

Air Products Supplies Nitrogen For Landmark Gas Project

April 4, 2005 4:25 PM ET

In a landmark project to bring liquefied natural gas (LNG) to the UK for the first time in twenty years, Air Products has won a contract to supply nitrogen for a new LNG-receiving terminal. The terminal is owned by Grain LNG Limited, a wholly owned subsidiary of National Grid Transco, on the Isle of Grain in the Medway Estuary. Once complete the project will help the terminal import 3.3 million tonnes of LNG per year as indigenous North Sea production is set to decline.

The LNG will be supplied by BP and Sonatrach to the Grain LNG terminal where an Air Products facility will help adjust it to the appropriate UK natural gas specification. The terminal, the first of several planned UK LNG import terminals, requires Air Products to adopt a two phase approach in order to meet the project schedule.

Phase One, to be delivered within one year of contract award, involves Air Products installing a large liquid nitrogen storage and delivery system. During Phase One this system will be supplied from its network of liquid producing plants.

Phase Two consists of Air Products building, owning and operating a nitrogen generation plant that will come on stream during Autumn 2005 and producing in excess of 300 tonnes of nitrogen per day.

"This is one of the UK's first new LNG import terminals", explained Alan Belk, General Manager, European Business Development, Tonnage Gases. "It will be on stream around two years ahead of the other terminals which are in various stages of development, so it's a major breakthrough project for us to be involved in. We all have an incentive to ensure the Isle of Grain project is a success, with the UK becoming ever more dependant on imported gas as North Sea production declines".

Ian Belmore, Technical Director of Grain LNG Limited commented, "Air Products was chosen to supply nitrogen to the new terminal because they listened to our requirements and developed an innovative solution to meet our needs. Their safety record in this field is exemplary, and the reliability of the distribution of nitrogen has assured us that the Air Products LNG experience will no doubt be a good one".

Note to the Editor:

Air Products (NYSE:APD) serves customers in technology, energy, healthcare and industrial markets worldwide with a unique portfolio of products, services and solutions, providing atmospheric gases, process and specialty gases, performance materials and chemical intermediates. Founded in 1940, Air Products has built leading positions in key growth markets such as semiconductor materials, refinery hydrogen, home healthcare services, natural gas liquefaction, and advanced coatings and adhesives. The company is recognized for its innovative culture, operational excellence and commitment to safety and the environment and is listed in the Dow Jones Sustainability and FTSE4Good Indices. The company has annual revenues of \$7.4 billion, operations in over 30 countries, and nearly 20,000 employees around the globe. For more information, visit www.airproducts.com.