

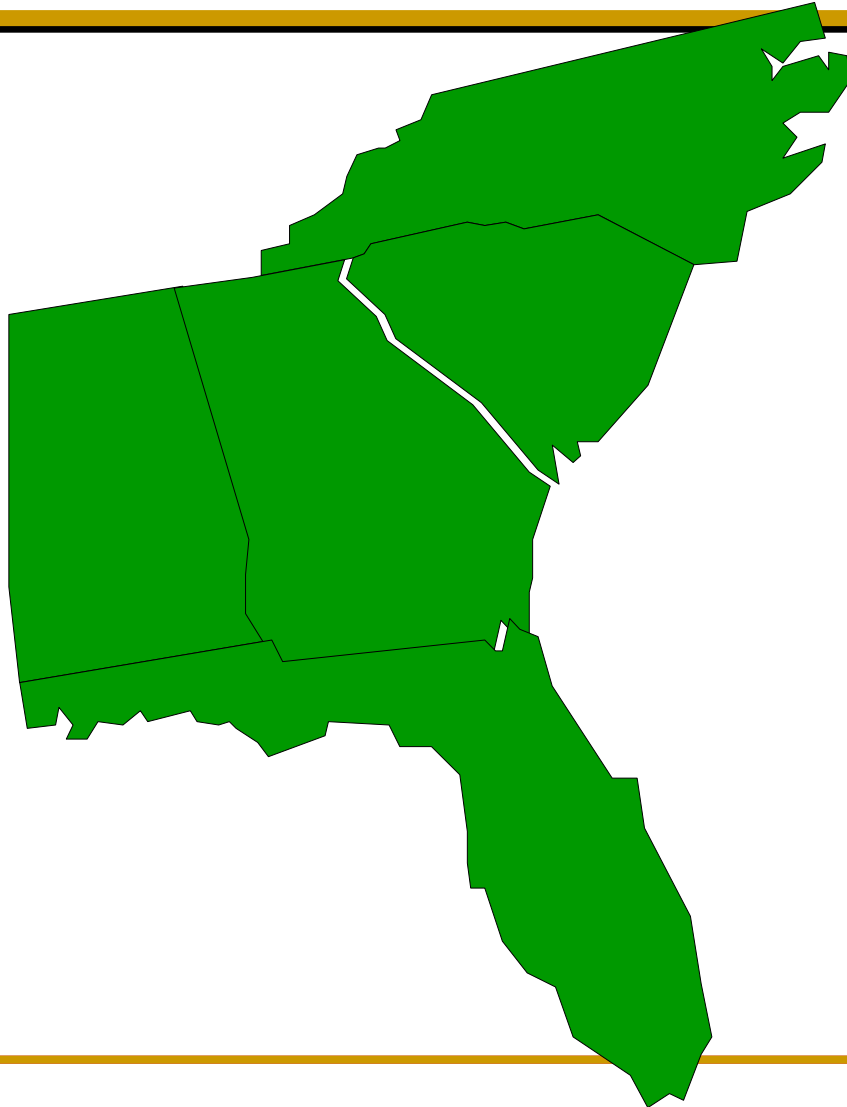
Southeast CO2 Market

Bruce Woerner

Airgas

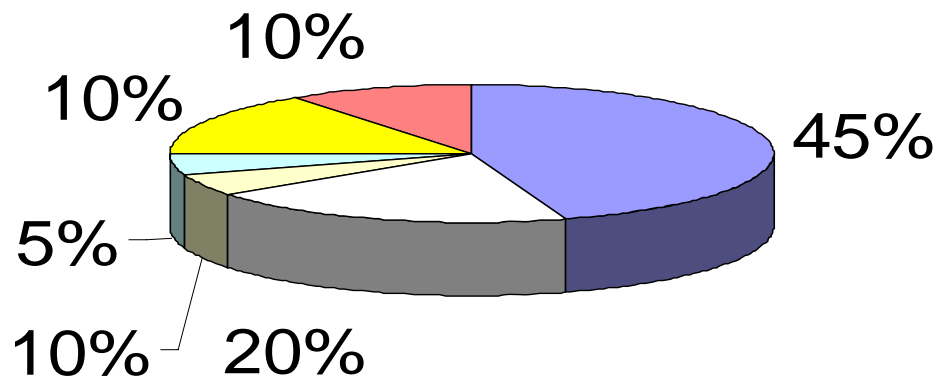
August 3, 2006

5 States in Southeast



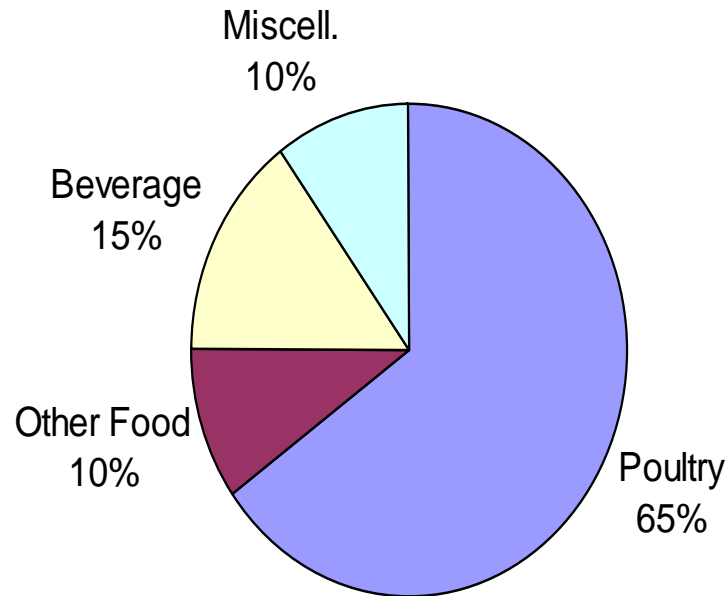
