TERRA INDUSTRIES INC Form SC 13G/A February 16, 2010

SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549

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SCHEDULE 13G/A

UNDER THE SECURITIES EXCHANGE ACT OF 1934 (Amendment No. 1)

Terra Industries Inc.

(Name of Issuer)

COMMON STOCK

\_\_\_\_\_

(Title of Class of Securities)

880915103

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(CUSIP Number)

December 31, 2009

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(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

|\_| Rule 13d-1(b)

|X| Rule 13d-1(c)

|\_| Rule 13d-1(d)

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act.

(Continued on following pages)

(Page 1 of 15 Pages)

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\_\_\_\_\_

1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)

	TPG-Axon Capit	al Manag	gement, LP ("TPG-Axon Management")				
2	CHECK THE APPR	OPRIATE	BOX IF A MEMBER OF A GROUP		X    _		
3	SEC USE ONLY						
4	CITIZENSHIP OR Delaware	PLACE C	OF ORGANIZATION				
	NUMBER OF SHARES	5	SOLE VOTING POWER				
	BENEFICIALLY	6	SHARED VOTING POWER				
			5,000,000 shares of Common Stoc	k			
	OWNED BY	7	SOLE DISPOSITIVE POWER				
	EACH		0				
	REPORTING						
	PERSON	8	SHARED DISPOSITIVE POWER				
	WITH		5,000,000 shares of Common Stoc	k 			
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON						
	5,000,000 shar	es of Co	ommon Stock				
10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES $ \_ $						
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)						
	5.01%*						
12	TYPE OF REPORTING PERSON						
	PN						
CUSIP	NO. 880915103		13G/A	Page 3 of 15 P.	ages		
1	NAME OF REPORT		ON NO. OF ABOVE PERSON (ENTITIES ONL	Y)			
	TPG-Axon Partn	ers GP,	LP ("PartnersGP")				

2	CHECK THE APPR	OPRIATE B	OX IF A MEMBER OF A GROUP		(a) (b)			
3	SEC USE ONLY							
4	CITIZENSHIP OR Delaware	PLACE OF	ORGANIZATION					
	NUMBER OF SHARES	5	SOLE VOTING POWER					
			0					
	BENEFICIALLY	6	SHARED VOTING POWER					
			1,686,411 shares of Common Sto	ck 				
	OWNED BY	7	SOLE DISPOSITIVE POWER					
	EACH		0					
	REPORTING							
	PERSON	8	SHARED DISPOSITIVE POWER					
	WITH		1,686,411 shares of Common Sto	ck				
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON							
	1,686,411 share	es of Com	mon Stock					
10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES							
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)							
	1.69%*							
12	TYPE OF REPORTING PERSON							
	PN							
CUSIP	NO. 880915103		13G/A	Page 4 of 1	 5 Pa	 iges 		
1	NAME OF REPORT		N O. OF ABOVE PERSON (ENTITIES ON	 LY)				
	TPG-Axon GP, LLC ("GPLLC")							
2	CHECK THE APPR	OPRIATE B	OX IF A MEMBER OF A GROUP		(a) (b)			

	SEC USE ONLY								
4	CITIZENSHIP OR Delaware	PLACE OF	ORGANIZATION						
	NUMBER OF	5	SOLE VOTING POWER						
	SHARES		0						
	BENEFICIALLY	6	SHARED VOTING POWER						
			5,000,000 shares of Common Sto	ck					
	OWNED BY	7	SOLE DISPOSITIVE POWER						
	EACH		0						
	REPORTING								
	PERSON	8	SHARED DISPOSITIVE POWER						
	WITH		5,000,000 shares of Common Sto	ck					
9	AGGREGATE AMOUI	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON							
	5,000,000 share	es of Com	mon Stock						
10	CHECK BOX IF TI	HE AGGREG.	ATE AMOUNT IN ROW (9) EXCLUDES	CERTAIN SHARES					
 11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)								
	5.01%*								
 12	TYPE OF REPORTING PERSON								
	00								
CUSIP	NO. 880915103		13G/A	Page 5 of 15 Pages					
CUSIP	NO. 880915103		· 	Page 5 of 15 Pages					
CUSIP	NO. 880915103  NAME OF REPORT  I.R.S. IDENTIF	ICATION N	n	Page 5 of 15 Pages					
CUSIP	NAME OF REPORT I.R.S. IDENTIF	ers, LP (	NO. OF ABOVE PERSON (ENTITIES ON	Page 5 of 15 Pages					

