

Terra Environmental Technologies is Exclusive Initial Fill Diesel Exhaust Fluid Provider to Daimler Trucks North America

SIoux CITY, IOWA (June 1, 2009)—Terra Industries Inc. (NYSE: TRA) (“Terra”) announces that Terra Environmental Technologies Inc. (“TET”), a wholly-owned Terra subsidiary, has signed a multiyear agreement with Daimler Trucks North America LLC (“DTNA”) to supply all its Selective Catalytic Reduction (“SCR”)-equipped vehicles with an initial fill of TerraCair Ultrapure® Diesel Exhaust Fluid (“TerraCair DEF”), and through its distribution partners, ultimately supply its dealers and distributors with TerraCair DEF in a variety of package sizes and dispensing configurations.



Terra Environmental Technologies produces TerraCair Ultrapure® DEF in a variety of package sizes.

Under terms of the agreement, DTNA will offer TerraCair DEF, an ultrapure solution certified by the American Petroleum Institute, for SCR in their diesel powered vehicles to achieve the near-zero emissions of nitrogen oxides required by EPA regulations set to take effect on January 1, 2010.

TET has the flexibility to ensure quality and supply by sourcing TerraCair DEF from a number of Terra’s six North American nitrogen products manufacturing facilities.

As a leading North American DEF producer, TET has developed a complete supply chain for TerraCair DEF that includes manufacturing and distributing the product, installing dispensing equipment, and providing field services and employee training. Consummation of this agreement marks continued successful execution of Terra’s environmental strategy.

Noted Terra President and CEO Michael Bennett, “We’re pleased to achieve yet another milestone in our efforts to position TET as the leading North American DEF supplier. 2010 is fast approaching and with it will come new, more stringent emissions reductions requirements for diesel engines. TET has laid the groundwork to provide a viable solution to diesel engine manufacturers who are gearing up to use SCR technology to meet their emissions reduction obligations. We’re proud to work with Daimler Trucks North America in this important effort, and believe that this agreement represents a mutually beneficial relationship between our companies.”

About TET

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

About Daimler Trucks North America

Daimler Trucks North America LLC, headquartered in Portland, Oregon, is the leading medium- and heavy-duty truck manufacturer in North America, producing Freightliner, Western Star and Thomas Built Bus vehicles. Daimler Trucks North America produces and markets Class 3-8 vehicles and is a Daimler company, the world's leading commercial vehicle manufacturer.

Forward-Looking Statements

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

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

- matters discussed in this communication under the heading “Outlook”;
- changes in financial markets,
- general economic conditions within the agricultural industry,
- competitive factors and price changes (principally, sales prices of nitrogen and methanol products and natural gas costs),
- changes in product mix,
- changes in the seasonality of demand patterns,
- changes in weather conditions,
- changes in environmental and other government regulation, and
- changes in agricultural regulations.

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

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