



Bank of America 36th Annual Investment Conference



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Forward Looking Statement

This document contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management’s reasonable expectations and assumptions as of the date the statements are made but involve risks and uncertainties. These risks and uncertainties include, without limitation: the performance of stock markets generally; developments in worldwide and national economies and other international events and circumstances; changes in foreign currencies and in interest rates; the cost and availability of electric power, natural gas and other raw materials; the ability to achieve price increases to offset cost increases; catastrophic events; the ability to attract, hire, and retain qualified personnel; the impact of changes in financial accounting standards; the impact of tax and other legislation and government regulation in jurisdictions in which the company operates; the cost and outcomes of litigation and regulatory agency actions; continued timely development and market acceptance of new products and applications; the impact of competitive products and pricing; future financial and operating performance of major customers and industries served; and the effectiveness and speed of integrating new acquisitions into the business. These risks and uncertainties may cause actual future results or circumstances to differ materially from the projections or estimates contained in the forward-looking statements. The company assumes no obligation to update or provide revisions to any forward-looking statement in response to changing circumstances. The above listed risks and uncertainties are further described in Item 1A (Risk Factors) in the company’s latest Annual Report on Form 10-K filed with the SEC which should be reviewed carefully. Please consider the company’s forward-looking statements in light of those risks.

Praxair Delivers.....

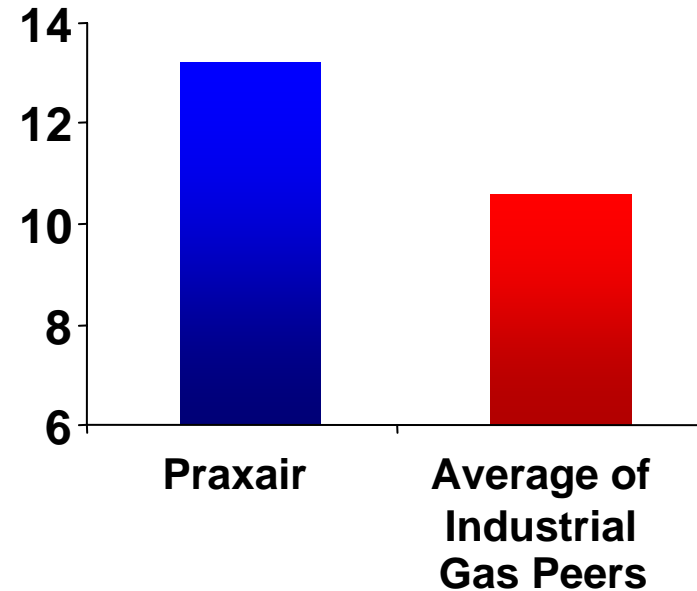
Unique Business Model

- ◆ High return on capital
- ◆ Strong growth
- ◆ Low risk

Superior Execution

- ◆ Capital discipline
- ◆ Focused growth program
- ◆ Six Sigma productivity
- ◆ Hands on leadership

2005 ROC %



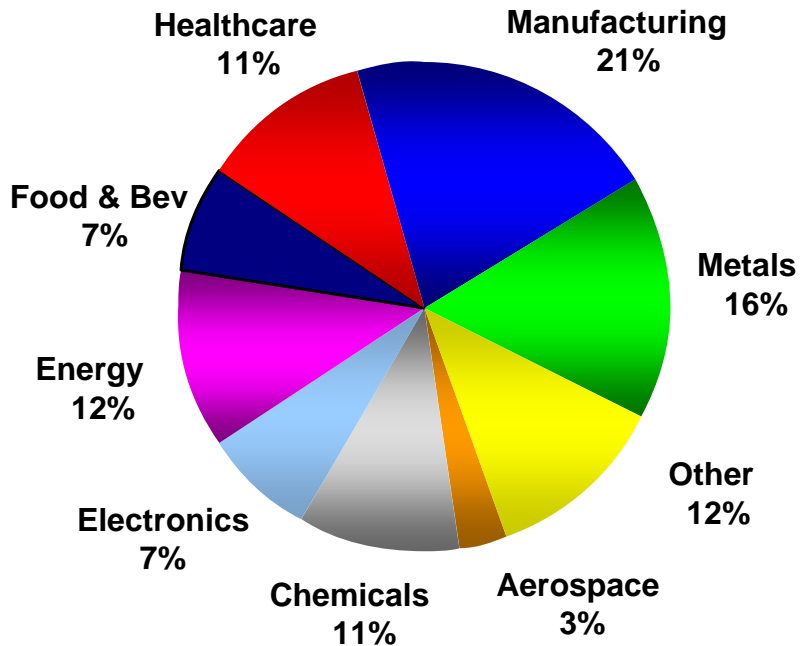
Favorable Outlook

- ◆ Energy opportunities abound
- ◆ Infrastructure rebuilding
- ◆ Asia and South America
- ◆ Applications technology

