

Air Products to Participate with Eastman Chemical in Gulf Coast Gasification Project

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LEHIGH VALLEY, Pa., July 27 /PRNewswire/ -- Air Products (NYSE: APD) today announced the signing of a Letter of Intent with Eastman Chemical, Inc. (NYSE: EMN) to be a significant participant in a petroleum coke fed gasification project planned by Eastman in the Gulf Coast. In the project, which will be one of the first major solid-fuel gasification facilities in the Gulf Coast, Air Products will market hydrogen produced by the operation to its industry leading Gulf Coast hydrogen supply pipeline network, and construct and operate new world-class air separation units to produce over 7,000 tons per day (TPD) of oxygen, essential to the gasifier operation.

Eastman intends to locate the \$1.6 billion plant in Beaumont, Texas, where the company will make low-cost intermediate chemicals such as methanol, hydrogen and ammonia. Eastman expects the regulatory permit application process to begin later this year, and construction is expected to be under way by early 2009. Construction employment is expected to peak at 1,300-1,500 workers, with permanent employment expected to be approximately 250. Eastman expects to have an equity position of as much as 50 percent and to announce a co-investor in the near future.

"We are excited to be working with Eastman on this gasification project. The scope of this project integrates our two companies' core strengths and businesses. The combination of Eastman's gasification and chemical industry experience and Air Products' industrial gas and large project experience help to make the project attractive and viable," said Alex Masetti, vice president, Tonnage Gases North America for Air Products. "The gasification project and our involvement represent a unique opportunity for Air Products to provide our world-class ASU technology, key to the operation of the gasifier, and to supply our West Gulf Coast pipeline system with hydrogen generated from petroleum coke fuel. This source of hydrogen diversifies our feed for our pipeline network and, in combination with our multi-plant system, will continue to provide refiners with a very highly reliable supply of hydrogen to make environmentally beneficial cleaner burning transportation fuels."

"We have a long association with Air Products and look forward to continuing our successful relationship in this exciting new project," said David Gallaspy, director of Project Development for Eastman's gasification services.

Air Products' Gulf Coast pipeline network extends from the Houston Ship Channel in Texas to Lake Charles, La. The company's Mississippi River corridor pipeline reaches from Baton Rouge to Norco, La., and east of New Orleans. These pipeline networks provide very highly-reliable hydrogen supply to approximately 50 refinery and process industry customers. Air Products is committed to increasing the pipeline network size in a manner that is consistent with the needs of key refining and petrochemical customers.

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 and is listed in the Dow Jones Sustainability and FTSE4Good Indices. The company has annual revenues of \$9 billion, operations in over 40 countries, and over 20,000 employees around the globe. For more information, visit www.airproducts.com.

About Eastman Chemical

Eastman manufactures and markets chemicals, fibers and plastics worldwide. It provides key differentiated coatings, adhesives and specialty plastics products; is the world's largest producer of PET polymers for packaging; and is a major supplier of cellulose acetate fibers. As a Responsible Care(R) company, Eastman is committed to achieving the highest standards of health, safety, environmental and security performance. Founded in 1920 and headquartered in Kingsport,

Tenn., U.S.A., Eastman is a FORTUNE 500 company with 2006 sales of \$7.5 billion and approximately 11,000 employees. For more information about Eastman and its products, visit www.eastman.com.

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

SOURCE Air Products

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(APD EMN)

CO: Air Products; Eastman Chemical

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