

Allana Potash Corp. Announces Strategic Alliance With ICL

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Investor Webcast Planned for Thursday, February 13, 2014 at 8:30 a.m. EST

TORONTO, ONTARIO -- (Marketwired - Feb. 12, 2014) - [Allana Potash Corp.](#) (TSX:AAA) ("Allana" or the "Company") announces that it has secured a strategic alliance with ICL, one of the world's largest fertilizer producers, pursuant to which a wholly-owned subsidiary of ICL has entered into a definitive share purchase agreement (the "SPA") with Allana for an aggregate investment of \$25 million in units of the Company ("Units") at a price of \$0.47 per unit on a private placement basis (the "Offering") with the potential for a total investment of up to \$84 million upon full exercise of the warrants comprising part of the Units. In addition, a wholly-owned subsidiary of ICL has entered into an offtake agreement (the "Offtake Agreement") with respect to the Company's Danakhil potash project in Ethiopia (the "Project"). The terms of the SPA also include the provision of technical assistance resources by ICL for the development and operation of the Project. The Unit issue price of \$0.47 was determined at a 35% premium to the five day volume weighted average of Allana's market price on the TSX, and at a 45% premium to Allana's closing market price on the TSX, as of December 3, 2013, the date on which Allana and ICL commenced exclusive negotiations with respect to this transaction.

Farhad Abasov, President and CEO of Allana, commented, "We are pleased about our strategic alliance with ICL. This is a significant and defining milestone in our Company's history, paving the path towards the transformation of Allana into a major, global potash producer. This strategic alliance is comprehensive and encompasses three major aspects that are critical to the success of a new potash project: 1) financial support; 2) a take-or-pay offtake; and 3) technical cooperation."

Mr. Abasov added, "ICL has broad experience in, and knowledge of, the global potash market, and in developing large scale potash projects. With ICL as our partner, Allana will benefit from ICL's proven potash production ability to accelerate our development and operational plans. At the same time, with ICL's purchase of our product, Allana will benefit from ICL's existing global and regional marketing and distribution networks. This wide-ranging alliance is transformative for Ethiopia and for East Africa. Both Allana and ICL are committed to expanding fertilizer supply within Africa in support of the farming renaissance that is occurring on the continent."

Mr. Abasov concluded by saying, "We thank the people and governments of Ethiopia and Djibouti for having the foresight to work tirelessly towards this goal with the Company. As agricultural production and fertilizer utilization are on the rise in Africa, I am pleased to introduce our new corporate vision of 'Potash for Africa First'. It is significant to note that both ICL and Allana share this vision for our planned potash production in Dallol. We look forward to working with ICL and developing a world-class project to supply potash to the fast growing African markets for many years to come. Once in production, Danakhil is expected to be one of the world's lowest cash cost potash projects, and I am confident that the alliance with ICL will allow Allana to successfully achieve the operational and commercial targets of the project."

Stefan Borgas, President and CEO of ICL, said, "We are pleased to enter into a strategic alliance with Allana to develop its Danakhil potash project in Ethiopia which will provide potash for Ethiopia and Africa - the market with the highest growth potential in the fertilizer world. Our cooperation with Allana highlights our previously announced strategy to broaden our sources of raw materials worldwide, as well as our intention to deepen and significantly increase our activities in emerging markets such as the African continent. The Danakhil project will allow ICL to add substantial value to Allana through the deployment of production technologies similar to Dead Sea Works. The location of the Danakhil mine will further enable ICL to even better serve our growing customer base in India and South East Asia."

The Project secured environmental approvals in May 2013 and a Mining License in October 2013 and, having gained the cooperation of several major development financing institutions and export credit agencies in mid-2013, the Company is proceeding with its Project financing activities together with ICL. The Project will also provide numerous opportunities for economic and social development for the Afar Region, Ethiopia and Djibouti and the Company will continue to develop its infrastructure and transportation programs in close

cooperation with the respective governments.

The Offering

The SPA provides that the Offering shall be completed in two tranches, with the first tranche having closed on the date hereof (the "First Tranche") and the second tranche being subject to the receipt of approval by Allana's shareholders (the "Second Tranche") and other standard closing conditions. Each Unit issued pursuant to the Offering consists of a common share of the Company (a "Common Share"), one and one half Series A Common Share purchase warrants (the "Series A Warrants") and one half of one Series B Common Share purchase warrant (the "Series B Warrants", and collectively with the Series A Warrants, the "Warrants"). Each whole Warrant will be exercisable for one Common Share for a period of 36 months from issuance of the Warrant. Each whole Series A Warrant will be exercisable for a price of \$0.54 per Common Share, and each whole Series B Warrant will be exercisable for a price of \$0.60 per Common Share.