Diverse End Markets

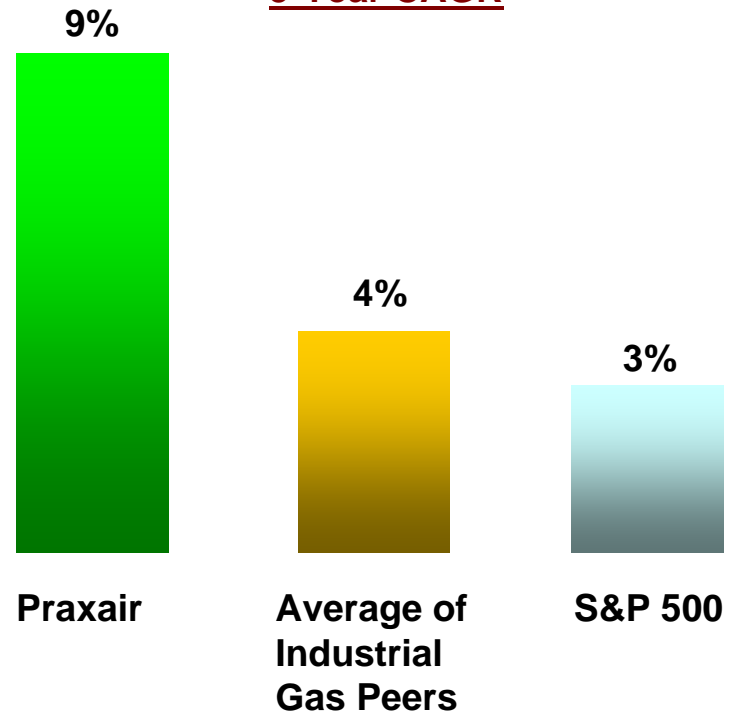
2005 Sales \$7,656 MM

End Markets



Sales Growth

5-Year CAGR



Customer diversity delivers growth and stability

Energy Conservation Technologies

◆ Higher energy efficiency

–10-15% fuel savings

◆ Higher throughput

–10-20% increase

◆ Less emissions

–80-90% NOx reduction

Steel



Blast furnace coal injection

Glass



New oxyfuel burner

Refining



Process heaters

Aluminum



Remelting furnaces

Utilities



Reduced NOX emissions

PX commercializes 20+ new application technologies per year

South America Growth Opportunities

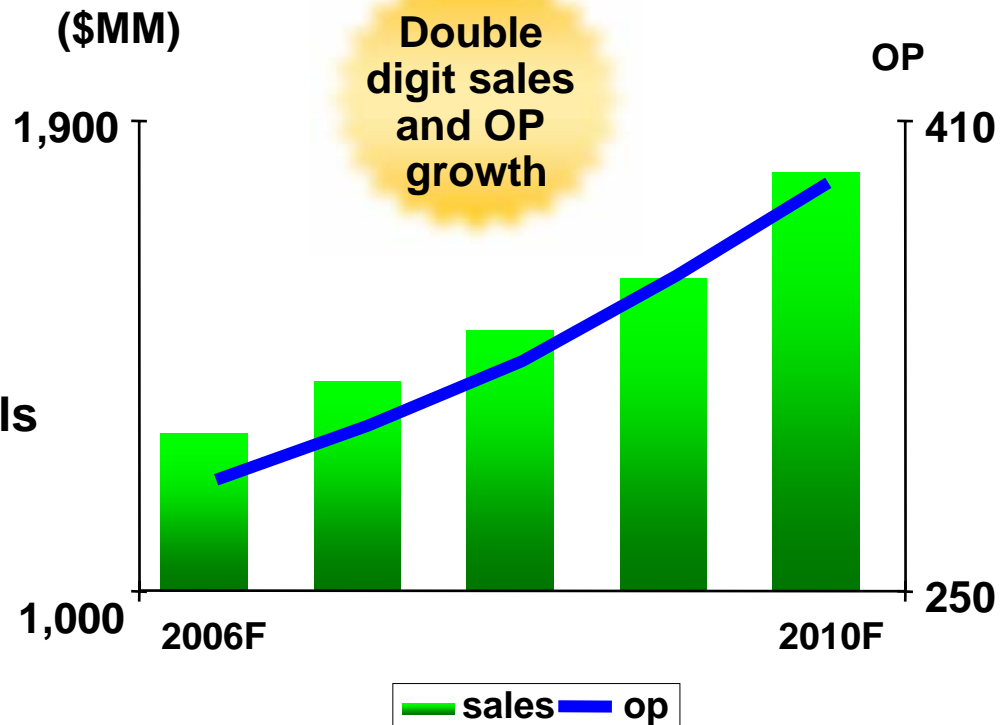
Strong On-site Position

- ◆ 82% market share - 92% win rate
- ◆ Recent wins - steel:
 - Gerdau, Arcelor, Techint
- ◆ Recent wins - pulp and paper:
 - Suzano, Botnia

Exploiting Energy Markets

- ◆ Conversions from alternative fuels
- ◆ JV with Petrobras for LNG distribution
- ◆ Energy is becoming a \$150MM business

