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Momentive Specialty Chemicals Inc.

(formerly known as Hexion Specialty Chemicals)

Third Quarter 2010
Earnings Conference Call

November 3, 2010

Forward-Looking Statements

Momentive Specialty Chemicals Inc.

Certain statements in this presentation are forward-looking statements within the meaning of and made pursuant to the safe harbor provisions 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, our management may from time to time make oral forward-looking statements. All statements, other than statements of historical fact, could be 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 expectations and assumptions regarding our businesses, the economy and other future events and conditions, and are based on currently available financial, economic and competitive data and current business plans. Actual results could vary materially depending on risks and uncertainties that may affect operations, markets, services, prices and other factors as discussed in Momentive Specialty Chemicals Inc. (“Momentive Specialty Chemicals” or the “Company”) the Company’s most recent Annual Report on Form 10-K and other filings made by Momentive Specialty Chemicals with the Securities and Exchange Commission (SEC). We caution you against relying on any forward-looking statements as they are neither statements of historical fact nor guarantees of future performance.

Important factors that could cause actual results to differ materially from those in the forward-looking statements include regional or global economic, competitive and regulatory factors including, but not limited to, the current credit crises and global economic downturn, interruptions in the supply of or increased pricing of raw materials due to natural disasters, pricing actions by our competitors that could affect our operating margins, changes in governmental regulations involving our products, and the following:

- difficulties with the integration process or realization of benefits from the Momentive Performance Materials transaction,
- our inability to achieve expected cost savings,
- the outcome of litigation described in the Company’s footnote to financial statements on Commitments and Contingencies in the Company’s most recent SEC filings,
- our failure to comply with financial covenants under our credit facilities or other debt, and
- the other factors described in the Risk Factors sections of the Annual Reports on Form 10-K and in the Company’s other SEC filings.

Any forward-looking statement made by us in this document speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time.

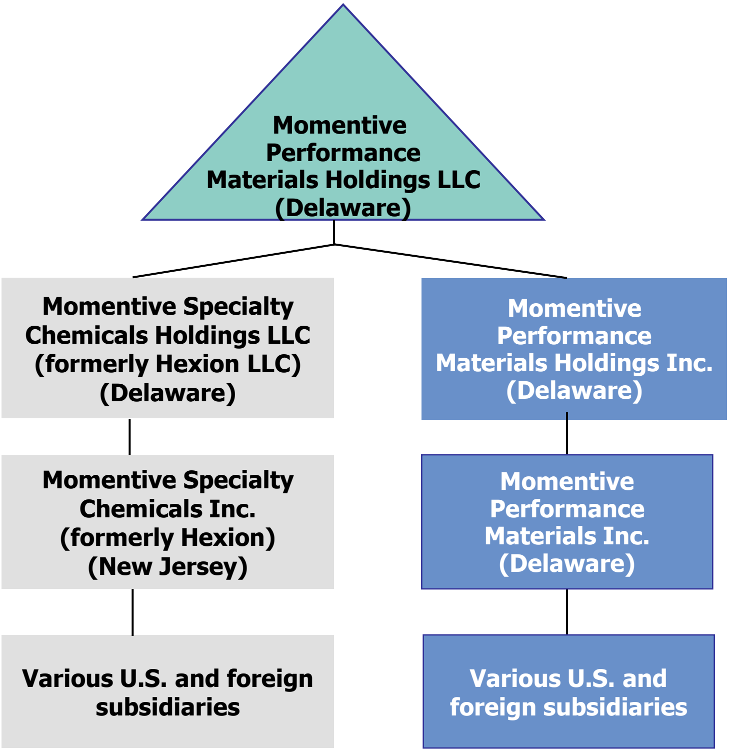
Momentive Performance Materials Holdings LLC

Craig O. Morrison
Chairman, President & Chief Executive Officer

New Corporate Structure

Summary

- Existing capital structures remain separate and in place
- New structure does not impact collateral or covenant compliance requirements for existing Momentive Specialty Chemicals or Momentive Performance Materials debt
- Momentive Specialty Chemicals Inc. and Momentive Performance Materials Inc. will continue to report separately and file periodic reports with the SEC
- Neither Momentive Performance Materials nor Momentive Specialty Chemicals provide credit support for the other company's debt



(1) The MSC debt is not issued or guaranteed by MPMH LLC, MPM Holdings, MPM or any of MPM's subsidiaries, and is not secured by any assets of such entities. None of HoldCo, MPM Holdings, MPM, or any of MPM's subsidiaries is obligated with respect to any of MSC's indebtedness or other liabilities. The MPM debt is not issued or guaranteed by HoldCo, MSC Holdings, MSC or any of MSC's subsidiaries, and is not secured by any assets of such entities. None of HoldCo, MSC Holdings, MSC, or any of MSC's subsidiaries is obligated with respect to any of MPM's indebtedness or other liabilities.

Creating One of the Largest Specialty Chemical and Material Companies in the World

MOMENTIVE performance materials
The science behind the solutions.

