



For Immediate Release

SQM Announces New Investments in Projects Oriented to Increase Specialty Fertilizers and Iodine Production Capacity

Santiago, Chile, June 30, 2004.- Sociedad Química y Minera de Chile S.A. (SQM) (NYSE: SQM, SQMA; Santiago Stock Exchange: SQM-B, SQM-A) informed today that it will implement a series of projects oriented to increase its specialty fertilizers and iodine production capacity.

Increases in potassium nitrate and iodine world demand, together with SQM competitive advantages, have translated in sustained increases in sales volume these past years. In order to meet the anticipated increase in future sales, SQM will increase its production capacity in iodine and potassium nitrate.

The first stage of these projects, scheduled to last three years, involves approximately US\$ 145 million. The main projects considered are:

- Increase of iodine production in the Nueva Victoria facility (Chile's first region). Additionally, a new potassium nitrate production facility will be incorporated. This plant will use the nitrate salts obtained as a consequence of the increased iodine production.
- Development of a new mining sector at Maria Elena (Chile's second region) to replace the area currently being mined.
- Construction of a new potassium nitrate granular facility that will complement current prilling plants. The new facility will allow SQM to increase its production capacity and to develop new specialty fertilizer blends.

As a consequence of these investments, SQM expects in the first stage to increase its potassium nitrate and iodine production capacity by approximately 30%.

SQM's capital expenditure program for the next three years (2004 / 2006) involves an approximate amount of US\$ 350 million that will be allocated on diverse projects oriented to maintain and refurbish productive facilities, reduce production costs, develop new products and, mainly, increase production capacities.

SQM is an integrated producer and distributor of specialty fertilizers, 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 fertilizers, iodine and lithium.

For further information contact: Patricio Vargas / (56-2) 425 2274 / (56-2) 425 2485 / pvargas@sqm.cl