Sales Forecast



New capital investment indexed to US Dollars

Praxair China

◆ Leading position in China

– 11 JV's and 13 subsidiaries

◆ Petrochemical Parks

- Shanghai, Caojing
- Daya Bay, Nanhai

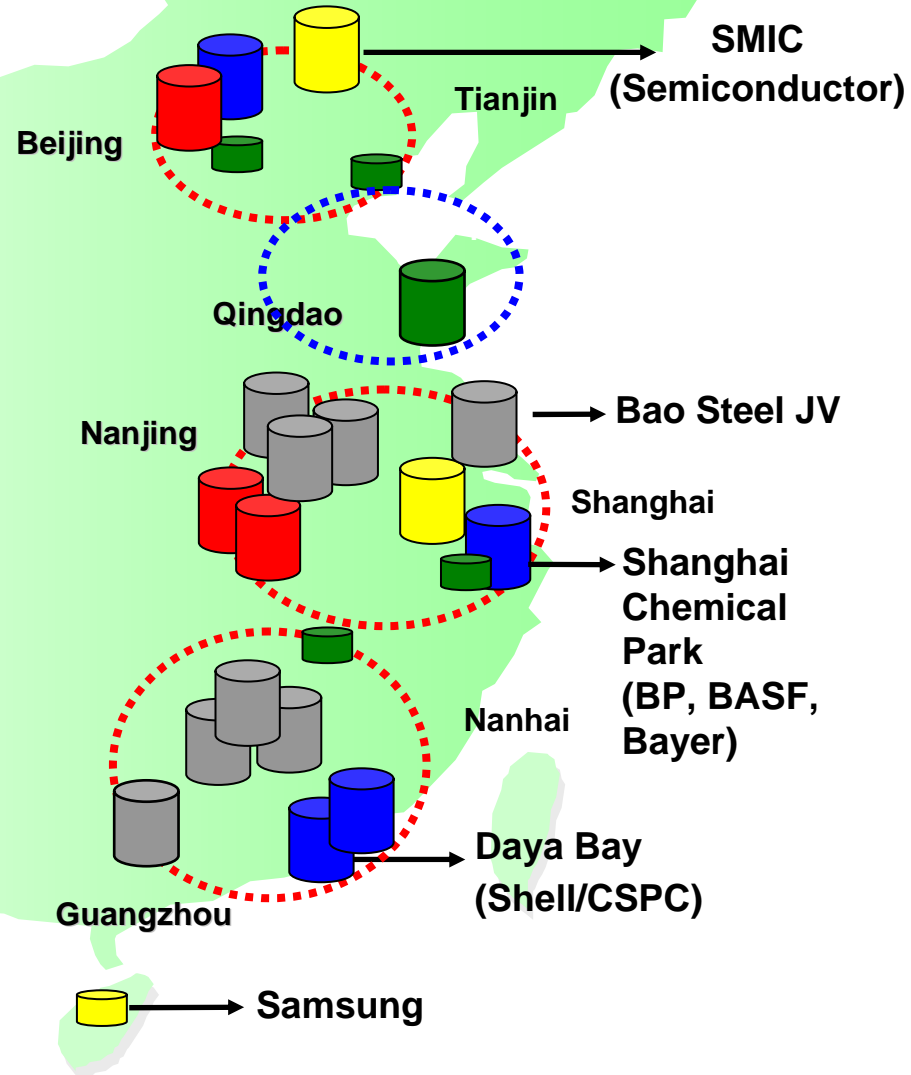
◆ Metals

- Shanghai
- Guangzhou

◆ Electronics

- Beijing
- Shanghai

 CO₂ Plant  Other



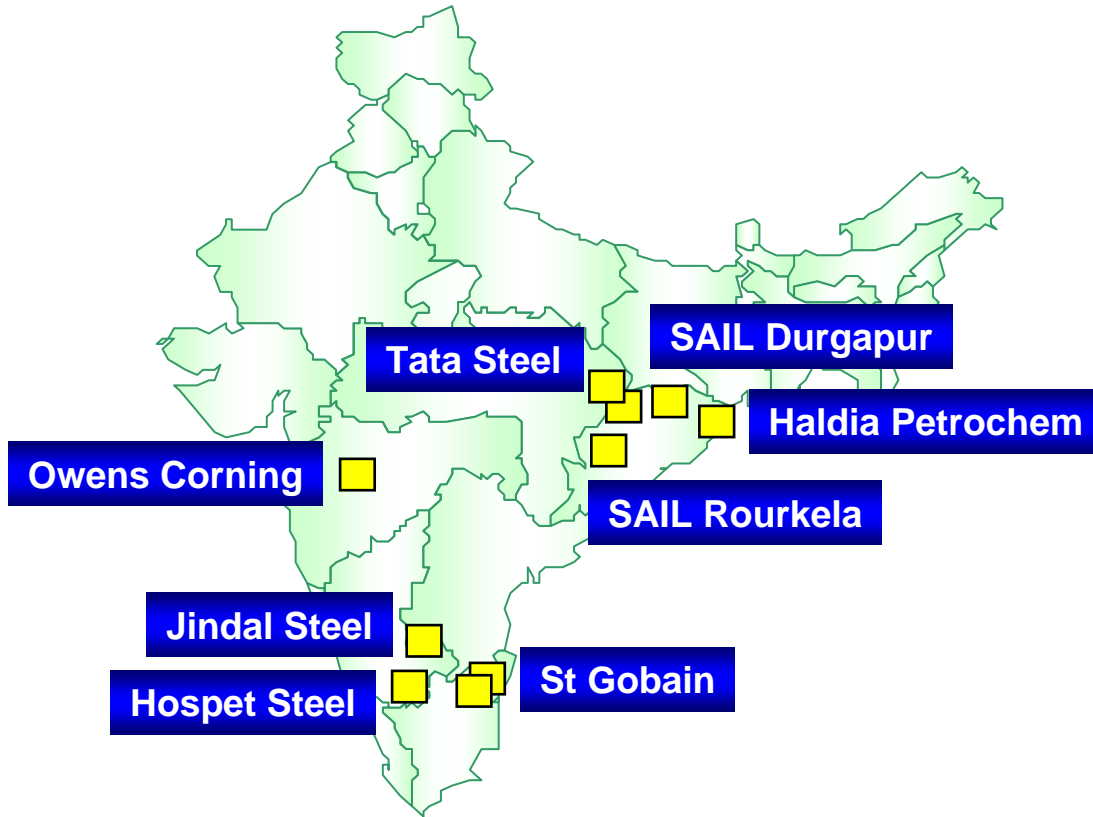
Develop Key Pipeline Complexes - Daya Bay, China



- ◆ \$4 B petrochemical investment - Shell and CNOOC
- ◆ O₂ and N₂ supply
- ◆ Expanding infrastructure - N₂ to Mitsubishi Petrochemical
- ◆ CNOOC is building a complex refinery for Phase 2
- ◆ Site enables capacity expansion

Multiple future opportunities

Expanding Presence in India



<u>Project</u>	<u>Start-up Date</u>
Tata Steel II	April 2008
SAIL Durgapur	April 2008
SAIL Rourkela	April 2008
Owens Corning	July 2007
Hospet Steel	Aug 2006
St Gobain II	Nov 2005
Tata Steel I	Oct 2005