In the US, 65% is used by the food and beverage industries

CO2 Merchant Markets

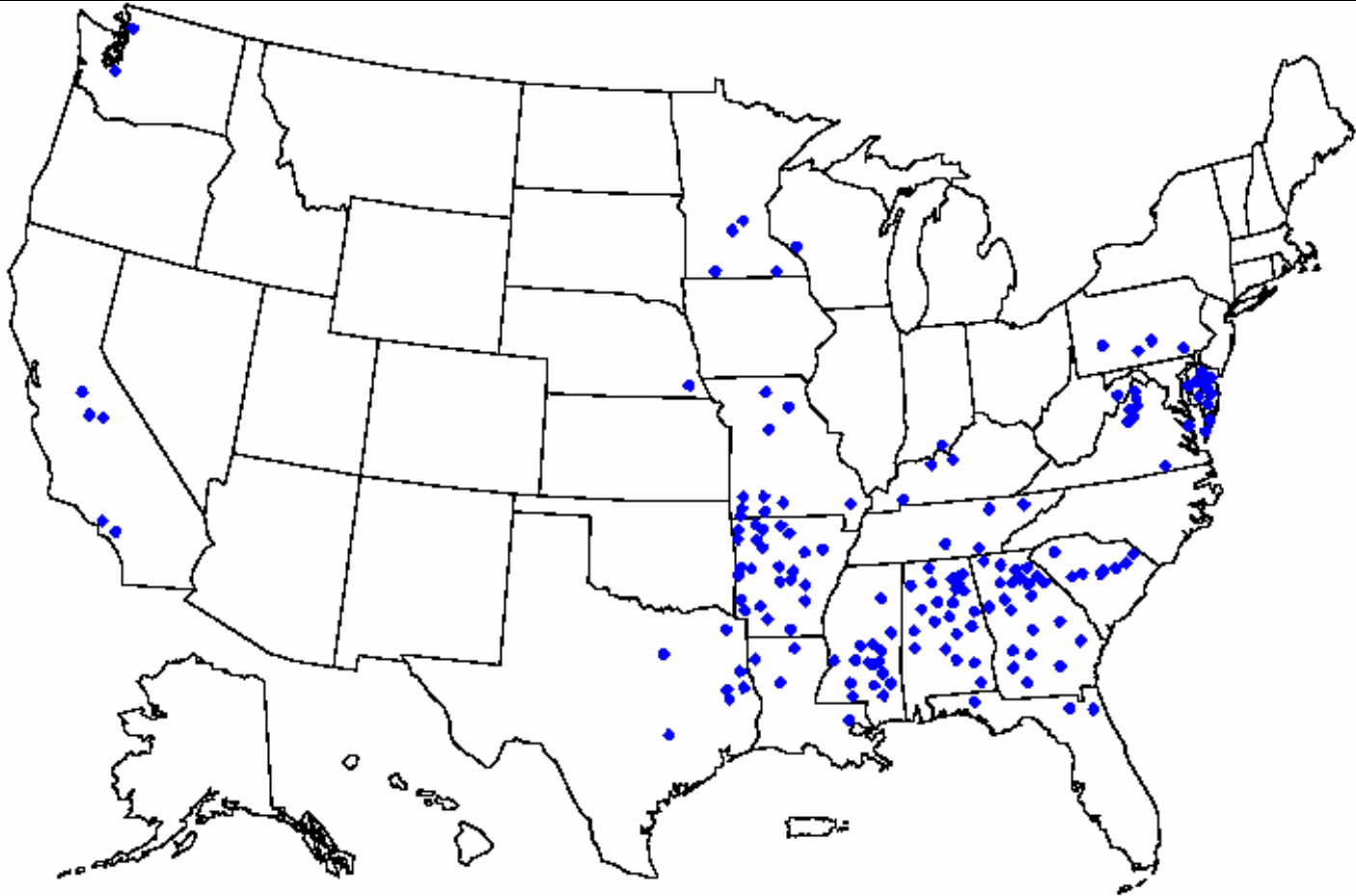


- Food Processing
- Beverage Processing
- Enhanced Oil Recovery
- Chemical Processing
- Dry Ice
- Other