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HEXION Specialty Chemicals

US$ in millions	**LTM Revenue**	**LTM PF Adj. EBITDA[(2)]**
Momentive Specialty Chemicals (MSC)	$4,941	$691
Momentive Performance Materials (MPM)	$2,525	$527

MSC LTM Revenue & MPM LTM Revenue: $7,466mm

MSC LTM Pro Forma Adj. EBITDA & MPM LTM Pro Forma Adj. EBITDA: $1,218mm

(1) This presentation contains non-GAAP financial information. For additional information, please see the Appendix. **The MSC debt is not issued or guaranteed by HoldCo, MPM Holdings, MPM or any of MPM's subsidiaries, and is not secured by any assets of such entities. None of HoldCo, MPM Holdings, MPM, or any of MPM's subsidiaries is obligated with respect to any of MSC's indebtedness or other liabilities. The MPM debt is not issued or guaranteed by HoldCo, MSC Holdings, MSC or any of MSC's subsidiaries, and is not secured by any assets of such entities. None of HoldCo, MSC Holdings, MSC, or any of MSC's subsidiaries is obligated with respect to any of MPM's indebtedness or other liabilities.**

(2) The Pro Forma Adjusted EBITDA of each of Momentive Specialty Chemicals and Momentive Performance Materials includes $50 million of expected synergies from the shared services arrangement.

The Scale of Momentive Holdings Creates Significant Opportunities

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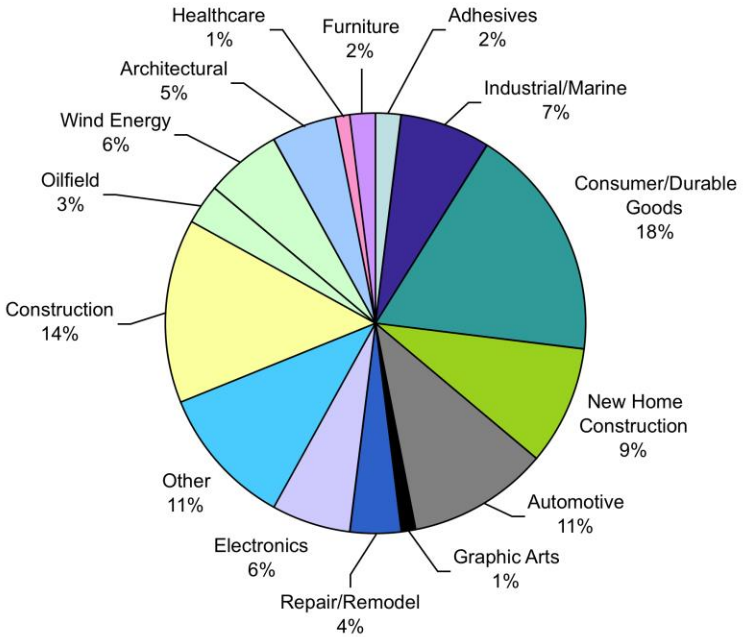
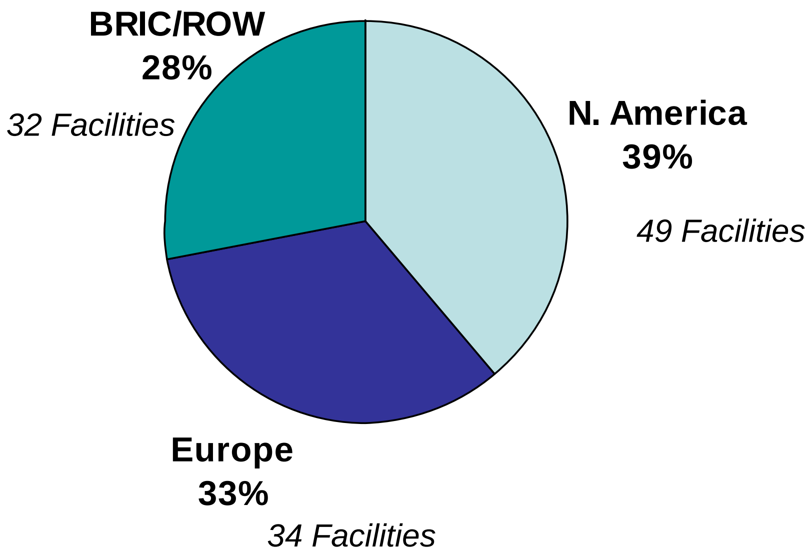
PF Revenue by Industry



