

Phosphate Holdings, Inc.

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For Immediate Release

News Release

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Phosphate Holdings, Inc. announces adoption of Stockholder Rights Plan

Madison, Miss. (December 13, 2007) Phosphate Holdings, Inc., (the "Company") (OTCBB: PHOS) announced today that on December 5, 2007, its Board of Directors adopted a stockholder rights plan designed to help protect the long-term value of the Company for its stockholders and to enable all of its stockholders to realize the full and fair value of their investment in the event of any proposed takeover of the Company.

Under the plan, the Board of Directors of the Company declared a dividend of one common stock purchase right for each share of the Company's common stock outstanding payable on December 17, 2007, to stockholders of record at the close of business on such date. Under the plan, the rights will initially trade together with the Company's common stock and will not be exercisable. The rights generally will become exercisable to acquire the Company's common stock (or, in certain circumstances, shares of an acquirer) at a discounted price if a person or group becomes an "acquiring person" through the acquisition of 20 percent or more of the Company's outstanding common stock or the announcement of a tender or exchange offer that would result in ownership of 20 percent or more of the Company's common stock on terms not approved by the Board of Directors. If a person or group already owned 20 percent or more of the Company's outstanding common stock on the date the rights plan was adopted, the rights will become exercisable if that person or group acquires any additional shares of the Company's outstanding common stock after the date of the adoption of the plan. Rights held by an "acquiring person" will become void and will not be exercisable to purchase shares at the bargain purchase price.

The Board of Directors, at its option, may redeem the rights for \$0.01 per right for a limited time after a person becomes an "acquiring person." The plan also permits the Board of Directors to issue to holders of its common stock other than an "acquiring person" one share of common stock in exchange for each right, which is then exercisable. The rights will expire on December 31, 2009, unless earlier redeemed, exchanged, or amended.

A copy of the rights plan will be available on the Company's website at www.missphosphates.com and may also be obtained from the Company upon written request.

The Company is a Delaware corporation and the sole stockholder of Mississippi Phosphates Corporation. Mississippi Phosphates Corporation is a Delaware corporation with its executive headquarters in Madison, Miss. Mississippi Phosphates Corporation owns and operates manufacturing facilities in Pascagoula, Miss., which produce diammonium phosphate, the most common form of phosphate fertilizer used as a source of phosphate on all major row crops.

Forward-looking Statements

This letter contains "forward-looking statements" within the meaning of the federal securities law, which are intended to qualify for the safe harbor from liability provided thereunder. All statements which are not historical statements of fact are "forward-looking statements" for purposes of these provisions and are subject to numerous risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Future events, risks and uncertainties that could cause a material difference in such results include, but are not limited to, (i) changes in matters which affect the global supply and demand of phosphate fertilizer products, phosphate rock, ammonia, sulfur and sulfuric acid, (ii) a variety of conditions in the agricultural industry such as grain prices, planted acreage, projected grain stocks, U.S. government policies, weather, and changes in agricultural production methods, (iii) changes in the availability and cost of phosphate rock and our other primary raw materials, (iv) changes in capital markets, (v) possible unscheduled plant outages and other operating difficulties, (vi) price competition and capacity expansions and reductions from both domestic and international competitors, (vii) foreign government agricultural policies (in particular, the policies of the governments of India and China), (viii) the relative unpredictability of international and local economic conditions, (ix) the relative value of the U.S. dollar, (x) regulations regarding the environment and the sale and transportation of fertilizer products, and (xi) impact of future storms. The Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

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