



Positioned for **Strong** Performance



**Third Quarter 2011
Results**
November 4, 2011

Q3 Overview

Delivering Results



Chlor-Alkali – Demonstrating Earning Potential

- Q3 Operating Cash Flow +68% vs. Q2
 - Caustic & Acid prices showing sustained strength
- Achieved record quarterly production

NATO – Growth Ramping-up

- 2011 YTD Revenue up 100% from YTD 2010 level

Sodium Chlorate – Solid Demand

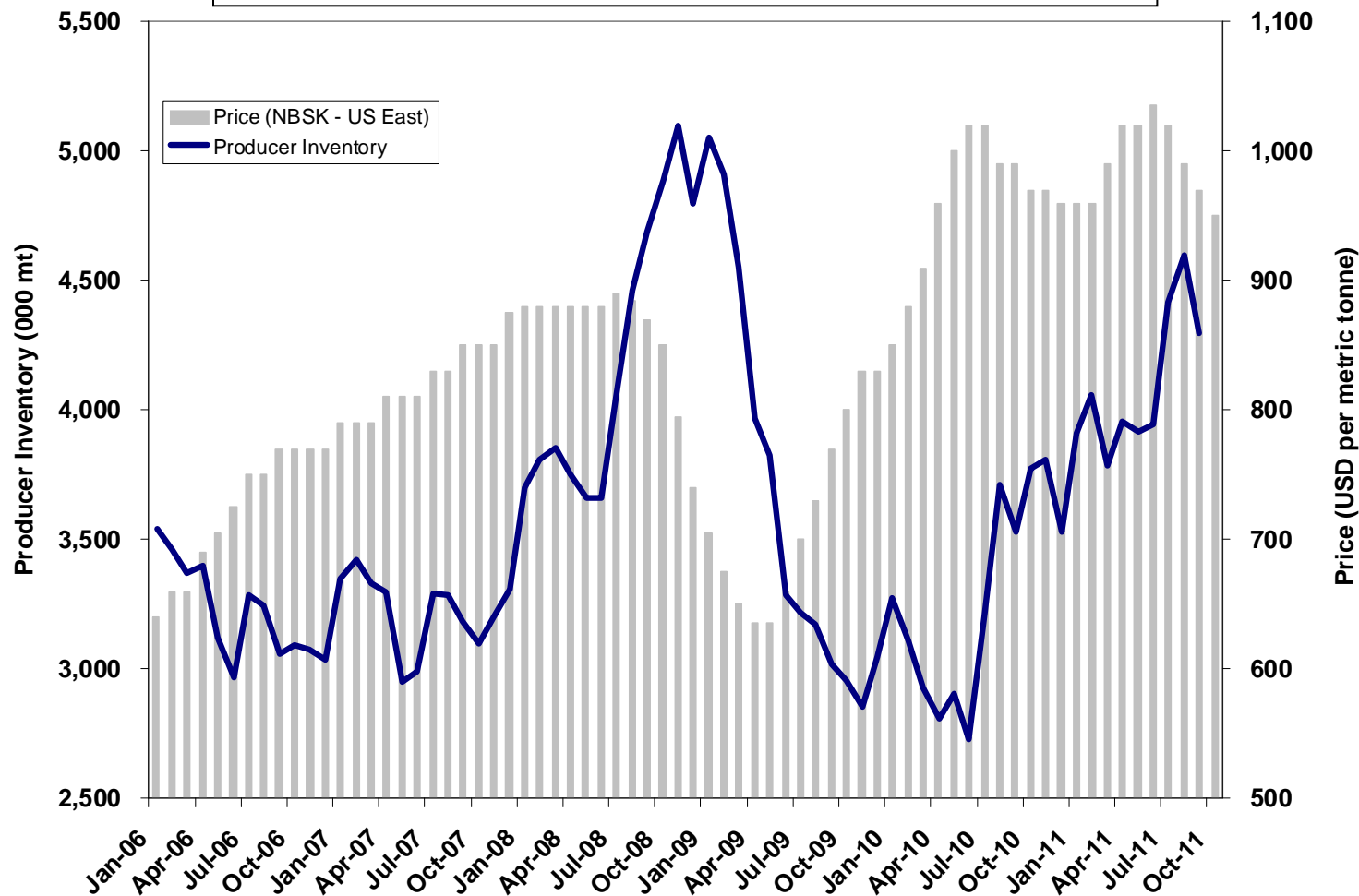
- Volumes stable Q3 vs. Q2 - plants running at full rates
 - Price increases of 3-4% expected for Q1 2012

