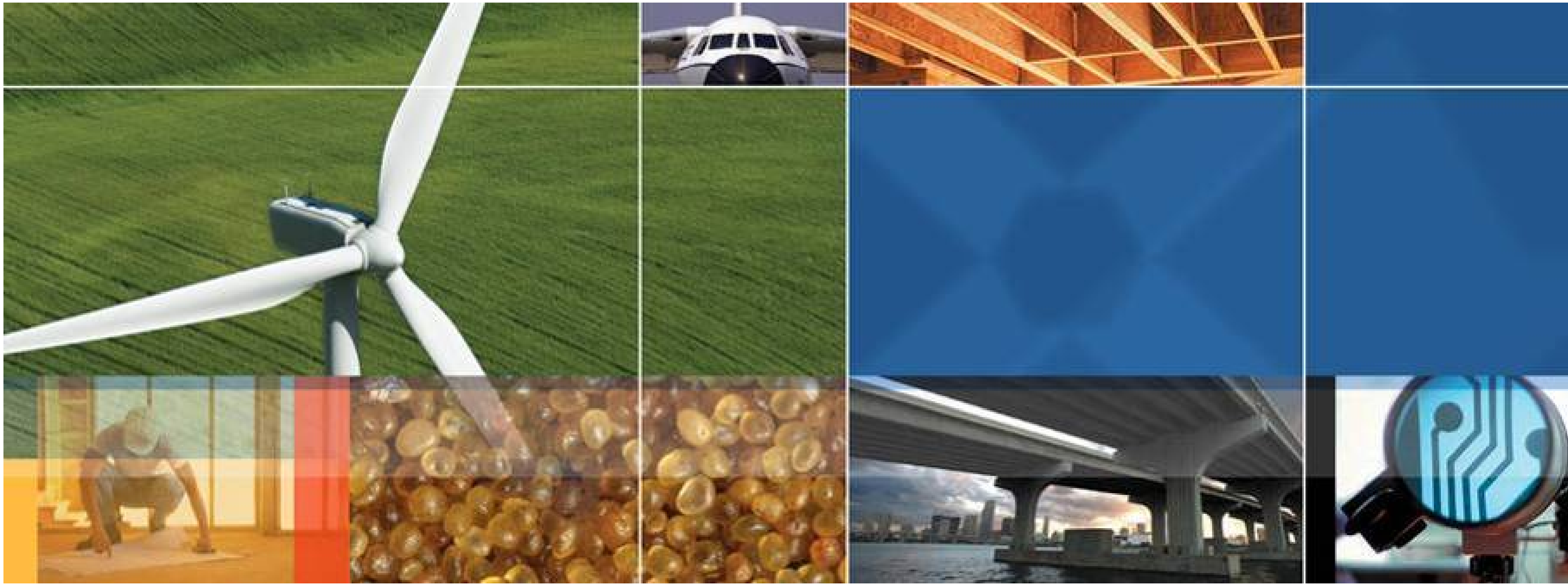

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Specialty Chemicals

Third Quarter 2008 Earnings Conference Call

November 14, 2008

Forward-Looking Statements

Certain statements in this presentation are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In addition, the management of Hexion Specialty Chemicals, Inc. (which may be referred to as “Hexion,” “we,” “us,” “our” or the “Company”) may from time to time make oral forward-looking statements. Forward looking statements may be identified by the words “believe,” “expect,” “anticipate,” “project,” “plan,” “estimate,” “will” or “intend” or similar expressions. Forward-looking statements reflect our current views about future events and are based on currently available financial, economic and competitive data and on our current business plans. Actual results could vary materially depending on risks and uncertainties that may affect our markets, services, prices and other factors as discussed in our 2007 Annual Report on Form 10-K, and our other filings, with the Securities and Exchange Commission (SEC). Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: our pending merger with Huntsman Corporation, including the related pending litigation; economic factors such as the current credit crises and economic downturn and an interruption in the supply of or increased pricing of raw materials due to natural disasters; competitive factors such as pricing actions by our competitors that could affect our operating margins; and regulatory factors such as changes in governmental regulations involving our products that lead to environmental and legal matters as described in our 2007 Annual Report on Form 10-K, and our other filings, with the SEC.

This presentation contains non-GAAP financial information. Reconciliation to GAAP is included at the end of the presentation.

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Overview of Third Quarter 2008 Results

Craig O. Morrison

Chairman, President & Chief Executive Officer

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Third Quarter 2008 Results

- Hexion Specialty Chemicals Third Quarter 2008 results included:
  - Revenues increased 13% over prior year
  - Operating income of $7 million compared to operating income of $88 million in prior year
  - Q308 results included $51 million in merger costs associated with the pending merger with Huntsman Corporation [(1)] and a $12 million negative impact from Hurricanes Ike and Gustav
  - Segment EBITDA [(2)] of $130 million compared to $162 million in prior year quarter

- On a year-over-year comparison, Q308 was adversely impacted by a number of factors:
  - Softening market conditions in certain core markets, including base epoxy resins, monomers and U.S.-based coatings
  - Net of the 13% sales increase, raw material, freight and energy costs had a negative $31 million impact to EBITDA

- Aggressive actions are in process to address EBITDA shortfall and enhance liquidity
  - Additional pricing actions are are currently being pursued to offset inflationary trends
  - Hexion is aggressively pursuing $60 million in incremental cost reduction programs
  - The Company is taking additional actions to further improve cash flow, including: reducing discretionary spending; decreasing capital spending by an additional $20 million in FY08; and further reducing inventory levels

- Q308 results delivered a pro forma adjusted EBITDA of $655 million and an interest coverage of 2.49 [(2)]

- On October 29, 2008, Hexion announced that it commenced an action in the Supreme Court of the State of New York against affiliates of Credit Suisse and Deutsche Bank regarding the banks' obligations under the financing commitment letter to fund the closing of the Hexion-Huntsman merger; Hexion seeks specific performance of the banks' obligations and a January trial date has been set

Pricing Actions and Productivity Initiatives Aimed at Offsetting Volatile Market Conditions

(1) Further information about the transaction and other litigation related to the transaction will be contained in the Company's Third Quarter Form 10-Q.