PF Geographical Revenue



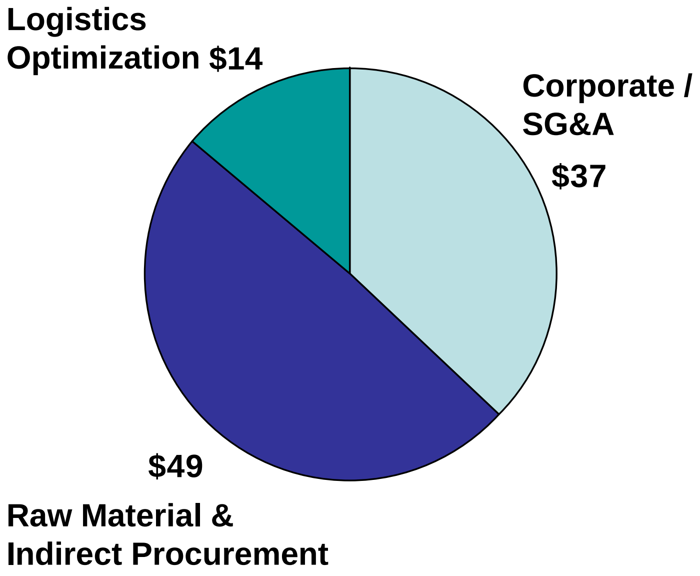
DIVERSIFICATION OF END USE MARKETS AND GEOGRAPHIES PROVIDE STRONG GROWTH OPPORTUNITIES

Conservative Synergy Targets

- Targeting $100 million in synergies from the transaction(1)
- Companies have strong track records of achieving planned cost savings
- Shared services agreement in place to govern intercompany operations
- Company estimates $50 million in one-time costs over 18 to 24 months to achieve the targeted synergies

Targeted Synergies(1)

($ in millions)



CONSERVATIVE SYNERGY COST SAVINGS TARGET OF $100mm WITH STRONG POTENTIAL FOR GROWTH SYNERGIES

(1) Synergies expected to be recognized ~ 50/50 between Momentive Specialty Chemicals and Momentive Performance Materials as per terms of shared service arrangement

Momentive Specialty Chemicals

(formerly known as Hexion Specialty Chemicals)

Overview of Third Quarter 2010 Results

Craig O. Morrison
Chairman, President & Chief Executive Officer

Record Quarterly Performance

- Record Q3'10 results included:
  - Revenues of $1.4 billion versus $1.1 billion in prior year due to improved volumes, the contractual pass through of increased raw material costs and pricing actions
  - Operating income of $189 million compared to operating income of $77 million in Q3'09
  - Record Segment EBITDA(1) of $202 million compared to $128 million in prior year quarter

- Strong liquidity position and cost control remain a priority
  - Continued realization of productivity savings in the third quarter of 2010
  - Volume gains and raw material escalation drove higher levels of working capital since Dec. '09, although the Company expects favorable working capital trends in Q4'10
  - Momentive Specialty continues to maintain a strong liquidity position with cash and available borrowings of $412 million at 9/30/10

- The Company was in compliance with all financial covenants governing its senior secured credit facilities and indentures at 9/30/10
  - Refinancing of fixed rate second-priority senior secured notes executed in October 2010 further improves maturity profile

RECORD QUARTERLY RESULTS DEMONSTRATES PRICING INITIATIVES, OPERATING LEVERAGE AND SUCCESSFUL COST REDUCTION

(1) 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. At September 30, 2010, the Company was in compliance with the Adjusted EBITDA to Fixed Charges Ratio incurrence test. Under Momentive Specialty Chemical's indenture for the Second Priority Senior Secured Notes, failure of this incurrence test does not represent an event of default. However, Momentive Specialty Chemicals may not be able to incur future debt outside of its revolving facility or make acquisitions in certain circumstances. The Company was in compliance with the senior secured bank leverage ratio under the covenants for its senior secured bank facility. September 30, 2010 LTM Adjusted EBITDA includes $32 million of in-process productivity program savings and $50 million in pro forma savings from expected savings from the shared services agreement with Momentive Performance Materials in conjunction with the Momentive Combination.

Third Quarter 2010
Summary Financial Performance

Quarter Ended September 30

($ in millions)	**2010**	**2009**	**Δ**
Revenue	**$1,374**	**$1,080**	**27%**
Operating income	**189**	**77**	**145%**
Net income	**116**	**60**	**93%**
Segment EBITDA (1)	**202**	**128**	**58%**

RECORD QUARTERLY SEGMENT EBITDA
DESPITE A MARGINAL WESTERN ECONOMIC RECOVERY

(1) Segment EBITDA excludes in-process synergies.

