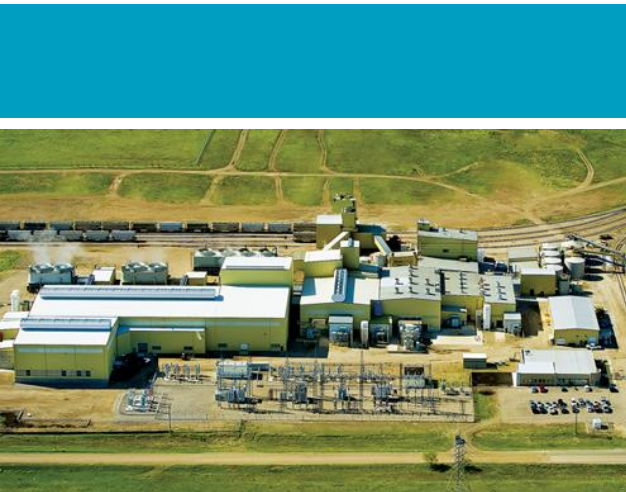




Positioned for **Strong Performance**



Investor Presentation
September, 2011

Market Conditions Support Improving Momentum

- 6 growth projects completed in 2010 are now contributing to OCF
- North American chlor-alkali business (TCP) poised to deliver significant cash flow
 - MECU prices have recovered along with GDP growth
 - Caustic soda prices benefiting from Japanese earthquake and other supply disruptions
 - Low natural gas price relative to oil benefits NA chlor-alkali

Market Conditions Support Improving Momentum

- North American sodium chlorate industry running at 95% of capacity
 - Pricing momentum building / 2011 price increase limiting contracts expiring
 - No significant global pulp supply capacity added before 2013 benefits NA
 - Further NA pulp capacity re-starts announced for 2012 will increase demand for sodium chlorate
- Pulp growth in Brazil expected to continue along with other chemical industry growth opportunities
- Proven track record of growth and strong portfolio of opportunities
- Enhanced liquidity - \$750 million market cap - TSX composite index inclusion