Pursuant to the First Tranche, the Company issued to ICL 22,577,001 Units for gross proceeds of approximately \$10.6 million, following which ICL holds approximately 7.7% of the issued and outstanding Common Shares of Allana on a non-diluted basis and 19.99% of the issued and outstanding Common Shares of Allana on a partially diluted basis.

Subject to receipt of shareholder and regulatory approvals, 30,614,488 Units at a price of \$0.47 per Unit for gross proceeds of approximately \$14.4 million, will be issued to ICL pursuant to the Second Tranche. In addition, the Company may issue Units to Liberty Metals and Mining Holdings, LLC and/or IFC, in such amount as is required to be issued upon due exercise of their respective pre-emptive rights with respect to the Second Tranche.

The Company plans to use the proceeds from the Offering exclusively to fund the construction of the Project and for other general corporate and working capital purposes related to the advancement of the Project.

The transactions contemplated by the SPA were approved by the independent directors of Allana. As required by the Toronto Stock Exchange ("TSX"), the Company will call a special meeting of its shareholders to be held on or about March 28, 2014 to authorize the issuance of Units pursuant to the Second Tranche. Subject to the receipt of the required shareholder approval, closing of the Second Tranche is anticipated to occur shortly thereafter. Directors and officers of Allana holding an aggregate of 1.4% of the outstanding Common Shares have agreed to vote in favor of the issuance of the Units pursuant to the Second Tranche to ICL.

Effective today, in connection with the closing of the First Tranche, Mr. Yoram Cohen has been appointed to the Board of Directors of Allana. Mr. Cohen joined ICL in 1998 and has served in several global level positions at ICL. He is currently General Manager of ICL Africa and a member of ICL Fertilizers' management team. Previously, he was Senior VP and CFO of ICL Specialty Fertilizers and VP, Business Development, of ICL's Fertilizers and Chemicals business unit. Mr. Cohen has a BA in Economics and Statistics and a MBA from The Hebrew University in Jerusalem. In addition, subject to ICL's investment of an additional \$15 million in Allana (for an aggregate investment of \$40 million), ICL shall have the right to nominate a second director to Allana's board.

In addition to these director nomination rights, pursuant to the SPA, Allana has granted ICL additional ancillary rights as a part of the strategic alliance, as follows:

From and after the date hereof, and at any time after the date which is twelve months from the date hereof (the "Grace Period") provided ICL beneficially owns securities acquired from Allana representing 7.5% of the fully diluted Common Shares of Allana, ICL will have a right of first refusal on the direct or indirect disposition of Allana's interest in the Project.

Subject to the same minimum equity ownership condition following the Grace Period, ICL has been granted a pre-emptive right pursuant to which ICL has the right to participate in any equity financings of Allana up to the greater of (i) 30% of the aggregate amount of such equity financing and (ii) its then undiluted ownership of Allana Common Shares acquired from treasury (assuming the issuance of the Second Tranche).

ICL has also been granted prospectus qualification rights pursuant to a prospectus qualification rights agreement entered into in conjunction with the First Tranche.

The SPA also provides for the establishment of a technical committee pursuant to which ICL has agreed to provide technical support to the Project.

The Offering remains subject to final approval of the TSX. Closing of Second Tranche of the Offering is

expected to occur on or before March 31, 2014 subject to receipt of shareholder approval. In accordance with the SPA, shareholder approval and closing of the Second Tranche must occur prior to April 14, 2014.

The Offtake

The parties have also entered into the Offtake Agreement pursuant to which ICL has agreed to purchase the entire production of the Project up to 1Mtpa with a take-or-pay commitment of ICL on a minimum of 80% of output from the Project. The Offtake Agreement include typical terms and conditions for product supply agreements for global sales and shipments and also provides allowances in time for production ramp-up while maintaining the minimum 80% take-or-pay commitment.

Credit Suisse Securities (Canada), Inc. acted as sole financial advisor to Allana with respect to the strategic alliance.

Admission on the AIM Market

Further to the Company's December 16, 2013 press release, due to the Company's focus on other corporate initiatives, including the ICL strategic alliance, Allana has elected not to pursue an AIM listing at this time.

