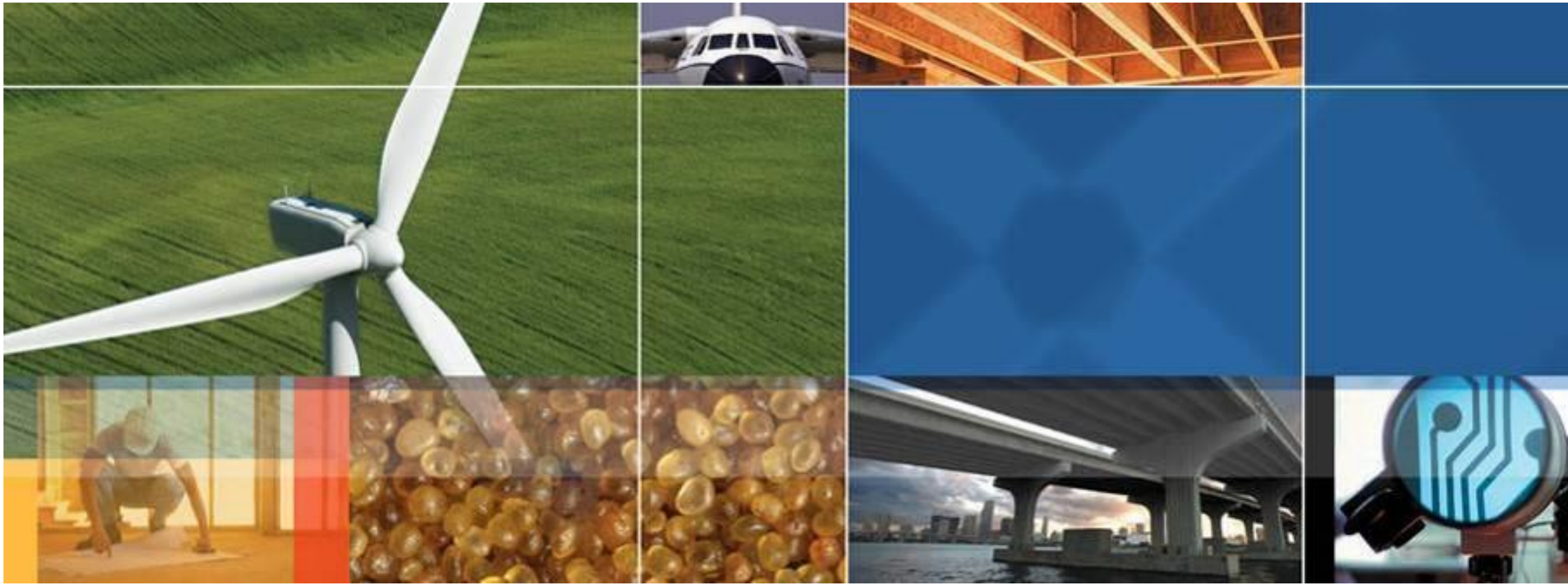

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Specialty Chemicals

Second Quarter 2009 Earnings Conference Call

August 13, 2009

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 2008 Annual Report on Form 10-K and in 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: economic factors such as the current credit crises and economic downturn and their related impact on liquidity and the industry sectors we serve, or 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 2008 Annual Report on Form 10-K and in our other reports filed 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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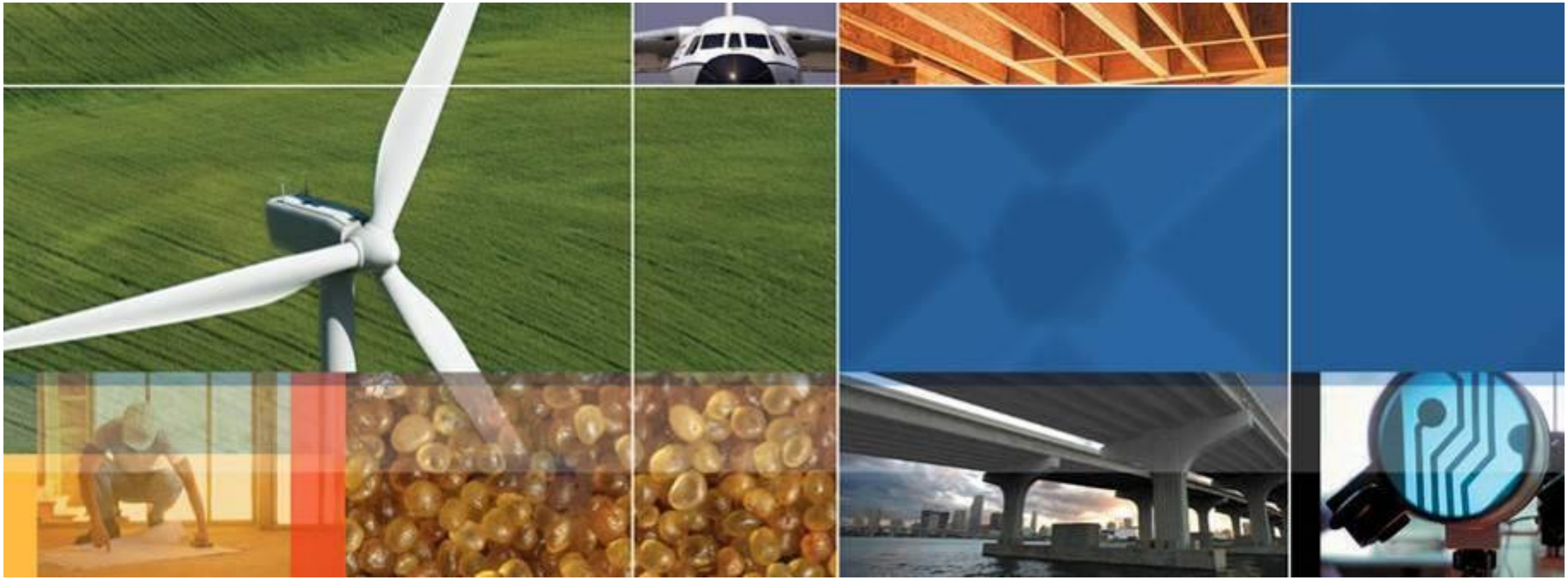

Overview of Second Quarter Results

Craig O. Morrison

Chairman, President & Chief Executive Officer

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Second Quarter 2009 Results

- Second quarter 2009 (Q209) results reflected ongoing market weakness consistent with the last three quarters, although monthly volumes strengthened moderately as Q209 progressed

- Hexion Specialty Chemicals Q209 results included:
  - Revenues of $947 million reflecting lower volumes and the pass through of declining raw material costs
  - Operating loss of $24 million compared to operating loss of $107 million in prior year
  - Segment EBITDA [(1)] of $90 million compared to $131 million in prior year quarter

- Productivity program continues to support sequential EBITDA improvement as Hexion has realized $54 million in productivity savings in the first six months of 2009
  - Total targeted productivity program has been expanded to $252 million since the end of third quarter 2008
  - Productivity savings occurring since Q308 total $71 million

- Hexion's focus on cash management and working capital has yielded significant results:
  - Working capital has decreased from $679 million at year end 2008 to $373 million as of Q209
  - Inventory declined by ~ 10 days compared to year-end 2008 levels yielding a benefit of $131 million
  - Hexion generated $97 million of cash from operations in Q209 bringing the year-to-date generation to $254 million

