mailing. In the event of any interruption of mail service following mailing, the Offeror intends to make reasonable efforts to disseminate the notice by other means such as publication. If post offices in Canada or the United States are not open for the deposit of mail or there is reason to believe there is or could be a disruption in all or part of the postal service, any notice which the Offeror or the Depositary may give or cause to be given under this Offer, except as otherwise provided, will be deemed to have been properly given and to have been received by the Unitholders, as the case may be, if: (i) it is given to the TSX for dissemination through its facilities; (ii) if it is published once in the nationally circulated edition of either *The Globe and Mail* or *The National Post*, together with *La Presse*, provided that if such newspapers are not being generally circulated, publication thereof shall be made in any other daily newspaper of general circulation in the cities of Calgary, Alberta, Toronto, Ontario and Montréal, Québec, as applicable or (iii) it is given to the Canada Newswire Service and Dow Jones News Service.

Wherever the Offer calls for documents to be delivered to the Depositary, such documents will not be considered delivered unless and until they have been physically received by the Depositary at one of the addresses noted for the Depositary as set forth in the Letter of Acceptance. Wherever the Offer calls for documents to be delivered to a particular office of the Depositary, such documents will not be considered delivered unless and until they have been physically received by the Depositary at one of the addresses listed in the Letter of Acceptance.

12. Market Purchases of Securities

The Offeror reserves the right to, and may, acquire (or cause an affiliate to acquire) IDSs by making purchases through the facilities of the TSX, subject to applicable law, at any time and from time to time during the Offer Period. The Offeror will not make any purchases of IDSs through the facilities of the TSX until the third Business Day following the date of the Offer. The aggregate number of IDSs so acquired by the Offeror through the facilities of the

TSX during the Offer Period shall not exceed 5% of the outstanding IDSs as of the date of the Offer. If the Offeror should purchase IDSs in the market, IDSs so purchased shall be counted in determining whether the Minimum Condition has been fulfilled.

Subject to applicable laws, the Offeror may similarly acquire Common Shares during the Offer Period and the Offeror reserves the right to, and may, at any time acquire (or cause an affiliate to acquire) such amount of Subordinated Notes by way of a private arrangement with any holder of Subordinated Notes, and on such terms and conditions as may be agreed upon by the Offeror and the Noteholder.

Although the Offeror has no present intention to sell the IDSs (or the Common Shares and Subordinated Notes comprising the IDSs), acquired under the Offer, it reserves the right to make or enter into any arrangement, commitment or understanding at or prior to the Expiry Time to sell the IDSs (or the Common Shares and Subordinated Notes comprising the IDSs) taken up under the Offer after the Expiry Time.

For the purposes of this Section 12, "Market Purchases of Securities" references to the "Offeror" include the Offeror and any person acting jointly or in concert with the Offeror.

13. Acquisition of Securities Not Deposited

If the Offeror takes up and pays for IDSs validly deposited under the Offer and, as a result, acquires not less than 90% of the issued and outstanding Common Shares (other than Common Shares held at the date hereof by or on behalf of the Offeror or its affiliates or associates (as such terms are defined in the OBCA)), the Offeror intends, to the extent possible, to acquire the remaining Common Shares pursuant to a Compulsory Acquisition. If the Minimum Condition is satisfied, the Offeror will own sufficient Common Shares to effect a Compulsory Acquisition. Under a Compulsory Acquisition, the Offeror will become the owner of the remaining Common Shares that it has not acquired pursuant to the Offer, including those Common Shares that constitute part of an IDS not acquired pursuant to the Offer. As a result, holders of IDSs not acquired by the Offeror pursuant to the Offer will no longer hold such IDSs or the Common Shares forming part of such IDSs but will be entitled to receive the portion of the Offer price allocated to the Common Shares in respect of such IDSs and will continue to hold the Subordinated Notes that formed part of such IDSs.

If the Offeror takes up and pays for IDSs validly deposited under the Offer and, as a result, acquires less than 90% of the issued and outstanding Common Shares or a Compulsory Acquisition is otherwise unavailable or if the Offeror elects not to proceed by way of a Compulsory Acquisition, the Offeror intends to consider other means of acquiring, directly or indirectly, all of the equity interest in Royster-Clark Ltd. available in accordance with applicable law, including pursuant to a Subsequent Acquisition Transaction. If the Offeror acquires at least 66 2/3% of the issued and outstanding IDSs (on a diluted basis), the Offeror will own sufficient Common Shares to effect such Subsequent Acquisition Transaction. See "Acquisition of Securities Not Deposited" in the Circular.

Under the provisions of the Subordinated Notes Indenture and applicable laws, neither a Compulsory Acquisition nor a Subsequent Acquisition Transaction is currently permitted with respect to the Subordinated Notes, and the Offeror may in the future make additional purchases of Subordinated Notes at the times and on the terms it deems appropriate.

14. Other Terms of the Offer

The provisions of the Circular and Letter of Acceptance accompanying the Offer, including the instructions contained therein, as applicable, form part of the terms and conditions of the Offer and should be read carefully before making a decision with respect to the Offer.

The Offer and all contracts resulting from the acceptance of the Offer shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Each party to any agreement resulting from the acceptance of this Offer unconditionally and irrevocably attorns to the jurisdiction of the courts of the Province of Alberta and the courts of appeal therefrom.

No broker, dealer or other person has been authorized to give any information or to make any representation on behalf of the Offeror other than as contained in the Offer or in the Circular, and, if any such

information or representation is given or made, it must not be relied upon as having been authorized. No broker, dealer or other person shall be deemed to be the agent of the Offeror, the Dealer Manager, the Depositary or the Information Agent for the purposes of the Offer. In any jurisdiction in which this Offer is required to be made by a licensed broker or dealer, this Offer shall be made on behalf of the Offeror by brokers or dealers licensed under the laws of such jurisdiction.

The Offeror shall, in its sole discretion, be entitled to make a final and binding determination on all questions relating to the interpretation of the Offer, the Circular and the Letter of Acceptance and the validity of any acceptance of the Offer and any withdrawals of IDSs, including, without limitation, the satisfaction or non-satisfaction of any condition, the validity, time and effect of any deposit of IDSs or notice of withdrawal of IDSs, and the due completion and execution of the Letters of Acceptance. The Offeror reserves the right to waive any defect in acceptance with respect to any particular IDS or any particular Unitholder. There shall be no obligation on the Offeror, the Dealer Manager or the Depositary to give notice of any defects or irregularities in acceptance and no liability shall be incurred by any of them for failure to give any such notification.

The Offer is not being made to, nor will deposits be accepted from or on behalf of, Unitholders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction. However the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Unitholders in any such jurisdiction.

The Offer and accompanying Circular and other documents referred to above constitute the take-over bid circular required under applicable Canadian provincial securities legislation with respect to the Offer.

Dated at Calgary, Alberta this 8th day of November, 2005.

AGRIUM INC.

By: (signed) Michael M. Wilson
President & Chief Executive Officer

AGRIUM ACQUISITIONS INC.

By: (signed) Michael M. Wilson
President & Chief Executive Officer

CIRCULAR

The following information is provided in connection with the accompanying Offer dated November 8, 2005 by the Offeror to purchase all of the issued and outstanding IDSs comprised of Common Shares of Royster-Clark Ltd. and Subordinated Notes of Royster-Clark ULC.

The terms, conditions and provisions of the accompanying Offer and the Letter of Acceptance are incorporated into and form part of this Circular. Terms that are defined in the Offer shall, where used in this Circular, have the meanings so defined.

Except as specifically disclosed herein, the information concerning Royster-Clark contained in this Circular has been taken from or based upon publicly available documents and records on file with Canadian securities regulatory authorities and other public sources. Although the Offeror has no knowledge that would indicate that any statements contained herein based on information contained in such documents and records are inaccurate or incomplete, the Offeror does not assume any responsibility for the accuracy or completeness of the information contained in such documents and records, or for any failure by Royster-Clark to disclose publicly events or facts that may have occurred or may affect the significance or accuracy of any such information but which are unknown to the Offeror.

INFORMATION CONCERNING THE OFFEROR AND AGRIMUM

The Offeror is a corporation organized under the OBCA and is a wholly owned subsidiary of Agrium. The registered office of the Offeror is located at 199 Bay Street, Suite 2800, Commerce Court West, Toronto, Ontario, M5L 1A9.

Agrium is a publicly-traded company based in Calgary, Alberta which is engaged in the business of producing and distributing agricultural nutrients and industrial products and services. The head and registered office of Agrium is located at 13131 Lake Fraser Drive S.E., Calgary, Alberta, T2J 7E6. The common shares of Agrium are listed and posted for trading on the TSX and the NYSE under the trading symbol "AGU".

None of the Offeror nor any of its affiliates currently own any Royster-Clark Securities.

BACKGROUND TO THE OFFER

Since 2002, representatives of Agrium and representatives of Royster-Clark Group and its shareholders have had discussions with respect to the possibility of combining Royster-Clark Group's fertilizer distribution business with that of Agrium. In both 2002 and 2004, Royster-Clark, Inc. and Agrium and certain of its subsidiaries entered into non-disclosure agreements pursuant to which the parties exchanged information regarding their respective retail businesses. Each of these non-disclosure agreements had a five year term and did not restrict either party from acquiring securities of the other.

In January 2005, Agrium offered to acquire all of the outstanding interests in Royster-Clark Group for a purchase price including assumed indebtedness that resulted in an aggregate enterprise valuation for Royster-Clark Group of approximately U.S.\$395 million, subject to adjustments. Agrium's offer was subject to approval by the Agrium board of directors, customary due diligence, adjustments based on Royster-Clark's year-end 2004 financial statement results and an adjustment to reflect closing of Royster-Clark's previously announced disposition of its East Dubuque nitrogen facility. The shareholders of Royster-Clark Group did not accept Agrium's offer.

The parties continued discussions after Royster-Clark Group's proposed sale of the East Dubuque nitrogen facility did not close. In March 2005, Agrium offered to acquire all of the outstanding interests in Royster-Clark Group for a purchase price, including assumed indebtedness, that resulted in an enterprise value for Royster-Clark of approximately U.S.\$395 million, subject to adjustments. The offer was conditional upon approval by the Agrium board of directors, definitive documentation and customary due diligence. The shareholders of Royster-Clark Group did not accept this offer.