Q3'10 Raw Materials Rose Compared to Prior Year and Sequentially

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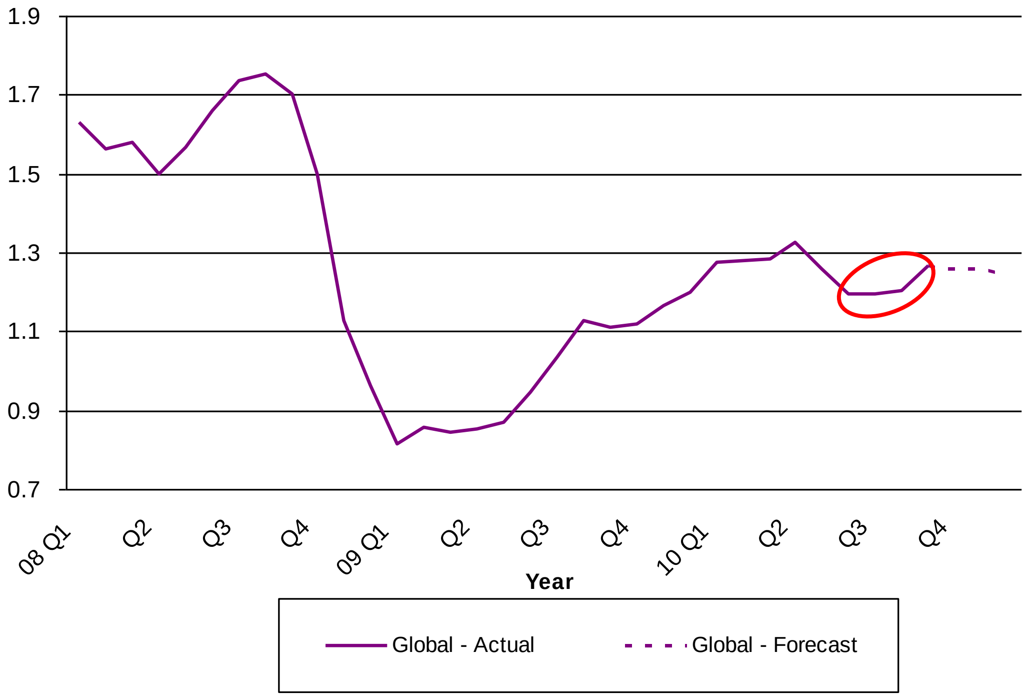
Momentive Specialty Chemicals: Global Raw Material Cost Index

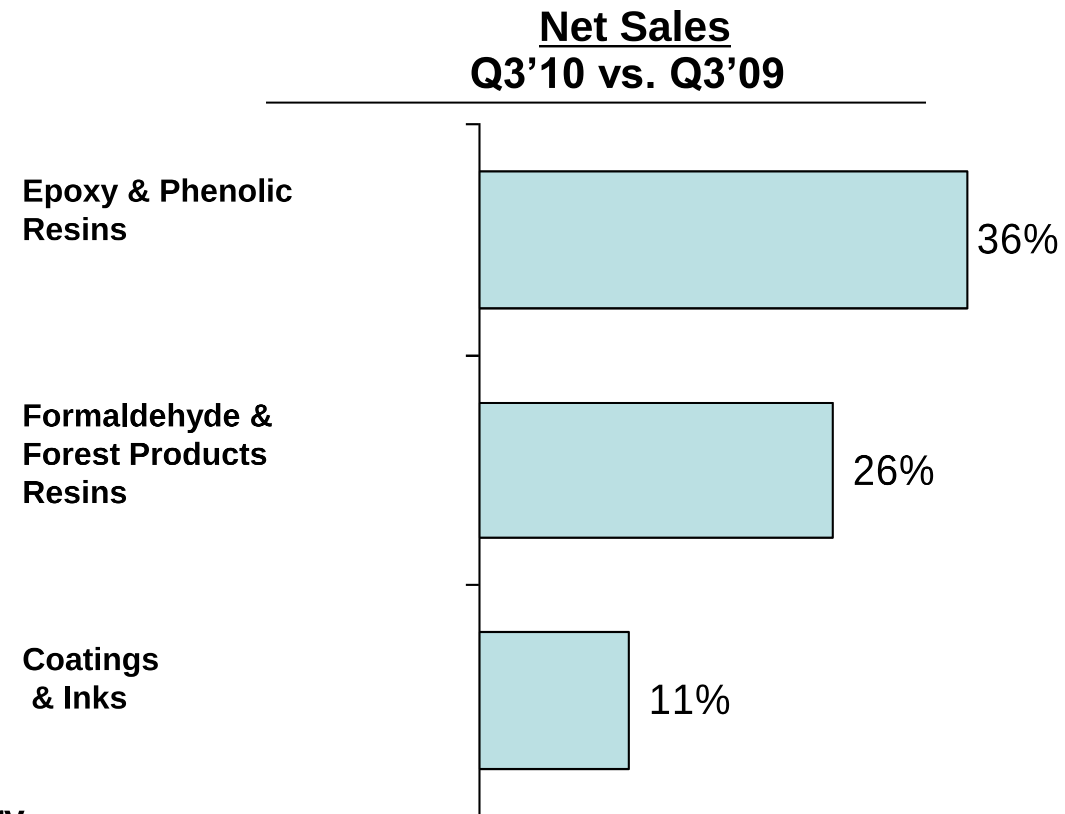


Source: CMAI data

Summary

- **Average Q3'10 raw material prices increased significantly compared to Q309**
  - **Phenol -- YoY; methanol ↑45% YoY; urea ↑ 13% YoY; propylene↑22% Yo**
- **Previously-announced pricing actions remain in-process**
- **YOY raw material cost increases impacted working capital investment**
- **Third party forecast at risk with inflation a significant potential event**

