

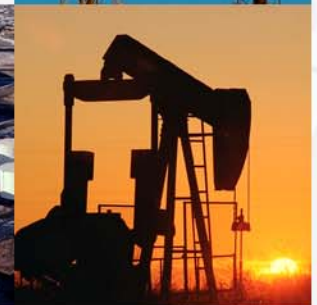


UBS Grass Roots Conference

Oil and Gas Opportunities in Canada

Rob Hossack
Managing Director
Praxair Canada, Inc.

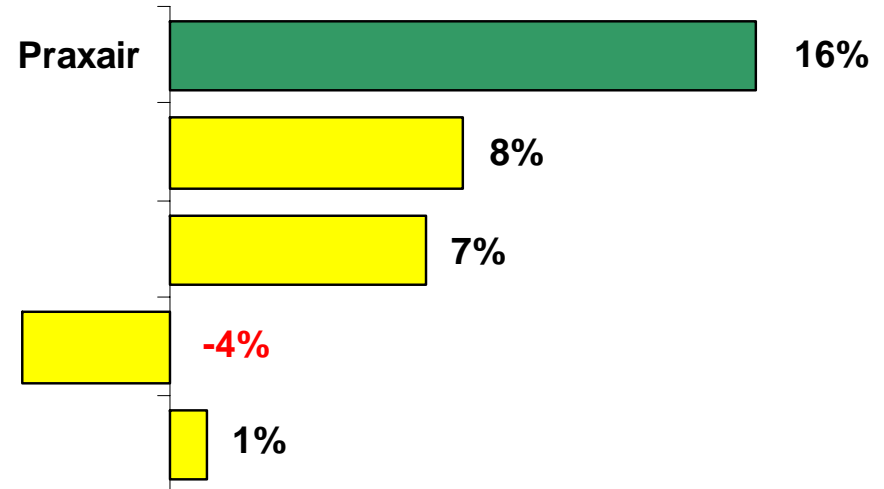
February 9, 2006



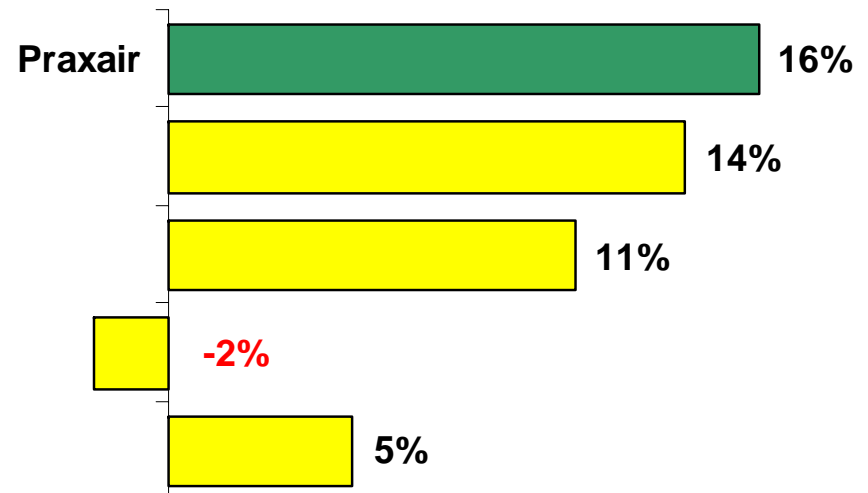
This document contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management’s reasonable expectations and assumptions as of the date the statements are made, but involve risks and uncertainties. These risks and uncertainties include, without limitation: the performance of stock markets generally; developments in worldwide and national economies; the cost and availability of electric power, natural gas and other raw materials; the ability to achieve price increases to offset cost increases; the degree of inflation in wages and other compensation; the ability to attain expected operational efficiencies; changes in foreign currencies and interest rates; continued timely development and market acceptance of new products and applications; the impact of competitive products and pricing; 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; 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 statements in response to changing circumstances.