On June 15, 2005 Royster-Clark filed a preliminary prospectus in all the provinces and territories in Canada relating to an offering of the IDSs. In June and July 2005, subject to approval by the Agrium board of directors and

completion of due diligence, Agrium offered to purchase all the outstanding interests in Royster-Clark Group for an aggregate enterprise value, including working capital, of approximately U.S.\$470 million. Royster-Clark declined Agrium's invitation to continue discussions regarding an acquisition and on July 14, 2005 Royster-Clark filed a final prospectus relating to an offering of 32,500,000 IDSs at an initial public offering price of \$10.00 per IDS, which offering was completed on July 22, 2005.

On November 7, 2005 the closing price of the IDSs on the TSX was \$7.85. The offer price of \$10.00 per IDS, including assumed indebtedness and working capital, ascribes an enterprise value of approximately U.S.\$450 million to Royster-Clark. Agrium believes this represents a superior offer compared to its prior offer of U.S.\$470 million when adjusted for seasonality of working capital.

PURPOSE OF THE OFFER AND THE OFFEROR'S PLANS FOR ROYSTER-CLARK

Purpose of the Offer

The purpose of the Offer is to enable the Offeror to acquire all of the issued and outstanding IDSs or the Common Shares and Subordinated Notes that comprise the IDSs.

Plans for Royster-Clark

If the Offeror takes up and pays for IDSs pursuant to the terms of the Offer and thereby acquires at least the Minimum Required Securities, the Offeror intends to seek to acquire the balance of the Common Shares by way of a Compulsory Acquisition or a Subsequent Acquisition Transaction, as applicable. Agrium also intends to acquire the approximate 8.88% economic interest in Royster-Clark Holdings not currently owned by Royster-Clark Ltd. by implementing a Delaware Acquisition Transaction. The exact timing and details of such transactions will depend upon a variety of factors. See "Acquisition of Securities Not Deposited" in this Circular. If the Offeror acquires 100% of the Common Shares, it may amalgamate, merge or otherwise combine Royster-Clark Ltd. and certain of its subsidiaries and/or all or a portion of their respective properties and assets with certain of Agrium's subsidiaries.

Although the Offeror currently intends to propose a Compulsory Acquisition or a Subsequent Acquisition Transaction generally on the terms described herein, it is possible that, as a result of delays in the Offeror's ability to effect such a transaction, information subsequently obtained by the Offeror, changes in general economic or market conditions or in the business of Royster-Clark, or other currently unforeseen circumstances, such a transaction may not be proposed, may be delayed or abandoned or may be proposed on different terms. The Offeror expressly reserves the right not to propose a Compulsory Acquisition or Subsequent Acquisition Transaction involving Royster-Clark, or to propose a Subsequent Acquisition Transaction on terms other than as described herein.

If the Offeror decides not to propose or proceed with a Compulsory Acquisition or a Subsequent Acquisition Transaction for any reason, the Offeror will evaluate its other alternatives. Such alternatives could include, to the extent permitted by applicable law, purchasing additional IDSs, Common Shares or Subordinated Notes in privately negotiated transactions, in another take-over bid or exchange offer or otherwise, or taking no further action to acquire additional Royster-Clark Securities. Any additional purchase of Royster-Clark Securities could be at a price greater than, equal to or less than the price to be paid for or allocated to the Royster-Clark Securities under the Offer and could be for cash and/or securities or other consideration. Alternatively, the Offeror may sell or otherwise dispose of any or all Royster-Clark Securities acquired pursuant to the Offer or otherwise. Such transactions may be effected on terms and at prices then determined by the Offeror, which may vary from the value of the consideration paid for Royster-Clark Securities under the Offer.

If the Offer is successful, the Offeror intends to complete a detailed review of the assets, corporate structure, capitalization, operations, assets, policies, management and personnel of each of Royster-Clark Ltd. and its subsidiaries and to consider whether any changes would be desirable in light of circumstances which then exist. Such changes may be undertaken with a view to, where appropriate, integrating the business carried on by Agrium with that of Royster-Clark Ltd. and its subsidiaries and seeking to maximize potential synergies, and may include the sale, lease or exchange of assets of Royster-Clark Ltd. or its subsidiaries or the liquidation or winding-up of certain of the subsidiaries and distribution of the resulting net assets to Agrium.

If the Offer is successful, it is expected that the composition of the boards of directors of Royster-Clark Ltd. and its subsidiaries will be changed to allow nominees of the Offeror to become directors of such entities.

INFORMATION CONCERNING ROYSTER-CLARK

General

Royster-Clark, through various direct and indirect U.S. subsidiaries, is a retail distributor of each of agricultural fertilizer, seed and crop protection products, and provides agronomic services, such as product application and technical consulting services, to farmers in the United States. It also distributes crop production inputs, principally fertilizer, on a wholesale level. The IDSs issued by Royster-Clark consist of one Common Share of Royster-Clark Ltd. and \$6.08 principal amount of Subordinated Notes of Royster-Clark ULC, and are listed and posted for trading on the TSX under the trading symbol "ROY.UN".

Royster-Clark Ltd. is a corporation organized under the OBCA. Royster-Clark Ltd.'s registered office is located at Suite 3000, 79 Wellington Street West, Toronto, Ontario, M5K 1N2. Royster-Clark Ltd.'s Common Shares are listed on the TSX but are not currently posted for trading as the Common Shares currently only form part of the IDSs and do not trade separately.

Royster-Clark ULC, an unlimited liability company formed under the laws of Nova Scotia, is the issuer of the Subordinated Notes that form part of the IDSs. The address of Royster-Clark ULC in Ontario is Suite 3000, 79 Wellington Street West, Toronto, Ontario, M5K 1N2.

Royster-Clark Ltd. indirectly owns a 91.12% economic interest in Royster-Clark ULC through Royster-Clark Holdings, a Delaware company, in which Royster-Clark Ltd. directly owns a 91.12% economic interest. Royster-Clark Holdings owns all of the outstanding common shares of Royster-Clark ULC.

Share Capital of Royster-Clark Ltd.

The authorized share capital of Royster-Clark Ltd. consists of an unlimited number of Common Shares and preferred shares. To the knowledge of the Offeror, as at the date hereof, all of the 32,500,000 issued and outstanding Common Shares form part of and are represented by the IDSs sold pursuant to the initial public offering of Royster-Clark which was completed on July 22, 2005.

Holders of Common Shares are entitled to receive dividends as and when declared by the board of directors of Royster-Clark Ltd. and are entitled to one vote per Common Share on all matters to be voted on at all meetings of shareholders. Upon the voluntary or involuntary liquidation, dissolution or winding-up of Royster-Clark Ltd., the holders of Common Shares are entitled to share rateably in the remaining assets available for distribution, after payment of liabilities and subject to the prior rights of preferred shares (if any).

Terms of the Subordinated Notes

The Subordinated Notes are issued under the Subordinated Notes Indenture. As at the date hereof, \$197.7 million aggregate principal amount of Subordinated Notes are outstanding and form part of and are represented by outstanding IDSs, and an additional \$24.2 million aggregate principal amount of separate Subordinated Notes are outstanding that were issued on a private placement basis and do not form part of the IDSs. The following is a summary of certain provisions of the Subordinated Notes Indenture. For additional information, Unitholders should refer to the description of the Subordinated Notes under the heading "Description of Subordinated Notes" in Royster-Clark's final prospectus dated July 13, 2005 and the Subordinated Notes Indenture, copies of which are available on the SEDAR profile of each of Royster-Clark Ltd. and Royster-Clark ULC at www.sedar.com.

Interest Rate and Interest Deferral, Record and Payment Dates

The Subordinated Notes bear interest at a rate of 14.0% per annum from July 22, 2005, or from the most recent date to which interest has been paid or provided for, payable monthly in arrears, subject to any permissible interest deferral, less any tax required to be withheld within 15 days following the end of each month to Noteholders of record

at the close of business on the last business day (as defined in the Subordinated Notes Indenture) of the preceding month.

The Subordinated Notes Indenture permits Royster-Clark ULC to defer interest payments on the Subordinated Notes in certain circumstances on such terms as set forth in the Subordinated Notes Indenture.

Maturity Date and Principal Repayment

The Subordinated Notes mature on July 22, 2020, at which time Royster-Clark ULC will repay the indebtedness represented by the Subordinated Notes, together with accrued and unpaid interest.

Optional Redemption

On or after July 22, 2012, Royster-Clark ULC may redeem the Subordinated Notes, at its option, at any time in whole and from time to time in part, upon not less than 30 nor more than 60 days' notice, for cash, at the redemption prices set forth in the Subordinated Notes Indenture together with, in each case, accrued but unpaid interest to the date of redemption. Any exercise by Royster-Clark ULC of its option to redeem Subordinated Notes, in whole or in part, will result in an automatic separation of the IDSs into Common Shares and Subordinated Notes.

Change of Control

Upon the occurrence of a "change of control", as defined in the Subordinated Notes Indenture (which would include successful completion of the Offer), Royster-Clark ULC is required to make an offer to each Noteholder, within 30 days following any change of control, to repurchase that Noteholder's Subordinated Notes at a price equal to 101% of the principal amount of the Subordinated Notes being repurchased, plus any accrued but unpaid interest to the date of repurchase. However, a holder of IDSs will not be able to have its Subordinated Notes repurchased unless such holder surrenders the IDSs to the depository, and receives delivery of the Common Shares and Subordinated Notes represented thereby. The Offeror and/or Agrium intend to cause such an offer to be made to repurchase the remaining outstanding Subordinated Notes in accordance with the terms of the Subordinated Notes Indenture if the Offer is successfully completed.

Security and Guarantees

The Subordinated Notes are an unsecured obligation of Royster-Clark ULC and are guaranteed by Royster-Clark Holdings and each direct and indirect subsidiary of Royster-Clark Holdings. These guarantees are subordinate in right of payment to all existing and future senior indebtedness of the guarantors.

Ranking

The Subordinated Notes are unsecured subordinated indebtedness of Royster-Clark ULC and are subordinated in right of payment, as set forth in the Subordinated Notes Indenture, to all existing and future senior indebtedness of Royster-Clark ULC.