Third Quarter 2010 Segment Net Sales



Summary

- The pass through of raw material driven price increases increased third quarter 2010 sales by $262 million and volumes positively impacted quarterly sales by $95 million
- Third quarter 2010 sales were negatively impacted by foreign currency translation of $41 million, while the deconsolidation of a joint venture decreased sales by $22 million

Third Quarter 2010
Segment EBITDA Results

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Quarter Ended September 30

($ in millions)	2010	2009	% Δ
Epoxy & Phenolic Resins	**$ 151**	**$ 83**	**82%**
Formaldehyde & Forest Products Resins	**46**	**31**	**48%**
Coatings & Inks	**27**	**27**	**--**

Summary

- Third quarter 2010 represented record EBITDA margin of approximately 15% due to a lower cost base and disciplined pricing actions
- Certain end markets continue to recover unevenly

GRADUALLY IMPROVING VOLUMES AND SPECIALTY-ORIENTED PORTFOLIO SUPPORTS RECORD QUARTERLY SEGMENT EBITDA

Momentive Specialty Chemicals Inc. Financial Review

William H. Carter
Executive Vice President & Chief Financial Officer

Epoxy and Phenolic Resins (EPR)
Third Quarter 2010 Segment Highlights

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Quarter Ended Sept. 30

($ in millions)	**2010**	**2009**	Δ
Revenue	$ 706	$ 521	36%
Segment EBITDA	$ 151	$ 83	82%

Q3'10 Sales Comparison YOY

Volume	Price/Mix	Currency Translation	Accounting Changes (1)	Total
12%	34%	(6)%	(4)%	36%

<u>**Summary**</u>

- Continued strong results from specialty epoxy & Versatic Acids™ and Derivatives
- Base epoxy resins business continued to benefit from improving demand and market tightness
- For the second consecutive quarter, the Oilfield business posted record quarterly EBITDA
- Phenolic specialty resins delivered a strong quarter due to solid demand for industrial resins in Europe and increased volumes in N. America

(1) Represents the effect of the deconsolidation of the HAI joint venture due to the adoption of ASU 2009-17

Formaldehyde and Forest Products (FFP) Resins Third Quarter 2010 Segment Highlights

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Quarter Ended Sept. 30

($ in millions)	**2010**	**2009**	**Δ**
Revenue	$ 398	$ 315	26%
Segment EBITDA	$ 46	$ 31	48%

Q3'10 Sales Comparison YOY

Volume	Price/Mix	Currency Translation	Total
9%	16%	1%	26%

Summary

- Strong N. America formaldehyde and resin results despite sluggishness in housing starts
- Solid results in several international forest products markets drove significantly higher YoY sales and Segment EBITDA
- Pricing actions and productivity gains continue to offset soft market conditions in N. America and Europe

Coatings and Inks (C&I)
Third Quarter 2010 Segment Highlights

Quarter Ended Sept. 30

($ in millions)	**2010**	**2009**	**Δ**
Revenue	$ 270	$ 244	11%
Segment EBITDA	$ 27	$ 27	--%

Q3'10 Sales Comparison YOY

Volume	Price/Mix	Currency Translation	Total
2%	15%	(6)%	11%

Summary

- Overall segment results continued to reflect a strong performance in monomers due to global acrylic monomer shortage, which allowed for more aggressive pricing
- Segment EBITDA flat YoY, but in line with strong prior year quarter
- Continued focus on achieving productivity actions going forward
- Ongoing pricing actions underway to address raw material headwinds in certain product lines

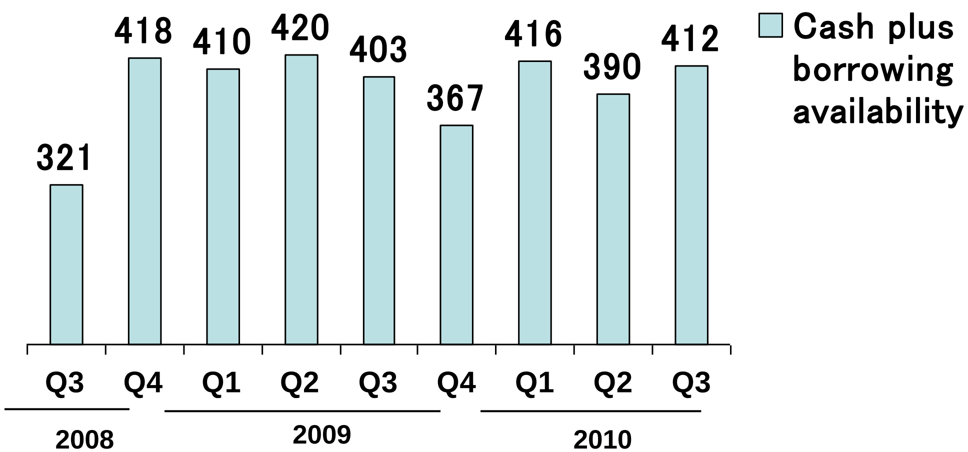
Balance Sheet Update & Financial Summary

Summary

- Liquidity remained strong with cash plus borrowing availability of $412 million at Sept. 30, 2010
- Q3'10 capital expenditures of $27 million; full-year 2010 cap ex target revised to ~ $110 million
- Significant refinancing improved maturities and strengthened balance sheet

Liquidity

($ in millions)



NET DEBT: ~ $3.52 BILLION (9/30/10) (1)

(1) Includes $100 million of affiliated debt. See details of Momentive Specialty Chemical's total debt in the Appendix of this presentation.

