



NEWS RELEASE **FOR IMMEDIATE RELEASE**

Enhance Energy and Agrium sign CO₂ agreement

May 27, 2008 - ALL AMOUNTS ARE STATED IN U.S.\$

CALGARY, Alberta -- Agrium Inc. (TSX and NYSE: AGU) and Enhance Energy Inc., a Calgary-based energy company specializing in enhanced oil recovery (EOR), announced today they have signed an agreement for Agrium to supply CO₂ to Enhance's EOR projects. The supply of CO₂ will be used in several EOR projects under development by Enhance Energy, including the previously announced joint venture with Fairborne Energy Ltd. for the Clive, Alberta project.

"We are proud to partner with Agrium for our CO₂ supply, which enables us to produce more oil while at the same time safely sequestering CO₂ that would otherwise have been emitted to the atmosphere," said Susan Cole, President of Enhance Energy Inc. "By implementing the first major EOR projects in Alberta, we believe Enhance will lead the way for other projects that will become more viable because of our CO₂ pipeline system."

Once Enhance's pipeline project comes on stream, expected in 2011, Agrium will begin to supply CO₂ to the project thereby significantly reducing Agrium's CO₂ emissions. Agrium has been supplying CO₂ for enhanced oil recovery for many years from their Borger, Texas nitrogen facility.

"We recognize the potential of this project and look forward to working with Enhance to make a significant reduction in Alberta's greenhouse gas emissions," said Ron Wilkinson, Senior Vice President of Agrium and President of Agrium Wholesale.

About Enhance Energy Inc.

Enhance Energy Inc. is a Calgary-based company that specializes in EOR involving the permanent sequestration of CO₂. Enhance Energy uses CO₂ to recover oil that would otherwise remain in the reservoir. To learn more please visit www.enhanceenergy.com

About Agrium

Agrium Inc. is a major retail supplier of agricultural products and services in both North and South America and a leading global producer and marketer of agricultural nutrients and industrial products. Agrium produces and markets three primary groups of nutrients: nitrogen, phosphate and potash as well as controlled release fertilizers and micronutrients. Agrium's strategy is to grow through incremental expansion of its existing operations and acquisitions as well as the development, commercialization and marketing of new products and international opportunities.

Forward-Looking Statements

Certain statements in this press release constitute forward-looking statements. Such forward-looking statements involve known and unknown risks and uncertainties, including those referred to in the management discussion and analysis section of Agrium's most recent annual report to shareholders, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. A number of factors could cause actual results to differ materially from those in the forward-looking statements, including, but not limited to, general economic, market and business conditions, changes in government policies and programs, timing of completion of the pipeline project or other third-party performance factors. Agrium disclaims any intention or obligation to update or revise any forward-looking information as a result of new information or future events.

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