Investor Webcast

An Investor webcast to review the ICL strategic alliance will be held at 8:30am EST tomorrow, Thursday, February 13, 2014. To participate in the webcast, please go to our website's homepage (www.allanapotash.com) and register by using the link to the webcast registration page at least 10 minutes in advance of the scheduled start time.

About ICL

ICL, a global manufacturer of products based on unique minerals that fulfill humanity's essential needs, primarily in three markets: agriculture, food and engineered materials. The agricultural products that ICL produce help to feed the world's growing population. The potash and phosphates that it mines and manufactures are used as ingredients in fertilizers and serve as an essential component in the pharmaceutical and food additives industries. The food additives that we produce enable people to have greater access to more varied and higher quality food; ICL's water treatment products supply clean water to millions of people as well as industry around the world; and other substances, based on bromine and phosphates help to create energy that is more efficient and environmentally friendly, prevent the spread of forest fires and allow the safe and widespread use of a variety of products and materials. ICL benefits from a broad presence throughout the world and proximity to large markets, including in developing regions. ICL operates within a strategic framework of sustainability that includes a commitment to the environment, support of communities in which ICL's manufacturing operations are located and where its employees live, and a commitment to all its employees, customers, suppliers and other stakeholders.

ICL is a public company whose shares are traded on the Tel Aviv Stock Exchange (TASE:ICL). The company employs around 12,000 people worldwide, and its sales in 2012 totaled \$6.5 billion. For more information, visit the company's website at www.icl-group.com

About Allana Potash Corp.

Allana is a publicly traded corporation with a focus on the acquisition and development of potash assets internationally with its major focus on a previously explored potash property in Ethiopia. Allana has secured financial support from three significant strategic investors: ICL, one of the world's largest potash producers, IFC, a member of World Bank Group, and LMM, a member of Liberty Mutual Group. Allana has estimated measured and indicated Sylvinitic mineral resources of 327.4 million tonnes of 28.3% KCl; and an estimated inferred Sylvinitic mineral resource of 90.8 million tonnes grading 27.8% KCl. In addition, the Project hosts estimated measured and indicated Kainitite mineral resources of 1,150.5 million tonnes at 19.4% KCl, an estimated inferred Kainitite mineral resource of 481.8 million tonnes of 19.8% KCl; estimated measured and indicated Upper Carnallite mineral resources of 411.3 million tonnes grading 17.3% KCl, estimated inferred Upper Carnallite mineral resources of 175.5 million tonnes of 16.5% KCl; estimated measured and indicated Lower Carnallite mineral resources of 557.2 million tonnes of 9.2% KCl, and estimated inferred Lower Carnallite mineral resources of 369.3 million tonnes grading 7.7% KCl. The foregoing mineral resource estimates are as at April 17, 2013. For more information with respect to the data verification procedures

undertaken and the key assumptions, parameters and risks associated with the foregoing estimates, refer to Allana's Technical Report entitled "Resource Update for the Danakhil Potash Deposit, Danakhil Depression, Afar State, Ethiopia" dated effective April 17, 2013 filed under the Company's SEDAR profile at www.sedar.com on August 7, 2013. Allana has approximately 293,501,018 shares outstanding. Allana trades on the Toronto Stock Exchange under the symbol "AAA".

Dr. Peter J. MacLean, Ph.D., P. Geo., Allana's Senior VP Exploration, is the Company's designated Qualified Person and has reviewed and approved the technical information presented in this release.

Forward-Looking Statement

Except for statements of historical fact relating to the Company, certain information contained herein constitutes "forward-looking information" under Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Statements with respect to mineral resource estimates, the anticipated use of proceeds of the Offering, the timing of closing of the Offering and the expected benefits of the strategic alliance with ICL are forward-looking statements. Forward-looking statements are based on the opinions, assumptions estimates of management as of the date such statements are made and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. Such risks include the uncertainty with respect to the shareholder approval of the Second Tranche not being obtained, the fact that the expected benefits of the strategic alliance may not materialize, the inherent capital markets consequences of an equity controlling position, regulatory risks and such other risks as discussed in the risk factors sections of our latest annual information form, our technical reports and other continuous disclosure documents filed from time to time at www.sedar.com. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. The Company does not undertake to update any forward-looking statements or forward-looking information that are incorporated by reference herein, except in accordance with applicable securities laws.

The Units described herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and accordingly, may not be offered or sold within the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions there from. This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the Company's securities in the United States.

CONTACT INFORMATION

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