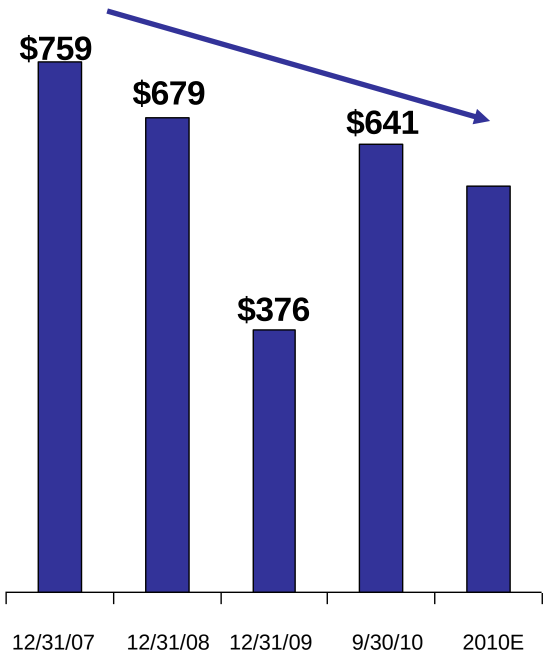
Expecting Favorable Q4'10 Working Capital Trends

Summary

- Working capital remains well below 2007 peak
- Working capital increasing to support higher revenue and profitability
- Company expects favorable fourth quarter 2010 working capital trends as volumes and inventory levels begin to decrease due to normal seasonality

Working Capital (1)

($ in millions)



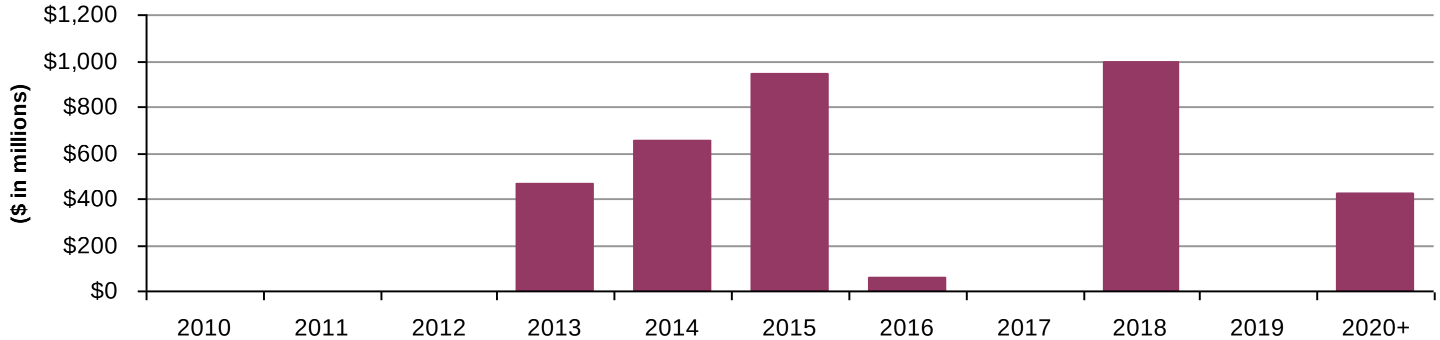
Raw Material Costs	73
Volume	121
Turnarounds	45
Asia Pipeline	20
FX / Other	12
	271

(1) Working capital defined as accounts receivable and inventories less accounts and drafts payable.

October 2010 Announced Refinancing: Extends Debt Maturity Profile of Momentive Specialty Chemicals