- ◆ Focus on 11 core geographies
 - Optimize co-product economics
 - Leverage regional density
- ◆ Fuel growth platforms
 - Refinery hydrogen
 - Enhanced oil and gas recovery
 - China, India
 - Healthcare
 - Electronics
- ◆ Drive operational excellence
 - Applications growth
 - Pricing, contracting
 - Six Sigma, productivity

2005 Sales Growth vs Competitors

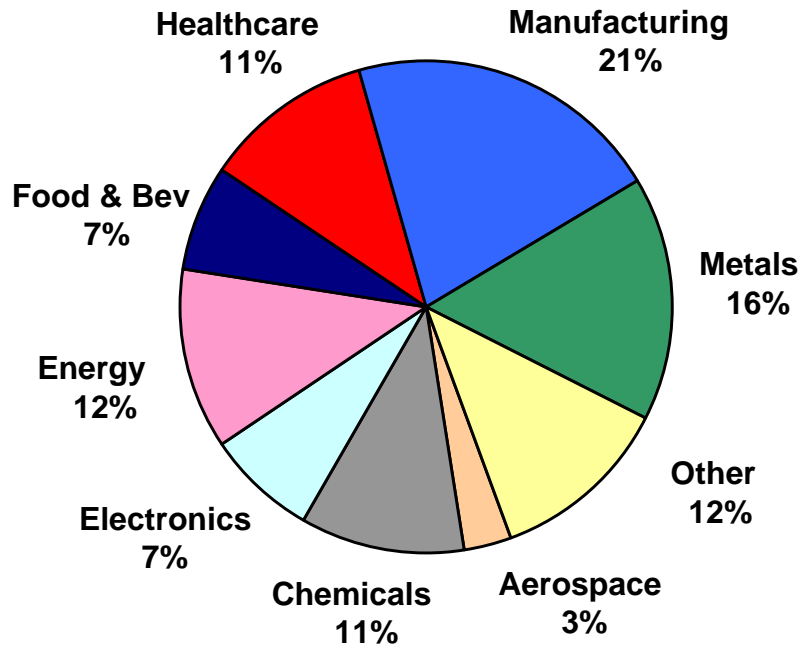


2005 OP Growth vs Competitors

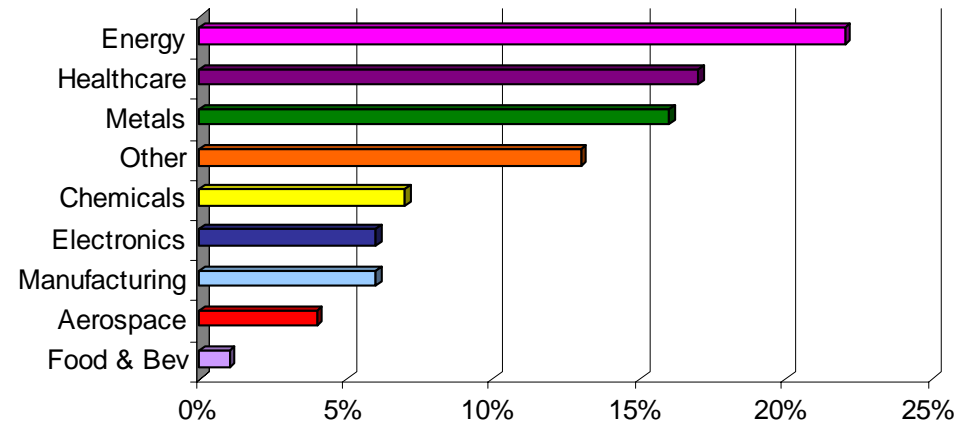


2005 Sales \$7,656 MM

End Markets



Sales Growth



CAGR 2001-2005

Customer diversity delivers growth and stability

“Terms of Trade” Drive Return on Capital

On-Site/Pipeline Supply - 26%*



- ◆ 15 year take or pay contracts
- ◆ Escalation formulas – Electricity/Gas, Inflation, Currency exposure
- ◆ Price recovers fixed and capital costs