4	CITIZENSHIP OR Delaware	PLACE	OF ORGANIZATION			
		5	SOLE VOTING POWER			
	SHARES		0			
	BENEFICIALLY	6	SHARED VOTING POWER			
			1,686,411 shares of Common St	cock		
	OWNED BY	7	SOLE DISPOSITIVE POWER			
	EACH					
	REPORTING		0			
	PERSON	8	SHARED DISPOSITIVE POWER			
	WITH		1,686,411 shares of Common St	cock		
9	AGGREGATE AMOUI	NT BENE	EFICIALLY OWNED BY EACH REPORTING	F PERSON		
	1,686,411 share	es of (	Common Stock			
10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES					
	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)					
11	PERCENT OF CLAS	SS REPF	RESENTED BY AMOUNT IN ROW (9)			
11	PERCENT OF CLAS	SS REPF	RESENTED BY AMOUNT IN ROW (9)			
	1.69%*					
12	1.69%* TYPE OF REPORT		RSON 13G/A	Page 6 of 15 Pages		
12	1.69%*  TYPE OF REPORT:  PN  NO. 880915103	ING PEF	RSON 13G/A	Page 6 of 15 Pages		
	1.69%*  TYPE OF REPORT:  PN  NO. 880915103  NAME OF REPORT:  I.R.S. IDENTIF:	ING PEF	13G/A	Page 6 of 15 Pages		
	1.69%*  TYPE OF REPORT: PN  NO. 880915103  NAME OF REPORT: I.R.S. IDENTIF: TPG-Axon Partne	ING PEF  ING PEF  ICATION  PERS (Of	13G/A  RSON N NO. OF ABOVE PERSON (ENTITIES Confishore), Ltd. ("TPG-Axon Offshore BOX IF A MEMBER OF A GROUP	Page 6 of 15 Pages ONLY) re") (a)  X  (b)  _		
	1.69%*  TYPE OF REPORT: PN  NO. 880915103  NAME OF REPORT: I.R.S. IDENTIF: TPG-Axon Partne	ING PEF  ING PEF  ICATION  PERS (Of	13G/A  RSON N NO. OF ABOVE PERSON (ENTITIES C Efshore), Ltd. ("TPG-Axon Offshore") E BOX IF A MEMBER OF A GROUP	Page 6 of 15 Pages ONLY) re") (a)  X		
	1.69%*  TYPE OF REPORT:  PN  NO. 880915103  NAME OF REPORT:  I.R.S. IDENTIF:  TPG-Axon Partne  CHECK THE APPRO	ING PEF	13G/A  RSON N NO. OF ABOVE PERSON (ENTITIES C Efshore), Ltd. ("TPG-Axon Offshore") E BOX IF A MEMBER OF A GROUP	Page 6 of 15 Pages ONLY) re") (a)  X  (b)  _		

		5	SOLE VOTING POWER				
	SHARES		0				
	BENEFICIALLY	6	SHARED VOTING POWER				
			3,313,589 shares of Common Sto	ock			
	OWNED BY	7	SOLE DISPOSITIVE POWER				
	EACH		0				
	REPORTING		0				
	PERSON	8	SHARED DISPOSITIVE POWER				
	WITH		3,313,589 shares of Common Sto	ock			
9	AGGREGATE AMOU	NT BENE	FICIALLY OWNED BY EACH REPORTING	PERSON			
	3,313,589 shar	es of C	ommon Stock				
10	CHECK BOX IF T	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES					
11		PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)					
	3.32%*						
12	TYPE OF REPORTING PERSON						
	CO						
	NO. 880915103		13G/A				
			13G/ A	Page 7 of 15 Pages			
1	NAME OF REPORT		SON NO. OF ABOVE PERSON (ENTITIES O				
	Dinakar Singh	LLC ("S	ingh LLC")				
2			BOX IF A MEMBER OF A GROUP	(a)  X (b)  _			
3	SEC USE ONLY						
4	CITIZENSHIP OR	CITIZENSHIP OR PLACE OF ORGANIZATION					
	Delaware						
	NUMBER OF						