Strategic Foundation

**Low-cost
Advantage**

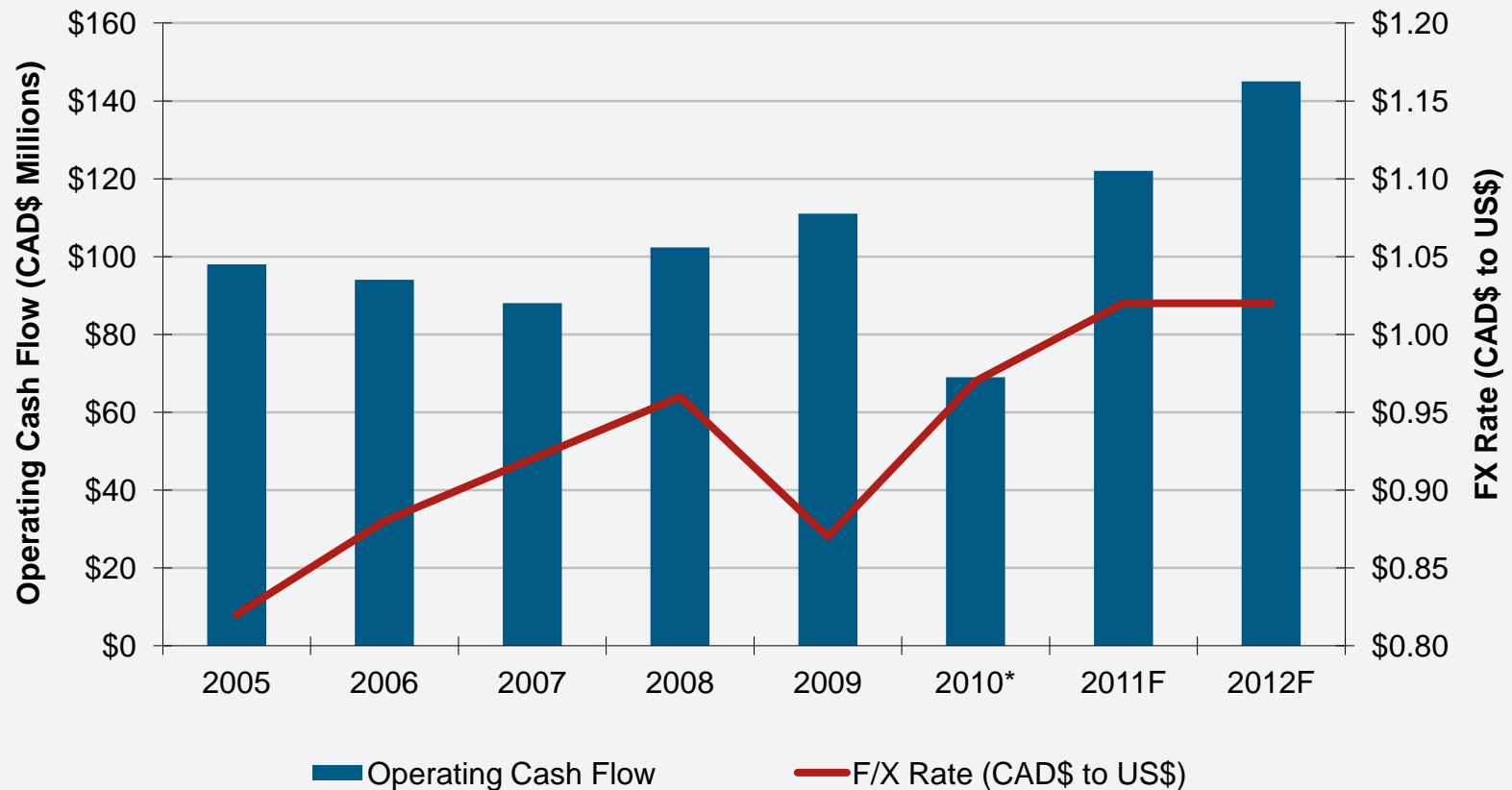
**Growth
Focus**

**Financial
Strength**

**Solid
Dividends**

Financial Performance

Operating Cash Flow and Foreign Exchange Rate



* OCF affected by TCP start up

Expected 2011 Financial Results

	2011F	2010
Sales Revenues	\$520.0 M	\$457.0 M
Cash Operating Profit	\$122.0 M	\$69.0 M
Distributable Cash	\$66 M-\$69 M	\$60 M
Payout Ratio	90-95%	95%
Y/E Debt* to EBITDA Ratio	<2.5	3.4
F/X	US \$1.02	US \$0.97

