

News Release



Air Products and Chemicals, Inc.
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Air Products to Make Largest-Ever U.S. Investment of \$500 Million to Build, Own and Operate its Largest-Ever Hydrogen SMR, a Nitrogen ASU and Utilities Facilities, and Wins Long-Term Contract to Supply Gulf Coast Ammonia's New World-Scale Texas Production Plant

Project Will be Linked to and Extend the Company's and World's-Largest Hydrogen Pipeline System in the Gulf Coast

Air Products to Hold Investor Call on GCA Project at 4:00 p.m. USET on January 8, 2020

LEHIGH VALLEY, Pa. (January 8, 2020) – Air Products (NYSE: APD) announced today its largest-ever investment in the United States in winning a long-term onsite business model supply agreement for a project with Gulf Coast Ammonia (GCA) in Texas City, Texas. Air Products will build, own and operate (BOO) its largest-ever steam methane reformer (SMR) to produce hydrogen which will be connected to and extend, to approximately 700 miles, its existing and the world's-largest hydrogen pipeline system in the Gulf Coast; BOO an air separation unit (ASU) to supply nitrogen; and will own and operate a steam turbine generator to supply power and other utilities to GCA's new world-scale ammonia production plant.

"This is an exciting project that we are very proud to have won. When all facets of this project are combined, it sets a new high for Air Products' investment—\$500 million—for one project in the United States. This project will showcase Air Products' core strengths and capabilities supplying hydrogen from an SMR and nitrogen from an ASU, and leverages our core industrial gas strengths in many ways," said [Seifi Ghasemi](#), chairman, president and chief executive officer of Air Products.

Ghasemi added, "In addition to this being our largest-ever U.S. investment, the project also sets other Air Products' milestones. It will feature the largest SMR we have ever built and will operate, the largest per-day amount of hydrogen supplied to a single customer under one contract, and it increases the size and supply capacity of Air Products' extensive hydrogen pipeline system in the Gulf Coast, which is the world's largest. This is all successfully combined under a long-term contract for a project located in the United States."

"The project will meet or exceed all industry standards for the safe production of ammonia, applies world-class technology in production and storage, and will be the largest single train ammonia synthesis loop in the world when completed. We look forward to working with Air Products as a reliable, long-term supplier of high-quality feedstock to our facility," said Ken Koye, president and chief executive officer of GCA. "GCA is investing \$600 million in Texas City and creating new employment opportunities for Galveston County residents in the Texas City Reinvestment Zone."

The pipeline segment of the project, which will transport hydrogen to Texas City, is targeted for onstream in the second half of 2021, with the remainder of the facilities expected to be in commercial operation in early 2023.

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The approximately 175 million standard cubic feet per day (mmscfd) SMR will include the addition of over 30 miles of hydrogen pipeline from Texas City to Baytown, to be connected to Air Products' Gulf Coast Pipeline system. The GCA project will use approximately 270 mmscfd of hydrogen from the SMR and Gulf Coast Pipeline. The hydrogen production plant will feature the latest technology to maximize energy efficiency and reduce emissions and includes optimal heat integration, which in turn lowers feedstock consumption. The plant configuration and deployed technologies support Air Products' sustainability goals of reducing energy consumption and emissions.

GCA's ammonia facility, which will produce approximately 3,600 metric tons per day of ammonia, will also benefit from Air Products' supply of approximately 90 mmscfd of nitrogen from a new ASU to be built and operated at the Texas City site on property leased from Eastman, who has rights to purchase some of the ammonia and will also provide various site services to GCA and Air Products.

In connecting Air Products' new SMR facility to its existing Gulf Coast Pipeline, hydrogen customers will see a value-add in product supply reliability. With the investment to supply the GCA project, the approximately 700-mile hydrogen pipeline system will span from Texas City through the Houston Ship Channel in Texas to New Orleans, Louisiana, and supply customers with over 1.7 billion feet of hydrogen per day from 24 hydrogen production facilities.

[Pipelines](#) offer a safe, robust and reliable supply of hydrogen to refineries and petrochemical manufacturers around the world. In addition to the Gulf Coast Pipeline, Air Products also has hydrogen pipelines in California in the U.S.; in Sarnia, Ontario, Canada; and in Rotterdam, the Netherlands.

Air Products' Investor Call Details

Air Products will hold a conference call on Wednesday, January 8, 2020 at 4:00 p.m. USET to discuss the GCA project. The teleconference will be open to the public and the media in listen-only mode by telephone and Internet broadcast.

Live teleconference: 323-794-2094

Passcode: 7727693

Internet broadcast/slides: Available on the [Event Details page](#) on Air Products' Investor Relations website.

Telephone replay: 888-203-1112 (domestic) or 719-457-0820 (international)

Passcode: 7727693

Available from 8:00 p.m. USET on January 8, 2020 through 8:00 p.m. USET on January 15, 2020.

Internet replay: Available on the [Event Details page](#) on Air Products' Investor Relations website.

About Air Products

Air Products (NYSE:[APD](#)) is a world-leading industrial gases company in operation for nearly 80 years. Focused on serving energy, environment and emerging markets, the Company provides essential industrial gases, related equipment and applications expertise to customers in dozens of industries, including refining, chemical, metals, electronics, manufacturing, and food and beverage. Air Products is also the global leader in the supply of liquefied natural gas process technology and equipment. The Company develops, engineers, builds, owns and operates some of the world's largest industrial gas projects, including gasification projects that sustainably

convert abundant natural resources into syngas for the production of high-value power, fuels and chemicals.

The Company had fiscal 2019 sales of \$8.9 billion from operations in 50 countries and has a current market capitalization of about \$50 billion. More than 17,000 passionate, talented and committed employees from diverse backgrounds are driven by Air Products' higher purpose to create innovative solutions that benefit the environment, enhance sustainability and address the challenges facing customers, communities, and the world. For more information, visit www.airproducts.com.

About Gulf Coast Ammonia

GCA is a special purpose company formed for the development, financing, construction and commercial operations of the ammonia production plant and associated storage tank and marine loading facilities. GCA's operating partner is experienced with refrigerated gas terminals and logistics, and anhydrous ammonia in particular.

NOTE: This release may contain forward-looking statements within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on management's reasonable expectations and assumptions as of the date of this release regarding important risk factors. Actual performance and financial results may differ materially from projections and estimates expressed in the forward-looking statements because of many factors not anticipated by management, including risk factors described in the company's Form 10K for its fiscal year ended September 30, 2019.

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