(2) Segment EBITDA and Adjusted EBITDA are non-GAAP financial measures. The closest GAAP financial measure is Net Income (Loss). A table that reconciles these two measures is at the end of this presentation. Management believes that Adjusted EBITDA is meaningful to investors because the Company is required to have an Adjusted EBITDA to Fixed Charges ratio of greater than 2.0 to 1.0 to incur additional indebtedness under its indenture for the Second Priority Senior Secured Notes. As of September 30, 2008, the Company was able to satisfy this covenant and incur additional indebtedness under its indentures. September 30, 2008 Adjusted EBITDA includes $97 million of in-process Hexion synergies and productivity savings, as well as $18 million of acquisition adjustments.

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Third Quarter 2008
Summary Financial Performance

Quarter Ended September 30

($ in millions)	2008	2007	Δ
Revenue	$ 1,611	$ 1,427	13%
Operating income	7	88	nm
Net loss	(76)	(2)	nm
Segment EBITDA (2)	130	162	(20)%

Q308 operating and net loss includes $51 million in merger costs associated with Huntsman acquisition (1)

EBITDA negatively impacted by $12 million from hurricanes

Additional Pricing Actions Underway to Address $31 million in Raw Material, Freight and Energy Cost Headwinds Experienced in Q308 vs. Q307

(1) Further information about the transaction and other litigation related to the transaction will be contained in the Company's Third Quarter Form 10-Q.
(2) Segment EBITDA excludes in-process synergies and the pro forma effect of acquisitions.

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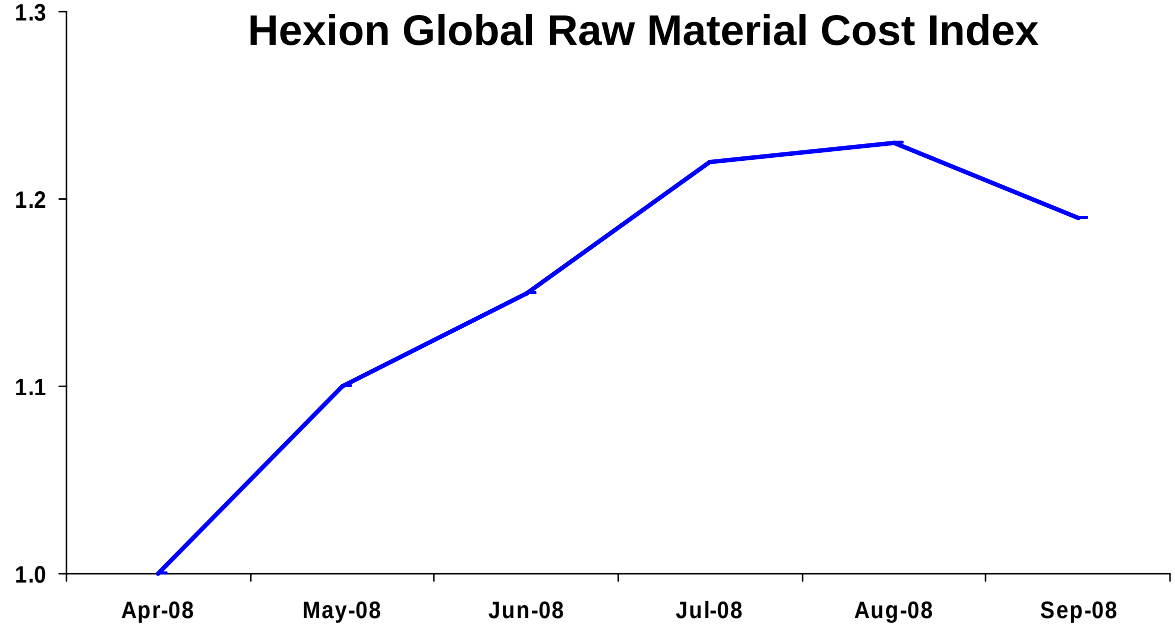
Raw Materials Remained Elevated for Majority of Q308 Before Beginning to Moderate



Raw Material Index increased 35% in Q308 versus Q307 average levels

Summary

- **Raw materials continued to remain at or near historically elevated levels for the three months ended September 30, 2008 when compared to prior year:**
  - **Phenol increased 18%**
  - **Methanol increased 59%**
  - **Urea increased 144%**
- **Year over year, raw materials have increased nearly $300 million in the quarter**
- **Contractual raw material pass through terms typically require a 30-45 day "lag" period**