The future is now

India - Growth Opportunities

Petrochemicals

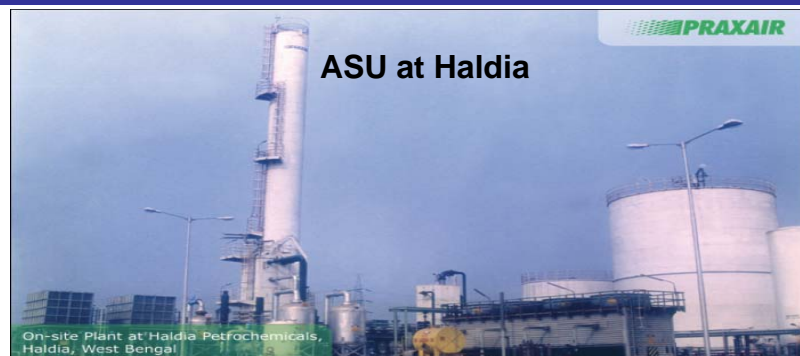
- ◆ Supplier to Haldia
- ◆ Multiple on-site opportunities
 - N₂ for purging, inerting, conveying
 - O₂ for MEG manufacture
 - India Oil Company

Manufacturing

- ◆ Argon and spec gases for metfab
- ◆ Exports require “pretty welds”
- ◆ Oxygen for combustion
- ◆ Nitrogen for inerting, blanketing

Pharmaceuticals

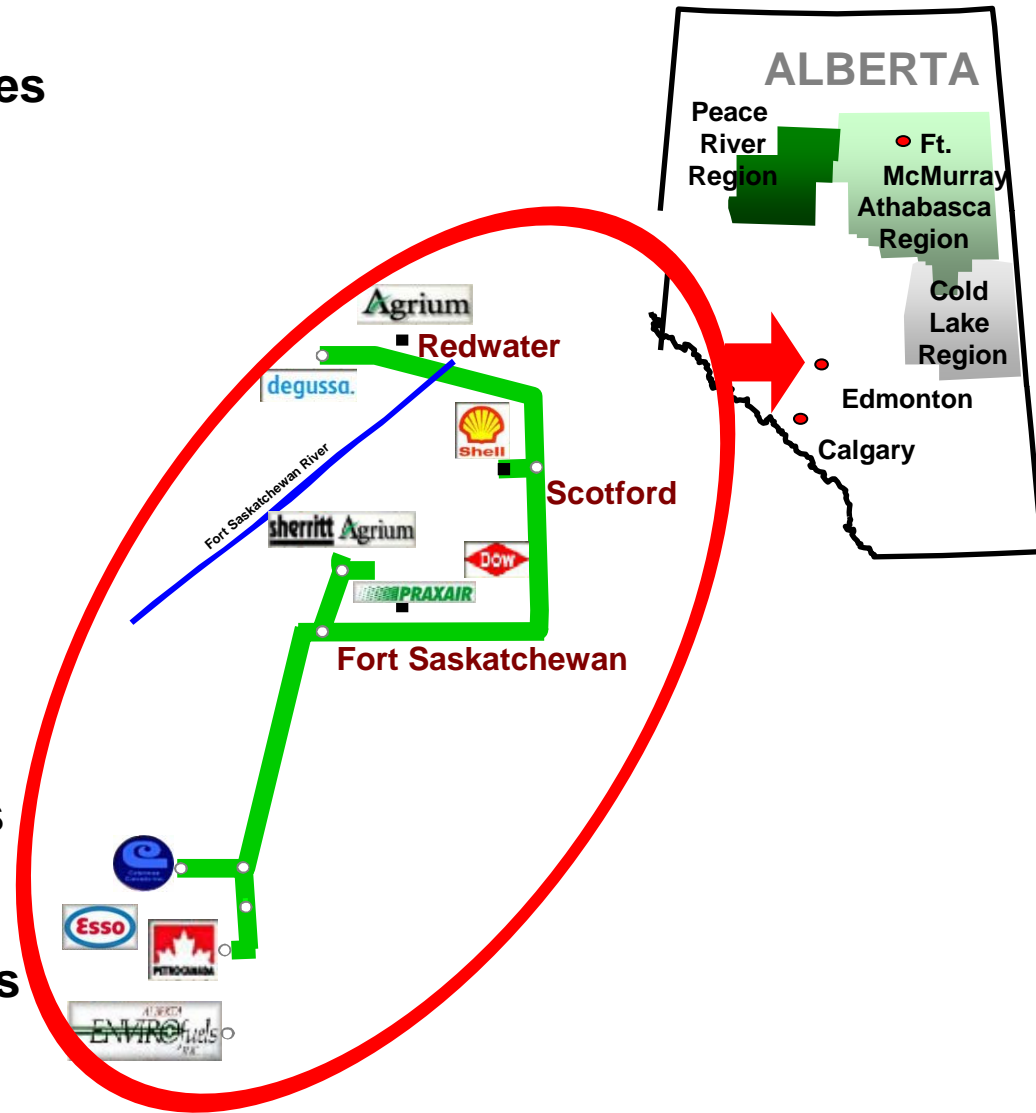
- ◆ Nitrogen for cryo cooling of reactors, fermentation
- ◆ Oxygen for wastewater treatment