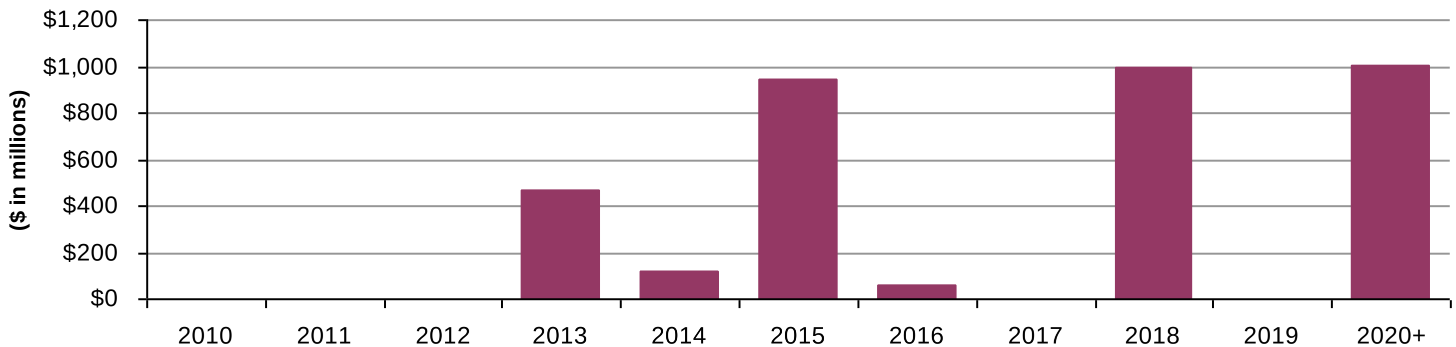
- The refinancing extends $533 million of 2014 debt to 2020
- Current capital structure conservative with no near-term maturities

Debt Maturities (9/30/10)



Weighted Average Maturity 5.6 yrs.

Debt Maturities (Post Refinancing)



Weighted Average Maturity 6.6 yrs.

Note: Maturity schedules are for OpCo debt only

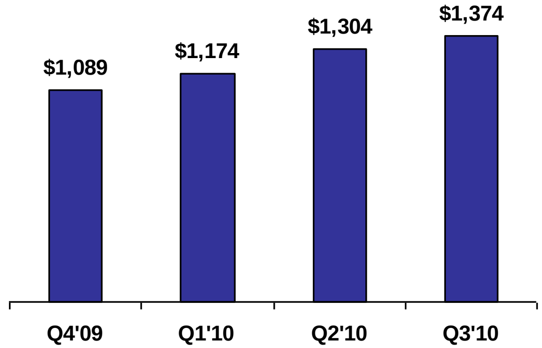
Summary

Momentive Specialty Chemicals Inc.: Record EBITDA in Q3'10

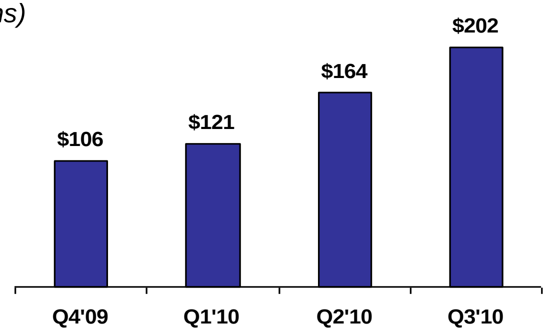
- **Improving Underlying Financials and Record EBITDA Achieved in Q3'10**
  - LTM revenue of $4.9 billion reflects steadily improving quarterly sales
  - Earnings rebounding strongly from prior year trough as Q3'10 EBITDA represented record performance
  - Normal seasonality is expected to impact our fourth quarter 2010 results, although we anticipate continued strength in volumes for specialty applications and BRIC markets
  - Announced refinancing and the Momentive transaction provides a strong platform for growth

Recent Performance

Revenues
(US$ in millions)



Segment EBITDA
(US$ in millions)



REMAIN FOCUSED ON PRICING, COST REDUCTION AND AGGRESSIVE CASH MANAGEMENT

Appendices

Reconciliation of Non-GAAP Financial Measures

Reconciliation of Segment EBITDA to Net Income (Unaudited)
(U.S. Dollars in Millions)

	Three months ended Sept. 30, 2010	Three months ended Sept. 30, 2009	Nine months ended Sept. 30, 2010	Nine months ended Sept. 30, 2009
Segment EBITDA:				
Epoxy and Phenolic Resins	$ 151	$ 83	$ 329	$ 192
Formaldehyde and Forest Product Resins	46	31	138	75
Coatings and Inks	27	27	69	50
Corporate and Other	(22)	(13)	(49)	(38)
Reconciliation:				
Items not included in Segment EBITDA				
Terminated merger and settlement income, net	56	19	91	61
Non-cash charges	(5)	2	(16)	3
Unusual items:				
(Loss) gain on divestiture of assets	—	(1)	2	(2)
Business realignments	(6)	(15)	(17)	(53)
Asset impairments	—	—	—	(47)
Other	(12)	(11)	(28)	(33)
Total unusual items	(18)	(27)	(43)	(135)
Total adjustments	33	(6)	32	(71)
Interest expense, net	(70)	(52)	(205)	(172)
Gain on extinguishment of debt	—	41	—	223
Income tax (expense) benefit	(7)	(7)	(25)	(7)
Depreciation and amortization	(42)	(44)	(128)	(132)
Net income attributable to Momentive Specialty Chemicals Inc.	116	60	161	120
Net income attributable to noncontrolling interest	—	—	—	1
Net income	$ 116	$ 60	$ 161	$ 121

Fixed Charge Covenant Calculations

(U.S. Dollars in Millions)