2012 payout ratio expected to improve to 70% with F/X at US\$1.02

* Excludes convertible debentures

De-Levering Post Heavy Investment

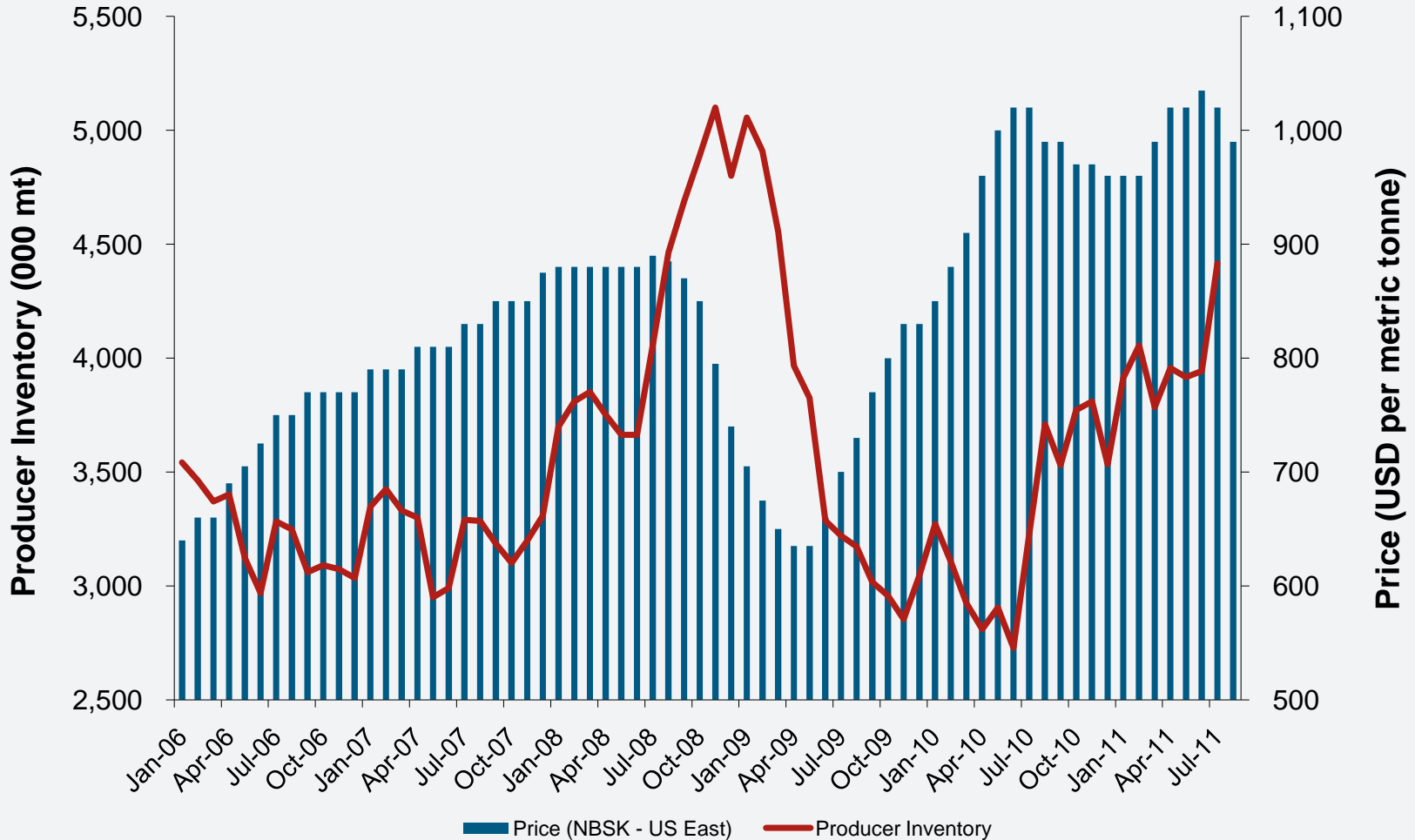
	D/E excluding convertible debentures	Total D/E including convertible debentures ⁽¹⁾	Bank Covenants exclude convertible debentures	
			Total Debt/EBITDA	Senior Debt/EBITDA
June 30, 2011	2.63 : 1	3.90 : 1	4.00 : 1	4.00 : 1
December 31, 2011F	2.30 : 1	3.40 : 1	4.00 : 1	3.50 : 1
December 31, 2012F ⁽²⁾	2.00 : 1	3.00 : 1	4.00 : 1	3.50 : 1

