

Air Products Cogeneration Facilities in Florida and Pennsylvania Purchased by El Paso Merchant Energy

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Facilities Have Total Power Generating Capacity of Over 200 Megawatts

Air Products and Chemicals, Inc. (NYSE: APD) and El Paso Merchant Energy, a subsidiary of El Paso Corporation (NYSE: EPG), today announced the completion of the sale of Air Products' interests in two cogeneration facilities located in Orlando, Florida and Cambria County, Pennsylvania to El Paso Merchant Energy.

"We are pleased to have completed the sale of our interests in these operations," said Scott A. Sherman, vice president and general manager of Chemical Process Industries and Environmental and Energy Systems for Air Products. "We wanted to find a quality buyer that would value these outstanding facilities and employees, and enable the facilities to continue to reach their full potential in the future. We accomplished that goal. El Paso is a global leader in the energy industry."

In addition to these two power plants, El Paso currently holds interests in eight other facilities in Pennsylvania and Florida. The facility in Cambria uses a coal by-product to generate electricity that will ultimately help clean up area streams by reducing the amount of mine acid drainage in Pennsylvania. The limestone-injected circulating fluidized bed boiler (CFB) removes sulfur from the by-product to generate low-emission electricity. The Cambria facility started up in 1991, employs 50 individuals and has power generation capability of 88 megawatts. The facility in Orlando is a natural gas-fired power plant that serves the growing Florida marketplace. The Orlando facility commenced commercial operations in September 1993, employs 10 individuals and has power generation capability of 115 megawatts. One megawatt generates enough power for 750 households. Each facility has been recognized by Power magazine as "Power Plant of the Year"—the Orlando facility in 1994 and the Cambria facility in 1992.

"This transaction is consistent with El Paso's strategy to acquire quality assets that significantly enhance our diversified power portfolio," said Clark C. Smith, president of El Paso Merchant Energy North America. "These power generation facilities use the best available control technology to produce electricity while maintaining high environmental standards."

Air Products' decision to sell its interests in these two stand-alone cogeneration facilities was driven by its recent initiative to focus resources on growing its core businesses. "The company's decision to divest its interests was based on its desire to invest the value we currently have in these facilities in market-leading industrial gas and specialty chemical-related businesses," said Sherman.

Air Products and Chemicals, Inc. (www.airproducts.com) is the world's only combined gases and chemicals company. Founded more than 60 years ago, the business has annual revenues of \$5.5 billion and operations in 30 countries. Air Products is a market leader in the global electronics and chemical processing industries, and a longstanding innovator in many industrial markets, including coatings, adhesives, and polyurethanes. The company distinguishes itself through its 17,500 employees around the world, who build lasting relationships with their customers and communities based on understanding, integrity, and passion.

El Paso Corporation is committed to meeting energy needs throughout the United States and the world, with operations that span the energy value chain from wellhead to electron. El Paso is involved in every segment of the natural gas industry, including production, gathering and processing, and transmission. The company also provides merchant energy services, international project development, energy financing, power generation, and telecommunications services.

El Paso is focused on speeding the development of new energy sources to address critical energy shortages across the globe. For more information, please visit www.elpaso.com.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This release includes forward-looking statements and projections, made in reliance on the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The companies have made every reasonable effort to ensure that the information and assumptions on which these statements and projections are based are current, reasonable, and complete. However, a variety of factors could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this release. While the companies make these statements and projections in good faith, neither the companies nor their management can guarantee that the anticipated future results will be achieved. Reference should be made to the companies' (and

their affiliates') Securities and Exchange Commission filings for additional important factors that may affect actual results.