Robust demand for PX application technologies

Canadian Oil Sands

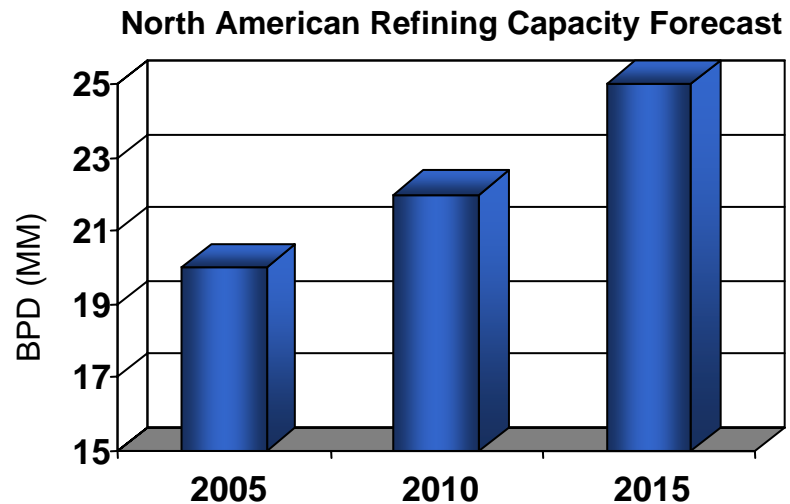
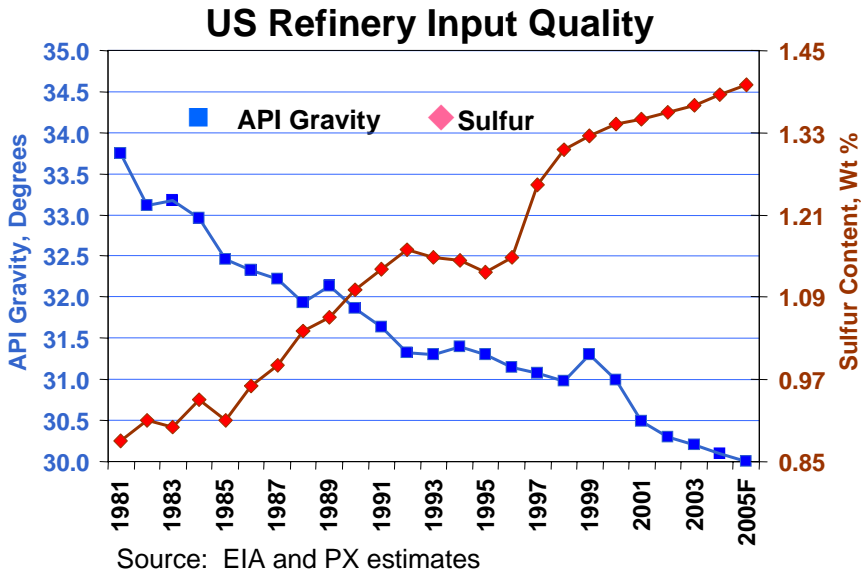
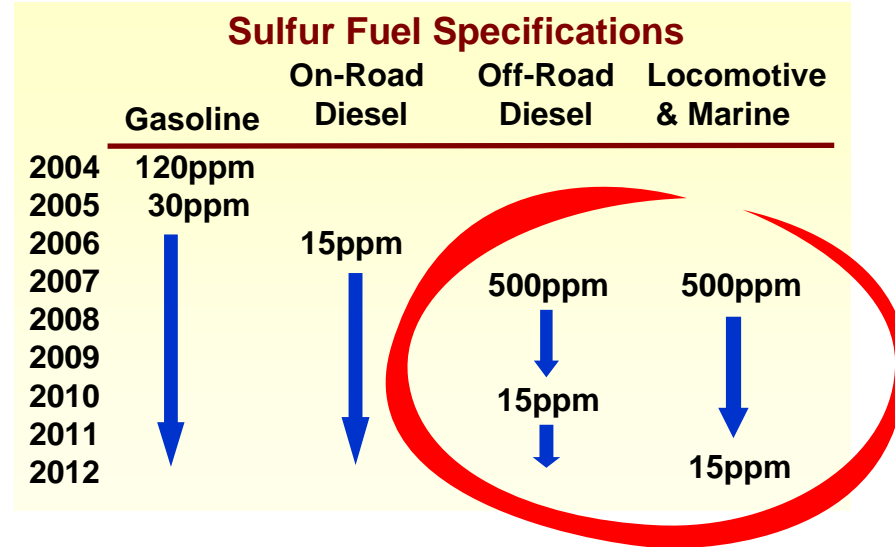
- ◆ 175 B barrels of proven reserves (second only to Saudi Arabia)
- ◆ Current production of 1.1 MM bpd expected to triple by 2015
- ◆ Over 2.0 B SCFD of additional H₂ for upgrading bitumen
- ◆ Bitumen will be increasingly upgraded outside Ft. McMurray in Canada and US
- ◆ Large O₂ requirements for proposed gasification projects
- ◆ Pipeline system strategically located near proposed projects



Praxair well positioned for future H₂, O₂ and N₂ opportunities

Refining Demand for Hydrogen

- ◆ Low sulfur fuel regulations
- ◆ Heavy crude upgrading
- ◆ Planned refinery expansions to process heavy crude
- ◆ Replacing refineries old reformers

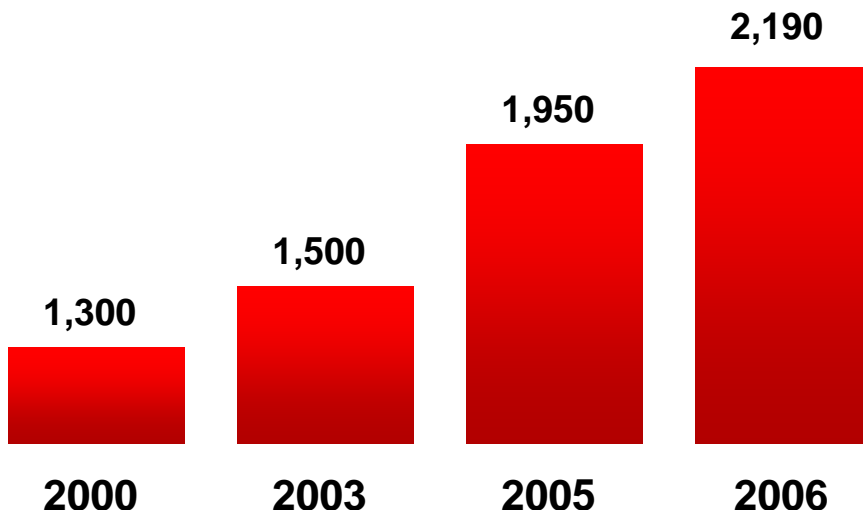


Environmental, economic and capacity additions driving H₂ demand

Strong Drivers for North American Gas Well Fracturing

- ◆ **More low permeability wells being drilled**
 - Tight sands
 - Coal bed methane
 - Gas shale
- ◆ **Natural gas prices above \$4/MMBtu will sustain active drilling**
- ◆ **Praxair best positioned**
 - Location
 - Expertise
 - Relationships
 - Supply contracts