Our targeted total debt to EBITDA (including convertible debentures) range is 2.5 : 1 to 3.0 :1. We are prepared to use debt to finance the right opportunities where we can de-lever quickly thereafter

(1) Assumes no further conversions of debentures despite \$20.1 million of the \$140.1 million principal amount outstanding have a conversion price of \$5.10/common share

(2) Includes \$40 million of expansion capital for projects not yet approved

Global Pulp Market Cycle



Source: PPI Pulp & Paper Week

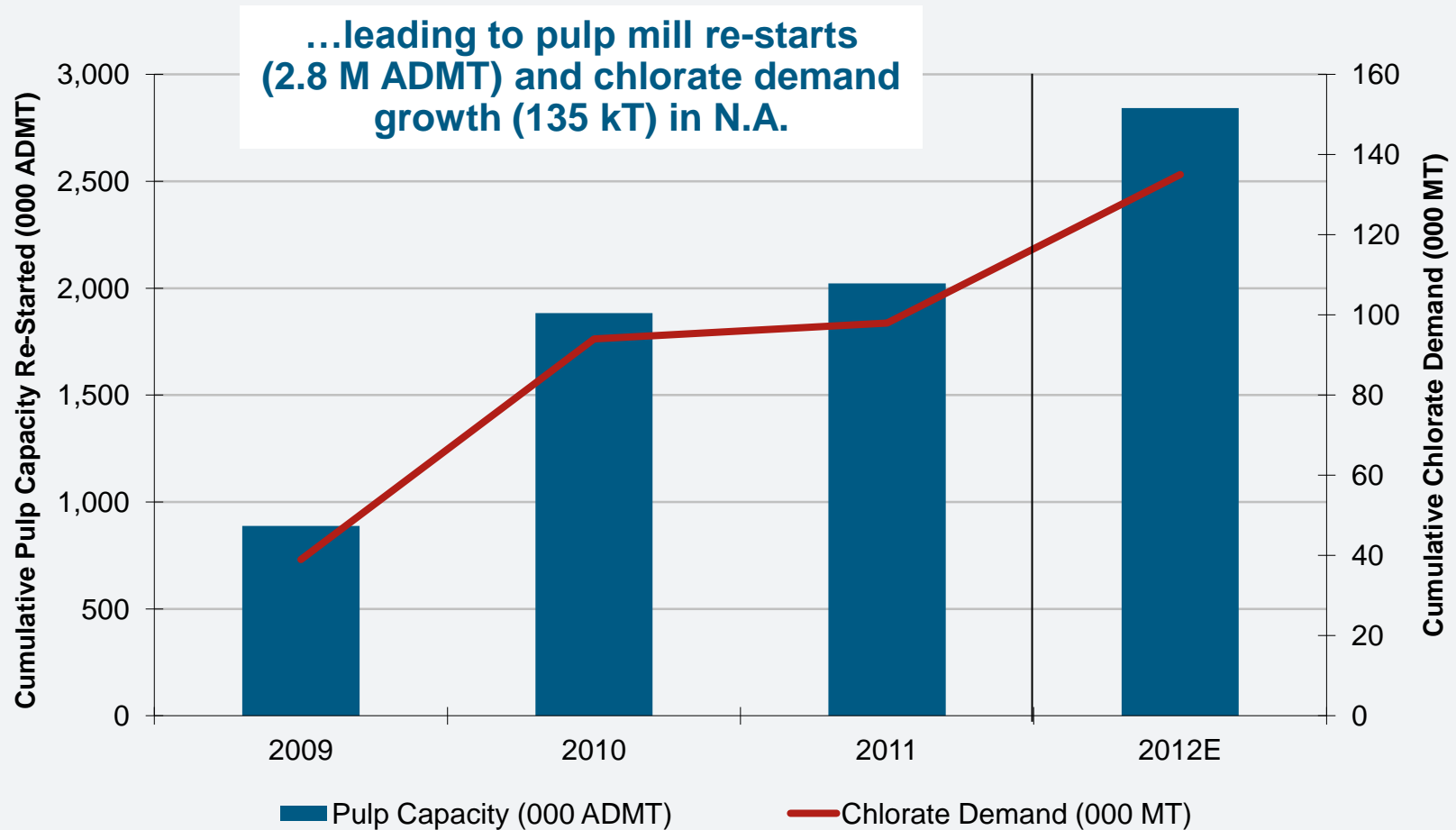
Pulp Market Dynamics

Signal Continued Tightness

	2010	2011	2012	2013	Total	Growth % p.a.
Demand Growth (000mt)	3,073	4,117	2,648	3,022	12,860	3.4%
Capacity Growth (000mt)	1,307	1,495	1,240	4,220	8,262	1.9%
Net Supply Increase (Decrease) (000mt)	(1,766)	(2,622)	(1,408)	1,198	(4,598)	
Demand/Capacity Ratio (%)	87%	90%	91%	91%	+4%	

Source: RISI

North America Pulp Capacity Re-Starts



Western Canadian O&G industry trends are favorable to multiple Canexus business platforms

Oil Sands Production Growth

- Long-term bitumen production growth
- Limited pipeline capacity
 - Driving opportunities for our NATO business unit

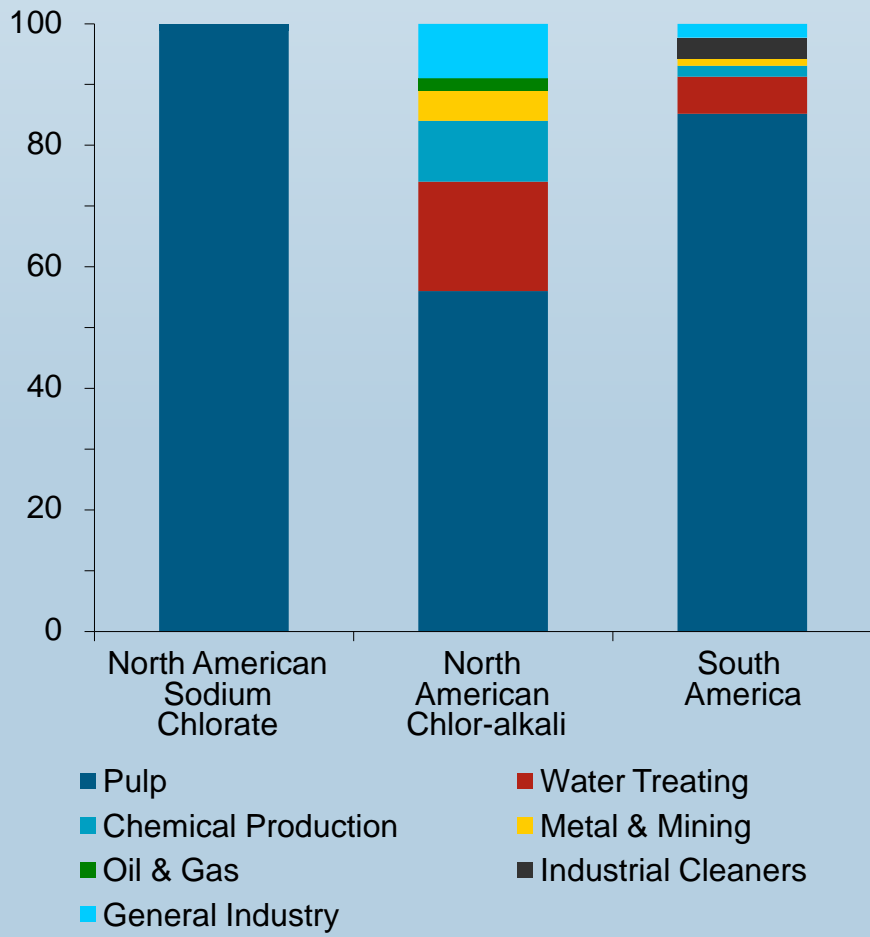
Well Fracturing Technologies

- Advances in fracturing technology favorable to HCl demand
 - Horizontal drilling and multi-stage fracturing
 - Acid fracturing of carbonaceous formations (vs. water & sand)
- Current well completions require 10 – 20 times as much HCl compared to traditional wells
 - Expanding NATO HCl terminal capacity
 - Evaluating North Vancouver HCl expansion