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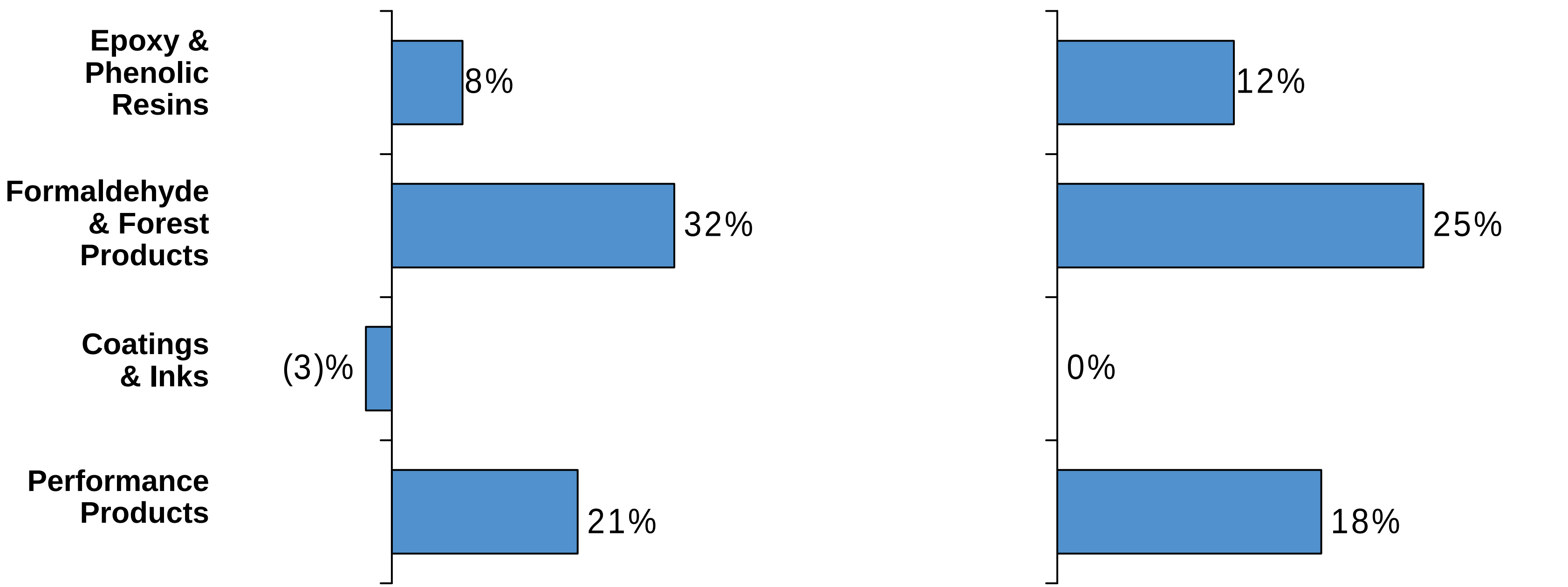
Revenue Growth Supported By Specialty Products

Net Sales

Q308 vs. Q307 | YTD ‘08 vs. Prior Year



Summary

- **Top-line growth supported by a significant percentage of customers with contractual pass through of raw materials**
- **Incremental pricing actions continue to be pursued**

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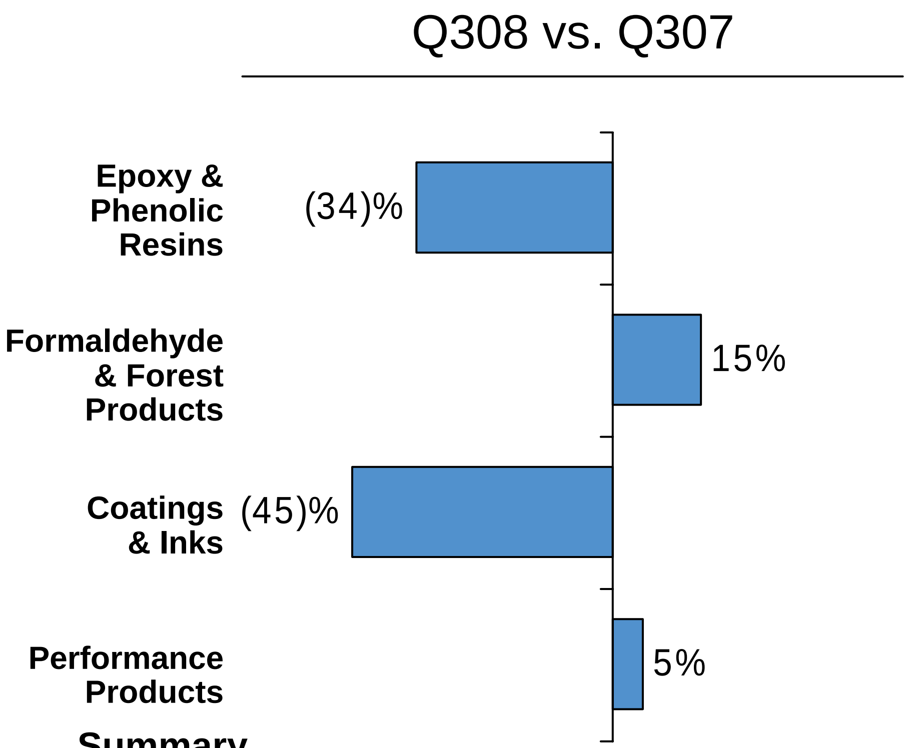
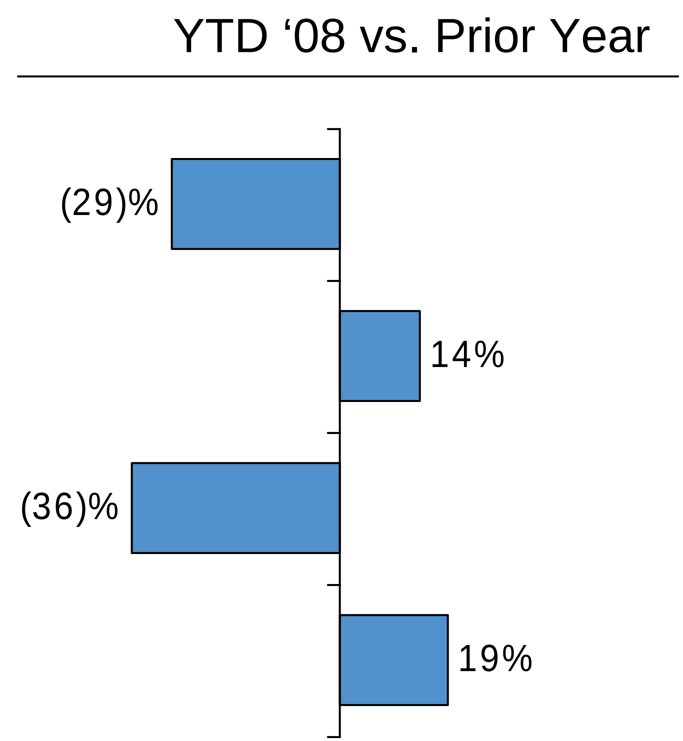
Segment EBITDA Results