Restrictive Covenants

Subject to a number of important qualifications and exceptions, the Subordinated Notes Indenture contains covenants with respect to Royster-Clark Holdings and Royster-Clark ULC regarding:

- the incurrence of additional indebtedness and issuance of disqualified stock and preferred stock;
- the payment of dividends on, and repurchase of, common shares of Royster-Clark Holdings;
- a number of other types of payments, including certain investments;
- specified sales of assets;
- specified transactions with affiliates; and
- consolidations, mergers, and transfers of all or substantially all of the assets of Royster-Clark Holdings and Royster-Clark ULC.

Interest Payments and Dividend Policy of Royster-Clark ULC and Royster-Clark Ltd.

Royster-Clark ULC pays interest on the Subordinated Notes and Royster-Clark Ltd. pays dividends on the Common Shares (if declared) on or before the 15th day of each month (or the next Business Day, if such day is not a Business Day) to holders of record at the close of business on the last Business Day of the preceding month.

The dividends on the Common Share represented by IDSs will be paid if and to the extent dividends are declared by the board of directors of Royster-Clark Ltd. and as permitted by applicable law. Royster-Clark Ltd. has adopted a dividend policy that contemplates an annual dividend of approximately \$0.30 per Common Share. Royster-Clark Ltd. will generally declare dividends of its available cash after satisfying its debt service obligations under any credit facilities or other agreements with third parties, if any, satisfying its other expense obligations, including withholding and other applicable taxes, and retaining reasonable reserves as may be considered appropriate by the board of directors of Royster-Clark Ltd.

Royster-Clark Ltd. may make additional distributions in excess of monthly distributions during the year, as the board of directors of Royster-Clark Ltd. may determine in its sole discretion. The board of directors of Royster-Clark Ltd. may, in its discretion, modify or repeal Royster-Clark Ltd.'s current dividend policy. There is no assurance that Royster-Clark Ltd. will pay dividends at the level contemplated in the future or at all.

For a detailed description of the terms and conditions of the Subordinated Notes Indenture, see "Terms of the Subordinated Notes Indenture" above and refer to the description under the heading "Description of Subordinated Notes" in the final prospectus of Royster-Clark which may be obtained on the SEDAR profile of Royster-Clark Ltd. or Royster-Clark ULC at www.sedar.com.

Set forth below is a description of the cash payments made or announced by Royster-Clark to holders of IDSs since completion of Royster-Clark's initial public offering on July 22, 2005, including a breakdown of the portions of such payments attributed to dividends on the Common Shares and interest payments on the Subordinated Notes that comprise the IDSs.

Record Date	Payment Date	Dividend per Common Share	Interest on Subordinated Notes⁽¹⁾	Payment per IDS
August 31, 2005	September 15, 2005	\$0.0333 ⁽²⁾	\$0.0943 ⁽²⁾	\$0.1276 ⁽²⁾
September 30, 2005	October 15, 2005	\$0.025	\$0.070971	\$0.095971
October 31, 2005	November 15, 2005	\$0.025	\$0.070971	\$0.095971

Notes:

- (1) Interest payments per \$6.08 principal amount of Subordinated Notes.
- (2) Represents the 40 day period from closing of Royster-Clark's initial public offering on July 22, 2005.

A Unitholder of record on November 30, 2005 who accepts the Offer and whose IDSs are taken up by the Offeror will still receive the monthly payment to be made by Royster-Clark on or about December 15, 2005 to Unitholders of record on November 30, 2005.

Recent Developments Regarding Royster-Clark

On November 7, 2005, Royster-Clark announced that Royster-Clark, Inc., a subsidiary of Royster-Clark Ltd., had signed a definitive agreement with a wholly owned subsidiary of Rentech, Inc. ("**Rentech**") under which Rentech will acquire all of the outstanding shares of common stock of Royster-Clark Nitrogen, Inc., the owner of a 830-ton per day nitrogen fertilizer plant in East Dubuque, Illinois. The purchase price payable by Rentech is U.S.\$50 million plus an amount equal to net working capital at closing. The parties have stated that they intend to close the transaction as soon as possible, although completion of the transaction is subject to, among other things, Rentech's ability to secure financing and the continued absence of anti-trust hurdles. Royster-Clark has indicated that the proceeds from the sale will initially be used to reduce senior debt and may subsequently be used to fund acquisitions or capital expenditures or to permanently reduce debt.

In conjunction with the transaction, Rentech and another subsidiary of Royster-Clark, Inc. agreed to the terms of a Distribution Agreement appointing Royster-Clark, Inc.'s subsidiary as the exclusive distributor for the sale, purchase and resale of certain products manufactured at the East Dubuque plant for agricultural and industrial use in the United States.

Price Range and Trading Volume of IDSs

The IDSs are currently listed and posted for trading on the TSX under the symbol "ROY.UN". The following table sets forth the high and low prices and trading volumes for the IDSs for the periods indicated as reported by the TSX.

Period	Price Range (\$)		Trading Volume
	High	Low	
2005			
July (commencing July 22)	10.02	9.95	5,434,101
August	10.02	9.65	2,624,925
September	9.75	8.31	2,335,277
October	8.25	7.30	1,707,156
November (to November 7)	7.85	7.21	612,327

On November 7, 2005, the last trading day prior to the public announcement by the Offeror of the Offer, the closing trading price of the IDSs on the TSX was \$7.85.

The Common Shares are currently listed on the TSX but, as of the date hereof, the Common Shares are not posted for trading on the TSX and no Common Shares have traded on the TSX. The Subordinated Notes are not listed for trading on any stock exchange.

Effect of the Offer on Market and Listings

The purchase of IDSs by the Offeror pursuant to the Offer will reduce the number of IDSs (and Common Shares and Subordinated Notes that form part of the IDSs) that might otherwise trade publicly, will reduce the number of holders of IDSs, Common Shares and Subordinated Notes and could adversely affect the liquidity and market value of the remaining Royster-Clark Securities held by the public. If the number and distribution of publicly-held IDSs and Common Shares no longer meets with the criteria for continued listing on the TSX, it is anticipated that an application will be made by the Offeror to delist the IDSs and Common Shares. If the IDSs and Common Shares are delisted it is possible that such IDSs and Common Shares would be traded in the over-the-counter market. The extent of the public market for the IDSs and Common Shares and the availability of such quotations would, however, depend upon the number of Unitholders and Shareholders remaining at such time, the interest in maintaining a market in such IDSs and Common Shares on the part of brokerage houses and other factors. As the Subordinated Notes are not currently listed for trading on any stock exchange, the impact on future trading in Subordinated Notes is uncertain.

After the purchase of the IDSs under the Offer, Royster-Clark Ltd. and Royster-Clark ULC may cease to be subject to the public reporting and proxy solicitation requirements of the securities laws of certain provinces of Canada. Furthermore, it may be possible for Royster-Clark Ltd. and Royster-Clark ULC to request the elimination of the public reporting requirements in any province having an insignificant number of resident securityholders.

If the Offeror succeeds in acquiring all of the Common Shares pursuant to the Offer and under a Compulsory Acquisition or pursuant to a Subsequent Acquisition Transaction, as referred to in the Offer, Royster-Clark Ltd. will become wholly owned by the Offeror, the IDSs and Common Shares will be delisted and Royster-Clark Ltd. will, subject to regulatory approval, cease to be a "reporting issuer" for the purposes of Canadian securities legislation.

Ownership of and Trading of Securities of Royster-Clark

None of the Offeror nor any director or senior officer of the Offeror beneficially owns, directly or indirectly, or controls or exercises direction over, or has the right to acquire, any securities of Royster-Clark. To the knowledge of the directors and senior officers of the Offeror, after reasonable enquiry, no securities of Royster-Clark are beneficially owned, directly or indirectly by, nor is control or direction over any securities of Royster-Clark exercised by, any associate of any director or senior officer of the Offeror or any person or company who beneficially owns, directly or indirectly, more than 10% of any class of equity securities of the Offeror or any person or company acting jointly or in concert with the Offeror.

No securities of Royster-Clark have been traded during the twelve month period preceding the date of the Offer by the Offeror or any director or senior officer of the Offeror or, to the knowledge of the directors and senior officers of the Offeror, after reasonable enquiry, by any associate of any director or senior officer of the Offeror, by any person or company who beneficially owns, directly or indirectly, more than 10% of any class of equity securities of the Offeror or by any person or company acting jointly or in concert with the Offeror.

Commitments to Acquire Securities of Royster-Clark

Other than pursuant to the Offer, there are no commitments to acquire securities of Royster-Clark made by the Offeror, the directors or senior officers of the Offeror or, to the knowledge of the Offeror and the directors and senior officers of the Offeror, after reasonable enquiry, any associate of any director or senior officer of the Offeror, any person or company who beneficially owns, directly or indirectly, more than 10% of any class of equity securities of the Offeror or any person or company acting jointly or in concert with the Offeror.

Arrangements Between the Offeror and the Directors and Officers of Royster-Clark

There are no arrangements or agreements made or proposed to be made between the Offeror and any of the directors or senior officers of Royster-Clark Ltd., Royster-Clark ULC or their respective subsidiaries and no payments or other benefits are proposed to be made or given by the Offeror by way of compensation in respect of loss of office or in respect of such directors or senior officers remaining in or retiring from office if the Offer is successful.

Arrangements Between the Offeror and Securityholders of Royster-Clark

There are no contracts, arrangements or understandings, formal or informal, between the Offeror and any securityholder of Royster-Clark Ltd., Royster-Clark ULC or any of their respective subsidiaries with respect to the Offer or between the Offeror and any person or company with respect to any securities of Royster-Clark.

Previous Distributions of Royster-Clark Securities

Based on publicly available information, the Offeror believes that no IDSs have been previously distributed except for the following upon completion of Royster-Clark's initial public offering:

Date of Issue	Number of IDSs	Issue Price per IDS	Aggregate Proceeds to Royster-Clark
July 22, 2005	32,500,000	\$10.00	\$325,000,000

Based on publicly available information, the Offeror believes that no separate Common Shares (other than those forming part of the IDSs) have been distributed since incorporation of Royster-Clark Ltd., except for the issuance of one Common Share upon incorporation at a price of \$1.00, which was subsequently cancelled in connection with the completion of Royster-Clark's initial public offering.

Based on publicly available information, the Offeror believes that no separate Subordinated Notes (other than those forming part of the IDSs) have been distributed since the incorporation of Royster-Clark ULC, other than approximately \$24,200,000 principal amount of Subordinated Notes issued on a private placement basis concurrently with the completion of Royster-Clark's initial public offering on July 22, 2005.

