



FOR IMMEDIATE RELEASE

Santiago, Chile, July 27, 2005.- Sociedad Química y Minera de Chile S.A. (SQM) (NYSE: SQM, SQMA; Santiago Stock Exchange: SQM-B, SQM-A) inform that has been notified about the ruling of the French Arbitration Association (AFA) about the demand that the French Companies Compagnie du Guano de Poisson Angibaud S.A. and Generale de Nutrition Vegetal SAS had interposed against SQM by the damages of a supposed breach in the distribution agreements of Specialty Plant Nutrition products that both companies maintained in France.

The Arbitration Court Ruling implies for the SQM group a net total payment to Compagnie du Guano de Poisson Angibaud S.A. and Generale de Nutrition Vegetal SAS, including the costs and expenses of the process of approximately US\$6 million. As SQM maintains provisions of expenses associated to this judgement for approximately US\$1.5 million, the net non-operating accounting charge before tax, which is going to be reflected during the second quarter of 2005, is going to be approximately US\$4.5million.

The demand had been interposed by Compagnie du Guano de Poisson Angibaud S.A. and Generale de Nutrition Vegetal SAS for an amount of approximately US\$40 million. Although only one portion of the demand was accepted, unlike the determination by the court, SQM considered that Compagnie du Guano de Poisson Angibaud S.A. and Generale de Nutrition Vegetal SAS had not suffered commercial damages reason why indemnification payment did not correspond. SQM, despite all the previous facts, is evaluating to appeal against this sentence.

SQM is an integrated producer and distributor of specialty plant nutrients, iodine, lithium and industrial chemicals. Its products are based on the development of high quality natural resources that allow the Company to be leader in costs, supported by a specialized international network with sales in over 100 countries. SQM's development strategy aims to maintain and strengthen the world leadership in its three main businesses: specialty plant nutrition, iodine and lithium.

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