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 including natural disasters, epidemics and acts of war and terrorism; the ability to attract, hire, and retain qualified personnel; the impact of changes in financial accounting standards; the impact of tax, environmental, home healthcare 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.
Why Praxair?

Key Growth Drivers
- Energy
- Environment
- Emerging economies

Unique Business Model
- Dedicated supply systems
- Long term contracts
- Historically recession resistant

Superior Execution
- Capital discipline
- Focused growth programs
- Six Sigma productivity
- Hands on leadership

2001-2006 CAGR
- Sales: +10%
- Operating Profit: +15%
- Net Income: +20%
- Return on Capital: 15%
Hydrogen Pipeline Enclaves

- Refining H₂ demand doubling next 5 years
  - Low sulfur fuel regulations
  - Heavy crude upgrading
  - Refining expansions
  - Replacing old reformers

- Pipeline system value
  - Lower cost
  - Higher reliability

- Peak shaving hydrogen storage cavern on-stream in 2007

Enclaves deliver superior growth at higher returns
- N₂ or CO₂ injection in large quantities at high pressure
- Incremental production of 10%-30%
- Supportable above $35 oil
- 430 billion barrels technically recoverable in the U.S.
- Praxair - 19 EOR projects

* DOE estimate
**Enhanced Oil Recovery (EOR)**

**Mexico**

- PEMEX Samaria Project - 6,500 TPD N₂ plant
- Second largest N₂ plant in the world for EOR
- Start-up Q3 2007

**North Sea**

- JV with Yara Industrial Gases in Norway
- Nitrogen and CO₂ injection opportunities for EOR

Natural Gas Well Fracturing

- Low permeability wells
  - Tight sands
  - Coal bed methane
  - Gas shale

- NG above $5/MMBtu

- Praxair best positioned
  - Location
  - Expertise and capability
  - Relationships
  - Supply contracts

CO₂ frac job at a well in Colorado

Highly profitable business
## Oxygen Supply for Energy Projects

<table>
<thead>
<tr>
<th>Process</th>
<th>End Products</th>
<th>Drivers</th>
<th>Time Horizon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petroleum coke gasification</td>
<td>H₂ for refining</td>
<td>High NG prices</td>
<td>2012</td>
</tr>
<tr>
<td></td>
<td></td>
<td>High sulfur petcoke</td>
<td></td>
</tr>
<tr>
<td>Coal gasification</td>
<td>Chemical feedstocks</td>
<td>Only alternative</td>
<td>China: NOW</td>
</tr>
<tr>
<td>Integrated Gasification</td>
<td>Power</td>
<td>GHG legislation</td>
<td>2013?</td>
</tr>
<tr>
<td>Combined Cycle (IGCC)</td>
<td></td>
<td>CO₂ capturability</td>
<td></td>
</tr>
<tr>
<td>Oxy-coal combustion</td>
<td>Power</td>
<td>GHG legislation</td>
<td>2013</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CO₂ capturability</td>
<td></td>
</tr>
</tbody>
</table>

Massive O₂ requirements: 3000 – 12,000+ TPD plants
Next decade opportunities in NA
## Oxygen Fuel Combustion

<table>
<thead>
<tr>
<th></th>
<th>Fuel Savings</th>
<th>Capacity</th>
<th>Raw Materials</th>
<th>NOx and CO\textsubscript{2} Emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminum</td>
<td>✔</td>
<td></td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Steel</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Cement</td>
<td></td>
<td>✔</td>
<td></td>
<td>✔</td>
</tr>
<tr>
<td>Glass</td>
<td>✔</td>
<td></td>
<td></td>
<td>✔</td>
</tr>
</tbody>
</table>

- Oxygen is attractive based on any of these benefits
- 1 Ton of oxygen can remove up to 1.25 tons of CO\textsubscript{2}

Combustion applications growing
CO₂ Capture and Sequestration

Praxair Strengths

- Oxy-coal combustion technology
- Global leader in CO₂
  - 90 plants worldwide
- CO₂ capture technologies
  - Separation, purification
- Enhanced Oil Recovery
  - Gulf Coast Carbon Center
- 4 DOE regional partnerships
- Praxair Seeper Trace™
  - CO₂ monitoring/detection services

Praxair is uniquely positioned to provide enabling technologies
# Emerging Economies