Pulp Market Dynamics Inventory & Pricing



Monitoring global pulp inventories

- Prices remain high by historical standards
- YTD global shipments up approximately 5% vs. YTD 2010



Source: PPI Pulp & Paper Week

Pulp Market Dynamics Strong Customer Portfolio



Balanced Risk Exposure:

- 85% of sales volume to mills rated “Low” or “Moderate” risk

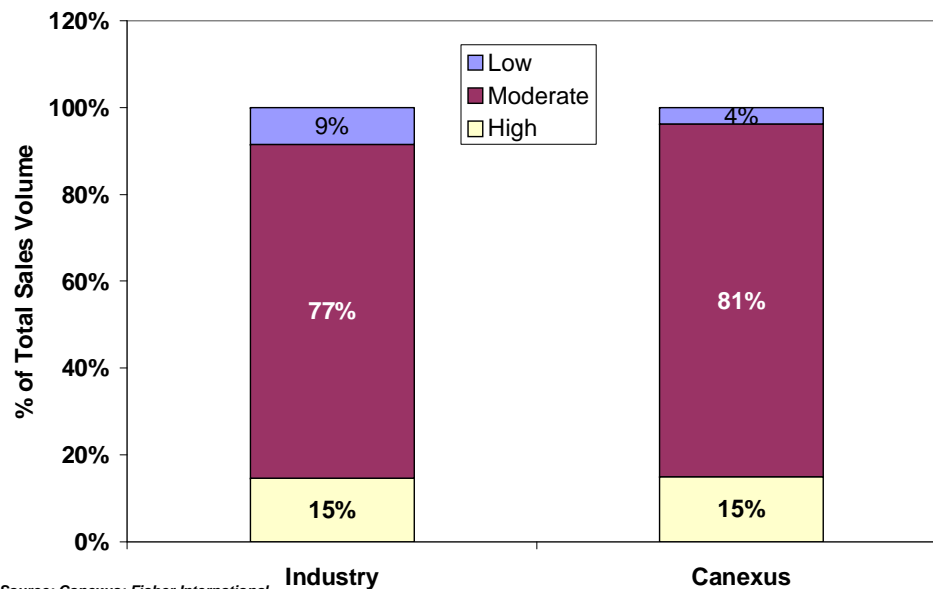
- 15% of sales volume to mills rated “High” risk

 - Premium pricing structure

 - Majority of this volume is with customers in growing markets with reasonable short-term fundamentals (i.e. tissue & towel; packaging; softwood pulp)

 - Only 5% of Canexus’ customer portfolio is with “High” risk customers in markets with challenging short-term fundamentals (i.e. printing & writing papers; hardwood pulp)