Summary

- **EPRD variance reflected soft base epoxy markets and Versatics force majeure**
- **Epoxy specialty markets continue to be robust**
- **Forest Products supported by strong performance from international operations**
- **Coatings and Inks impacted by softness in North American housing and print markets**
- **Performance Products driven by strong oilfield products growth**

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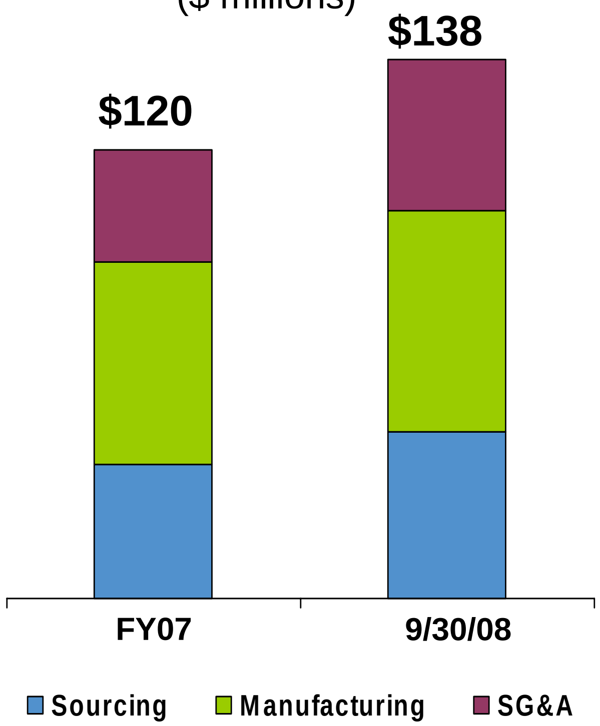
(1) Segment EBITDA excludes in-process synergies and the pro forma effect of acquisitions.

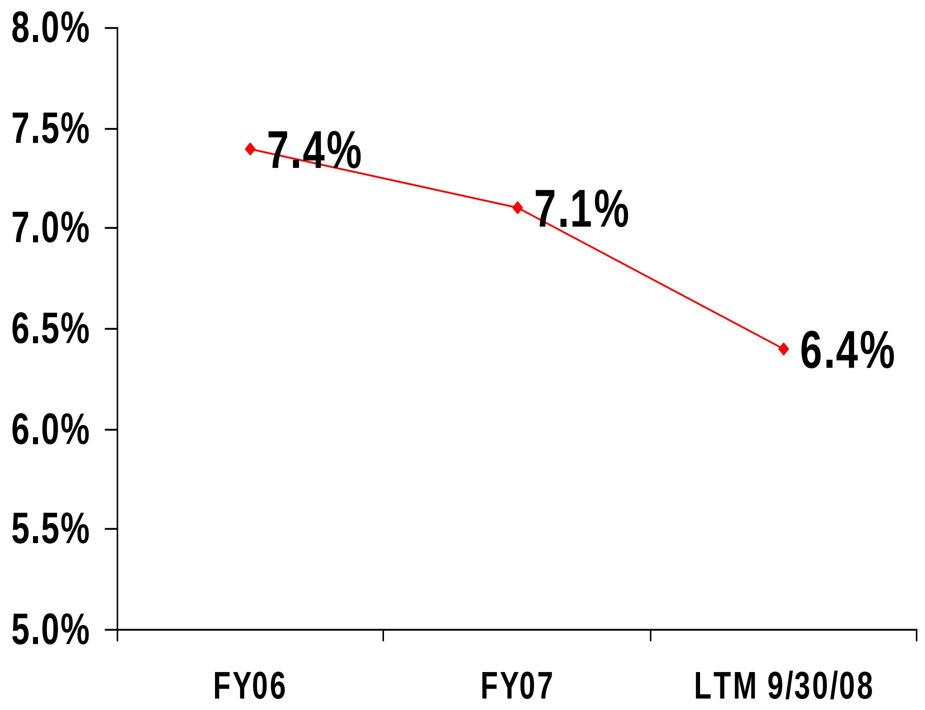
Synergy Program Continues to Progress as Planned

