

Air Products' Oxygen Supply Selected for Demonstration of Oxyfuel Technology

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LEHIGH VALLEY, Pa., Oct. 13 /PRNewswire-FirstCall/ -- Air Products (NYSE: APD) today announced it has signed an agreement to supply oxygen, engineering services and related equipment to a project in the United Kingdom led by Doosan Babcock designed to advance technology that has the potential to reduce emissions of greenhouse gases. The agreement is part of the OxyCoal 2 project in Renfrew, Scotland, which aims to demonstrate the benefits of oxyfuel technology for carbon capture on coal-fired power plants. In oxyfuel combustion, oxygen is used instead of air to increase the concentration of carbon dioxide in the flue gas, enabling lower cost carbon dioxide (CO₂) capture.

OxyCoal 2 is a significant CO₂ demonstration project, with a full-scale 40 megawatt (MW) burner demonstration providing key design and operational data to support implementation of oxyfuel technology as retrofit and in new coal-fired power plants around the world. In this multi-million dollar project Doosan Babcock will modify its unique Multi-Fuel Burner Test Rig at Renfrew to accommodate oxyfuel firing on pulverized coal with recycled flue gas. The upgrade of the burner test facility is expected to be complete early in 2009, with the first oxyfuel combustion demonstration targeted for the end of March 2009.

"Air Products is pleased to be a team member of the OxyCoal 2 project, and foresees that its findings will have global significance. Our advanced oxyfuel technology holds great promise as a critical component in successfully addressing the climate change issue. Air Products has been a leader in developing oxyfuel technology since our first study with Doosan Babcock more than a decade ago. This most recent research and technology development project is an important next step in moving closer to a viable solution for CO₂ capture," said Steve Carney, business development manager, Energy at Air Products.

"Air Products' globally-recognized skills and expertise in the design, integration and operation of large cryogenic oxygen plants and in the purification of carbon dioxide provide powerful support to the development of oxyfuel technology for greenhouse gas mitigation," said Alan Belk, general manager Tonnage Gas and Metals, Europe with Air Products.

"Our conceptual design for an oxyfuel CO₂ capture coal power plant is based on a wealth of experience with air-fired coal power generation technology. This evolutionary approach to oxyfuel CO₂ capture gives us confidence that this technology can be successfully commercialized. By working with our partners on this new project, we will be able to gain the knowledge necessary to accelerate the implementation of clean coal technology projects in the UK and around the world," said Iain Miller, CEO, Doosan Babcock.

The OxyCoal 2 project is being supported by the UK's Department for Business, Enterprise and Regulatory Reform (BERR) under its Hydrogen Fuel Cells and Carbon Abatement Technologies (HFCCAT) Demonstration Program. The lead company for the project is Doosan Babcock Energy Limited. Scottish and Southern Energy is the prime sponsor of the effort, with other sponsors and participants including: Air Products Plc, DONG Energy Generation, Drax Power Limited, EDF Energy, E.ON UK PLC, and Scottish Power, as well as Imperial College, London and University of Nottingham.

The Renfrew demonstration project continues a long history of collaboration between many of the OxyCoal 2 project team members. As part of a separate project, Air Products is investigating with Imperial College and Doosan Babcock key chemical reactions that underlie a promising and innovative process for purifying CO₂-containing flue-gases. This proprietary technology was recently cited in a published study entitled, "Future CO₂ Capture Technology Options for the Canadian Market." The report resulted from two years of study and evaluation by BERR and the Canadian Clean Power Coalition and disclosed that the technology offers CO₂ capture and energy costs comparable to that of traditional flue gas scrubbing systems. To read more on this study please go to: <http://www.airproducts.com/PressRoom/CompanyNews/Archived/2008/12Feb2008.htm>.

About Air Products

Air Products (NYSE: APD) serves customers in industrial, energy, technology and healthcare markets worldwide with a unique portfolio of atmospheric gases, process and specialty gases, performance materials, and equipment and services. 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. Air Products has annual revenues of \$10 billion, operations in over 40 countries, and 22,000 employees around the globe. For more information, visit <http://www.airproducts.com>.

***NOTE: This release may contain forward-looking statements. Actual results could vary materially, due to changes in current expectations.

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