Chlorate Customer Risk Profile



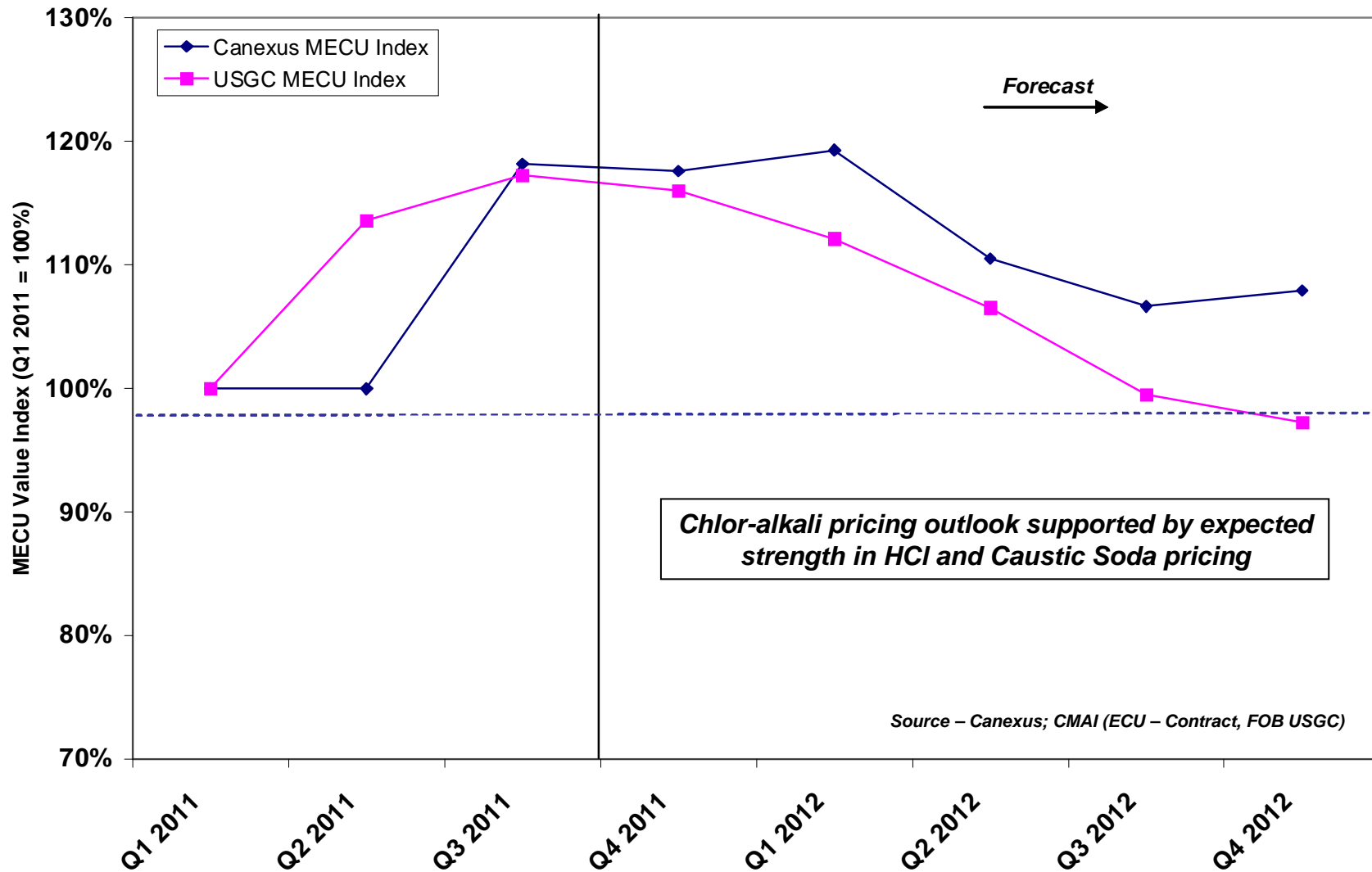
Source: Canexus; Fisher International

Canexus is managing customer risk to minimize the impact of short-term pulp market headwinds should they arise