Achieved

($ millions)



SG&A as a Percentage of Sales



Summary

- **Achieved $7 million in targeted synergies associated with the Hexion Formation in Q308**
- **The positive impact of synergies and productivity programs continue to be reflected in Hexion's lean SG&A levels**

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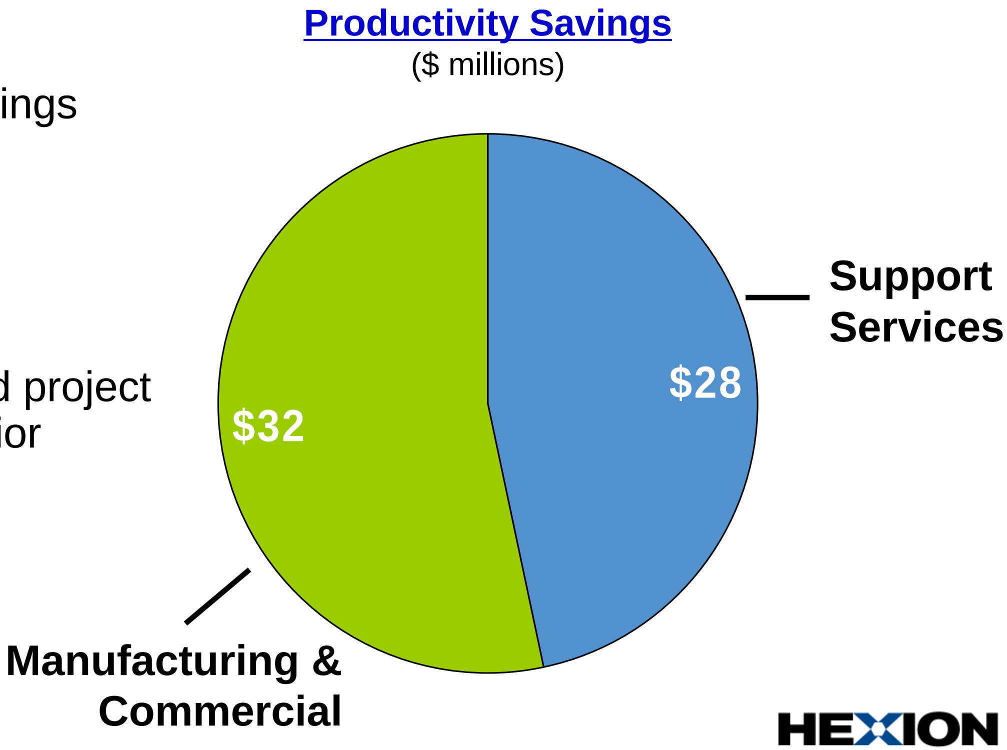
Productivity Program Targets Additional Savings

- Pursuing $60 million in productivity savings from a new, comprehensive program that is in addition to the targeted synergy savings from the Hexion formation

- The productivity initiatives are in response to the global economic downturn and the need to align operations with current market demand

- Most of the actions to obtain these savings will have been initiated or completed within the next 18 months
  - Hexion expects to incur one-time costs of $58 million
  - Savings are supported by detailed project plans, which are reviewed by senior management on a monthly basis



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Huntsman Transaction Update

- On June 18, 2008, the Company and certain related entities filed suit in the Delaware Court of Chancery to declare their contractual rights with respect to the Merger Agreement (the “Huntsman Action”).
- On September 29, 2008, the Delaware Court of Chancery entered a judgment in favor of Huntsman ordering the Company to specifically perform its covenants under the Agreement.
  - Hexion has been using its reasonable best efforts to consummate the merger and comply with the Court’s order.
- By October 2, 2008, the U.S. Federal Trade Commission and the European Commission had approved the transaction conditioned on the divestiture of certain portions of the Company's specialty epoxy resins business.
- The closing of the Huntsman merger was scheduled for October 28, 2008. Both Huntsman and the Company were prepared to complete the merger on that date but the Banks refused to provide the funding for the merger pursuant to their financing commitment letter on the basis that the solvency certificate delivered by Huntsman's Chief Financial Officer and a solvency opinion provided by American Appraisal Associates were not customary and reasonably satisfactory.
- On October 29, 2008, Hexion commenced an action in the Supreme Court of the State of New York against the Banks alleging that the Banks breached their obligations under the financing commitment letter to fund the closing of the merger.
- On October 31, the Court in the New York Bank Action denied the Company’s motion for a temporary restraining order and preliminary injunction extending the expiration of the financing commitment letter pending the trial of the Company’s claim on the merits.
- Trial on the Company’s claim in the New York Bank Action for an order of specific performance requiring the Banks to provide funding for the merger is scheduled to begin on January 8, 2009.