North American Rig Count

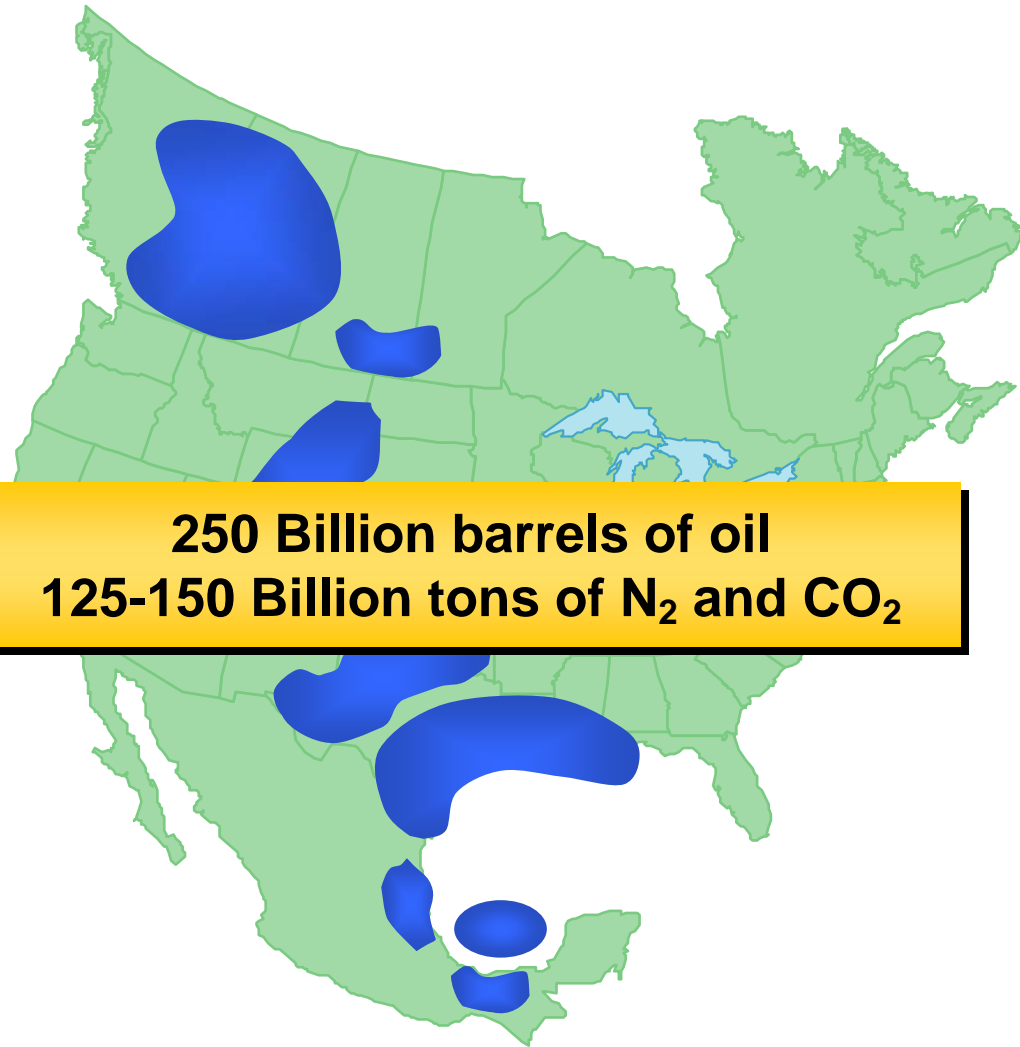


Source: Baker Hughes, Spears and Associates

Well completions increasing through 2007 and remaining strong

Enhanced Oil Recovery (EOR)

- ◆ 3rd stage of oil production
- ◆ Proven techniques
 - N₂
 - CO₂
- ◆ Oil prices above \$35 support EOR
- ◆ Growing target base as fields mature
- ◆ 19 EOR projects



**250 Billion barrels of oil
125-150 Billion tons of N₂ and CO₂**

Source: DOE Basin Studies, UT BEG, AE & UB, Pemex

Oil well services revenues growing 20 - 25% per year

Unlocking Energy With Industrial Gases

Gasification

Coal
Petcoke and
other resids



Synthesis gas (H₂/CO)