Merchant Liquid Supply - 30%*



- ◆ 5 year requirements contracts
- ◆ Sourced as by-product from on-site
- ◆ Limited distribution range – 200/250 miles

Packaged/Medical Gases - 33%*



- ◆ Cylinder and equipment rental
- ◆ 40% gases revenues under contract
- ◆ Sourced as by-product from bulk

% of 2005 Sales of \$7,656MM

Pricing leverage – small fraction of customers' costs

Unrivalled Canadian Network



2005 Sales \$770 MM

- ◆ 40%+ market share
- ◆ 16% average annual OP growth since 2002
- ◆ 1,500 employees

Onsite and Bulk Gases

- 45 production plants
- 2,000 customer locations
- 300 distribution vehicles
- 4 pipeline enclaves

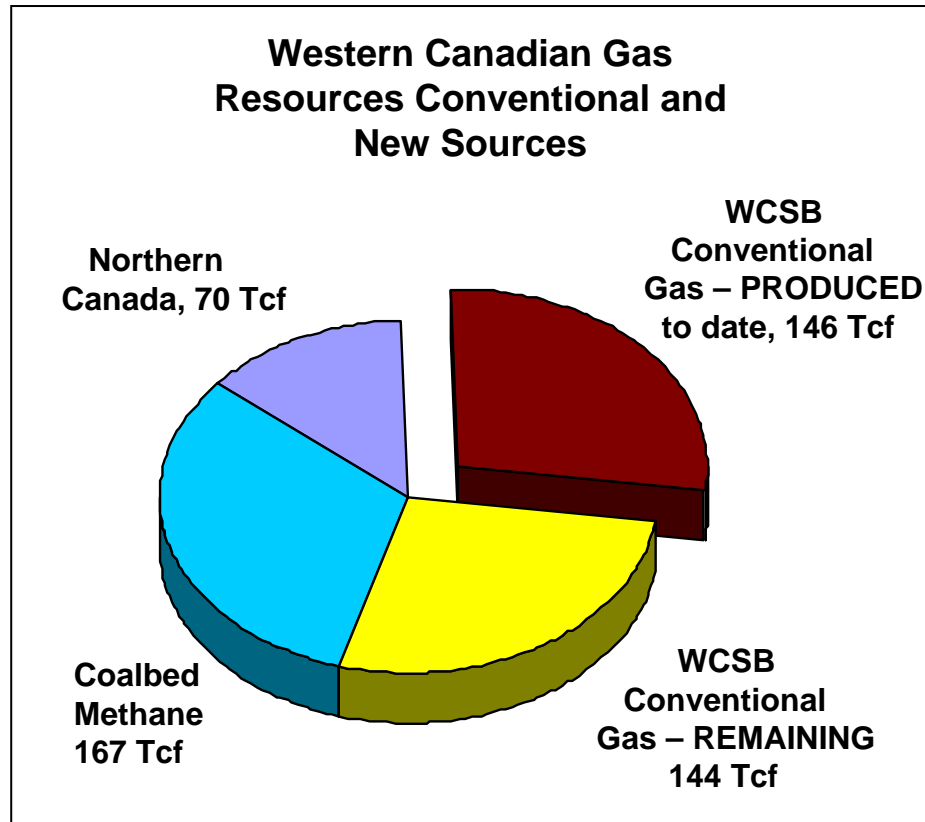
Packaged Gases

- 120 branches
- Over 200,000 customers



Sales growing to \$1 Billion by 2008

- ◆ **Canada is the world's 3rd largest natural gas producer**
 - Represents 25% of North American natural gas production and growing
- ◆ **Canada is the world's 9th largest crude oil producer**
 - Moving up the list quickly with oil sands production increasing
- ◆ **Canada is the largest supplier of energy to the United States**