MATERIAL CHANGES IN THE AFFAIRS OF ROYSTER-CLARK AND OTHER INFORMATION

Except for the Offer, as publicly disclosed by Royster-Clark and as otherwise set forth herein, the Offeror has no information, as of the date hereof, which indicates that any material change has occurred in the affairs, financial position or prospects of Royster-Clark since June 30, 2005, the date of Royster-Clark's last published financial statements.

The Offeror has no knowledge of any other material facts concerning the securities of Royster-Clark or any other matter that has not previously been generally disclosed but which would reasonably be expected to affect a decision of a Unitholder to accept or reject the Offer.

SOURCE OF FUNDS

If all outstanding IDSs are deposited under the Offer, the maximum amount of cash required by the Offeror to purchase all the IDSs will be \$325 million. In addition, the Offeror estimates that the amount sufficient to repay debt facilities that may be accelerated upon a change of control of Royster-Clark Ltd. and to complete the anticipated purchase from certain holders of outstanding Class B and Class C common shares of Royster-Clark Holdings following

the completion of the Offer (which represent the 8.88% economic interest in Royster-Clark Holdings not owned by Royster-Clark Ltd.) pursuant to the Delaware Acquisition Transaction will be approximately \$210 million.

Agrium has cash and cash equivalents of approximately \$405 million that it will make available to the Offeror to complete the Offer. Of the total funds required, the majority of the Offer will be funded from these cash resources. The Offeror intends to fund the remaining balance of the Offer from Agrium's North American accounts receivable securitization program under which certain U.S. subsidiaries of Agrium may sell up to approximately \$149 million of eligible accounts receivable on a non-recourse basis. Fees and expenses paid to the financial institution are based on the accounts receivable sold and prevailing commercial paper rates.

Agrium's accounts receivable securitization program is subject to customary conditions, and the Offeror believes that the possibility is remote that, if the conditions of the Offer are satisfied or waived, the Offeror will be unable to pay for the securities deposited under the Offer due to a financing condition not be satisfied.

REGULATORY MATTERS

Based upon an examination of information available to the Offeror, the Offeror is not aware of any licences or regulatory permits that appear to be material to the business of Royster-Clark which might be adversely affected by the Offeror's acquisition of IDSs pursuant to the Offer or of any approval or other action by any federal, provincial, state or foreign government or administrative or regulatory agency that would be required prior to the acquisition of IDSs pursuant to the Offer, except as described below.

Under the HSR Act and the rules that have been promulgated thereunder by the Federal Trade Commission (the "FTC"), certain acquisitions of voting stock or of assets must be reported to the FTC and the Antitrust Division of the U.S. Department of Justice ("DOJ") and the parties must wait a specified period before they may complete the transaction.

The purchase of IDSs pursuant to the Offer requires the Offeror to file a pre-merger notification with the FTC and the DOJ under the HSR Act. The notification will be subject to certain statutory provisions applicable to cash tender offers. Under these provisions, the notification must contain an affidavit asserting that the Offeror has provided notice to Royster-Clark Ltd. that the Offeror intends to acquire the IDSs and that the Offeror will file a notification with the FTC and the DOJ. Upon receipt of the notice, Royster-Clark will have 10 days to file a separate notification in accordance with the HSR Act.

After filing, the parties must observe a 15-calendar day statutory waiting period during which IDSs may not be acquired. The 15-day period commences upon the filing of a complete notification by the Offeror. Any filing person may request that the waiting period be terminated before the statutory period expires ("early termination"). In view of the short waiting periods for cash tender offers (the standard waiting period for reportable transactions is 30 calendar days), however, the Offeror believes that early termination may not be granted even if the agencies determine that the transaction does not warrant closer examination.

If the FTC or the DOJ determine during the waiting period that further inquiry is necessary, they are authorized to request additional information from the parties (a "second request"). A second request extends the waiting period for a period of 10 calendar days after the Offeror has substantially complied with the request. The agencies can terminate the waiting period prior to substantial compliance if early termination has been requested by at least one party and the investigation reveals that the transaction does not raise antitrust concerns. Alternatively, if the Offeror determines during the initial 15 day waiting period that the agencies require additional time to review the transaction, it may withdraw the notification and re-file at a later time.

If the government believes upon review that the transaction is likely to be anticompetitive, it may initiate injunction proceedings in U.S. federal court to halt the acquisition and may seek to prohibit the acquisition by filing suit in U.S. federal court.

The Offeror does not currently intend to take up or pay for IDSs deposited pursuant to the Offer unless all applicable waiting periods under the HSR Act and any extensions thereof have expired or early termination has been granted. See Section 4 of the Offer to Purchase, "Conditions of the Offer".

ACQUISITION OF SECURITIES NOT DEPOSITED

Compulsory Acquisition

The purpose of the Offer is for the Offeror to acquire all of the outstanding IDSs, including the Common Shares and Subordinated Notes comprising the IDSs. If within 120 days after the date of the Offer, the Offer has been accepted by holders of not less than 90% of the Common Shares forming part of the IDSs, other than Common Shares held on the date of the Offer by or on behalf of the Offeror or its affiliates and associates (each as defined in the OBCA), and the Offeror has taken up and paid for such Common Shares, the Offeror currently intends to acquire, pursuant to the compulsory acquisition provisions of Part XV of the OBCA, the remaining Common Shares not tendered to the Offer. Part XV of the OBCA (and the corresponding provisions of Nova Scotia corporate law that govern Royster-Clark ULC and therefore the Subordinated Notes) does not apply to securities that are not equity securities, and therefore, the Offeror's rights under the compulsory acquisition provisions are restricted to the acquisition of the remainder of the Common Shares on the same terms, including the price allocated to the Common Shares, on which the Offeror acquired Common Shares comprising part of the IDSs pursuant to the Offer (a "**Compulsory Acquisition**").

To exercise such statutory right, the Offeror must give notice (the "**Offeror's Notice**") to each registered holder of Common Shares who did not accept the Offer (and to each person who subsequently acquires any Common Shares) (in each case, a "**Dissenting Offeree**") of such proposed acquisition by registered mail on or before the earlier of the 60th day following the Expiry Date and the 180th day from the date of the Offer. Within 20 days after giving the Offeror's Notice, the Offeror must pay or transfer to Royster-Clark Ltd. the consideration the Offeror would have had to pay or transfer to the Dissenting Offerees if they had elected to accept the Offer, to be held in trust by Royster-Clark Ltd. for the Dissenting Offerees. Within 20 days after receipt of the Offeror's Notice, each Dissenting Offeree must send the certificates representing the Common Shares held by such Dissenting Offeree to Royster-Clark Ltd., and each Dissenting Offeree must elect to transfer his or her Common Shares to the Offeror on the terms of the Offer or to demand payment of the fair value of the Common Shares held by such Dissenting Offeree by so notifying the Offeror within 20 days after receipt of the Offeror's Notice. If a Dissenting Offeree has elected to demand payment of the fair value of that Dissenting Offeree's Common Shares, the Offeror may apply to the Superior Court of Justice of Ontario to fix the fair value of such Common Shares of that Dissenting Offeree within 20 days after it has paid or transferred to Royster-Clark Ltd. the consideration the Offeror would have had to pay or transfer to the Dissenting Offerees if they had elected to accept the Offer, as described above. If the Offeror fails to apply to such court within 20 days after it made the payment or transfer to Royster-Clark Ltd. referred to above, the Dissenting Offeree may then apply to the court for the same purpose within a further period of 20 days. If no such application is made by the Offeror or the Dissenting Offeree within the periods referred to above, the Dissenting Offeree will be deemed to have elected to transfer the Dissenting Offeree's Common Shares to the Offeror on the terms of the Offer. Any judicial determination of the fair value of the Common Shares could be more or less than the amount paid pursuant to the Offer.

The foregoing is a summary only. The summary is not intended to be complete and is qualified in its entirety by the provisions of Part XV of the OBCA. Reference should be made to Part XV of the OBCA for a complete description of the provisions regarding Compulsory Acquisitions. The provisions of Part XV of the OBCA are complex and may require strict adherence to notice and timing provisions, failing which such rights may be lost or altered. Shareholders who wish to be better informed about these provisions should consult their legal advisors.

See "Certain Canadian Federal Income Tax Considerations" for a discussion of the tax consequences to certain Securityholders in the event of a Compulsory Acquisition.

Subsequent Acquisition Transactions

If the Offeror takes up and pays for Common Shares validly deposited to the Offer and the right of Compulsory Acquisition described above is not available or the Offeror elects not to pursue such right, the Offeror currently intends to cause a special meeting of Shareholders to be called to consider a proposed statutory arrangement, amalgamation, merger, reorganization, recapitalization or other transaction involving the Offeror and/or an affiliate of the Offeror and Royster-Clark Ltd. and/or any of its affiliates and/or the Shareholders for the purposes of Royster-Clark Ltd. becoming, directly or indirectly, a wholly owned subsidiary of the Offeror and/or an affiliate of the Offeror or effecting an amalgamation or merger of Royster-Clark Ltd.'s business and assets with or into the Offeror and/or an affiliate of the

Offeror. The timing and details of any such transaction will necessarily depend on a variety of factors, including the number of Common Shares acquired pursuant to the Offer. In the event of a Subsequent Acquisition Transaction, Shareholders, other than the Offeror and its affiliates, could receive cash, preferred shares (which may be immediately redeemable for cash), debt or any combination thereof. While the Offeror currently intends that the consideration offered under any Subsequent Acquisition Transaction would be the same price as the price allocated to the Common Shares under the Offer, the consideration offered to holders of Common Shares in a Subsequent Acquisition Transaction could have a higher or lower value than the value of the consideration allocated to the Common Shares pursuant to the Offer.

In the event a Subsequent Acquisition Transaction were to be consummated, Shareholders may have the right to dissent in respect thereof and demand payment of the fair value of their Common Shares. The exercise of such right of dissent, if certain procedures are complied with by dissenting Shareholders, could lead to a judicial determination of the fair value required to be paid to such dissenting Shareholder for its Common Shares. The fair value so determined could be more or less than, or equal to, the value of the consideration paid per Common Share pursuant to the Subsequent Acquisition Transaction or the consideration allocated to the Common Shares pursuant to the Offer.