Power
H₂
Fuel

GTL - Gas to Liquids

CTL - Coal to Liquids



Liquid petroleum products
and chemicals

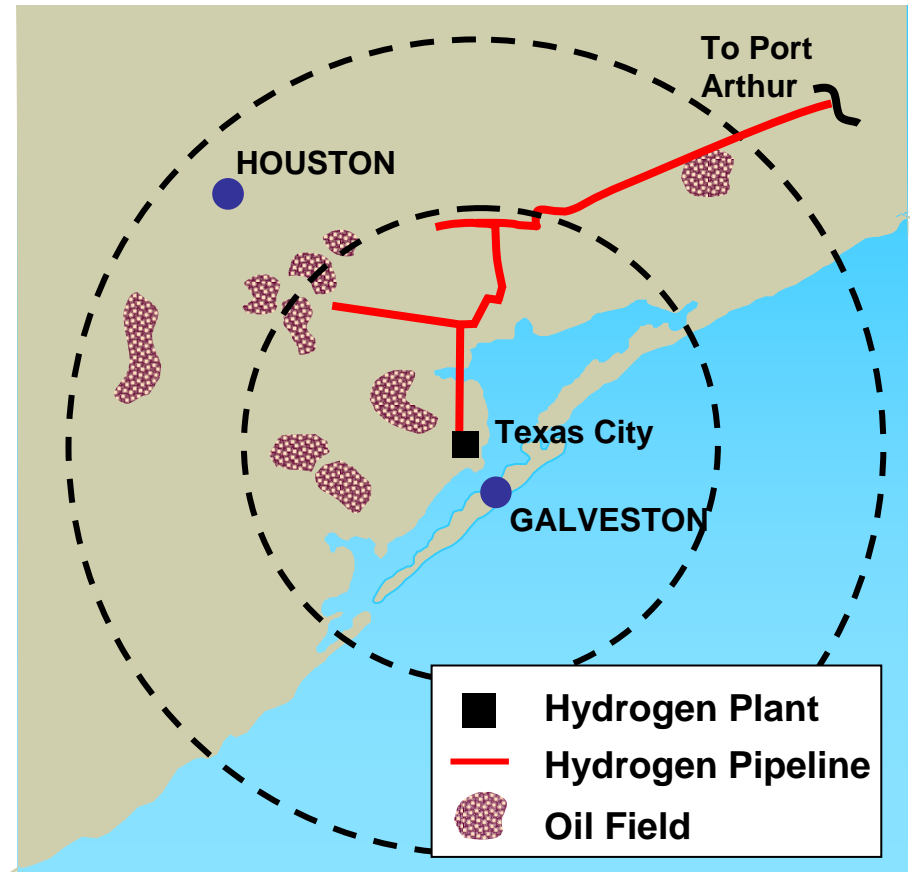
LNG - Liquefied Natural Gas

Natural gas liquefied in remote regions and transported to high demand regions

High energy prices drive alternative technologies

CO₂ Capture and Sequestration

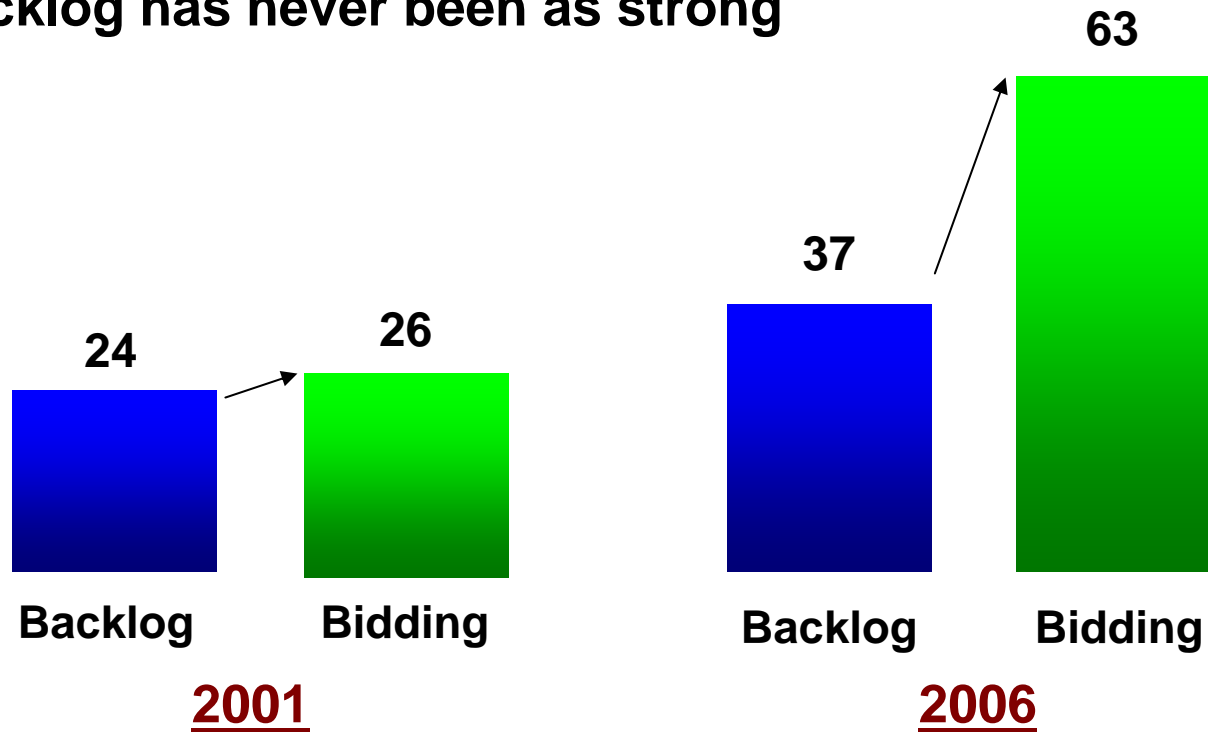
- ◆ **Developing cost effective CO₂ capture technology**
 - Strengths in capture, purification, and distribution
 - Founding member of Gulf Coast Carbon Center
- ◆ **Creating CO₂ sources near applicable oil fields**
 - Increasing oil production while reducing greenhouse gases
- ◆ **Regulatory and environmental benefits**



