

# **Louisiana Governor Edwards and Air Products Announce Landmark U.S. \$4.5 Billion Blue Hydrogen Clean Energy Complex in Eastern Louisiana**

October 14, 2021 – Today, Louisiana Governor John Bel Edwards and Air Products Chairman, President, and Chief Executive Officer Seifi Ghasemi are announcing a \$4.5 billion clean energy complex to be built in Louisiana that will make the state a leader in the United States (U.S.) clean energy transition. Air Products is a world-leading industrial gas company that produces and transports hydrogen and other essential industrial gases to many customer facilities in Louisiana, across the U.S. Gulf Coast and around the world.

Air Products (NYSE: APD) will build, own and operate the megaproject, which will produce over 750 million standard cubic feet per day (MMSCFD) of blue hydrogen in Ascension Parish, Louisiana. “Blue” products are produced utilizing hydrocarbons as a feedstock, with the carbon dioxide (CO<sub>2</sub>) in the production process captured for permanent sequestration. The project will create 170 permanent jobs with a total annual payroll of \$15.9 million and more than 2,000 construction jobs over three years. It represents Air Products’ largest-ever investment in the U.S.

A portion of the blue hydrogen will be compressed and supplied to customers by Air Products’ extensive U.S. Gulf Coast hydrogen pipeline network. The network is the largest hydrogen pipeline system in the world, stretching more than 700-miles from Galveston Bay in Texas to New Orleans, Louisiana. Today, this vast U.S. Gulf Coast pipeline network can supply

customers with more than 1.6 billion cubic feet of hydrogen per day from approximately 25 production facilities, including blue hydrogen from Air Products' Port Arthur, Texas facility. The Port Arthur facility has captured approximately one million tons of CO<sub>2</sub> annually since 2013, with the CO<sub>2</sub> transported via pipeline and utilized for enhanced oil recovery operations.

The balance of the blue hydrogen from the new Ascension Parish facility will be used to make blue ammonia that will be transported around the world and converted back to blue hydrogen for transportation and other markets.

The innovative megaproject will also feature the world's largest instance of CO<sub>2</sub> capture for permanent sequestration and produce only environmentally friendly blue products. The megaproject is expected to be operational in 2026.

"This is a major industrial investment that will create quality manufacturing jobs while limiting environmental impacts, a goal envisioned by my Climate Initiatives Task Force," Gov. Edwards said. "Carbon capture and sequestration are important to Louisiana's efforts to reduce carbon dioxide emissions while maintaining jobs and growing our manufacturing base. This project is a clear demonstration of our ability to grow the Louisiana economy while lowering the carbon footprint of industry."

"Air Products is excited to announce this investment in clean energy with the Governor of Louisiana," Ghasemi said. "This landmark megaproject will not only create jobs but make Louisiana and Ascension Parish leaders in the U.S. clean energy transition. Air Products is fully invested in and committed to projects that leverage our build-own-operate, technology, financial, and sustainability capabilities, and this project brings all of those core strengths together. We are very excited about the model this project represents in the broader energy transition and thank the state of Louisiana

for its collaboration on the pore space to safely and permanently sequester the captured CO<sub>2</sub>. We look forward to building on our long partnership with Louisiana and constructing a facility that will serve as a leading example of clean energy production around the globe.”

Approximately 95 percent of the CO<sub>2</sub> generated at the facility will be captured, compressed and transported safely by pipeline to multiple inland sequestration sites located along a pipeline corridor extending up to 35 miles to the east of the new production facility. Over five million metric tons per year (MTPY) of CO<sub>2</sub> will be permanently sequestered in geologic pore space secured from the State of Louisiana approximately one mile beneath the surface. Air Products has already received approval from the State Mineral and Energy Board, which is part of the Louisiana Department of Natural Resources, for the permanent sequestration of the CO<sub>2</sub>.

Air Products will provide all of the complex’s products – blue hydrogen and co-products (liquid nitrogen, liquid oxygen and liquid argon) – to customers in the U.S. and around the world.

“Ascension Parish is committed to being a leader in the new clean energy economy and values our continued relationship with Air Products,” Ascension Parish President Clint Cointment said. “We appreciate their investment in industrial gas production using carbon capture and sequestration technology. This project will not only make a significant investment in our parish but will also add high-quality employment opportunities for the residents in our community.”

“The development of this large-scale clean hydrogen project highlights our strategic geographic assets as we position ourselves to become the clean energy capital of the U.S. Gulf Coast,” said Kate MacArthur, president and CEO of the Ascension Economic Development Corp. “Investments from companies like Air Products are essential to reducing carbon pollution in a major and sustainable way.”

“The Capital Region is at the leading edge of the transitional energy sector, and Air Products’ decision to build one of the world’s largest low-carbon hydrogen projects here underscores that the talent, infrastructure, and business climate is turn-key for clean energy investments of a global scale,” said Adam Knapp, president and CEO of the Baton Rouge Area Chamber. “We congratulate our partners in Ascension Parish and look forward to working together to support Air Products.”

This new Louisiana clean energy megaproject announcement follows Air Products’ announcement in June 2021 of a multi-billion-dollar net-zero hydrogen energy complex in Edmonton, Alberta, Canada, and its previous announcement of the green ammonia production facility joint venture in NEOM, Saudi Arabia powered by renewable energy for the production and export of carbon-free hydrogen to global markets.

“We continue to make significant investments as the world leader in the production and supply of hydrogen,” said Ghasemi. “In addition to our leadership in gray hydrogen, our Canada project and this Louisiana project make us the leader in blue hydrogen. We also will be the world leader in the production and supply of green, carbon-free hydrogen when the NEOM Project comes onstream. The energy transition will occur in stages, and the megaproject we are announcing today in Louisiana will help the State meet its ambitious goals while providing new sources of blue products for customers in the U.S. and around the globe,” he added.

For more detailed information about the project: [www.airproducts.com/LAblueH2](http://www.airproducts.com/LAblueH2).