In the SE market, poultry is 65% vs a national share of 45% for all food

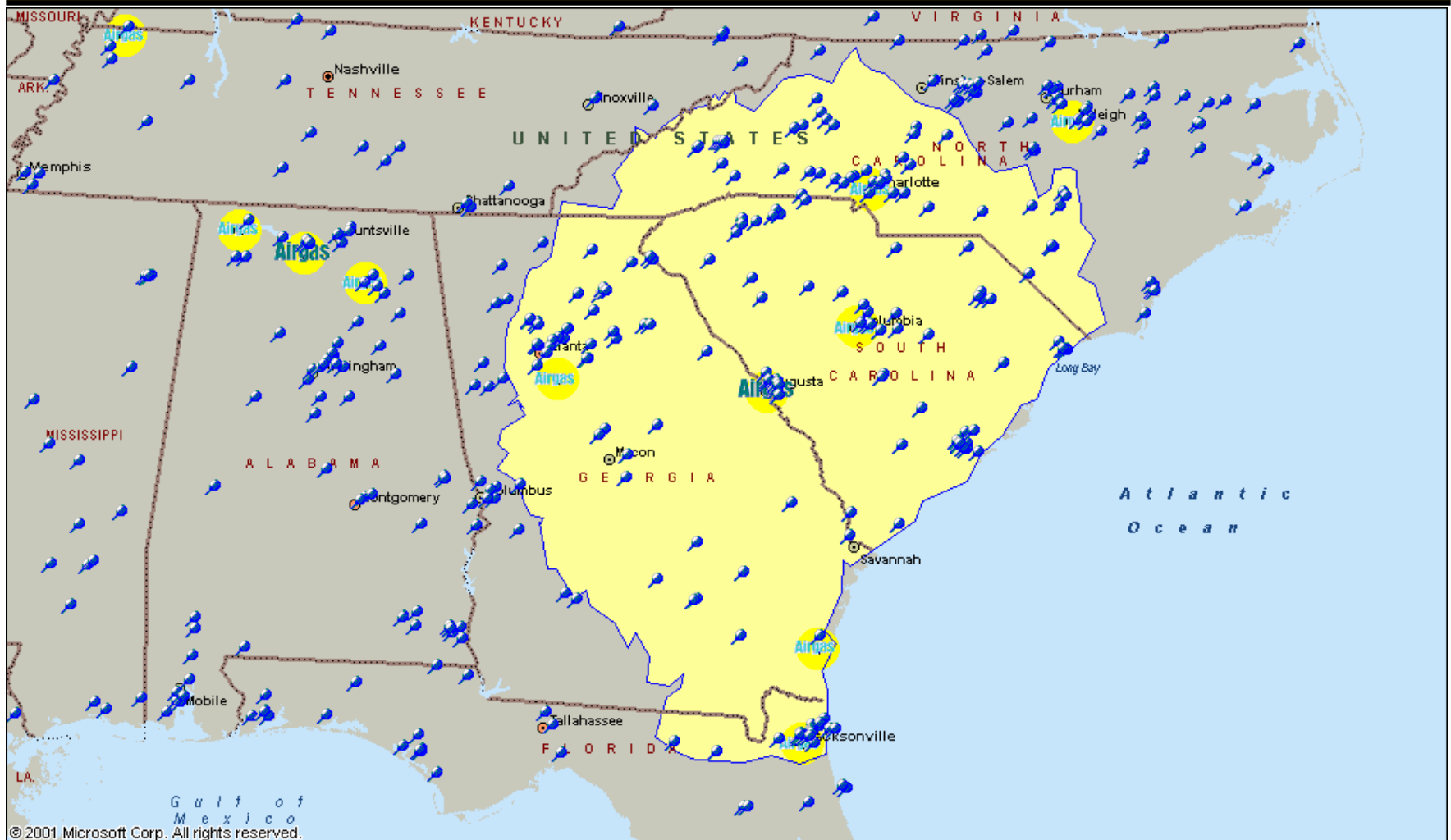


Major Broiler Processing Plants

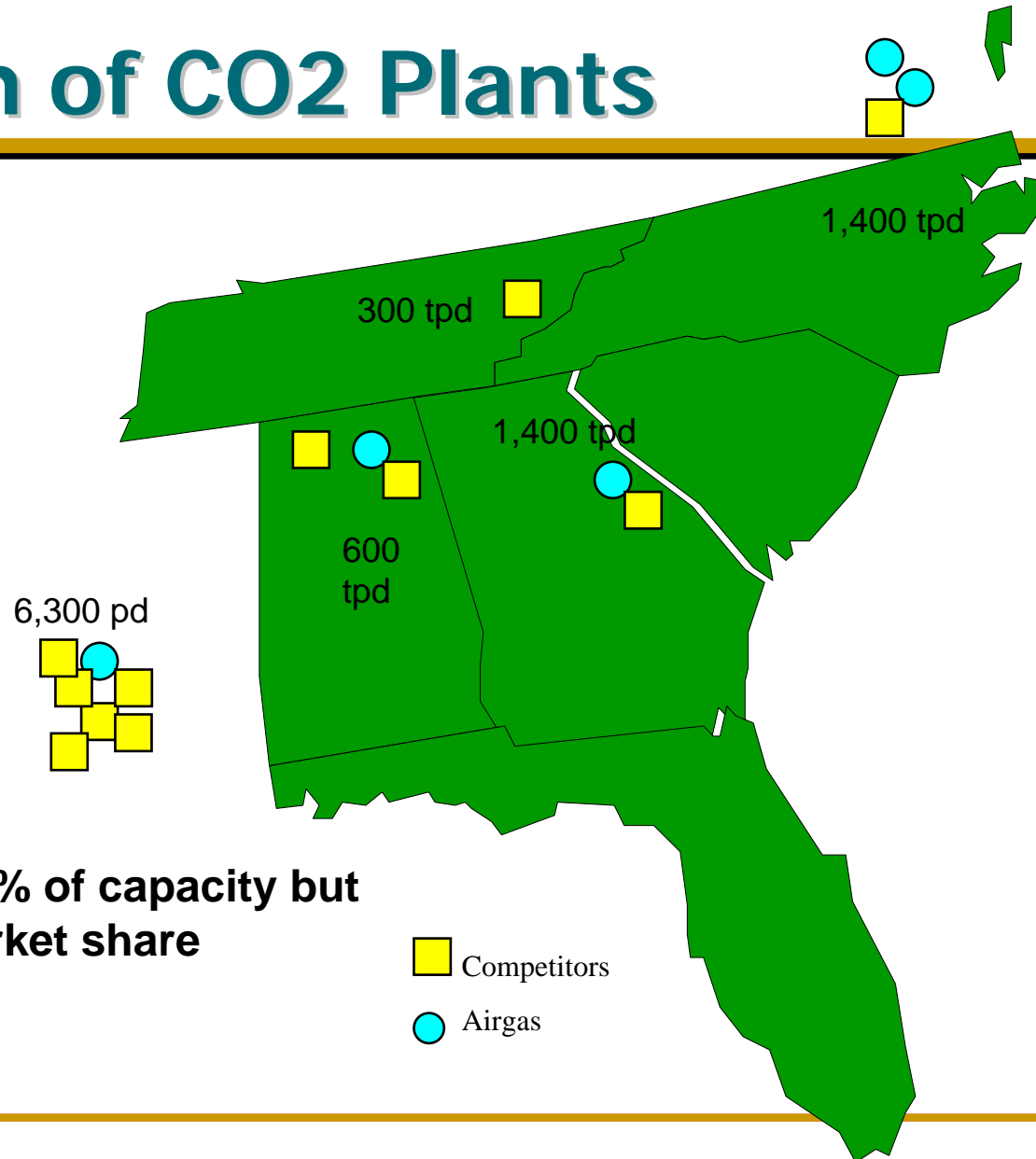


Source: Poultry Digest; internet homepage (<http://www.wattnet.com>)

Airgas LCO2 Customers in the SE



Location of CO2 Plants



Airgas has 43% of capacity but over 50% market share

Other ethanol plants are planned

- Tampa, FL 400 tpd CO₂
- Jacksonville, FL 300
- Aurora, NC 450
- Raeford, NC 450
- Camilla, GA 400
- Others ????

Only 3 or 4 CO2 plants will be built so location and timing are key!

- 70 of the 100 ethanol plants in the US vent CO2
 - The CO2 market is too saturated to invest capital
- CO2 demand is only growing 1-2% a year
 - It takes 4-8 years to absorb a 400 tpd plant
- Locations close to major demand centers and away from other CO2 plants are best
 - Florida and N. Carolina are good examples
 - Saves distribution costs and is a competitive advantage

Typical profit from CO2

- \$500,000 to \$1 million/year
 - Expect to sell about 100,000 tpy
 - Price range- \$5 to \$10 per Ton
- If you are willing to invest the \$7 million for a CO2 plant you have a better chance
 - CO2 companies want to mitigate risk