Improving the environment and making money

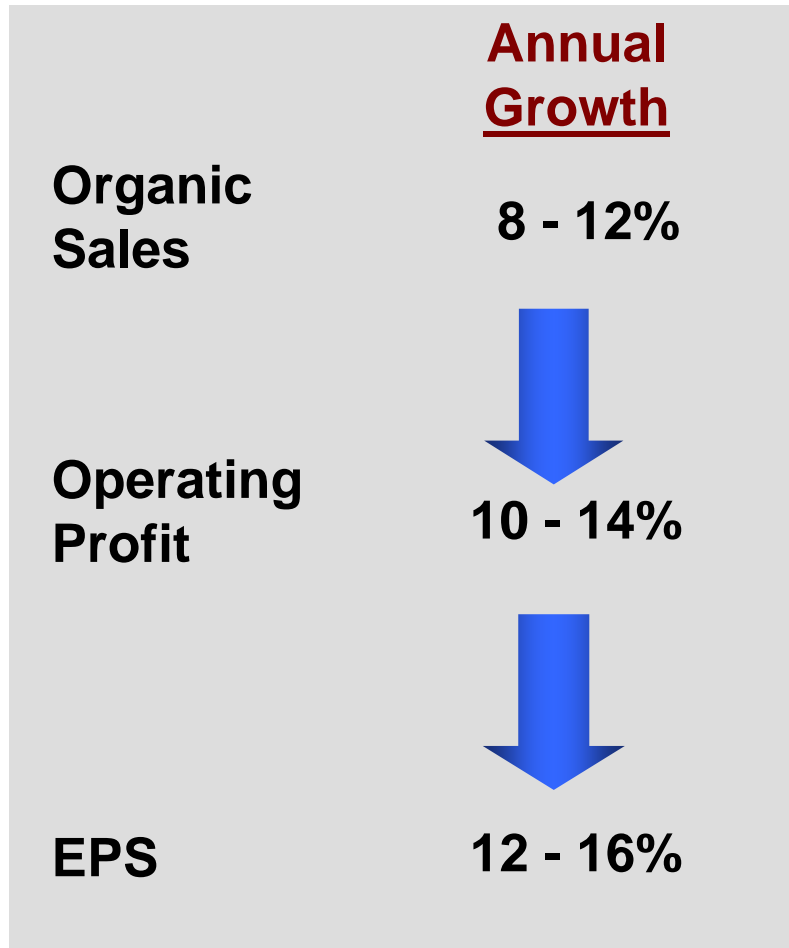
Environment Is Positive

- ◆ Global economy remains on sound footing
- ◆ Praxair benefiting from additional secular trends
- ◆ Our backlog has never been as strong

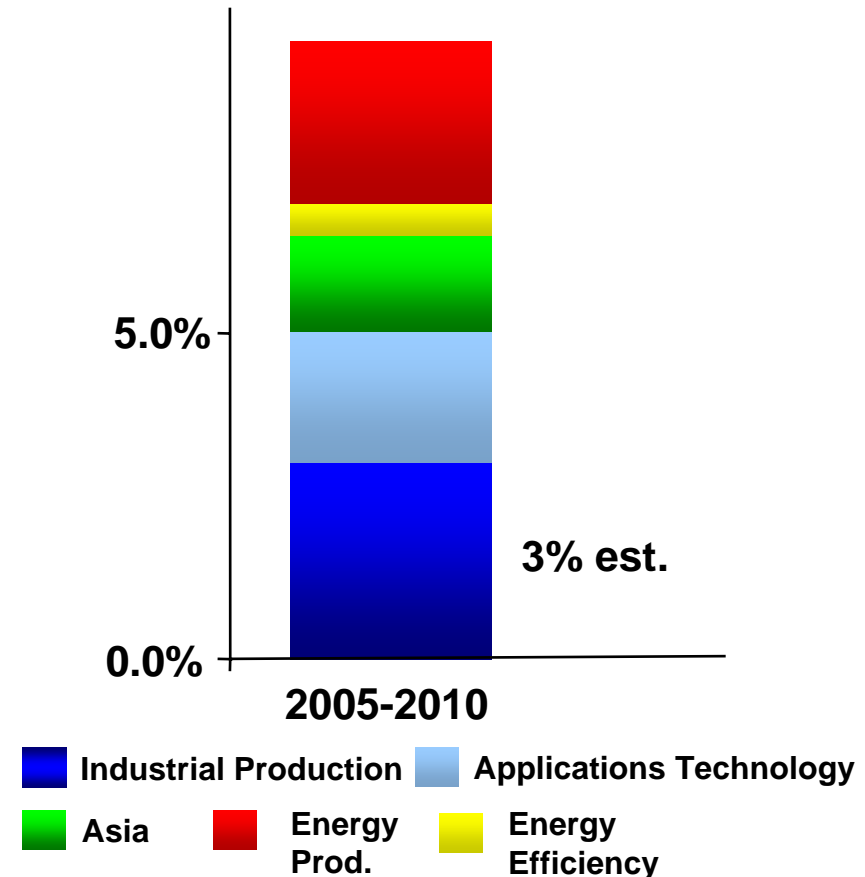


High growth environment for at least 3 to 5 years

Robust Outlook Through 2010



Sales Growth %



We are committed to bringing growth to the bottom line!

Principles of Sustainability

Governance and Integrity

Foster a culture of integrity and accountability throughout the company through rigorous compliance with all laws, and by establishing and following effective corporate governance practices.

Customer Commitment

Continuously develop new products and applications that help our customers improve their productivity, energy efficiency and environmental performance. Provide the highest levels of service, reliability and quality to our customers.

Environmental Responsibility

Continue to improve the efficiency of energy consumption. Reduce the intensity¹ of air emissions, including greenhouse gases.

Employee Safety and Development

Maintain a safe work environment with a goal of zero accidents. Provide training and career opportunities that allow employees to develop to their fullest potential. Increase the diversity of our workforce so that it is more representative of the communities in which we operate.

Community Support

Help to improve the welfare and future of the communities in which we operate by sharing our knowledge, expertise and resources related to environmental protection, and community health, safety and security.

Financial Performance

Continuously improve our financial performance and provide attractive returns to our shareholders. Generate operating cash flow to reinvest in business growth and pay dividends.

¹Intensity is per-unit-of-production measure