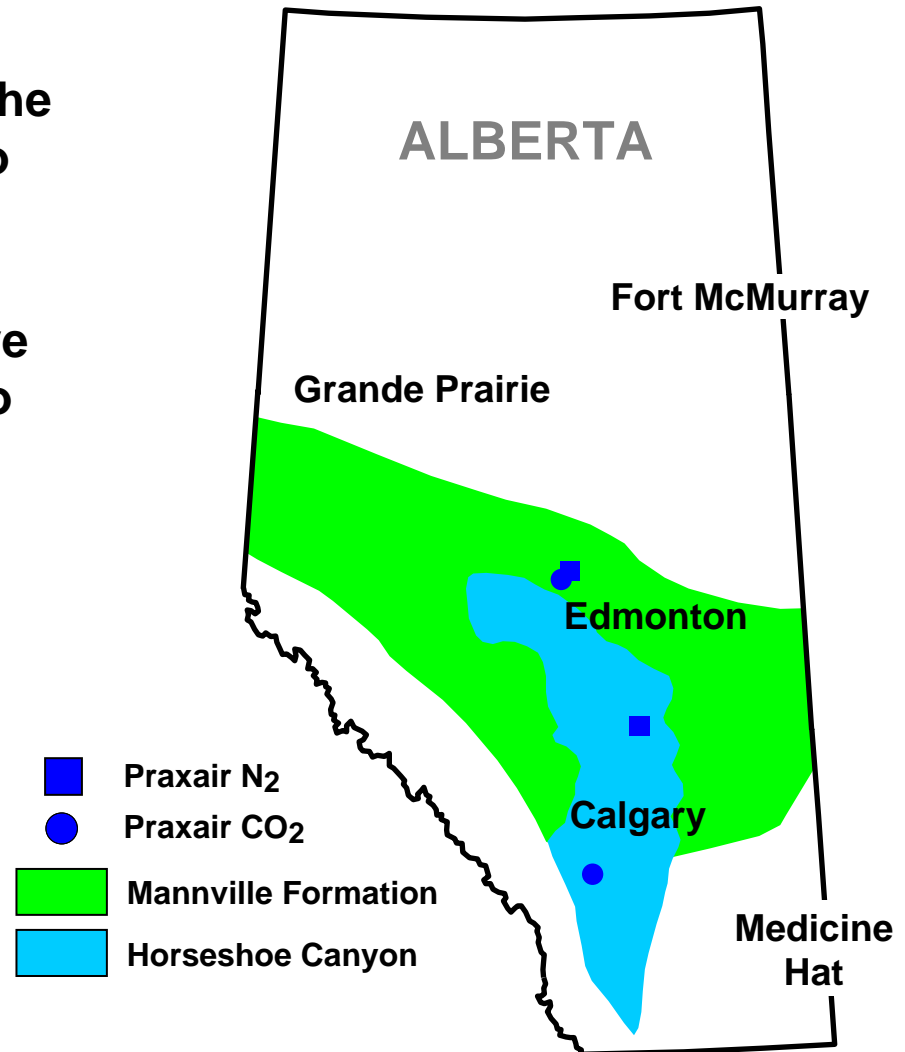


Source: Alberta Energy & Utilities Board / National Energy Board, CERl

Strong demand & high prices driving energy related opportunities

Gas Well Fracturing – “Stimulation”