Each type of Subsequent Acquisition Transaction described above is governed by certain applicable Canadian securities legislation and regulations (collectively, the "**Regulations**"), including Rule 61-501 and Policy Q-27 and would be a "business combination" within the meaning of Rule 61-501 and a "going private transaction" within the meaning of Policy Q-27 (collectively hereinafter referred to as "**going private transactions**"). In certain circumstances, the provisions of Rule 61-501 and Policy Q-27 may also deem certain types of Subsequent Acquisition Transactions to be "related party transactions". However, if the Subsequent Acquisition Transaction is a "going private transaction" carried out in accordance with Rule 61-501 or an exemption therefrom and Policy Q-27 or an exemption therefrom, the "related party transaction" provisions of Rule 61-501 and Policy Q-27 will not apply to such transaction. The Offeror intends to carry out any such going private transaction in accordance with Rule 61-501 and Policy Q-27 or exemptions therefrom such that the related party transaction provisions of Rule 61-501 and Policy Q-27 will not apply to the going private transaction.

The Regulations provide that, unless exempted, a corporation proposing to carry out a going private transaction is required to prepare a valuation of the affected securities (and, subject to certain exceptions, any non-cash consideration being offered therefor) and to provide to the holders of the securities a summary of such valuation or the entire valuation. In connection therewith, the Offeror intends to rely on any exemption then available or to seek waivers pursuant to Rule 61-501 and Policy Q-27 from the OSC and AMF, respectively, exempting the Offeror or Royster-Clark Ltd. or their affiliates, as appropriate, from the requirement to prepare a valuation in connection with any Subsequent Acquisition Transaction. An exemption is available under Rule 61-501 and Policy Q-27 for certain going private transactions completed within 120 days after the expiry of a formal take-over bid where the consideration under such transaction is at least equal in value and is in the same form as that paid in the take-over bid, provided certain disclosure is given in the take-over bid disclosure documents. The Offeror expects that these exemptions will be available.

The Offeror expects that the provisions of the OBCA would require the approval of at least either a majority or 66 2/3% of the votes cast by holders of the outstanding Common Shares at a meeting duly called and held for the purpose of approving a Subsequent Acquisition Transaction. The Offeror or its affiliates, as applicable, would cause the Common Shares acquired under the Offer to be voted in favour of such a transaction. Rule 61-501 and Policy Q-27 would in effect also require that, in addition to any other required security holder approval, in order to complete a going private transaction, the approval of a simple majority of the votes cast by "minority" holders of the affected securities must be obtained unless an exemption is available or discretionary relief is granted by the OSC and AMF.

In relation to any Subsequent Acquisition Transaction, the "minority" holders will be, subject to any available exemption or discretionary relief granted by the OSC and AMF as required, all Shareholders other than the Offeror, any "interested party" as defined in Rule 61-501 and Policy Q-27, any "related party" of the Offeror or of any "interested party" (for the purpose of Rule 61-501), including the directors and senior officers or the Offeror or any associate, affiliate or an insider of the Offeror, or any of their directors or senior officers, and any person or company acting jointly or in concert any of the foregoing persons. However, Rule 61-501 and Policy Q-27 also provide that the Offeror may treat Common Shares acquired pursuant to the Offer as "minority" shares and vote them, or consider them voted, in favour of a Subsequent Acquisition Transaction that is a going private transaction if, among other things, the

consideration for each security in the Subsequent Acquisition Transaction is at least equal in value to and in the same form as the consideration paid pursuant to the Offer. The Offeror currently intends that the consideration offered under any Subsequent Acquisition Transaction proposed by it would be the same as the price allocated to Common Shares under the Offer. The Offeror intends to cause Common Shares acquired pursuant to the Offer to be voted in favour of such transaction and to be counted as part of any minority approval required in connection with any such transaction.

In addition, under Rule 61-501 and Policy Q-27, if, following the Offer, the Offeror and its affiliates are the registered holders of 90% or more of the Common Shares at the time the Subsequent Acquisition Transaction is initiated, the requirement for minority approval would not apply to the transaction if a statutory right to dissent and seek fair value or a substantially equivalent enforceable right is made available to the minority shareholders.

The tax consequences to a Shareholder of a Subsequent Acquisition Transaction may differ from the tax consequences to such Shareholder of having its Common Shares acquired pursuant to the Offer. See the section of the Circular entitled "Certain Canadian Federal Income Tax Considerations" for a discussion of certain tax consequences to Securityholders in the event of a Subsequent Acquisition Transaction.

The details of any such Subsequent Acquisition Transaction, including the timing of its implementation and the consideration to be received by the minority Shareholders, would necessarily be subject to a number of considerations, including the number of Common Shares acquired pursuant to the Offer. There can be no assurance that any such transaction will be proposed or, if proposed, effected. Shareholders should consult their own legal advisors for a determination of their legal rights with respect to any Subsequent Acquisition Transaction if and when proposed.

Other Alternatives

If the Offeror decides not to effect the Compulsory Acquisition or to propose a Subsequent Acquisition Transaction, or proposes a Subsequent Acquisition Transaction but cannot promptly obtain any required approval, the Offeror will evaluate its other alternatives. Such alternatives could include, to the extent permitted by applicable law, purchasing additional IDSs or Common Shares in privately-negotiated transactions or in another take-over bid or taking no further action to acquire additional IDSs or Common Shares. Any additional purchases of IDSs or Common Shares could be at a price greater than, equal to, or less than, the price to be paid for IDSs or Common Shares under the Offer and could be for cash and/or securities or other consideration. Alternatively, the Offeror may sell or otherwise dispose of any or all IDSs or Common Shares acquired pursuant to the Offer or otherwise. Such transactions may be effected on terms and at prices then determined by the Offeror, which may vary from the price paid for IDSs or Common Shares under the Offer.

Judicial Developments

Certain judicial decisions may be considered relevant to any Subsequent Acquisition Transaction which may be proposed or effected subsequent to the expiry of the Offer. Prior to the adoption of Rule 61-501 and Policy Q-27, Canadian courts had, in a few instances, granted preliminary injunctions to prohibit transactions involving going private transactions. The Offeror has been advised that based upon more recent legislative enactments, these types of transactions may proceed subject to compliance with requirements intended to ensure procedural and substantive fairness to the minority securityholder. Unitholders should consult their legal advisors for determination of legal rights with respect to any transaction which may constitute a business combination or going private transaction.

DEPOSITARY AND INFORMATION AGENT

The Offeror has retained CIBC Mellon Trust Company to act as a depositary for the receipt of certificates in respect of IDSs and related Letters of Acceptance deposited under the Offer and for the payment for IDSs purchased by the Offeror pursuant to the Offer. The Depositary will receive compensation from the Offeror for its services in connection with the Offer, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities, including liabilities under securities laws, and expenses in connection therewith.

No fees or commissions will be payable by any Unitholder who accepts the Offer by depositing their IDSs directly with the Depositary. Unitholders should contact the Depositary or their broker or dealer for assistance in accepting the Offer and in depositing the IDSs with the Depositary. However, a depositing Unitholder's broker or other

nominee may charge a fee or commission in connection with the Offer. Unitholders should contact their broker or other nominee for information on any such fees or commissions that may be payable.

Georgeson Shareholder Communications Canada Inc. has been retained as the Information Agent for the Offer. The Information Agent may contact Unitholders by mail, telephone, facsimile or personal interview and may request banks, brokers, dealers and other nominees to forward materials relating to the Offer to beneficial holders of IDSs. Questions and requests for assistance relating to the Offer may be directed to the Information Agent at the address and phone numbers set forth on the cover and back pages of this Offer and Circular. The Information Agent will receive reasonable and customary compensation from the Offeror for its services in connection with the Offer, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities and expenses in connection therewith.

DEALER MANAGER

The Offeror has engaged the services of RBC Dominion Securities Inc. as Dealer Manager in Canada to solicit acceptances of the Offer. The Offeror will reimburse the Dealer Manager for its reasonable out-of-pocket expenses, and has also agreed to indemnify the Dealer Manager against certain liabilities and expenses in connection with the Offer.

RBC Dominion Securities Inc. intends to form a soliciting dealer group (the "**Soliciting Dealer Group**") comprised of members of the Investment Dealers Association of Canada and members of the TSX and the TSX Venture Exchange to solicit acceptances of the Offer from persons who are resident in Canada and it will also solicit acceptances of the Offer in the United States through its United States registered broker dealer affiliate, RBC Capital Markets Corporation. Each member of the Soliciting Dealer Group, including the Dealer Manager, is referred to herein as a "Soliciting Dealer". The Offeror has agreed to pay to each Soliciting Dealer a fee of \$0.10 for each IDS deposited and taken up by the Offeror under the Offer. The aggregate amount payable to a Soliciting Dealer with respect to any single depositing Unitholder will be not less than \$75 and not more than \$1,500, provided that at least 250 IDSs are deposited per beneficial holder of IDSs. Where IDSs deposited are beneficially owned by more than one person, the foregoing minimum and maximum amounts will be applied separately in respect of each such beneficial owner. The Offeror may require the Soliciting Dealers to furnish evidence of beneficial ownership satisfactory to the Offeror at the time of deposit.

Except as set forth above, the Offeror will not pay any fees or commissions to any broker, dealer or other person for soliciting tenders of IDSs pursuant to the Offer. No fee or commission will be payable by Unitholders who transmit their IDSs directly to the Depositary or who make use of the facilities of a Soliciting Dealer to the Offer.

No fees or commissions will be payable by any Unitholder who accepts the Offer by depositing their IDSs directly with the Depositary or who uses the services of the Dealer Manager to accept the Offer. However, a depositing Unitholder's broker or other nominee may charge a fee or commission in connection with the Offer. Unitholders should contact their broker or other nominee through which their IDSs are held for information on any such fees or commissions that may be payable.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, Canadian counsel to the Offeror, the following is, as of the date of this Circular, a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to holders who tender their Common Shares and Subordinated Notes as represented by IDSs pursuant to the Offer and who at all relevant times hold the Common Shares and Subordinated Notes represented by IDSs as capital property for the purposes of the Tax Act and deal at arm's length and are not affiliated with Royster-Clark ULC or Royster-Clark Ltd. (each, a "**Holder**" for the purposes of this section only). Generally, the Common Shares and Subordinated Notes represented by the IDSs will be considered to be capital property to a Holder provided that the Holder does not hold such securities in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. A Holder who might not otherwise be considered to hold its Common Shares and Subordinated Notes represented by IDSs as capital property may, in certain circumstances, be entitled to have them, and all other "Canadian securities" (as defined in the Tax Act) owned by such Holder, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is not applicable to a Holder that is a "financial institution" (as defined in the Tax Act for purposes of the mark-to-market rules), a "specified financial institution" or a Holder an interest in which is a "tax shelter investment" (all as defined in the Tax Act).