			0					
	BENEFICIALLY	6	SHARED VOTING POWER					
			5,000,000 shares of Common S	tock				
	OWNED BY	7	SOLE DISPOSITIVE POWER					
	EACH							
	REPORTING		0					
	PERSON	8	SHARED DISPOSITIVE POWER					
	WITH		5,000,000 shares of Common S	tock				
9	AGGREGATE AMOU	NT BENEF	CICIALLY OWNED BY EACH REPORTING	G PERSON				
	5,000,000 share	es of Co	ommon Stock					
10	CHECK BOX IF T	HE AGGRE	GATE AMOUNT IN ROW (9) EXCLUDE:	S CERTAIN SH	ARES			
11	PERCENT OF CLA	 SS REPRE	SENTED BY AMOUNT IN ROW (9)					
	5.01%*							
12	TYPE OF REPORT	TYPE OF REPORTING PERSON						
	00							
	NO. 880915103		13G/A	 Page 8 of	 15 Pages			
1	NAME OF REPORT I.R.S. IDENTIF	ICATION	NO. OF ABOVE PERSON (ENTITIES of ngh")					
2			BOX IF A MEMBER OF A GROUP		(a)  X  (b)  _			
3	SEC USE ONLY							
4	CITIZENSHIP OR PLACE OF ORGANIZATION							
	USA							
			SOLE VOTING POWER					
	BENEFICIATIV	 6	0 					
		U	SIMMUD VOITING LOWELL					

			5,000,000 shares of Common Sto	ck
	OWNED BY	7	SOLE DISPOSITIVE POWER	
	EACH		0	
	REPORTING			
	PERSON	8	SHARED DISPOSITIVE POWER	
	WITH		5,000,000 shares of Common Sto	ck
9	AGGREGATE AMOUN	T BENEFI	CIALLY OWNED BY EACH REPORTING	PERSON
	5,000,000 share	s of Com	mon Stock	
10	CHECK BOX IF TH	E AGGREG	ATE AMOUNT IN ROW (9) EXCLUDES	CERTAIN SHARES
11	PERCENT OF CLAS	S REPRES	ENTED BY AMOUNT IN ROW (9)	
	5.01%*			
12	TYPE OF REPORTI	NG PERSO	N	
	IN			
CUSIP	NO. 880915103		13G/A	Page 9 of 15 Pages
 ITEM 1				

#### ITEM 1.

- NAME OF ISSUER: Terra Industries Inc.
- ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES: (b)

Terra Centre, P.O. Box 6000 600 Fourth Street Sioux City, Iowa 51102-6000

#### ITEM 2.

#### 2(a). NAME OF PERSON FILING:

This statement is filed by the entities and persons listed below, all of whom together are referred to herein as the "Reporting Persons":

- TPG-Axon Capital Management, LP ("TPG-Axon Management"), a Delaware limited partnership, with respect to the Shares reported in this Schedule 13G/A held by TPG-Axon Partners, LP ("TPG-Axon Domestic") and TPG-Axon Partners (Offshore), Ltd. ("TPG-Axon Offshore," and together with TPG-Axon Domestic the "Funds").
- (ii) TPG-Axon Partners GP, LP ("PartnersGP"), a Delaware limited

partnership which serves as the general partner of TPG-Axon Domestic, with respect to the Shares reported in this Schedule 13G/A managed by TPG-Axon Management and held by TPG-Axon Domestic.

- (iii) TPG-Axon GP, LLC ("GPLLC"), a Delaware limited liability company, which serves as the general partner of TPG-Axon Management and PartnersGP, with respect to the Shares reported in this Schedule 13G/A managed by TPG-Axon Management and held by the Funds.
- (iv) TPG-Axon Domestic, a Delaware limited partnership, with respect to the Shares reported in this Schedule 13G/A directly held by it.
- (v) TPG-Axon Offshore, a Cayman Islands exempted company, with respect to the Shares reported in this Schedule 13G/A directly held by it.
- (vi) Dinakar Singh LLC ("Singh LLC"), a Delaware limited liability company which serves as the managing member of GPLLC, with respect to the Shares reported in this Schedule 13G/A managed by TPG-Axon Management and held by the Funds.
- (vii) Dinakar Singh ("Mr. Singh"), an individual who serves as the managing member of Singh LLC, with respect to the Shares reported in this Schedule 13G/A managed by TPG-Axon Management and held by the Funds.