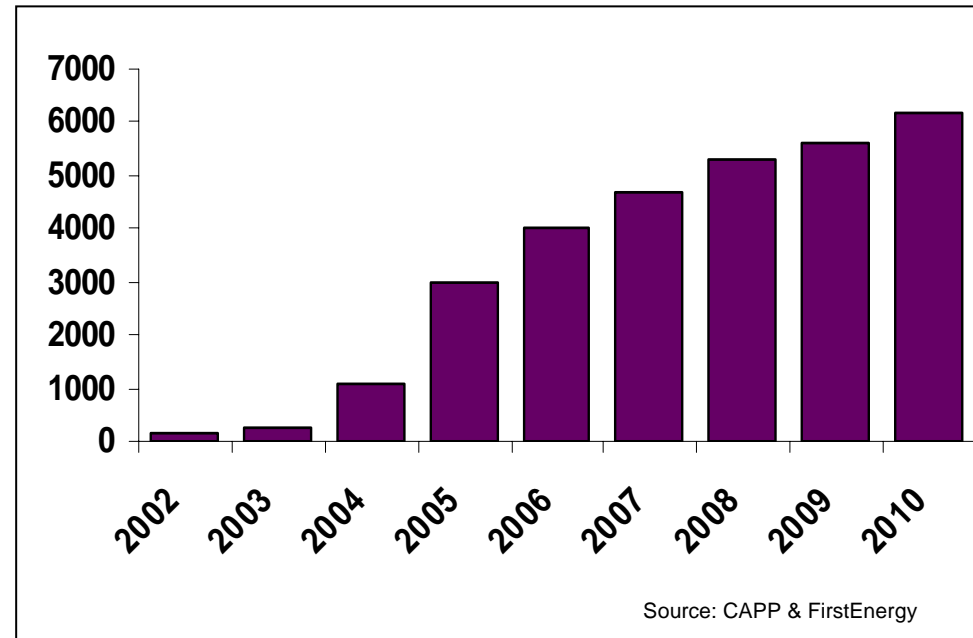
- ◆ High pressure N₂ or CO₂ cracks the reservoir formation to allow gas to flow more freely to the wellhead
- ◆ Coalbed Methane (CBM) wells have multiple coal seams requiring 5 to 10 times more N₂ to fracture than conventional shallow gas wells
- ◆ Alberta’s Horseshoe Canyon is current area of focus
- ◆ Drilling activity in Mannville formation expected to gain momentum within 1 - 2 years



CBM drilling is driving exponential growth in N₂ demand

- ◆ Natural Gas prices above \$4/MMBtu will sustain drilling/fracing
- ◆ Potential to exceed 60,000 wells in Horseshoe Canyon, requiring over \$1.0B of N₂
- ◆ Oil well service companies investing in new fracing crews and equipment

Coalbed Methane Wells Drilled in Western Canada by Year



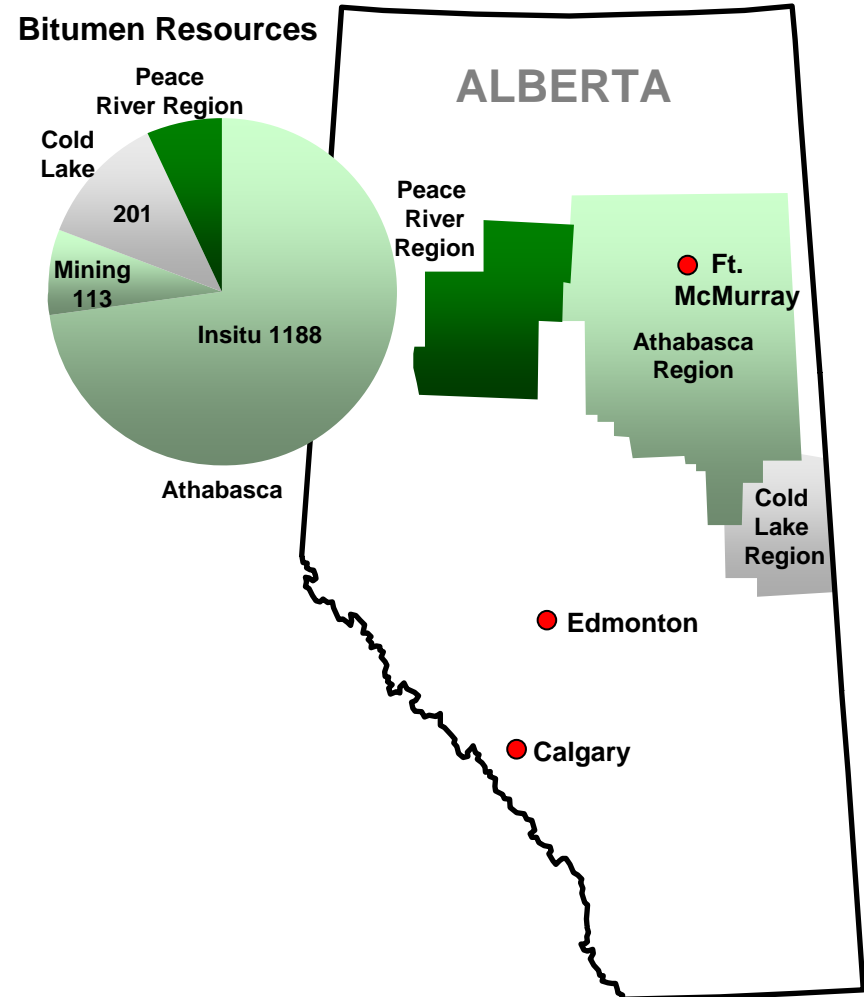
Sustained activity levels for the next 10 years