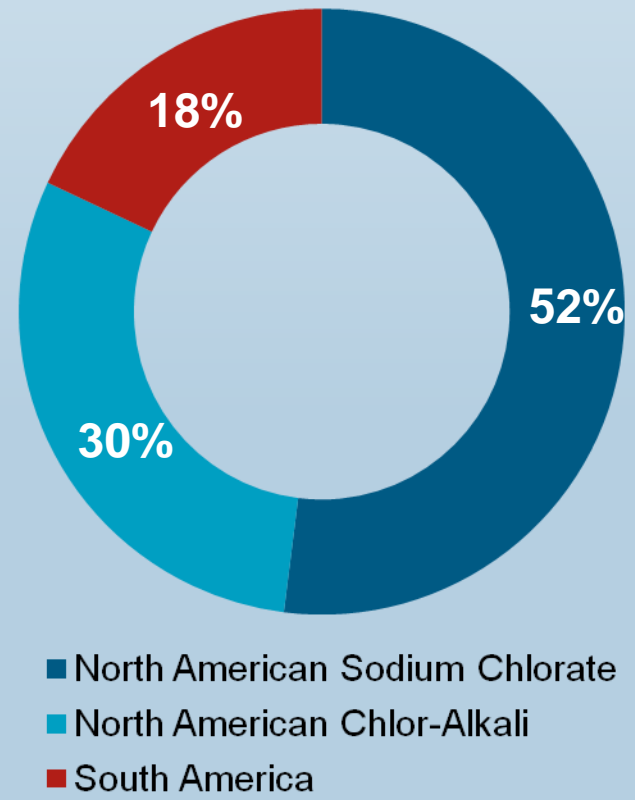
Canexus Business Unit Updates

Business Unit and Market Diversity

Net Sales %



2011F Operating Cash Flow by Business Unit



NA Sodium Chlorate Business Unit

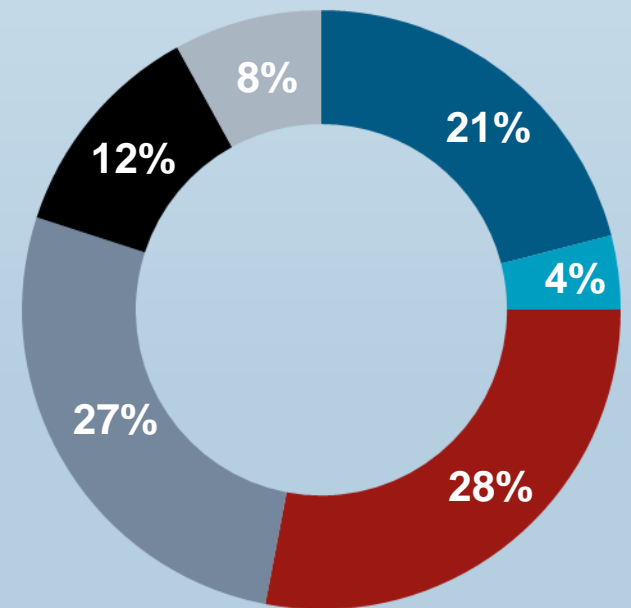
Brandon Unrivalled Advantage



Anchors our North America Chlorate Business

- Brandon plant is the flagship of North American sodium chlorate business and is 82% of Canexus capacity
- Industry leading cost position is a sustainable competitive advantage for Canexus
- Market has historically responded to demand changes with capacity rationalization