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(b) ADDRESS OF PRINCIPAL OFFICE:

(All, except TPG-Axon TPG-Axon Offshore Offshore)

888 Seventh Avenue c/o Goldman Sachs (Cayman) Trust Limited
38th Floor PO Box 896GT, Harbour Centre, 2nd Floor
New York, New York 10019 George Town, Grand Cayman
Cayman Islands, BWI

- (c) Citizenship: Delaware (all except TPG-Axon Offshore and Mr. Singh); TPG-Axon Offshore: Cayman Islands; Mr. Singh is a United States citizen.
- (d) Title of Class of Securities: Common Stock, no par value
- (e) CUSIP Number: 880915103
- ITEM 3. IF THIS STATEMENT IS FILED PURSUANT TO SS.SS.240.13D-1(B) OR 240.13D-2(B) OR (C), CHECK WHETHER THE PERSON FILING IS A:
  - (a)  $|\_|$  Broker or dealer registered under section 15 of the Act (15 U.S.C. 780).
  - (b) | | Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
  - (c)  $|\_|$  Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).

- (d)  $|\_|$  Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e)  $|\_|$  An investment adviser in accordance with ss.240.13d-1(b)(1)(ii)(E).
- (f)  $|\_|$  An employee benefit plan or endowment fund in accordance with ss.240.13d-1(b)(1)(ii)(F).
- (g)  $|\_|$  A parent holding company or control person in accordance with ss.240.13d-1(b)(1)(ii)(G).
- (h)  $\mid$ \_ $\mid$  A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813).
- (i)  $|\_|$  A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3).
- (j)  $|\_|$  Group, in accordance with ss.240.13d-1(b)(1)(ii)(J).

IF THIS STATEMENT IS FILED PURSUANT TO Rule 13d-1(c), CHECK THIS BOX [X]

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#### ITEM 4. OWNERSHIP

TPG-Axon Management, as investment manager to TPG-Axon Domestic and TPG-Axon Offshore, has the power to direct the disposition and voting of the Shares held by TPG-Axon Domestic and TPG-Axon Offshore. PartnersGP is the general partner of TPG-Axon Domestic. GPLLC is the general partner of PartnersGP and TPG-Axon Management. Singh LLC is a Managing Member of GPLLC. Mr. Singh, an individual, is the Managing Member of Singh LLC and in such capacity may be deemed to control Singh LLC, GPLLC and TPG-Axon Management, and therefore may be deemed the beneficial owner of the securities held by TPG-Axon Domestic and TPG-Axon Offshore.

Each of Singh LLC, GPLLC, PartnersGP and Mr. Singh disclaim beneficial ownership of all of the shares of Common Stock and options to purchase shares of Common Stock reported in this 13G/A.

#### A. TPG-Axon Management

- (a) Amount beneficially owned: 5,000,000 shares of Common Stock
- (b) Percent of class: 5.01%\* (\*All percentages of beneficial ownership reported in this Schedule 13G/A are based on the 99,825,840 outstanding shares of Common Stock reported in the Issuer's Form 10-Q for the quarterly period ended September 30, 2009.)
- (c) Number of shares as to which the person has:
  - (i) Sole power to vote or to direct the vote: 0
  - (ii) Shared power to vote or to direct the vote: 5,000,000 shares of Common Stock
  - (iii) Sole power to dispose or to direct the disposition of:

0

(iv) Shared power to dispose or to direct the disposition of: 5,000,000 shares of Common Stock

#### B. PartnersGP

- (a) Amount beneficially owned: 1,686,411 shares of Common Stock
- (b) Percent of class: 1.69%\*
- (c) Number of shares as to which the person has:
  - (i) Sole power to vote or to direct the vote:
  - (ii) Shared power to vote or to direct the vote: 1,686,411 shares of Common Stock
  - (iii) Sole power to dispose or to direct the disposition of:  $\ensuremath{^{\circ}}$
  - (iv) Shared power to dispose or to direct the disposition of: 1,686,411 shares of Common Stock