This summary is based upon the provisions of the Tax Act and the Tax Regulations in force on the date of this Circular, the Tax Proposals, counsel's understanding of the current published administrative policies and assessing practices of the CRA and the original provisions of the Subordinated Notes Indenture. There can be no assurance that any Tax Proposal will be implemented in its current form or at all. This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, or administrative policies or assessing practices, and does not take into account any provincial, territorial or foreign tax legislation or considerations which may differ significantly from those discussed in this Circular.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations applicable to the disposition of Common Shares and Subordinated Notes represented by IDSs. Moreover, the income or other tax consequences of disposing of Common Shares and Subordinated Notes represented by IDSs will vary depending on the Holder's particular circumstances, including the province or territory or provinces or territories in which the Holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any holder of Common Shares and Subordinated Notes represented by IDSs. Holders should consult their own tax advisors for advice with respect to the tax consequences of disposing of Common Shares and Subordinated Notes represented by IDSs based on their particular circumstances.

In disposing of an IDS, a Holder will be disposing of ownership of the Common Share and Subordinated Note represented by such IDS. The Common Share and Subordinated Note represented by an IDS are separate properties and, accordingly, the price received by a Holder for an IDS must be allocated on a reasonable basis between the Common Share and Subordinated Note represented by the IDS in order to determine the respective proceeds of disposition to the Holder for each for purposes of the Tax Act. The Offeror proposes to allocate the price paid for each IDS on the basis of \$2.00 for the Common Share and \$8.00 to the Subordinated Note and, by accepting the Offer and tendering an IDS, a Holder is deemed to agree to such allocation. Although the Offeror believes this allocation to be reasonable, such allocation is not binding on the CRA.

Holders Resident In Canada

This portion of the summary applies to Holders that are, or are deemed to be, resident in Canada for the purposes of the Tax Act and any applicable income tax treaty or convention at all relevant times.

Interest on the Subordinated Notes

A Holder that is a corporation, partnership, unit trust or a trust of which a corporation or partnership is a beneficiary is required to include in computing its income for a taxation year all interest that accrues to such Holder on the Subordinated Notes to the end of that year or that becomes receivable or is received by the Holder before the end of that year, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year. Any other Holder, including an individual, is required to include in computing its income for a taxation year all interest on the Subordinated Notes that is received or receivable by such Holder in that year (depending on the method regularly followed by the Holder in computing income) to the extent that such interest was not included in computing the Holder's income for a preceding taxation year. In addition, a Holder may be required to include in computing its income for a taxation year any interest that accrues to the Holder on the Subordinated Notes up to any "anniversary day" (as defined in the Tax Act, where relevant, includes the date of disposition) of the Subordinated Notes in the year to the extent that such amount was not otherwise included in the Holder's income for that or a preceding taxation year.

A Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax of 6 2/3% on investment income, including interest income on the Subordinated Notes.

The amount of interest on the Subordinated Notes to be included in a Holder's income as described above will include United States withholding tax, if any, imposed in respect of the interest.

Disposition of Subordinated Notes

On the disposition of Subordinated Notes pursuant to the Offer, a Holder will generally be required to include in computing its income for the taxation year in which the disposition occurs the amount of interest accrued on the Subordinated Notes from the date of the last interest payment to the date of disposition, except to the extent that such

interest has otherwise been included in computing the Holder's income for that year or a preceding taxation year. Taxation of such interest is described above.

In general, the disposition of a Subordinated Note by a Holder pursuant to the Offer will give rise to a capital gain (or a capital loss) equal to the amount by which the amount of the purchase price allocated to the Subordinated Note, net of any amount included in computing the Holder's income as interest and any reasonable costs of disposition, exceeds (or is exceeded by) the adjusted cost base of the Subordinated Note to the Holder immediately before the disposition. See "Capital Gains and Losses" below.

Disposition of the Common Shares

A disposition of a Common Share by a Holder pursuant to the Offer will generally give rise to a capital gain (or capital loss) to the extent that the purchase price allocated to the Common Share, net of any reasonable costs of disposition, exceeds (or is exceeded by) the adjusted cost base to the Holder of the Common Share immediately before the disposition. See "Capital Gains and Losses" below.

Capital Gains and Losses

One-half of the amount of any capital gain (a "**taxable capital gain**") realized by a Holder in a taxation year must be included in computing such Holder's income for that year, and one-half of any capital loss (an "**allowable capital loss**") realized by a Holder in a taxation year must be deducted from any taxable capital gains realized by the Holder in the year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following taxation year against taxable capital gains realized in such years, subject to, and in accordance with, the provisions of the Tax Act. A capital loss realized by certain Holders in respect of the disposition or deemed disposition of Common Shares may be reduced in certain circumstances by the amount of any dividends, including deemed dividends, that have been received by such Holders on the Common Shares to the extent, and in the manner, provided for in the Tax Act.

A holder that is a Canadian-controlled private corporation (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6 2/3% on investment income, including taxable capital gains.

Alternative Minimum Tax

Individuals, including certain trusts, are subject to an alternative minimum tax. Capital gains realized on the disposition of Common Shares or Subordinated Notes may increase a Holder's liability for alternative minimum tax. Holders should consult their own tax advisors with respect to alternative minimum tax.

Acquisition of Common Shares Not Deposited

As described under "Acquisition of Securities Not Deposited" in this Circular, the Offeror may, in certain circumstances, acquire Common Shares not deposited under the Offer pursuant to a Compulsory Acquisition under Part XV of the OBCA. A Holder whose Common Shares are acquired pursuant to a Compulsory Acquisition generally will be subject to the income tax consequences described above under "Disposition of the Common Shares".

As further described under "Acquisition of Securities Not Deposited" in this Circular, it is the Offeror's current intention to consider other means of acquiring, directly or indirectly, all of the Common Shares in accordance with applicable law, including a Subsequent Acquisition Transaction. In the event the Offeror undertakes a Subsequent Acquisition Transaction, the tax consequences to Holders who do not tender their Common Shares and Subordinated Notes represented by IDs pursuant to the Offer will depend upon the nature of the particular transaction or transactions undertaken and may be substantially the same as, or materially different from, those described above. **Holders should consult their own tax advisors for advice with respect to the income tax consequences to them of having their Common Shares acquired pursuant to such transactions.**

U.S. Tax

Holders are advised to consult their own tax advisors with respect to the availability to them of a foreign tax credit or deduction in respect of any United States income or withholding tax that may be imposed in connection with the disposition of Common Shares and Subordinated Notes represented by the IDSs, having regard to their particular circumstances.

Holders Not Resident in Canada

This portion of the summary applies to a Holder who at all relevant times is not resident in Canada, and is not deemed to be resident in Canada, for the purposes of the Tax Act and any applicable income tax treaty or convention, does not use or hold, and is not deemed to use or hold, the Common Shares and Subordinated Notes represented by IDSs in, or in the course of, carrying on a business in Canada, deals at arm's length with Royster-Clark Ltd. and Royster-Clark ULC and is not an insurer who carries on an insurance business (or is deemed to carry on an insurance business) in Canada and elsewhere (a "**Non-Resident Holder**"). This portion of the summary assumes that the Common Shares will be listed on the TSX at the time that the Offeror acquires Common Shares and Subordinated Notes represented by IDSs pursuant to the Offer.

Disposition of Subordinated Notes

Any capital gain resulting from the disposition of a Subordinated Note by a Non-Resident Holder pursuant to the Offer, and any interest accrued on the Subordinated Note from the date of the last interest payment to such date of disposition, generally will not be subject to tax under the Tax Act.

Disposition of Common Shares

A capital gain realized by a Non-Resident Holder from the disposition of a Common Share pursuant to the Offer will not be subject to tax under the Tax Act provided that the Common Share does not constitute "taxable Canadian property" to the particular Non-Resident Holder. Common Shares of a Non-Resident Holder will generally not constitute "taxable Canadian property" under the Tax Act unless either: (a) at any time during the period of sixty months immediately preceding the disposition of Common Shares by such Non-Resident Holder, not less than 25% of the issued Common Shares (or 25% of the issued shares of any other class of the capital stock of Royster-Clark Ltd.) were owned by the Non-Resident Holder, by persons with whom the Non-Resident Holder did not deal at arm's length or by any combination thereof; or (b) the Non-Resident Holder's Common Shares are otherwise deemed to be taxable Canadian property under the Tax Act. If Common Shares constitute, or are deemed to constitute, taxable Canadian property to a particular Non-Resident Holder, the tax consequences on the disposition or deemed disposition thereof under the Offer described above under "Residents of Canada" generally will apply (subject to the terms of any applicable income tax treaty or convention).

Acquisition of Common Shares Not Deposited

As described in "Acquisition of Securities Not Deposited" in this Circular, the Offeror may, in certain circumstances, acquire Common Shares not deposited under the Offer pursuant to a Compulsory Acquisition under Part XV of the OBCA. If the Common Shares are not listed on a prescribed stock exchange at the time of disposition, they will be taxable Canadian property to a Non-Resident Holder. See "Effect of the Offer on Market and Listings" in this Circular. Where a Non-Resident Holder disposes of Common Shares that are taxable Canadian property to the holder, the disposition may give rise to a capital gain. If such capital gain is not exempt from Canadian income tax under the terms of an applicable income tax treaty or convention, the tax consequences as described above under "Capital Gains and Losses" generally will apply. In addition, if the Common Shares are not listed on a prescribed stock exchange at the time of disposition, the notification and withholding provisions of section 116 of the Tax Act will apply to a Non-Resident Holder.

In the event the Offeror undertakes a Subsequent Acquisition Transaction, the tax consequences to Non-Resident Holders that have their Common Shares acquired pursuant to such transactions would depend upon the exact manner that the particular transactions are undertaken. Such tax consequences may include a deemed dividend, a capital gain or loss, or both a deemed dividend and a capital gain or loss.