- Liquidity of $420 million stays consistent with year-end 2008 position

- LTM pro forma adjusted EBITDA of $527 million and an interest coverage ratio of 2.57 [(1)] at June 30, 2009

Hexion has Maintained a Focus on Improving its Cost and Cash Position

(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 to incur additional indebtedness under its indenture for the Second Priority Senior Secured Notes. As of June 30, 2009, the Company was able to satisfy this covenant and incur additional indebtedness under its indentures. June 30, 2009 LTM Adjusted EBITDA includes $181 million of in-process productivity program savings.

Second Quarter 2009
Summary Financial Performance

($ in millions)	Quarter Ended June 30 2009	2008	Δ
Revenue	$ 947	$1,668	(43)%
Operating loss	(24)	(107)	nm
Net loss	(71)	(181)	nm
Segment EBITDA (1)	90	131	(31)%

Sequential EBITDA Improvement in Q209 Although Global Recession Continued to Dramatically Impact Volumes

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

Q209 Segment Sales

$ in millions

	Quarter Ended June 30 2009	2008
Epoxy and Phenolic Resins	$ 398	$ 697
Formaldehyde and Forest Product Resins	267	515
Coatings and Inks	231	358
Performance Products	51	98

Summary

- Volumes negatively impacted revenue by $446 million, raw material driven price decreases accounted for $181 million of the sales decline and foreign currency translation negatively impacted sales by $94 million

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Segment EBITDA Results

$ in millions

	Quarter Ended June 30	
	2009	2008
Epoxy and Phenolic Resins	$ 49	$ 58
Formaldehyde and Forest Product Resins	21	51
Coatings and Inks	22	12
Performance Products	15	23

Summary

- EPRD performance improved sequentially on the strength of specialty products
- Forest Products' results continue to reflect sluggish domestic and international markets
- Coatings & Inks benefited from margin expansion and the positive impact of past restructuring activities
- Performance Products variance driven by lower rig counts, increased competition and soft automotive demand

(1) Segment EBITDA excludes in-process synergies.

