

Air Products to Own, Operate and Maintain New 350 TPD Oxygen Plant at Tesoro Northwest Company's Anacortes, Washington Refinery

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Air Separation Unit Utilizes Air Products' Cost-Efficient Product-Based Plant Design

Air Products and Chemicals, Inc. (NYSE:APD) has signed a supply agreement with Tesoro Northwest Company for the construction of a 350 ton-per-day air separation unit (ASU) at Tesoro's Anacortes, Wash. refinery. Air Products will own, operate and maintain the plant under a long-term contract that includes the production of oxygen for enrichment of Tesoro's fluidized catalytic cracker, and crude argon that Air Products will use to supply the expanding Pacific Northwest merchant market. The ASU is based on Air Products' novel plant design which utilizes a product-based approach to provide customers with a range of product flow rates, pressures and purities, including a crude argon production option.

"We are pleased that Tesoro has selected Air Products to supply their oxygen requirements," stated Jeffry Byrne, Air Products' regional vice president for the Chemical and Process Industries in North America. "Our product-based plant design has experienced strong market success since we introduced it in 1998. Its cost-effective design, and our ability to truly understand our customers' requirements, enables us to efficiently engineer and construct plants that offer our customers exceptional reliability and safety."

Tesoro will utilize oxygen produced by the plant in its fluidized catalytic cracker, which is being modified as part of an overall \$94 million refinery project at its Anacortes facility. This complex, high-conversion refinery processes 110,000 barrels per day of crude feedstocks into a variety of transportation and heating fuels.

Crude argon from the plant will be purified at Air Products' Puyallup, Wash. plant for supply to a broad range of growing markets in the Pacific Northwest, including the electronics, metals processing and non-ferrous metals industries.

The product-based plant was co-designed by Air Products' air separation groups in the United States and England. It utilizes standardized components to realize cost efficiencies in plant design, materials procurement and execution. Construction timelines for ASUs utilizing the product-based plant can be up to 25 percent shorter than those experienced with traditional ASUs.

Tesoro Northwest Company is the trade name for Tesoro West Coast Company, a subsidiary of Tesoro Petroleum Corporation, a rapidly growing independent energy company headquartered in San Antonio, Tex., with revenues of \$5 billion in 2000. The company produces a wide variety of petroleum products through its three oil refineries and is one of the largest independent refining and marketing companies in the western United States.

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.

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