

Honeywell Acquires Remaining 30 Percent Interest in UOP Russell LLC

Previously acquired 70 percent stake in Thomas Russell Co. in 2012

UOP Russell is a global leader in modular gas processing technology and equipment

DES PLAINES, Ill., Jan. 6, 2016 /PRNewswire/ -- Honeywell (NYSE: HON) announced today that it has acquired the remaining 30 percent stake in UOP Russell LLC, which develops technology and manufactures modular equipment to process natural gas, for approximately \$240 million.

In 2012, Honeywell acquired a 70 percent stake in the Thomas Russell Co. to form UOP Russell, which became part of Honeywell UOP. The parties agreed to a mechanism for Honeywell to acquire the remaining stake within three years of closing.

"Tom Russell and his company pioneered the introduction of modular technology to quickly and economically remove contaminants from natural gas and recover valuable natural gas liquids (NGLs)," said John Gugel, vice president and general manager for Honeywell UOP's Gas Processing and Hydrogen business. "We have continued to build on that foundation, applying Honeywell processes and Honeywell UOP technology, and expanding the business internationally to help meet global demand for natural gas, which is expected to nearly double by 2040."

The UOP Russell product line includes skid-mounted, pre-engineered modular equipment that is factory built to precise specifications. The equipment is easily delivered to remote locations and then assembled on-site, significantly reducing construction time and expense and improving operational reliability. This modular approach enables customers to begin processing gas and earning revenue more quickly versus conventional field-erected execution methods.

Honeywell UOP has applied UOP Russell methods to expand its offerings of modular equipment for critical refining and petrochemical process units and other applications. As with UOP Russell equipment, modular design and construction of critical refining equipment speeds construction, while ensuring superior quality, and is particularly suited for remote locations.

UOP Russell's modular equipment is one of the delivery platforms offered by Honeywell UOP to treat and process natural gas. The business also provides technologies to recover valuable condensate and natural gas liquids such as ethane, propane and butane, and to separate water, mercury, sulfur, carbon dioxide, and other contaminants from raw natural gas streams.

Honeywell UOP has supplied equipment and pretreatment technology to more than 350 gas processing projects globally representing more than 20 trillion cubic feet (Tcf) per year of natural gas production and nearly 40 percent of global liquefied natural gas production. In the last decade alone, worldwide

consumption of natural gas has grown at an average annual rate of more than 2.3 percent, from 95.3 Tcf in 2004 to 120 Tcf in 2014, according to BP's Statistical Review of World Energy.

According to the International Energy Agency, demand for natural gas will grow to 183 Tcf by 2040, led by China and the Middle East, making it the fastest growing fossil fuel. Demand in China and other regions has been driven in part by efforts to reduce carbon emissions as natural gas is cleaner burning than coal.

Honeywell UOP (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. Honeywell UOP is part of Honeywell's Performance Materials and Technologies strategic business group, which also includes Honeywell Process Solutions (www.honeywellprocess.com), 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.