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Financial Review

William H. Carter

Executive Vice President & Chief Financial Officer

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Epoxy and Phenolic Resins (EPRD)
Third Quarter 2008 Segment Highlights

Quarter Ended September 30

($ in millions)	2008	2007	Δ
Revenue	$ 650	$ 602	↑ 8%
Segment EBITDA	$ 62	$ 94	↓ (34)%

Q308 Sales Comparison YOY

Volume	Price/Mix	Currency Translation	Acquisitions/ Divestitures	Total
(2)%	5%	5%	--	8%

Summary

- Sales increase driven by pricing and foreign exchange gains offset by lower volumes
- EBITDA variances driven by higher raw materials, utility costs and hurricanes
  - Hurricanes totaled $9 million in business interruption losses and incremental expenses
  - Negatively impacted ($5mm) by a supplier force majeure in Q308
- Pass through capability impacted by competitive pressures within intermediates and base epoxies
- Continued strong sales and earnings results for specialty products

Formaldehyde and Forest Products (FFP) Resins Third Quarter 2008 Segment Highlights

Quarter Ended September 30

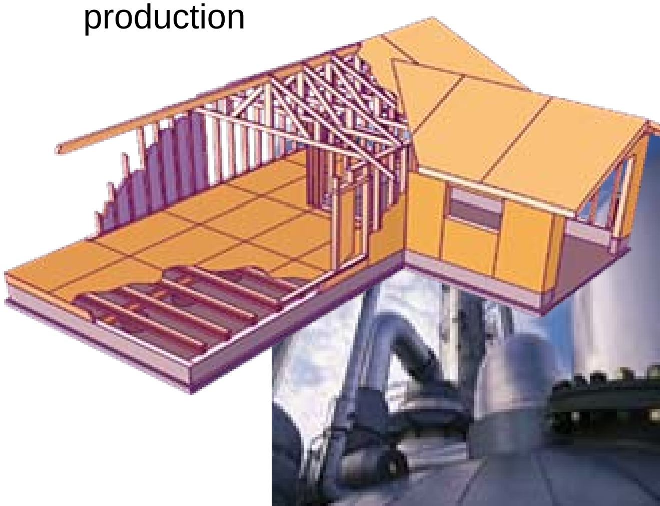
($ in millions)	2008	2007	Δ
Revenue	$ 525	$ 399	↑ 32%
Segment EBITDA	$ 46	$ 40	↑ 15%

Q308 Sales Comparison YOY

Volume	Price/Mix	Currency Translation	Acquisitions/ Divestitures	Total
(14)%	30%	3%	13%	32%

Summary

- Sales growth reflects raw material pass through capabilities and contributions from Arkema acquisition
- Volume comparisons continue to reflect declines in North American housing market
- Ike and Gustav totaled $3 million in FFP business interruption losses and incremental expenses
- Brazil and Russian expansions remain on track for first-half 2009 production



Coatings and Inks (C&I)
Third Quarter 2008 Segment Highlights

Quarter Ended September 30

($ in millions)	2008	2007	Δ
Revenue	$ 319	$ 329	↓ (3)%
Segment EBITDA	$ 11	$ 20	↓ (45)%

Q308 Sales Comparison YOY

Volume	Price/Mix	Currency Translation	Acquisitions/ Divestitures	Total
(16)%	7%	6%	--	(3)%

Summary

- Sluggish coatings demand driven by the ongoing softness in N. American housing and slowing construction markets in certain European countries
- Inks volumes continued to increase in Europe due to market share gains, but results were negatively impacted by U.S. demand and raw material headwinds
- Hexion continued to take actions to improve its cost structure through selective site rationalizations as the Santa Varao facility was closed in Q308

Performance Products (PPD)
Third Quarter 2008 Segment Highlights

Quarter Ended September 30

($ in millions)	2008	2007	Δ
Revenue	$ 117	$ 97	↑ 21%
Segment EBITDA	$ 23	$ 22	↑ 5%

Q308 Sales Comparison YOY

Volume	Price/Mix	Currency Translation	Acquisitions/ Divestitures	Total
14%	6%	1%	--	21%

Summary

- Strong demand for oilfield products drove positive results within PPD despite soft foundry volumes due to weakening conditions in the North American auto sector.

Balance Sheet Update

- Productivity initiatives, along with expected decreases in raw material costs in Q408, should further boost efforts to improve working capital metrics
  - Working capital as a percentage of sales was 10.8% at September 30, 2008 compared to 11.3% as of December 31, 2007.
- Q308 capital expenditures of $39 million
- Aggressively managing capital expenditures
  - Revising 2008 capital expenditure target downward to $120 million
- Liquidity: cash plus borrowing availability of $321 million at September 30, 2008
- No significant debt maturities until 2013

Net Debt: $3.6 billion (9/30/08)

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Restatement of Financials for First and Second Quarters 2008

- Hexion announced that, on November 10, 2008, management discovered errors in the amount of non-cash unrealized foreign exchange gains and losses on intercompany balances recorded in the Company's results of operations for the three months ended March 31, 2008 and the three and six months ended June 30, 2008.

- **The errors do not impact Hexion's previously-reported revenues, total assets, total liabilities, Segment EBITDA or cash flows from operations for the three months ended March 31, 2008 and the three and six months ended June 30, 2008.**

- The expected impact of the corrections for the three months ended March 31, 2008 and the three and six months ended June 30, 2008 are outlined in Hexion's Third Quarter 2008 earnings release

- The Company will file Forms 10-Q/A for the respective periods as soon as practical.

