



For Immediate Release SQM to increase lithium hydroxide capacity

Santiago, Chile. September 21, 2016.- Sociedad Química y Minera de Chile S.A. ("**SQM**") (NYSE: SQM; Santiago Stock Exchange: SQM-B, SQM-A) announces that it will increase its lithium hydroxide capacity in Chile from 6,000 metric tons per year to 13,500 metric tons per year. At its current facility near Antofagasta, SQM plans to increase efficiencies bringing the current plant capacity from 6,000 metric tons per year to 6,500 metric tons per year. Additionally, SQM will construct a new plant with a capacity of 7,000 metric tons per year. The estimated investment related to this new capacity is expected to be around US\$30 million, and should be completed by the end of next year.

Patricio de Solminihac, Chief Executive Officer of SQM, commented, "In line with our strategy and given market demand growth, we feel it is imperative to expand our current operations in Chile and abroad to maintain our position as a leading producer of lithium. Lithium hydroxide is increasingly becoming the preferred product used for lithium battery production related to electric vehicles, and we expect lithium hydroxide demand growth to outpace lithium carbonate demand growth in the upcoming years."

SQM estimated that in 2015, global demand for lithium reached just over 150K metric tons. We expect global demand in 2016 to exceed demand seen in 2015 by 10-15%. In 2015, SQM sold 38.7K metric tons of lithium and derivatives. During the first six months of 2016, SQM sold 23.0K metric tons of lithium and derivatives, and this business line accounted for 22% of the total revenues of the Company.

SQM

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About SQM

SQM is an integrated producer and distributor of specialty plant nutrients, iodine, lithium, potassium-related fertilizers and industrial chemicals. Its products are based on the development of high quality natural resources that allow the Company to be a leader in costs, supported by a specialized international network with sales in over 110 countries. SQM's development strategy aims to maintain and strengthen the Company's position in each of its businesses.

The leadership strategy is based on the Company's competitive advantages and on the sustainable growth of the different markets in which it participates. SQM's main competitive advantages in its different businesses include:

- Low production costs based on vast and high quality natural resources;
- Know-how and its own technological developments in its various production processes;
- Logistics infrastructure and high production levels that allow SQM to have low distribution costs;
- High market share in all its core products;
- International sales network with offices in 20 countries and sales in over 110 countries;
- Synergies from the production of multiple products that are obtained from the same two natural resources;
- Continuous new product development according to the specific needs of its different customers;
- Conservative and solid financial position.

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Cautionary Note Regarding Forward-Looking Statements

This news release contains "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: "anticipate," "plan," "believe," "estimate," "expect," "strategy," "should," "will" and similar references to future periods. Examples of forward-looking statements include, among others, statements we make concerning the Company's business outlook, future economic performance, anticipated profitability, revenues, expenses, or other financial items, anticipated cost synergies and product or service line growth.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are estimates that reflect the best judgment of SQM management based on currently available information. Because forward-looking statements relate to the future, they involve a number of risks, uncertainties and other factors that are outside of our control and could cause actual results to differ materially from those stated in such statements. Therefore, you should not rely on any of these forward-looking statements. Readers are referred to the documents filed by SQM with the United States Securities and Exchange Commission, specifically the most recent annual report on Form 20-F, which identifies important risk factors that could cause actual results to differ from those contained in the forward-looking statements. All forward-looking statements are based on information available to SQM on the date hereof and SQM assumes no obligation to update such statements, whether as a result of new information, future developments or otherwise.