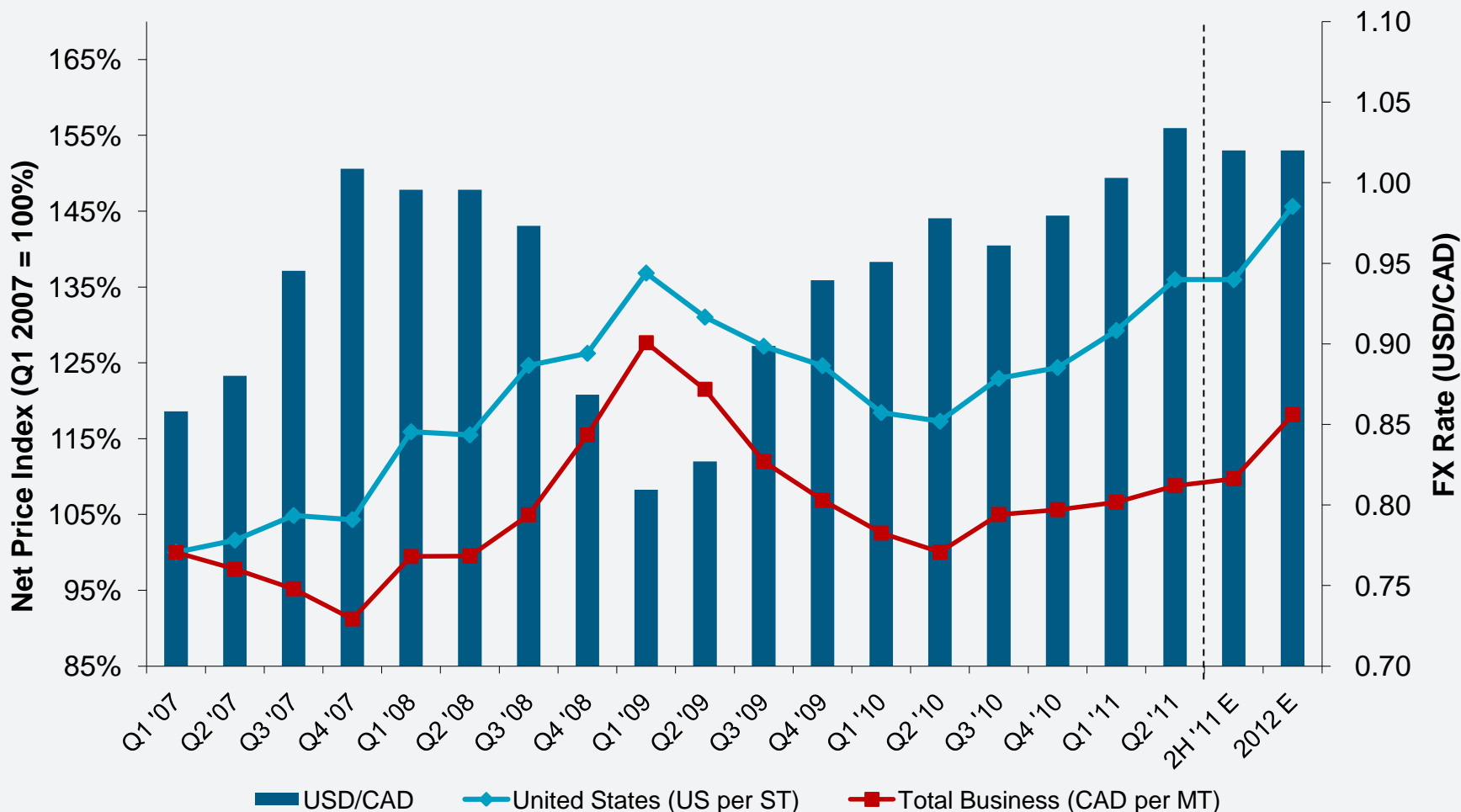
North American Sodium Chlorate Capacity Share



- Canexus
- ChemTrade Logistics Income Fund
- Eka Chemicals
- ERCO Worldwide (Superior Plus)
- Kemira
- Tronox

Chlorate Net Price History and Projections

Total Business & United States



NA sodium chlorate operating rates expected to remain at 95% through 2012

NA Chlor-Alkali Business Unit

- Canexus is the sole major producer in Western Canada and the Pacific Northwest region (niche player with ~ 1.5% share of North American market)
- Western Canada/PNW region imports ~ 50% of its caustic requirement
- TCP expanded Canexus capacity by ~ one-third
- North American industry operating rates supported by chlorine derivative exports expected to continue with natural gas price disparity v. crude oil
- North American GDP growth should increase domestic demand as the NA economy continues to improve
- Canexus is looking at options to derivatize more of its chlorine (i.e. hydrochloric acid and calcium chloride)