Chlor-Alkali Pricing Trends



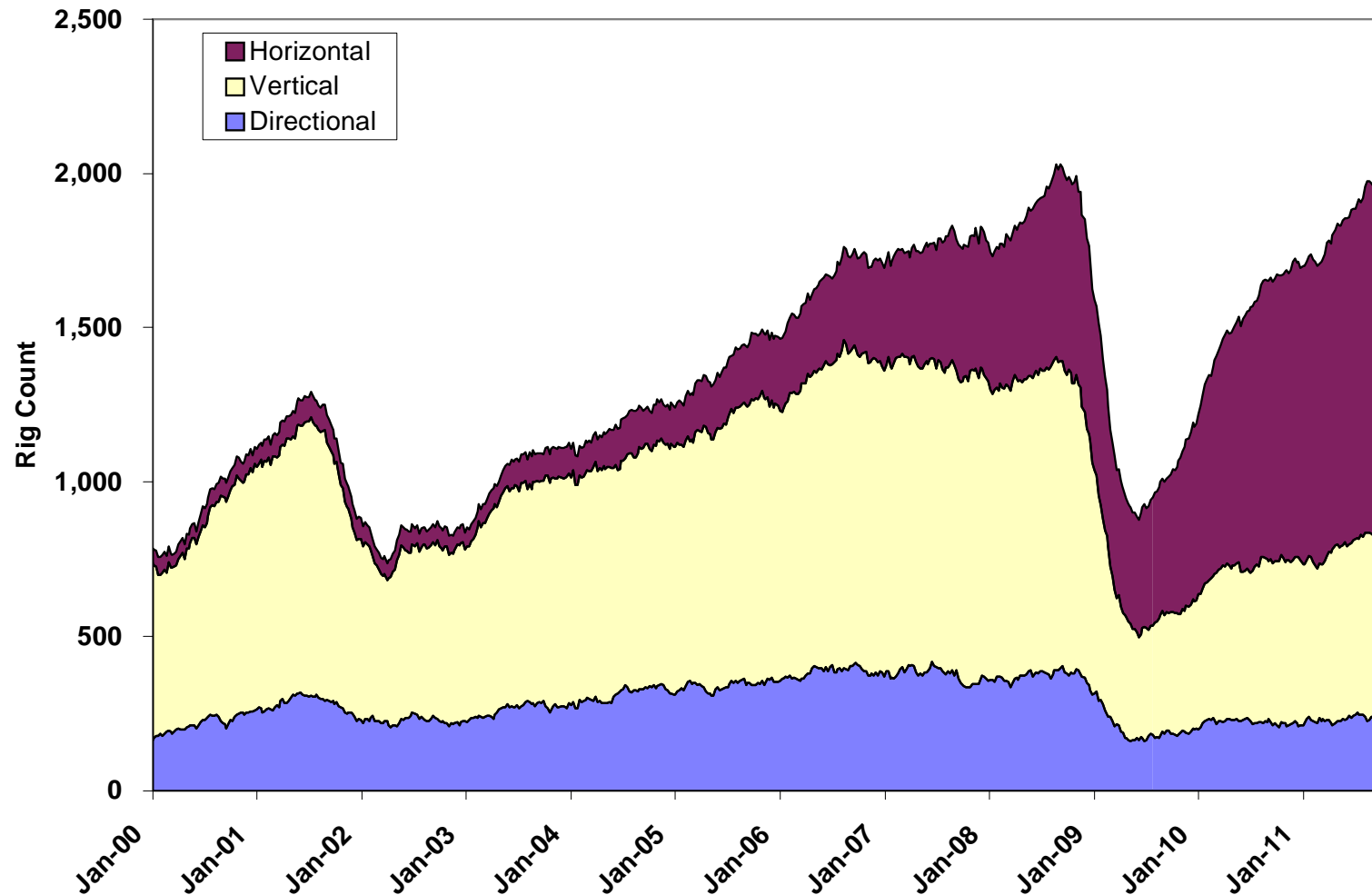
Comparison of Canexus & USGC MECU Price Trends



Oil & Gas Drilling Technology Shift

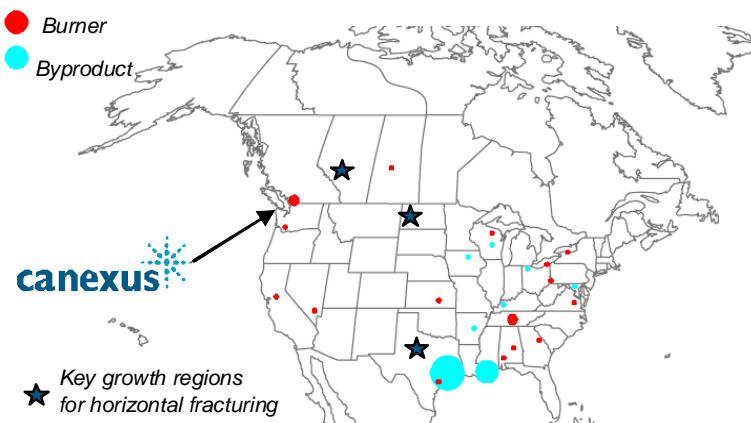
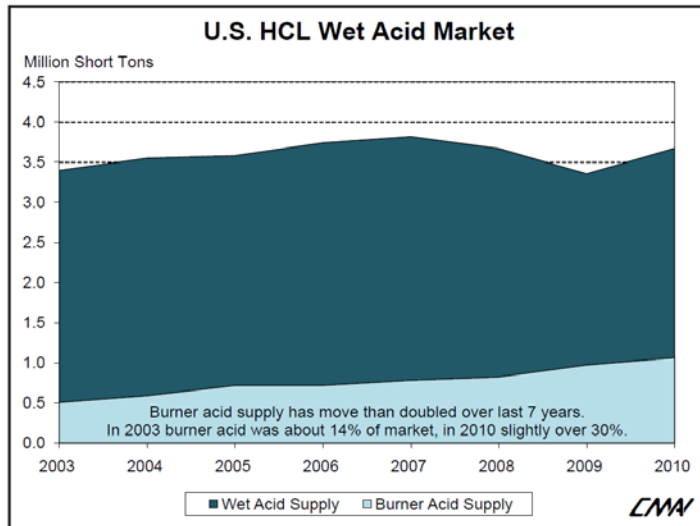