Any interest or dividends deemed received by Non-Resident Holders in connection with the disposition of their Common Shares generally will be subject to non-resident withholding tax at a rate of 25% or such lower rate as may be provided for under the terms of an applicable income tax treaty or convention.

Non-Resident Holders should consult their own tax advisors for advice with respect to the potential income tax consequences to them of having their Common Shares acquired pursuant to such transactions as they could differ materially from those described above.

CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

In the opinion of Sidley Austin Brown & Wood LLP, U.S. counsel to the Offeror, the following discussion summarizes certain material U.S. federal income tax consequences expected to result from the consummation of the Offer. This summary is based on laws, regulations, rulings and decisions now in effect, all of which are subject to change possibly with retroactive effect. This summary does not deal with special classes of Securityholders, such as Securityholders subject to the alternative minimum tax, dealers in securities or currencies, banks, financial institutions, insurance companies, tax-exempt organizations, expatriates, partnerships or other pass-through entities or investors in such entities, persons holding Royster-Clark Securities as a position in a "straddle" or conversion transaction, or as part of a "synthetic security" or other integrated financial transaction or persons that have a functional currency other than the U.S. dollar. This summary assumes the Royster-Clark Securities are held as "capital assets" within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "**Code**").

No ruling from the Internal Revenue Service (the "**IRS**") has been sought with respect to the statements made and the conclusions reached in this discussion, and there can be no assurance that the IRS will agree with such statements and conclusions. In addition, the discussion does not describe any tax consequences arising out of the laws of any state or local or foreign jurisdiction. Accordingly, each U.S. Securityholder should consult its own tax advisor with regard to the Offer and the application of U.S. federal income tax laws, as well as the laws of any state, local or foreign taxing jurisdictions, to its particular situation.

THE FOLLOWING DISCUSSION OF MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. ACCORDINGLY, EACH SECURITYHOLDER IS URGED TO CONSULT ITS TAX ADVISOR WITH RESPECT TO THE TAX CONSEQUENCES OF TENDERING ROYSTER-CLARK SECURITIES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL AND FOREIGN TAX LAWS.

For purposes of this discussion, a "**U.S. Holder**" means a beneficial owner of Royster-Clark Securities who or which is, for U.S. federal income tax purposes, (1) an individual who is a citizen or resident of the United States; (2) a corporation or other entity treated as a corporation created or organized under the laws of the United States or of any state or political subdivision thereof; (3) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (4) a trust that (a) is subject to the primary supervision of a U.S. court and which has one or more U.S. fiduciaries who have the authority to control all substantial decisions of the trust, or (b) has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

A "**Non-U.S. Holder**" means a beneficial owner of Royster-Clark Securities who is a nonresident alien individual or a corporation, trust or estate that for U.S. federal income tax purposes is not a U.S. Holder.

If a partnership or other entity or arrangement treated as a partnership for U.S. federal income tax purposes holds Royster-Clark Securities, the tax treatment of each of the partners in such partnership will generally depend upon the status of the partner and the activities of the partnership. Each partner in a partnership holding Royster-Clark Securities is urged to consult its own tax advisor regarding the specific tax consequences of disposing of Royster-Clark Securities.

Any discussion of U.S. federal tax issues set forth in this Offer to Purchase and Circular was written in connection with the promotion and marketing by the Offeror of the Offer. Such discussion was not intended or written to be legal or tax advice to any person and was not intended or written to be used, and it cannot be used, by any person for the purpose of avoiding any U.S. federal tax penalties that may be imposed on such person. Each investor should seek advice based on its particular circumstances from an independent tax advisor.

U.S. Federal Income Tax Treatment of the IDSs

An IDS is an investment unit, composed of one Common Share and one Subordinated Note. No statutory, administrative or judicial authority directly addresses the treatment of the IDSs or instruments similar to IDSs for U.S. federal income tax purposes. According to the discussion in the prospectus for the initial public offering of the IDSs, U.S. tax counsel for Royster-Clark and U.S. tax counsel for the underwriters were of the opinion that the holder of an IDS should be treated as holding one Common Share and one Subordinated Note, rather than a single, integrated instrument, and that the Subordinated Notes should be treated as debt for U.S. federal income tax purposes. Further,

Royster-Clark concluded that the initial fair market value of the Subordinated Notes was \$6.08, with the consequence that the Subordinated Notes were not issued with original issue discount, and, by acquiring IDSs, each purchaser agreed to this valuation and agreed not to take a contrary position for any purpose, including tax reporting purposes. The Offeror is not in a position to verify the correctness of these conclusions for U.S. federal income tax purposes, although they appear to be reasonable. Accordingly, the following discussion assumes that the IDSs are properly viewed as an investment unit, rather than a single, unitary instrument, and that the Subordinated Notes are debt instruments that were not issued with original issue discount for U.S. federal income tax purposes. Incorrectness of any of these assumptions would not materially affect the U.S. federal income tax consequences of disposing of the IDSs pursuant to the Offer. The tax consequences of prior ownership of the IDSs would, however, be affected which in turn could affect, in particular, the Securityholder's tax basis in the Common Shares, the Subordinated Notes, or both. In addition, if the Subordinated Notes were not treated as debt for U.S. federal income tax purposes, they would produce no foreign currency exchange gain or loss.

The Offeror proposes to allocate the price paid for each IDS on the basis of \$2.00 to the Common Share and \$8.00 to the Subordinated Note. By accepting the Offer and tendering an IDS, a Securityholder is deemed to agree to such allocation. Although the Offeror believes this allocation to be reasonable, such allocation is not binding on the IRS.

U.S. Holders

Sale of the Common Shares

Assuming, as seems likely but Offeror cannot at this time verify, that Royster-Clark Ltd. is not a passive foreign investment company ("PFIC") for U.S. federal income tax purposes and subject to the rules requiring recognition of foreign currency exchange gain or loss, discussed below under "Foreign Currency Exchange Gain or Loss", the disposition of Common Shares pursuant to this Offer by U.S. Holders generally will result in the recognition of gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount realized on the sale and the U.S. Holder's adjusted tax basis in the Common Shares disposed. In the computation of the gain or loss, the amount realized will be the U.S. dollar equivalent of the sales price based upon the spot Canadian dollar/U.S. dollar exchange rate (the "**Spot Rate**") prevailing on the date of sale and a U.S. Holder's tax basis in a Common Share generally will equal the U.S. dollar value of the Canadian dollars paid for the Common Share, determined by reference to the Spot Rate prevailing on the date of the purchase. Such gain or loss will be short-term capital gain or loss, because the U.S. Holder will not have held Common Shares for more than one year, and will be taxable at ordinary income rates. Gain realized by a U.S. Holder on the disposition of the Common Shares generally will be treated as U.S. source income for purposes of the foreign tax credit limitation rules. The deductibility of capital losses is subject to limitations.

Sale of the Subordinated Notes

The disposition of Subordinated Notes pursuant to this Offer by U.S. Holders will be taxable transactions for U.S. federal income tax purposes. Subject to the discussion of the market discount rules set forth below and the rules requiring recognition of foreign currency exchange gain or loss, discussed below under "Foreign Currency Exchange Gain or Loss", a U.S. Holder selling Subordinated Notes pursuant to this Offer will recognize capital gain or loss in an amount equal to the difference between the amount of cash received (other than amounts received attributable to accrued interest, which will be taxed as ordinary income to the extent not previously so taxed) and the U.S. Holder's adjusted tax basis in the Subordinated Notes sold. In the computation of the gain or loss, the amount of cash received in exchange for a Subordinated Note will be the U.S. dollar equivalent of the amount of Canadian dollars received, determined by reference to the Spot Rate prevailing on the date of the sale. A U.S. Holder's adjusted tax basis in a Subordinated Note generally will equal the U.S. dollar value of the Canadian dollars paid for the Subordinated Note, determined by reference to the Spot Rate on the date of the purchase, increased by the amount of any market discount previously taken into account by the U.S. Holder and reduced by the amount of any amortizable bond premium previously amortized by the U.S. Holder with respect to the Subordinated Notes. Such gain or loss will be short-term capital gain or loss, because the U.S. Holder will not have held Subordinated Notes for more than one year, and will be taxable at ordinary income rates. Gain realized by a U.S. Holder on the disposition of the Subordinated Note generally will be treated as U.S. source income for purposes of the foreign tax credit limitation rules. The deductibility of capital losses is subject to limitations.

In general, if a U.S. Holder acquired the Subordinated Notes with market discount, any gain realized by a U.S. Holder on the sale of the Subordinated Notes will be treated as ordinary income to the extent of the portion of the market discount that has accrued while such Subordinated Notes were held by the U.S. Holder, unless the U.S. Holder

has elected to include market discount in income currently as it accrues. A Subordinated Note has "market discount" if its stated principal amount exceeds its tax basis in the hands of a U.S. Holder immediately after its acquisition, unless a statutorily defined de minimis exception applies.

Foreign Currency Exchange Gain or Loss

Gain or loss realized upon the disposition of a Subordinated Note, to the extent attributable to fluctuations in currency exchange rates, is generally ordinary income or loss. Such foreign currency exchange gain or loss equals the difference between (i) the Canadian dollar purchase price of the Subordinated Note, translated to U.S. dollars at the Spot Rate prevailing on the date of such disposition and (ii) the Canadian dollar purchase price of the Subordinated Note, translated to U.S. dollars at the Spot Rate prevailing on the date the U.S. Holder acquired the Subordinated Note. Foreign currency exchange gain or loss is recognized only to the extent of the overall gain or loss realized by a U.S. Holder on the disposition of the Subordinated Note. In general, the source of the foreign currency exchange gain or loss is determined by reference to the residence of the U.S. Holder or the "qualified business unit" of the U.S. Holder on whose books the note is properly reflected. Any gain or loss recognized by a U.S. Holder in excess of the foreign currency exchange gain or loss is capital gain or loss.

Any portion of the proceeds of the disposition attributable to accrued interest income may also result in foreign currency exchange gain or loss to a U.S. Holder that has been required to include such interest in income prior to receipt (i.e., a U.S. Holder using the accrual method of tax accounting). Such U.S. Holder may determine the U.S. dollar value of the accrued interest income by translating the income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the portion of the accrual period within the taxable year. The average rate of exchange for the accrual period (or partial period) is the simple average of the Spot Rates for the U.S. dollar and the Canadian dollar for each business day of the period (or other method if the method is reasonably derived and consistently applied). A U.S. Holder using this method will recognize, as ordinary gain or loss, foreign currency exchange gain or loss equal to the difference between the U.S. dollar value of the Canadian dollar payment received in respect of accrued interest on the Subordinated Notes, determined based on the Spot Rate on the date the payment is received, and the U.S. dollar value of the interest income that has accrued during the accrual period (as determined above).