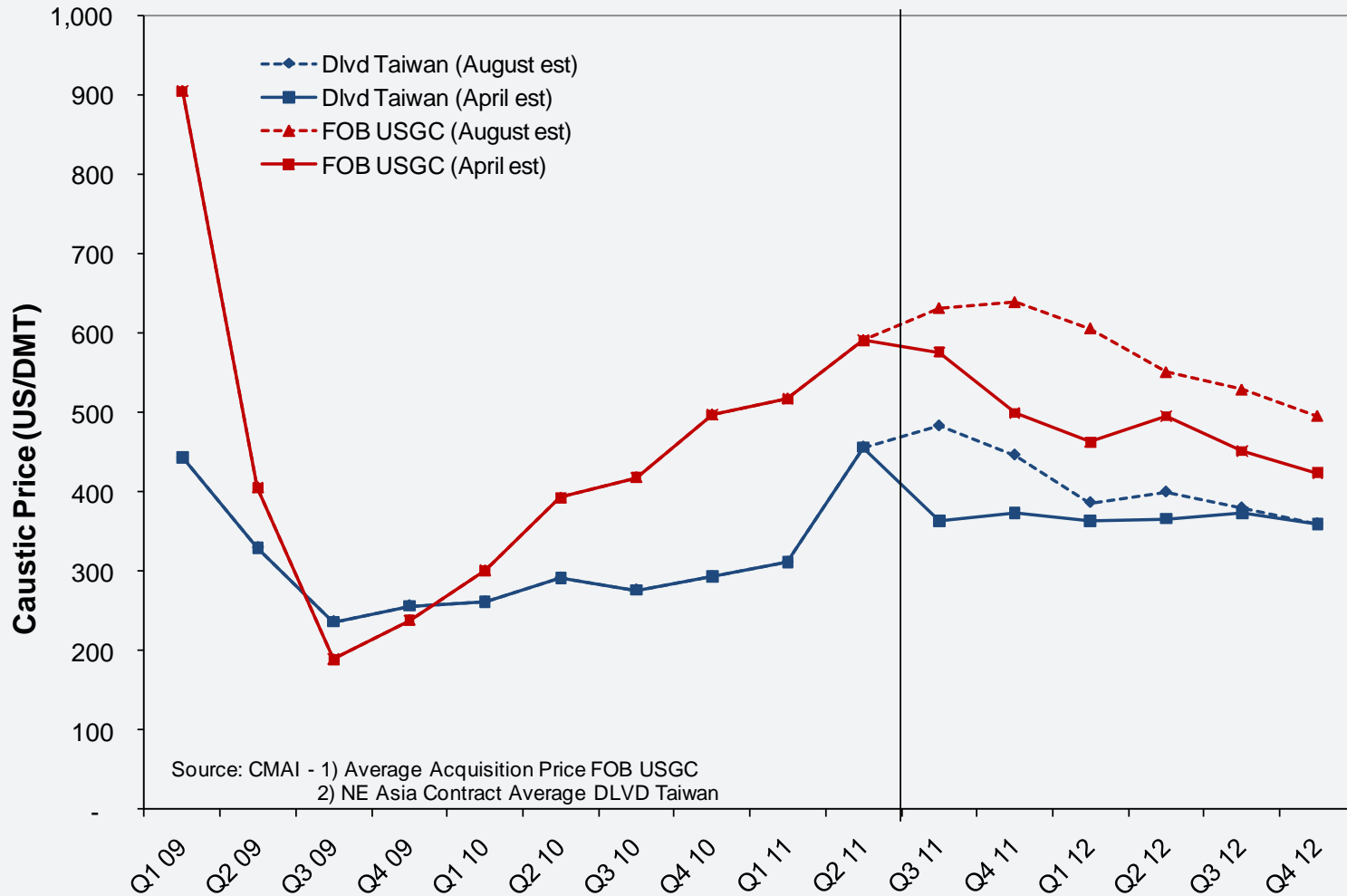
Price Peak – Higher than Expected

- Supply Disruptions
 - Japanese earthquake & tsunami
 - Operation issues and force majeure in Taiwan & United States
- Strong demand from Pulp & Paper, Alumina industries

Expected cyclical decline has moderated

- Lower vinyls demand in Asia & competition from U.S. imports
 - Result – lower chlorine production in Asia constrains caustic availability
- Rationalization of high-cost capacity expected in North America