U.S. Rotary Rig Count by Drilling Type (2000 - 2011)



Source: Baker Hughes

HCl Market Dynamics



Acid Demand Growth

- Current estimates suggest that oil well drilling technology changes could increase N.A. HCl demand by 30% over the next 5 years

Acid Supply Outlook

- Burner acid supply has been steadily increasing at the expense of by-product supply
- Future HCl supply growth is expected to be burner-grade acid - no significant by-product supply growth is expected

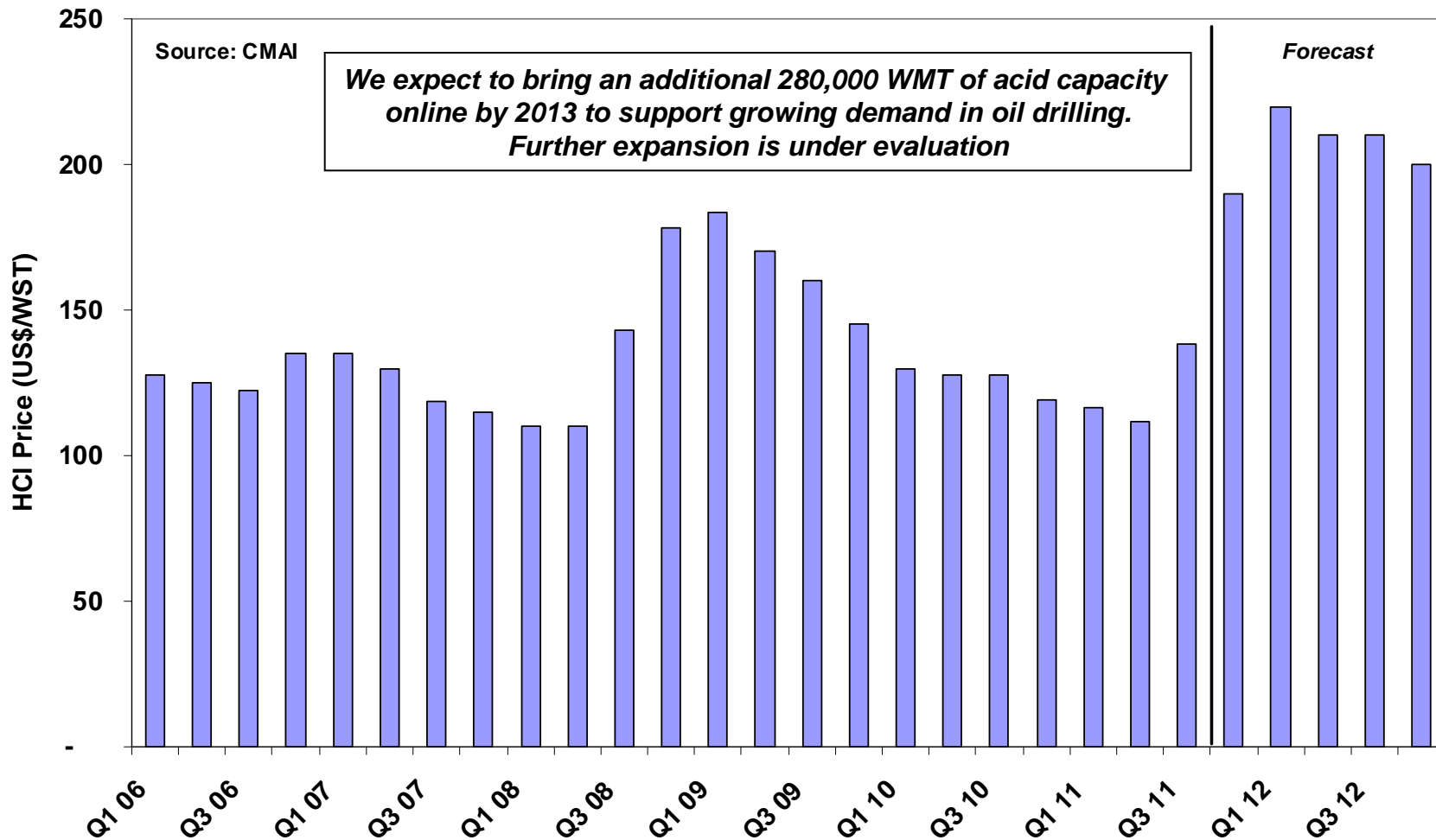
Chlorine Market Impact

- Growth of burner acid production will remove Cl₂ from the merchant market, improving Cl₂ merchant market fundamentals

Hydrochloric Acid Chlorine Value Upgrade



Hydrochloric Acid Price Trend
(Delivered Midwest; 22 Be)



NATO

Growing Demand for Terminal Services



2011 YTD Revenue up 100% from 2010 YTD

Oil Sands

C5+ Condensate
Butane
Diluted Bitumen
Caustic Soda

Conventional Oil

Conventional
Heavy Crude
LSC

Horizontal Fracturing

Kerosene
Low Sulfur Diesel
Proprietary
Fracturing Fluids
HCl

Renewable Fuels

Biodiesel
Ethanol

Infrastructure expansions currently underway at the site will facilitate further growth in acid and hydrocarbon volumes

2011 Outlook Building Momentum into 2012



Operating Cash Flow Expectations for 2011

	Q2 Guidance	Actual
Q1		\$22 M
Q2	\$25-\$30 M	\$29 M
Q3	\$35-\$40 M	\$37 M
Q4	\$30-\$35M	
Payout Ratio %	90-95%	

***On-track for further OCF improvement in 2012
in line with previous guidance***

Forward-looking Statements

This news release contains forward-looking statements and information relating to expected future events relating to Canexus and its subsidiaries, including with respect to sodium chlorate industry operating rates and their impact on pricing for sodium chlorate, the timing of completion of power line capacity upgrades at