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

Favorable Outlook

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

2005 ROC %
Diverse End Markets

2005 Sales $7,656 MM

End Markets

- Healthcare 11%
- Manufacturing 21%
- Metals 16%
- Energy 12%
- Electronics 7%
- Chemicals 11%
- Aerospace 3%
- Food & Bev 7%
- Other 12%

Sales Growth

- Praxair: 9%
- Average of Industrial Gas Peers: 4%
- S&P 500: 3%

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

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

Prudential Industrials Conference – Mt. Snow, VT – 9/28/06
Develop Key Pipeline Complexes - Daya Bay, China

- $4 B petrochemical investment - Shell and CNOOC
- $O_2$ and $N_2$ supply
- Expanding infrastructure - $N_2$ to Mitsubishi Petrochemical
- CNOOC is building a complex refinery for Phase 2
- Site enables capacity expansion

Multiple future opportunities
Expanding Presence in India

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

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

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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

<table>
<thead>
<tr>
<th>Year</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>1,300</td>
</tr>
<tr>
<td>2003</td>
<td>1,500</td>
</tr>
<tr>
<td>2005</td>
<td>1,950</td>
</tr>
<tr>
<td>2006</td>
<td>2,190</td>
</tr>
</tbody>
</table>

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

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

Oil well services revenues growing 20 - 25% per year

250 Billion barrels of oil
125-150 Billion tons of N₂ and CO₂
Unlocking Energy With Industrial Gases

Gasification

Coal
Petcoke and other resids

\[ \text{Synthesis gas (H}_2\text{/CO)} \]

Power
\[ \text{H}_2 \]
Fuel

GTL - Gas to Liquids

Liquid petroleum products and chemicals

CTL - Coal to Liquids

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 %**
- **Organic Sales Growth** 8 - 12%
- **Operating Profit Growth** 10 - 14%
- **EPS Growth** 12 - 16%

**Sales Growth %**
- Industrial Production: 3% est.
- Applications Technology: 5.0%
- Asia: 0.0%
- Energy Prod.: 0.0%
- Energy Efficiency: 0.0%

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 intensity\(^1\) 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.

\(^1\)Intensity is per-unit-of-production measure