



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

NEWS

For immediate release

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

Two new Directors appointed to Terra's Board

Sioux City, Iowa (September 29, 2006)—Terra Industries Inc. (NYSE symbol: TRA) announces the appointment of James R. Kroner and Dennis McGlone to its Board of Directors. The addition of Mr. Kroner and Mr. McGlone expands the number of directors on Terra's board to eight.

James Kroner

Mr. Kroner, 45, holds a Bachelor of Arts degree in International Relations from Northwestern University and a Master of Management degree from Northwestern's Kellogg School of Management. His professional experience includes senior private equity and investment banking positions at Fox Paine & Company, JP Morgan & Co., Salomon Smith Barney and Merrill Lynch & Co. Mr. Kroner was most recently Chief Financial Officer and Chief Investment Officer of Endurance Specialty Holdings Ltd., a firm that he helped found in December 2001.

Mr. Kroner has served on the Board of Directors of Endurance Specialty Holdings Ltd. and WJ Communications Inc.

He lives in New York City.

Dennis McGlone

Mr. McGlone, 56, holds a Bachelor of Science degree in Metallurgical & Materials Engineering from the University of Pittsburgh in 1971. Early in his career, he held sales and marketing management positions, and by 1989, was an executive with Cyclops Corp. From 1992 to 2001, he held executive positions with Armco, Inc. and AK Steel. In July 2001, he joined Copperweld Corporation, where he held a variety of executive positions leading to his appointment to President and Chief Executive Officer in February 2004. Mr. McGlone retired from Copperweld in October 2005.

He served on Copperweld's Board of Directors from 2002 to 2005.

Mr. McGlone and his wife live in Pittsburgh, Pa.

Chairman's remarks

"We are extremely pleased to welcome Jim Kroner and Dennis McGlone to Terra's Board of Directors," said Board Chairman Hank Slack. "I anticipate that their individual professional

experience, business acumen and personal integrity will enable them to contribute meaningfully to the further formation of our strategy and to serve Terra shareholders well.”

About Terra

Terra Industries Inc., with 2005 revenues of \$1.9 billion, is a leading international producer of nitrogen products.

Forward-looking statements

This news release may contain forward-looking statements, which involve inherent risks and uncertainties. Statements that are not historical facts, including statements about Terra Industries Inc.’s beliefs, plans or expectations, are forward-looking statements. These statements are based on current plans, estimates and expectations. Actual results may differ materially from those projected in such forward-looking statements and therefore you should not place undue reliance on them. A non-exclusive list of the important factors that could cause actual results to differ materially from those in such forward-looking statements is set forth in Terra Industries Inc.’s most recent report on Form 10-K and Terra Industries Inc.’s other documents on file with the Securities and Exchange Commission. Terra Industries Inc. undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

#

Note: Terra Industries’ news announcements are also available on its website, www.terraindustries.com.