Brandon, MECU netbacks, the timing and impact of a hydrochloric acid expansion at Canexus' North Vancouver chlor-alkali plant, demand from Canexus' major Brazilian customer and operating capacities at South American plants, demand from the oil and gas industry for hydrochloric acid and terminal capacity at Bruderheim and the timing of completion of a facility expansion in relation thereto, fundamentals and demand in the global pulp market and pulp capacity growth in relation thereto, caustic soda supply and demand and the impact on prices, facility utilization and operating rates in relation to demand expectations and expectations in relation to chlorine prices. The use of the words "expects", "anticipates", "continue", "estimates", "projects", "should", "believe", "plans", "intends", "may", "will" or similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements for a variety of reasons, including market and general economic conditions, future costs, treatment under governmental regulatory, tax and environmental regimes and the other risks and uncertainties detailed under "Risk Factors" in the Fund's Annual Information Form filed on the Fund's SEDAR profile at www.sedar.com. Management believes the expectations reflected in these forward-looking statements are currently reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Due to the potential impact of these factors, Canexus disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law. Financial outlook information contained in this press release about prospective results of operations, financial position or cash flows is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. Such financial outlook information should not be used for purposes other than those for which it is disclosed herein.

All dollar amounts are in Canadian dollars, except as otherwise noted