Caustic Soda Price Forecast



Brazil: 2011 – Record Operating Cash Flow Expected



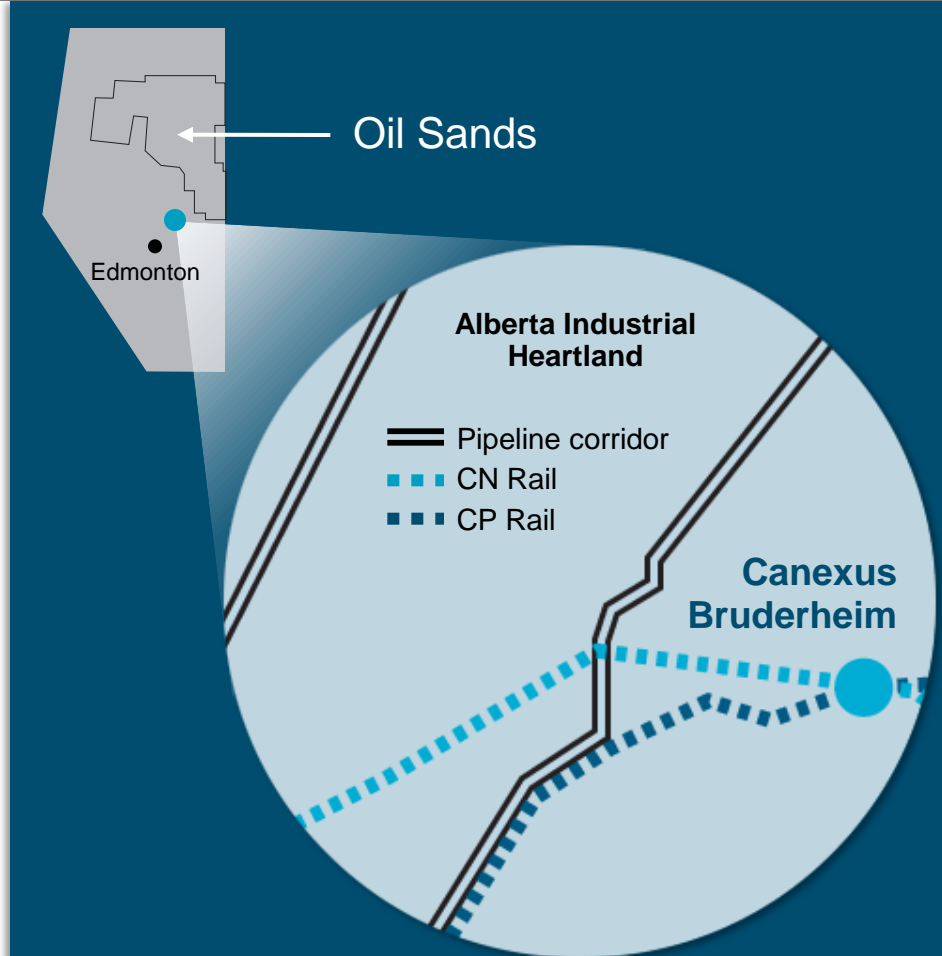
10%

**Improvement in OCF in
2011 vs 2010**

- Fibria - high operating rates expected for 2011
- Chlorine market strength combined with flexibility from completion of hydrochloric acid expansion should result in high chlor-alkali plant operating rates
- Brazilian pulp-growth as well as other chemical industry growth opportunities

North American Terminal Operations

- Grown volume and customer base
- Validated site advantages
- Site served by both CN & CP Rail
- Developed market credibility



Current Product Handling Capabilities

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

Existing progress sets stage for pipeline connectivity and cavern utilization

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	
Q4	\$30-\$35M	
Payout Ratio %	90-95%	
F/X	US\$1.02 for balance of 2011	

Extracting Value from Existing Sites

- North Vancouver hydrochloric acid expansion in 2013
- Multi-phase NATO expansion
- Continued Brazil investment
- Brandon debottleneck expansion in 2012/13

**Internal Investments over the Next Three Years
Could be \$200+ Million and Return \$40+ Million in
Incremental Operating Cash Flow**

Growth through Selective Acquisitions

- Selective expansion into new products and markets that bring:
 - Sustainable Cash Flow Generation
 - Critical mass
 - Higher growth markets
 - Mid-market opportunities where Canexus can be a meaningful player

**Extend a Proven Track Record of Growth
Maintain Strong Balance Sheet**

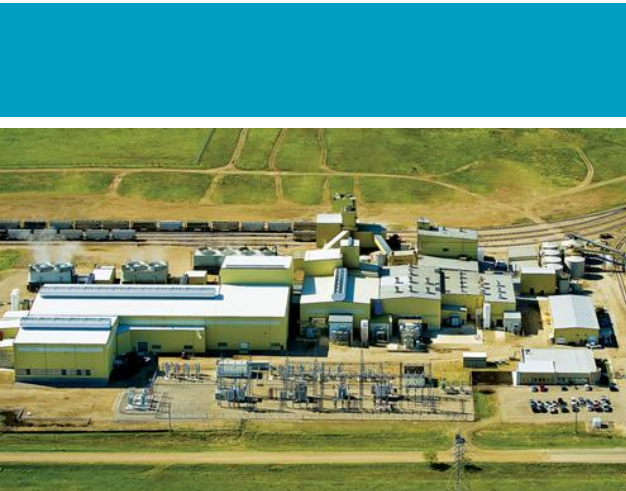
Forward-looking Statements

This presentation 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, reduced fixed operating costs as a result of completion of the TCP, demand from Canexus' major Brazilian customer, demand from the oil and gas industry for hydrochloric acid 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 regarding payout ratios. 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



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