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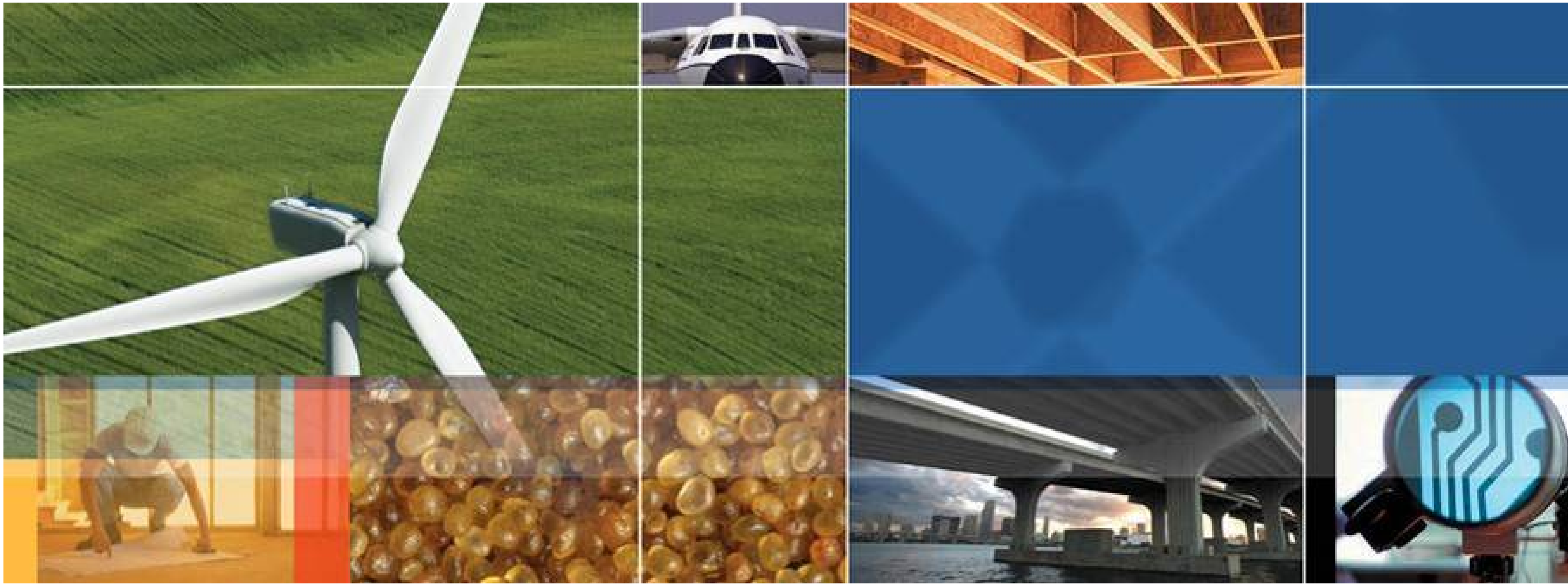

Summary

Craig O. Morrison

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Summary: Hexion Third Quarter 2008 Results

- Hexion's ongoing pricing focus drove a 13% revenue increase compared to Q307
- Segment EBITDA of $130 million was negatively impacted by increased raw material and energy costs, as well as the negative impact of hurricanes
- Global market conditions continued to soften during Q308
- Incremental pricing increases continued to be pursued to offset cost headwinds
- Hexion announced increased productivity savings of $60 million focused on improving operational efficiencies
- The Company continues to steadily achieve synergies from the Hexion formation
- Hexion posted a September 30, 2008 pro forma adjusted EBITDA of $655 million

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Appendices

Reconciliation of Non-GAAP Financial Measures

($ millions)	Three months ended Sept. 30,		Nine months ended Sept. 30,	
	2008	2007	2008	2007
Segment EBITDA:				
Epoxy and Phenolic Resins	62	94	194	272
Formaldehyde and Forest Product Resins	46	40	147	129
Coatings and Inks	11	20	44	69
Performance Products	23	22	68	57
Corporate and Other	(12)	(14)	(38)	(41)
Total	130	162	415	486
Reconciliation:				
Items not included in Segment EBITDA				
Pending merger costs	(51)	--	(227)	--
Integration and transaction costs	(5)	(8)	(20)	(29)
Non-cash charges	(6)	(2)	(15)	(17)
Unusual items:				
Gain on divestiture of assets	1	4	11	8
Business realignments	(9)	(6)	(22)	(16)
Derivative settlement	(13)	--	(13)	--
Other	(2)	(9)	(9)	(9)
Total unusual items	(23)	(11)	(33)	(17)
Total adjustments	(85)	(21)	(295)	(63)
Interest expense, net	(75)	(84)	(227)	(237)
Income tax benefit (expense)	6	(10)	(5)	(43)
Depreciation and amortization	(51)	(49)	(157)	(145)
Net loss	(76)	(2)	(269)	(2)

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Fixed Charge Covenant Calculations

Reconciliation of Net Loss to Adj. EBITDA	Sept. 30, 2008 LTM Period
Net loss	$ (332)
Income taxes	6
Interest expense, net	300
Depreciation and amortization expense	210
EBITDA	184
Adjustments to EBITDA	
Acquisitions EBITDA (1)	18
Pending merger costs (2)	227
Integration and transaction costs (3)	30
Non-cash items (4)	52
Unusual items:	
Gain on divestiture of assets	(11)
Business realignments (5)	27
Realized derivative loss (6)	12
Purchase accounting effects/inventory step up	1
Other (7)	18
Total unusual items	47
In process Synergies & planned productivity savings (8)	97
Adjusted EBITDA	$ 655
Fixed Charges (9)	263
Ratio of Adj. EBITDA to Fixed Charges (10)	2.49

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Fixed Charge Covenant Calculations Footnotes

(1) Represents the incremental EBITDA impact of the Arkema Acquisition as if it had taken place at the beginning of the period. Also includes the impacts of in process synergies related to our previous acquisitions.