<table>
<thead>
<tr>
<th></th>
<th>Mexico</th>
<th>Brazil</th>
<th>China</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td>Praxair Leading Position</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Population</td>
<td>100MM</td>
<td>180MM</td>
<td>1.3B</td>
<td>1.1B</td>
</tr>
<tr>
<td>Industrial Production Growth</td>
<td>5.2%</td>
<td>3.2%</td>
<td>16.3%</td>
<td>9.4%</td>
</tr>
<tr>
<td>Per Capita Gas Consumption</td>
<td>20%</td>
<td>15%</td>
<td>2%</td>
<td>1%</td>
</tr>
</tbody>
</table>

% of United States

Well positioned to capture emerging world growth
Praxair Mexico – Strong Growth Profile

- Efficient production/distribution network
- Export manufacturing economy, strong domestic demand growth
- Energy markets
  - Enhanced Oil Recovery – PEMEX
  - Oil well services
- Acquisition of Linde Mexico
  - $75MM sales
  - Significant revenue and cost synergies

Sales of $500 MM growing 15% per year
South America Growth Platforms

**On-site business**
- Leading position
- Strongest markets:
  - Steel/Metals
  - Paper/Petrochemicals

**Energy Markets**
- Conversions from alternative fuels
  - Market growing 10%-12%
- JV with Petrobras for LNG distribution
  - Areas not served by pipeline
  - First LNG plant for Brazil and Praxair

**Brazil Steel Production**

**Brazil PetroChem. Industry**

**Sales of $1.3 billion growing double digits**
Expanding Presence in India

$350 MM industrial gas market* growing at 20% annually

- Domestic demand driving opportunities
- Praxair #1 position
- Winning projects at good returns
  - 9 plants operating
  - 4 project start-ups in 2007-2008
- Praxair global engineering center

* Non-captive supply – PX estimated market shares

Many large projects on the horizon
Growing in China

2006 Sales of $230MM*

- Leading position in China
- Building density along the coast
- Major Petrochemical Parks
  - Shanghai, Caojing
  - Daya Bay, Nanhai
- Metals
  - World-class steel companies
- Electronics
  - Leading foundries

Recent Wins

- SOPO - Gasification
- Bayer - Chemicals
- SMIC - Electronics

Opportunity pipeline strong

2010 Forecasted Sales of $500 MM

* Combined Sales
North American Packaged Gases

2006 Sales $1,263 MM

Sales Trend

Air Liquide Retrenchment Q4 01
Air Products Exit Q1 02
BOC Exit Q3 04

Operating Profit Trend

CAGR 14%

Linde Exit Q2 07

CAGR 7%

Praxair: only major fully integrated gas company
Strong Cash Flow Generation

Cash Flow 2000-2006 ($MM)

- Operating Cash Flow
- Capital Reinvestment
- Stock Dividends and Purchases (net)

2006

<table>
<thead>
<tr>
<th>Description</th>
<th>$MM</th>
<th>%Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cash Flow</td>
<td>$1,752</td>
<td>20%</td>
</tr>
<tr>
<td>Capital Reinvestment</td>
<td>$1,100</td>
<td>13%</td>
</tr>
<tr>
<td>Stock Dividends and Purchases (net)</td>
<td>$543</td>
<td>7%</td>
</tr>
</tbody>
</table>

1) Non-GAAP measure. Free cash flow equals operating cash flow minus capital expenditures.
2) Excludes Leased Asset Purchase in 2003

Return on capital of 15% after tax generates cash flow for growth and shareholder return
Independent Research Study IPA - 2005
Cost and Schedule Predictability*

Quintiles

Schedule

Superior execution ensures expected returns

* Chemical Industry

Top 20%

2006 project cost performance <3% vs budget
What We Are NOT Doing

- Chasing growth with lower project returns
- Approaching plant sales as a business
- Adding speculative liquid capacity
- Losing cost discipline
- Relying on cycles for growth

Carefully managing our business to maximize shareholder value
What We Are Doing

- Capitalizing on leading positions in developing economies
  - China
  - India
  - Brazil
  - Mexico

- Moving fast to capture new opportunities
  - Oil & gas services
  - Oxy-fuel combustion

- Creating new markets based on industrial gases competencies
  - On demand Hydrogen
  - LNG distribution

- Positioning for the future
  - Canadian oil sands
  - U.S. coal gasification
  - CO₂ capture and sequestration

- Staying focused on the base business
  - Continuous pricing efforts
  - Keen focus on productivity
  - Application development
**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