	Sept. 30, 2010 LTM Period
Reconciliation of Net Income to Pro Forma Adjusted EBITDA	
Net income	$ 157
Income taxes	20
Gain on extinguishment of debt	(1)
Interest expense, net	256
Depreciation and amortization	174
EBITDA	606
Adjustments to EBITDA:	
Terminated merger and settlement income, net (1)	(92)
Net income attributable to noncontrolling interest	(2)
Non-cash items (2)	16
Unusual items:	
Loss on divestiture of assets	2
Business realignments (3)	20
Asset impairments	3
Other (4)	56
Total unusual items	81
Productivity program savings (5)	32
Savings from shared service agreement (6)	50
Pro Forma Adjusted EBITDA	$ 691
Fixed charges (7)	$ 252
Ratio of Pro Forma Adjusted EBITDA to Fixed Charges (8)	2.74

(1) This presentation contains non-GAAP financial information. Adjusted EBITDA is a non-GAAP financial measure as defined by SEC rules. Adjusted EBITDA is not intended to represent any measure of earnings or cash flow in accordance with US GAAP and the calculation and use of this measure may differ from other companies. Adjusted EBITDA should not be used in isolation or as a substitute for measures of performance or liquidity. Adjusted EBITDA should not be considered an alternative to operating income or net income (loss) under US GAAP to evaluate results of operations or as an alternative to cash flows as a measure of liquidity. On slide 5 of this presentation, Pro Forma Adjusted EBITDA for the combined entities reflects Momentive Specialty Chemical Inc.'s (formerly known as Hexion Specialty Chemical, Inc.) LTM Pro Forma Adj. EBITDA for the twelve-month period ended Sept. 30, 2010 and Momentive Performance Materials Inc.'s LTM Pro Forma Adjusted EBITDA for the twelve-month period ended Sept. 26, 2010. For information on Momentive Specialty Chemical's LTM Pro Forma Adjusted EBITDA and Momentive Performance Material's LTM Pro Forma Adjusted EBITDA, including a reconciliation of such previously reported amounts to such company's operating income, please see such company's press release discussing its 3Q'10 results as filed on November 3, 2010.

Fixed Charge Covenant Calculations Footnotes

(1) Represents insurance recoveries by our owner related to the $200 million termination settlement payment that was pushed down and treated as an expense of the Company in 2008. Also represents negotiated reductions on accounting, consulting, tax and legal costs related to the terminated Huntsman merger and recognition of insurance settlements associated with the New York Shareholder Action. These amounts are partially offset by legal settlement accruals pertaining to the New York Shareholder Action. (Refer to the Company's 2009 Annual Report on Form 10-K and other SEC filings for a description of the New York Shareholder Action.)

(2) Represents stock-based compensation, the write-off of previously deferred financing fees and unrealized foreign exchange and derivative activity.

(3) Represents plant rationalization and headcount reduction expenses related to productivity programs and other costs associated with business realignments.

(4) Primarily includes pension expense related to formerly owned businesses, business optimization expenses, management fees, retention program costs, realized foreign currency activity and debt issuance costs related to the January Refinancing Transactions.

(5) Represents pro-forma impact of in-process productivity program savings.

(6) Represents pro forma impact of expected savings from the shared services agreement with Momentive Performance Materials Inc. in conjunction with the Momentive Combination.

(7) Reflects pro forma interest expense based on interest rates at October 21, 2010 as if the January Refinancing Transactions and the execution of a new interest rate swap in July 2010 had taken place at the beginning of the period.

(8) 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, 2010, the Company was able to satisfy this test and incur additional indebtedness under this indenture.

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Debt at September 30, 2010

Debt outstanding at September 30, 2010 and December 31, 2009 is as follows:

	September 30, 2010		December 31, 2009	
	Long-Term	Due Within One Year	Long-Term	Due Within One Year
Non-affiliated debt:				
Senior Secured Credit Facilities:				
Revolving facility due 2011	$ —	$ —	$ 36	$ —
Floating rate term loans due 2013	457	8	2,211	23
Floating rate term loans due 2015	932	15	—	—
Senior Secured Notes:				
8.875% senior secured notes due 2018 (includes $7 of unamortized debt discount)	993	—	—	—
Floating rate second-priority senior secured notes due 2014	120	—	120	—
9.75% second-priority senior secured notes due 2014	533	—	533	—
Debentures:				
9.2% debentures due 2021	74	—	74	—
7.875% debentures due 2023	189	—	189	—
8.375% sinking fund debentures due 2016	62	—	62	—
Other Non-affiliated Borrowings:				
Australia Multi-Currency Term / Working Capital Facility due 2011	39	10	46	8
Brazilian bank loans	36	37	30	35
Capital leases	13	1	14	1
Other	10	20	13	11
Total non-affiliated debt	3,458	91	3,328	78
Affiliated debt:				
Affiliated borrowings due on demand	—	4	—	4
Affiliated term loan due 2011	100	—	100	—
Total affiliated debt	100	4	100	4
Total debt	$ 3,558	$ 95	$ 3,428	$ 82