(2) Primarily represents accounting, consulting, tax and legal costs related to the pending Huntsman merger and litigation. Also represents the write-off of previously deferred acquisition costs.

(3) Primarily represents redundancy and incremental administrative costs associated with integration programs. Also includes costs to implement a single, company-wide management information and accounting system and a new consolidations and financial reporting system.

(4) Includes non-cash charges for impairments of property and equipment, accelerated depreciation, stock-based compensation and unrealized foreign exchange and derivative activity.

(5) Represents plant rationalization, headcount reduction and other costs associated with business realignments.

(6) Represents a derivative settlement on a portion of our cross currency and interest rate swaps.

(7) Includes the income of the announced Alkyds Divestiture, management fees, costs to settle a lawsuit and realized foreign currency activity.

(8) Represents estimated net unrealized synergy savings resulting from the Hexion Formation of $37 million and productivity savings of $60 million.

(9) The charges reflect pro forma interest expense based on interest rates at November 13, 2008 as if the Arkema Acquisition and the amendment of our senior secured credit facilities had taken place at the beginning of the period.

(10) We are required to have an Adjusted EBITDA to Fixed Charges ratio of greater than 2.0 to 1.0 to be able to incur additional indebtedness under our indenture for the Second Priority Senior Secured Notes. As of September 30, 2008, the Company was able to satisfy this covenant and incur additional indebtedness under this indenture.

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Debt at September 30, 2008

($ in millions)

	9/30/2008	12/31/2007
Senior Secured Credit Facilities:		
Floating rate term loans due 2013	$ 2,262	$ 2,282
Revolving credit facilities due 2011	199	--
Senior Secured Notes:		
9.75% Second-priority senior secured notes due 2014	625	625
Floating rate second-priority senior secured notes due 2014	200	200
Debentures:		
9.2% debentures due 2021	115	115
7.875% debentures 2023	247	247
Sinking fund debentures: 8.375% due 2016	78	78
Other Borrowings:		
Australian Multi-Currency Term/Working Capital Facility due 2012	57	69
Industrial Revenue Bonds due 2009	34	34
Capital Leases	13	12
Other	55	58
Total debt	$ 3,885	$ 3,720

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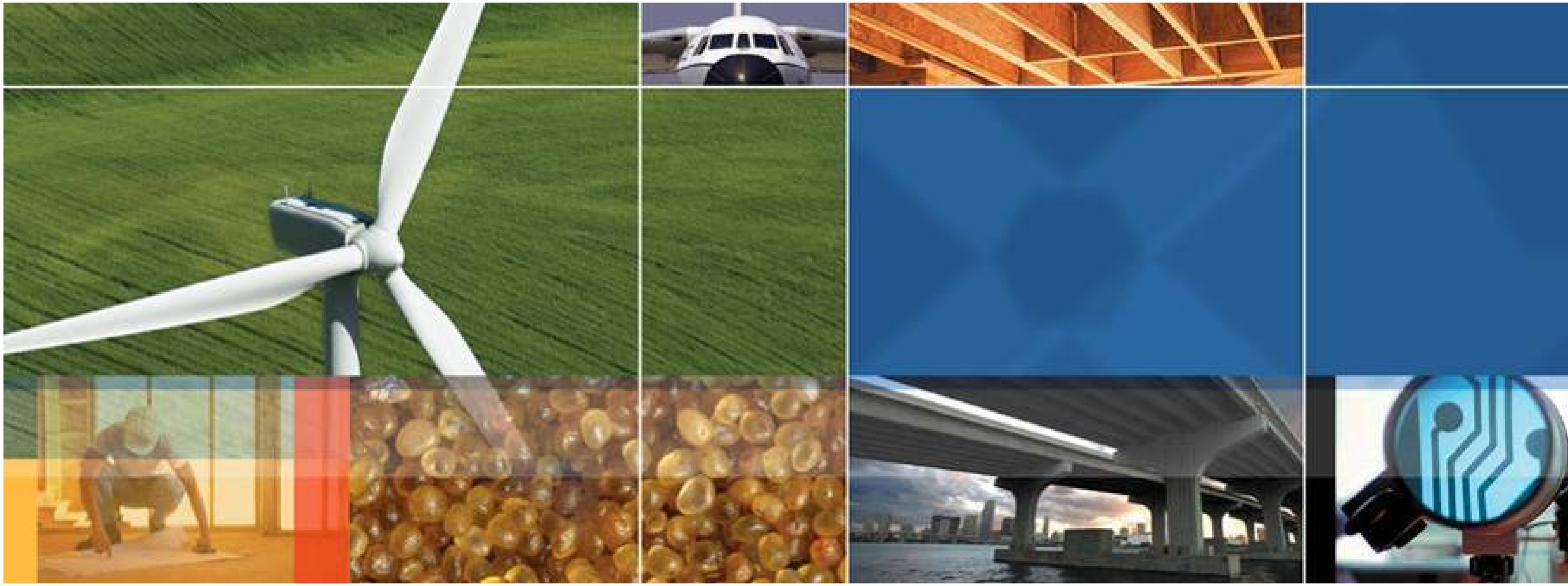

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