- ◆ Over 60% N₂ market share
- ◆ Broad market coverage - 15 of 20 service companies contracted with Praxair
- ◆ Expanding N₂ production capacity from 500TPD to 2700TPD
- ◆ Expanding service offerings - filling, transportation & logistics, storage and equipment repair
- ◆ Praxair best positioned
 - Location
 - Expertise
 - Relationships



2005 revenues of \$260 million in North America growing 25% p.a.

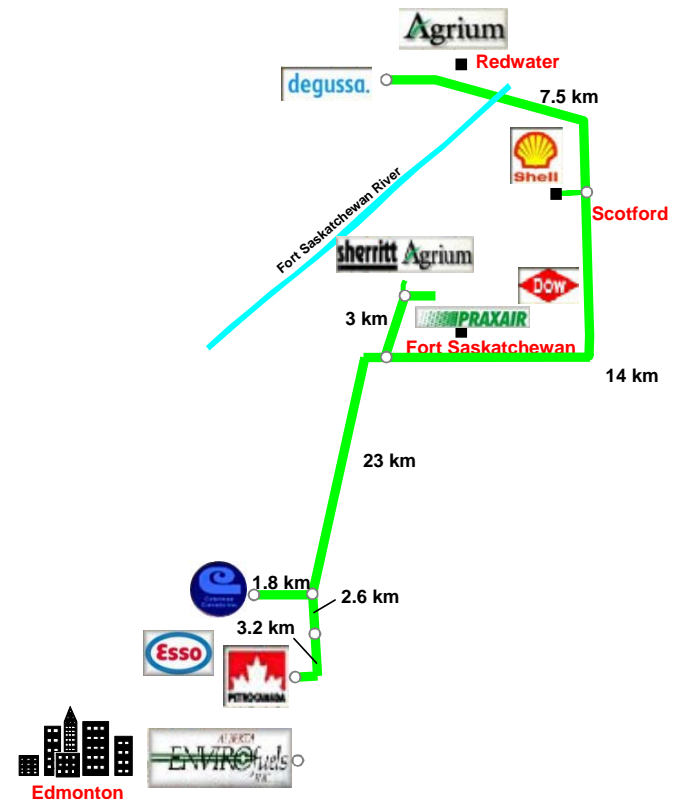
- ◆ 175 B barrels of proven reserves (second only to Saudi Arabia)
- ◆ Current production of 1.1 MMBbl/d projected to grow to over 3.0 MMBbl/d by 2015
- ◆ Over 1.0B SCFD of additional H₂ will be required for upgrading bitumen by 2010 – 2012
- ◆ Proposed gasification projects will create large oxygen requirements
- ◆ Bitumen produced will be increasingly upgraded outside Ft. McMurray in Canada and US