Under the so-called "spot accrual convention election", a U.S. Holder using the accrual method may, in lieu of applying the rules described in the preceding paragraph, elect to translate accrued interest income into U.S. dollars at the Spot Rate in effect on the last day of the accrual period. Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing U.S. Holder may instead translate the interest into U.S. dollars at the Spot Rate on the day of actual receipt. An accrual-method U.S. Holder that has made the foregoing election will not generally recognize foreign currency exchange gain or loss with respect to any portion of the proceeds of the disposition of Subordinated Notes that is attributable to accrued interest income. Such election applies to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder and is irrevocable without the consent of the IRS.

The tax basis of a U.S. Holder in any Canadian dollars received on the disposition of IDSs, Common Shares, or Subordinated Notes is equal to the U.S. dollar value of the Canadian dollars, determined by reference to the Spot Rate prevailing at the time of the disposition. Treasury Regulations provide a special rule for purchases and sales of publicly traded securities by a cash method taxpayer under which units of foreign currency paid or received are translated into U.S. dollars at the Spot Rate on the settlement date of the purchase or sale. Accordingly, no exchange gain or loss results from currency fluctuations between the trade date and the settlement of the purchase or sale. An accrual method taxpayer may elect the same treatment required of cash method taxpayers with respect to the purchase and sale of publicly traded securities provided the election is applied consistently. The election cannot be changed without consent of the IRS. U.S. Holders should consult their tax advisors concerning the applicability to the IDSs, Common Shares and Subordinated Notes of the special rules summarized in this paragraph.

Backup Withholding

No backup withholding will be made on payments made by or on behalf of the Offeror to the financial institutions that are CDS Participants holding on behalf of U.S. Holders. However, such financial institutions may apply backup withholding at a rate of 28% on the purchase price of the IDSs, unless the U.S. Holder (i) is a corporation or comes within certain other exempt categories and demonstrates this fact, or (ii) provides to such financial institution a correct taxpayer identification number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of backup withholding rules. U.S. Holders are urged to consult their brokers or

other nominees through which they hold IDSs for further information regarding the procedures adopted by such financial institutions with respect to U.S. backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against such U.S. Holder's U.S. federal income tax liability and may entitle such U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

Non-U.S. Holders

Sale of the Common Shares

In general, and subject to the discussion of backup withholding below, a Non-U.S. Holder will not be subject to U.S. federal income or withholding tax on gain from the disposition of Common Shares, unless (i) the gain on such disposition is effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States or (ii) in the case of gain realized by an individual holder, the holder is present in the United States for 183 days or more in the taxable year of the Offer and either (a) such gain is attributable to an office or other fixed place of business maintained in the United States by such holder or (b) such holder has a tax home in the United States. If a Non-U.S. Holder's gain is effectively connected with a United States trade or business, such holder generally will be required to pay U.S. federal income tax on the net gain derived from the sale in the same manner as if it were a U.S. person. If such a Non-U.S. Holder is a corporation, such holder may also, under certain circumstances, be subject to a branch profits tax at a 30% rate (or lower applicable treaty rate). If a Non-U.S. Holder is subject to the 183-day rule described above, such holder generally will be subject to U.S. federal income tax at a rate of 30% (or a reduced rate under an applicable treaty) on the amount by which capital gains allocable to U.S. sources (including gains from the disposition of the Common Shares) exceed capital losses allocable to U.S. sources.

Sale of the Subordinated Notes

Subject to the discussion of backup withholding below, a Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on the proceeds from the disposition of Subordinated Notes, including amounts treated as accrued interest, unless (i) the gain or accrued interest on such Note is effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States or (ii) in the case of gain realized by an individual holder, the holder is present in the United States for 183 days or more in the taxable year of the Offer and either (a) such gain is attributable to an office or other fixed place of business maintained in the United States by such holder or (b) such holder has a tax home in the United States. If a Non-U.S. Holder's gain is effectively connected with a United States trade or business, such holder generally will be required to pay U.S. federal income tax on the net gain derived from the sale in the same manner as if it were a U.S. person. If such a Non-U.S. Holder is a corporation, such holder may also, under certain circumstances, be subject to a branch profits tax at a 30% rate (or lower applicable treaty rate). If a Non-U.S. Holder is subject to the 183-day rule described above, such holder generally will be subject to U.S. federal income tax at a rate of 30% (or a reduced rate under an applicable treaty) on the amount by which capital gains allocable to U.S. sources (including gains from the disposition of the Subordinated Notes) exceed capital losses allocable to U.S. sources. Non-U.S. Holders subject to U.S. federal income tax upon the disposition of their Subordinated Notes will also be subject to the rules on foreign currency exchange gain or loss described above under "U.S. Holders – Foreign Currency Exchange Gain or Loss".

Backup Withholding

No backup withholding will be made on payments made by or on behalf of the Offeror to the financial institutions that are CDS Participants holding on behalf of Non-U.S. Holders. However, such financial institutions may apply backup withholding at the rate of 28% on the purchase price of the IDSs, unless the Non-U.S. Holder (i) is a corporation or comes within certain other exempt categories and demonstrates this fact, or (ii) has provided to such financial institution the required certification that it is not a U.S. person as described above. Non-U.S. Holders are urged to consult their brokers or other nominees through which they hold IDSs for further information regarding the procedures adopted by such financial institutions with respect to U.S. backup withholding.

ACCEPTANCE OF OFFER

Neither the Offeror nor Agrium has any knowledge regarding whether any Unitholders will accept the Offer.

EXPENSES OF THE OFFER

The Offeror estimates that the fees and expenses in connection with the Offer (including filing fees, legal fees, fees payable to its financial advisor, fees payable to the Soliciting Dealer group, printing, mailing and miscellaneous costs, and including any fees or expenses in connection with the Subsequent Acquisition Transaction or Compulsory Acquisition) will be approximately U.S.\$15 million. In addition, it is expected that Royster-Clark will also incur expenses in connection with the Offer, which indirectly the Offeror would bear if the Offer is successful.

LEGAL MATTERS

The legal opinions referred to under the sections of the Circular entitled "Certain Canadian Federal Income Tax Considerations" and "Certain Material U.S. Federal Income Tax Consequences" have been provided by Blake, Cassels & Graydon LLP and Sidley Austin Brown & Wood LLP, respectively, counsel to the Offeror.

STATUTORY RIGHTS

Securities legislation in certain of the provinces and territories of Canada provides Unitholders with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, if there is a misrepresentation in a circular or notice that is required to be delivered to the Unitholders. However, such rights must be exercised within prescribed time limits. Unitholders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.

CONSENTS

CONSENT OF BLAKE, CASSELS & GRAYDON LLP

To: The Boards of Directors of Agrium Inc. and Agrium Acquisitions Inc.

We hereby consent to the reference to our opinion contained under the heading "Certain Canadian Federal Income Tax Considerations" in the Circular accompanying the Offer dated November 8, 2005 made by Agrium Acquisitions Inc. to the holders of Income Deposit Securities of Royster-Clark Ltd. and Royster-Clark ULC.

Calgary, Alberta
November 8, 2005

(signed) Blake, Cassels & Graydon LLP

CONSENT OF SIDLEY AUSTIN BROWN & WOOD LLP

To: The Board of Directors of Agrium Inc. and Agrium Acquisitions Inc.

We hereby consent to the reference to our opinion contained under the heading "Certain Material U.S. Federal Income Tax Consequences" in the Circular accompanying the Offer dated November 8, 2005 made by Agrium Acquisitions Inc. to the holders of Income Deposit Securities of Royster-Clark Ltd. and Royster-Clark ULC.

Chicago, Illinois
November 8, 2005

(signed) Sidley Austin Brown & Wood LLP

APPROVAL AND CERTIFICATE

Dated: November 8, 2005

The contents of the Offer and this Circular have been approved by, and the sending, communication or delivery thereof to the holders of IDSs has been authorized by, the boards of directors of Agrium Acquisitions Inc. and Agrium Inc. The foregoing contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

AGRIUM ACQUISITIONS INC.

(signed) Michael M. Wilson
President & Chief Executive Officer

(signed) Bruce G. Waterman
Senior Vice President, Finance
& Chief Financial Officer

On behalf of the Board of Directors

(signed) Richard L. Gearheard
Director

(signed) Ron A. Wilkinson
Director

AGRIUM INC.

(signed) Michael M. Wilson
President & Chief Executive Officer

(signed) Bruce G. Waterman
Senior Vice President, Finance
& Chief Financial Officer

On behalf of the Board of Directors

(signed) Ralph S. Cunningham
Director

(signed) Frank W. Proto
Director

Any questions and requests for assistance may be directed by Unitholders to the Information Agent, the Depositary or the Dealer Manager at the telephone numbers and locations set forth below.

The Information Agent for the Offer is:

GEORGESON SHAREHOLDER COMMUNICATIONS CANADA INC.

100 University Avenue
11th Floor, South Tower
Toronto, Ontario M5J 2Y1

North American Toll Free: 1-866-787-5864

The Depositary for the Offer is:

CIBC MELLON TRUST COMPANY

By Mail:

P.O. Box 1036
Adelaide Street Postal Station
Toronto, Ontario M5C 2K4
Attention: Corporate Actions Department

By Hand, Courier or Registered Mail:

Toronto

199 Bay Street
Commerce Court West
Securities Level
Toronto, Ontario M5L 1G9
Attention: Corporate Actions Department

Calgary

600 The Dome Tower
333 – 7th Avenue S.W.
Calgary, Alberta T2P 2Z1
Attention: Corporate Actions Department

Telephone: (416) 643-5500
Toll Free: 1-800-387-0825 (Canada and United States)
E-mail: inquiries@cibcmellon.com

The Dealer Manager for the Offer is:

RBC CAPITAL MARKETS

In Canada

RBC Dominion Securities Inc.

200 Bay Street, 4th Floor
Royal Bank Plaza, South Tower
Toronto, Ontario M5J 2N7

Telephone: (416) 842-7506
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