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- C. GPLLC
  - (a) Amount beneficially owned: 5,000,000 shares of Common Stock
  - (b) Percent of class: 5.01%\*
  - (c) Number of shares as to which the person has:
    - (i) Sole power to vote or to direct the vote:  $\boldsymbol{0}$
    - (ii) Shared power to vote or to direct the vote: 5,000,000 shares of Common Stock
    - (iii) Sole power to dispose or to direct the disposition of:  $\ensuremath{\text{0}}$
    - (iv) Shared power to dispose or to direct the disposition of: 5,000,000 shares of Common Stock
- D. TPG-Axon Domestic
  - (a) Amount beneficially owned: 1,686,411 shares of Common Stock
  - (b) Percent of class: 1.69%\*
  - (c) Number of shares as to which the person has:
    - (i) Sole power to vote or to direct the vote: 0
    - (ii) Shared power to vote or to direct the vote: 1,686,411 shares of Common Stock
    - (iii) Sole power to dispose or to direct the disposition of:  $\ensuremath{\mathtt{0}}$
    - (iv) Shared power to dispose or to direct the disposition of: 1,686,411 shares of Common Stock
- E. TPG-Axon Offshore
  - (a) Amount beneficially owned: 3,313,589 shares of Common Stock (
  - (b) Percent of class: 3.32%\*
  - (c) Number of shares as to which the person has:
    - (i) Sole power to vote or to direct the vote:  $\boldsymbol{0}$
    - (ii) Shared power to vote or to direct the vote: 3,313,589 shares of Common Stock

- (iii) Sole power to dispose or to direct the disposition of:
- (iv) Shared power to dispose or to direct the disposition of: 3,313,589 shares of Common Stock

#### F. Singh LLC

- Amount beneficially owned: 5,000,000 shares of Common Stock
- Percent of class: 5.01%\* (b)
- (C) Number of shares as to which the person has:
  - Sole power to vote or to direct the vote:
  - (ii) Shared power to vote or to direct the vote: 5,000,000 shares of Common Stock
  - (iii) Sole power to dispose or to direct the disposition of:
  - (iv) Shared power to dispose or to direct the disposition of: 5,000,000 shares of Common Stock

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G.

Mr. Singh

- Amount beneficially owned: 5,000,000 shares of Common Stock
- (b) Percent of class: 5.01%\*
- (c) Number of shares as to which the person has:
  - Sole power to vote or to direct the vote:
  - (ii) Shared power to vote or to direct the vote: 5,000,000 shares of Common Stock
  - (iii) Sole power to dispose or to direct the disposition of:
  - (iv) Shared power to dispose or to direct the disposition of: 5,000,000 shares of Common Stock

ITEM 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS. If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than 5 percent of the class of securities, check the following [ ].

Not applicable.

ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON

See Item 4.

ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY OR CONTROL PERSON.

Not applicable.

ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP

Not applicable

ITEM 9. NOTICE OF DISSOLUTION OF THE GROUP

Not applicable

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ITEM 10. CERTIFICATION

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

#### SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: February 16, 2010

TPG-Axon Capital Management, LP By: TPG-Axon GP, LLC, general partner

By: /s/ Dinakar Singh \_\_\_\_\_\_ Dinakar Singh President

TPG-Axon Partners GP, LP By: TPG-Axon GP, LLC, general partner

By: /s/ Dinakar Singh Dinakar Singh President

TPG-Axon GP, LLC

By: /s/ Dinakar Singh Dinakar Singh President

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TPG-Axon Partners, LP

By: TPG-Axon Partners GP, LP, general partner

By: TPG-Axon GP, LLC, general partner

By: /s/ Dinakar Singh
----Dinakar Singh
President

TPG-Axon Partners (Offshore), Ltd.

By: /s/ Dinakar Singh
----Dinakar Singh
Director

Dinakar Singh LLC

By: /s/ Dinakar Singh
----Dinakar Singh
Managing Member

/s/ Dinakar Singh
----Dinakar Singh