Significant amounts of H₂ and O₂ will be required

- ◆ Over 50 km of existing pipeline infrastructure serving multiple customers
- ◆ Pipeline system located in close proximity to most proposed project locations
- ◆ Large fully integrated air separation plant and pipeline complex
- ◆ Strong local operations expertise
- ◆ Refiners more willing to outsource hydrogen requirements

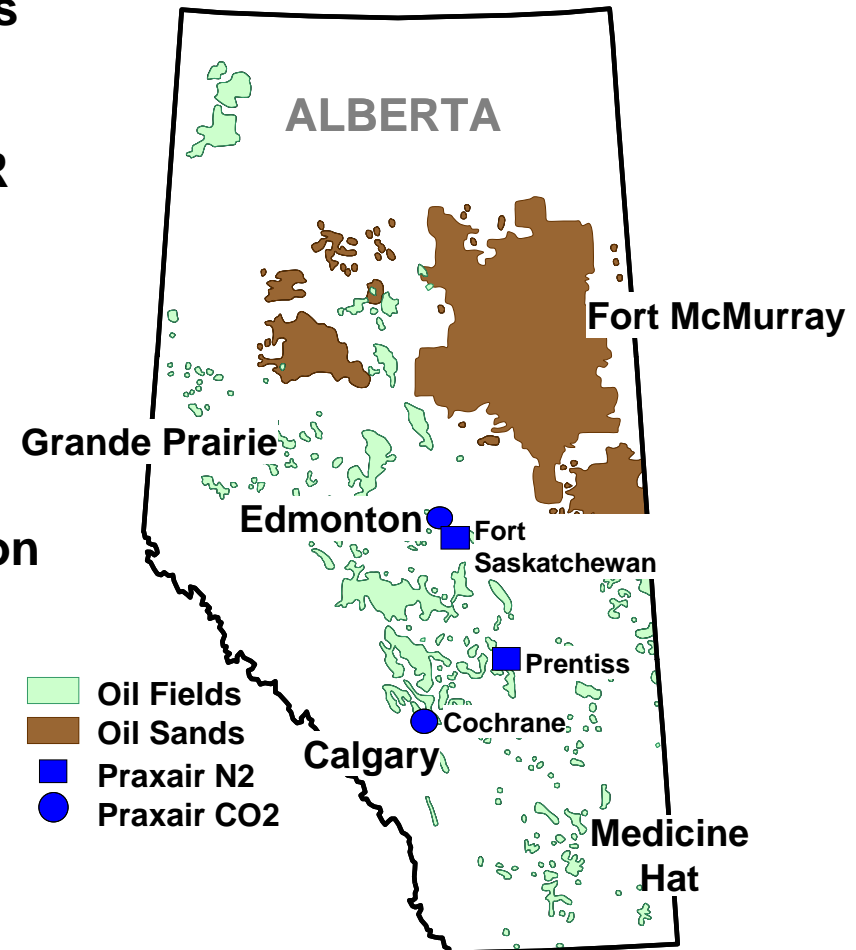
Praxair's Edmonton Pipeline System



Praxair well positioned for future H₂, O₂ and N₂ opportunities

Enhanced Oil Recovery (EOR)

- ◆ Potential to recover billions of barrels of oil
- ◆ N₂ and CO₂ injection are proven EOR methods
- ◆ Demand drivers
 - High oil prices
 - Global supply and demand
 - Depleting conventional production
 - Kyoto Protocol
- ◆ Recent projects
 - Pemex Samaria (Mexico)
 - Occidental Petroleum (USA)



Praxair has 30 years of experience with EOR

- ◆ Oil and gas well fracturing
- ◆ Oil and gas well services
- ◆ H₂ and O₂ for upgrading and refining
- ◆ CO₂ and N₂ for Enhanced Oil Recovery
- ◆ Packaged gases for new construction and ongoing maintenance of facilities
- ◆ Pipeline purging, leak detection services

Praxair Canada well positioned for energy market growth

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

