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**FOR IMMEDIATE RELEASE**

**SQM AUTHORIZED TO SUBSCRIBE AN OPTION AGREEMENT  
TO PURCHASE PCS YUMBES**

**Santiago, Chile, August 27, 2003.-** Sociedad Química y Minera de Chile S.A. (SQM) (NYSE: SQM, SQMA; Santiago Stock Exchange: SQM-B, SQM-A) reported today that during the Board Session carried out on August 26, 2003, the members of the Board agreed to authorize SQM to subscribe an "Option Contract" with Potash Corporation of Saskatchewan Inc. (PCS)<sup>(1)</sup> that grants SQM the right to purchase all of the shares of the Chilean company PCS Yumbes S.C.M., not later than December 31, 2004.

PCS Yumbes S.C.M. main assets are located in the Taltal County, Second Region, and produce potassium nitrate and iodine.

The price of the option is US\$1,700,000, and must be exercised prior to January 13, 2004. This amount shall form part of the US\$35,000,000 mentioned in the following paragraph or, in the event SQM does not exercise the option, shall be paid by SQM to PCS.

The final price for the purchase of the total shares of PCS Yumbes S.C.M. will be US\$35,000,000, which might be subject to certain adjustments on the date of subscription of the Purchase Agreement of PCS Yumbes S.C.M. The Purchase Agreement shall include all of the assets, mining concessions, water rights and other assets of PCS Yumbes S.C.M. and shall exclude its total liabilities and contractual obligations.

Additionally, the members of the Board agreed to appoint Optimiza Asesores Consultores de Empresas Limitada and Mr. Carlos Antonio Díaz Vergara –Dean of the School of Economic Sciences of the Universidad de Los Andes– as independent evaluators to perform their duties evaluating the conditions of the Agreements in accordance with the Chilean legal framework.

(1) Potash Corporation of Saskatchewan, Inc. (PCS) is a Canadian company, which owns 37.5% of SQM's series A shares and during the last general shareholders meeting, elected three out of eight SQM's directors.

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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.

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