

Hurricane Katrina Update: Air Products' Liquid Hydrogen Supply Situation Improving

September 12, 2005 12:11 PM ET

LEHIGH VALLEY, Pa., Sept. 12 /PRNewswire-FirstCall/ -- Air Products (NYSE: APD) today announced an update on its liquid hydrogen supply and the status of its New Orleans, La. production facility impacted by Hurricane Katrina. The company reported that it has been able to secure additional hydrogen supplies from other sources and find different ways to improve the liquid hydrogen shortage situation with product management. Air Products is in the process to begin repairing its New Orleans facility, but water must be drained from the site area to regain road access and power supply.

"To date, we have been able to maintain supply to the majority of our customers. While we will not be able to meet full demand of all customers, the situation has improved, and we informed our customers of this a few days ago," said Mark Bye, group vice president, Gases and Equipment Group for Air Products. "We have been working closely with our customers to understand their precise requirements and identify options to best manage their current and future hydrogen supply."

Air Products is encouraged that it has been able to continue supplying customers with hydrogen by converting some customer operations from liquid to gaseous hydrogen supply. The company is also securing product from other sources, such as customers without immediate needs releasing their stored hydrogen back to Air Products. Additionally, the company has determined that some inventory at its New Orleans facility is undamaged and can be distributed when safe road access becomes available. Air Products is also working on arrangements for alternative feedgas supply to its liquid hydrogen facility in Sarnia, Ontario, Canada.

"We're ready to make plant repairs. We have our people and contractors positioned, and we're lining up materials. We need the continued help of the government to get the water out of the surrounding plant area to get safe road access and restore infrastructure. Then we can deliver the stored inventory to our customers and begin repairs. At that point, we can begin looking to a start-up date," said Bye.

Despite the improved situation in continuing to supply customers, the force majeure on liquid hydrogen remains in effect. "We understand our customers' concerns and appreciate their support and flexibility in these difficult times. They recognize the challenges we face from the storm and have been supportive," said Bye. "We are committed to resolve these issues as rapidly as possible."

All other Air Products industrial gas and chemical operations in the Gulf Coast area, including the pipeline system, are on-stream and delivering multiple products to customers. Air Products also supplies gaseous hydrogen from its New Orleans facility to two refiners in the immediate local area. This production is currently shutdown as a result of the storm.

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 <http://www.airproducts.com>.

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