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Propylene Supply Rising in China with Start-up of Production Technology by Honeywell's UOP

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UOP Oleflex™ process producing a total of 900,000 metric tons annually of propylene in China

DES PLAINES, Ill., Jan. 29, 2015 – UOP LLC, a Honeywell (NYSE: HON) company, announced today that China commissioned its second unit to produce propylene, a key ingredient in plastics, using its C₃ Oleflex™ process technology.

Zhejiang Shaoxing Sanjin Petrochemical Co., Ltd. became the second company in China to commission a UOP C₃ Oleflex process unit to produce propylene from propane, increasing the global production capacity from UOP technology to approximately 3.8 million metric tons annually (MTA).

Traditionally, propylene is a byproduct of certain refining processes, but those processes no longer produce enough propylene to meet rising global demand. This **propylene shortage** has sparked investment in technology to create propylene from propane, also known as on-purpose propylene.

Since 2011, UOP has licensed the C₃ Oleflex process to more than a dozen producers to meet rising demand, with a majority of licensed capacity in China. China is the world's largest energy consumer and its propylene consumption accounts for more than 15 percent of worldwide demand, which is growing at about 5 to 6 percent per year.

“By 2020, 20 percent of the world's propylene production is expected to come from on-purpose propylene production technologies, and UOP is proud to be leading the development of this essential petrochemical with our Oleflex technology,” said Pete Piotrowski, senior vice president and general manager of UOP's Process Technology and Equipment business. “For more than 20 years, the Oleflex process has been a reliable, independent source of high-quality propylene and we look forward to helping increase its availability in China and around the world.”

In addition to technology licensing, UOP also provided engineering design, catalysts, adsorbents, equipment, staff training and technical service for the project. Equipment supply included Callidus Low NOx (Callidus Stage Gas Ledge Stabilization) burners, manufactured at UOP Callidus Shanghai, which feature a patented tile configuration to achieve a “stiffer” flame.

Zhejiang Shaoxing Sanjin Petrochemical Co., Ltd. will produce 450,000 MTA of propylene at its facility in Shaoxing City, Zhejiang Province, China. Zhejiang Shaoxing Sanjin Petrochemical Co., Ltd. is a fully owned subsidiary of Zhejiang Fuling Holding Group, located in Shaoxing City, China. Established in 2003, the company specializes in polypropylene production and produces 600,000 metric tons of the substance annually.

"We selected UOP Oleflex technology for our propylene production needs due to its reliability, economics, experience in integrating with polypropylene technologies, and overall processing flexibility," said Mr. Zhong Jianming at Zhejiang Shaoxing Sanjin Petrochemical Co., Ltd. "UOP's local service and support team worked well with our team to make the start-up a success."

Oleflex technology has been a leading technology for converting propane to propylene for more than 20 years. The C₃ Oleflex process uses catalytic dehydrogenation to convert propane to propylene. Compared with competing processes, UOP's C₃ Oleflex technology provides the lowest cash cost of production, the highest return on investment and the smallest environmental footprint. This superior performance is characterized by low capital cost, high propylene yields, low energy and water consumption, and use of a fully recyclable platinum alumina-based catalyst system. In addition to the C₃ Oleflex process, UOP also licenses its C₄ Oleflex technology, a butane dehydrogenation process to convert isobutane to isobutylene.

UOP LLC (www.uop.com) is a leading international supplier and licensor of process technology, catalysts, adsorbents, equipment, and consulting services to the petroleum refining, petrochemical, and gas processing industries. UOP is a wholly-owned subsidiary of Honeywell International, Inc. and is part of Honeywell's Performance Materials and Technologies strategic business group, which also includes Honeywell Process Solutions, a pioneer in automation control, instrumentation and services for the oil and gas, refining, petrochemical, chemical and other industries.

Honeywell (www.honeywell.com) is a Fortune 100 diversified technology and manufacturing leader, serving customers worldwide with aerospace products and services; control technologies for buildings, homes, and industry; turbochargers; and performance materials. For more news and information on Honeywell, please visit www.honeywellnow.com.

This release contains certain statements that may be deemed "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, that address activities, events or developments that we or our management intends, expects, projects, believes or anticipates will or may occur in the future are forward-looking statements. Such statements are based upon certain assumptions and assessments made by our management in light of their experience and their perception of historical trends, current economic and industry conditions, expected future developments and other factors they believe to be appropriate. The forward-looking statements included in this release are also subject to a number of material risks and uncertainties, including but not limited to economic, competitive, governmental, and technological factors affecting our operations, markets, products, services and prices. Such forward-looking statements are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by such forward-looking statements. We identify the principal risks and uncertainties that affect our performance in our Form 10-K and other filings with the Securities and Exchange Commission.

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