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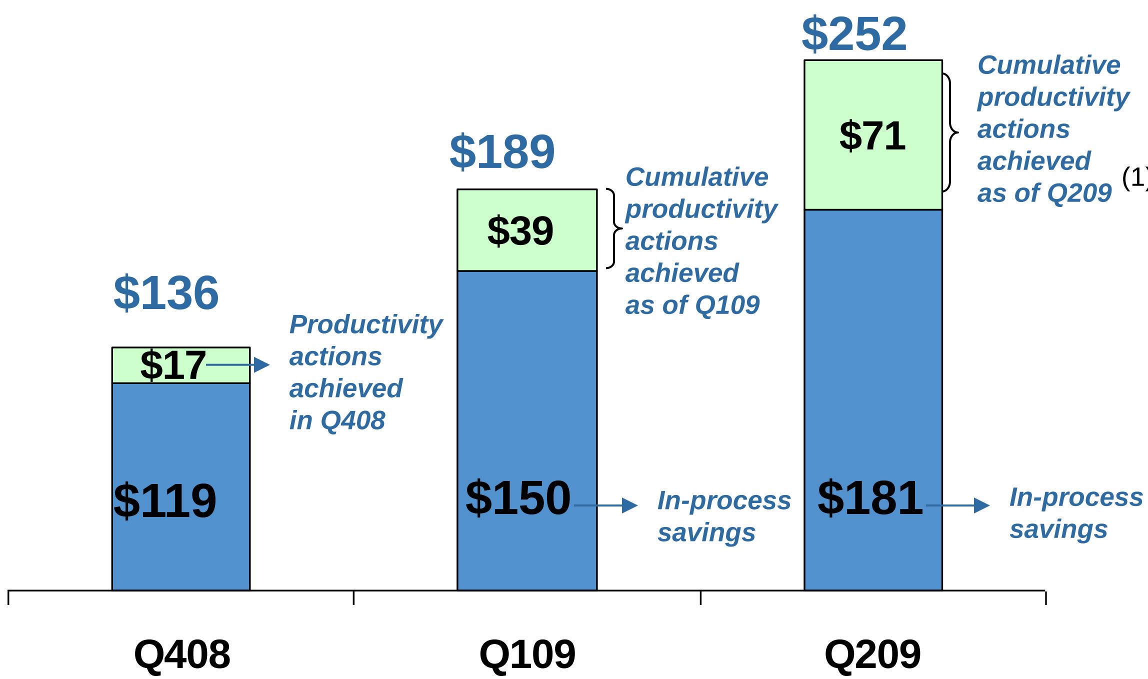
Incremental Productivity Savings Reflected in Improving Q209 Segment EBITDA

Summary

- Productivity actions are driving significant decreases in SG&A and overall costs
- Hexion achieved $32 million in targeted productivity savings in Q209
- Hexion is pursuing $63 million in additional savings as part of its expanded productivity program
  - Targeted productivity actions represent a 20% reduction in staffing
  - The Company expects these actions to occur primarily during the next six to 18 months
  - Hexion expects to incur an incremental $32 million to achieve the additional productivity targets

Expanded Productivity Program

$ in millions



Hexion Continues to Drive Structural Changes Throughout its Business

(1) Includes $71 million in cumulative productivity actions taken as of June 30, 2009 since incremental productivity targets were identified at the completion of the third quarter of 2008. The Company achieved the following productivity actions per quarter: $17 million in Q408, $22 million in Q109 and $32 million in Q209.

Productivity Programs Continue to Drive Across-the-Board Savings

	YTD09 vs. YTD08 Δ
Utilities	33%
Mfg. Variable	37%
Salary & Wages	23%
Travel	54%
Office Expense	48%
Purchased Services	27%
Other	15%

YTD' 09 Cost Reductions vs. YTD '08: $177 million

Reductions Driven by Comprehensive Focus on Cost Control Actions

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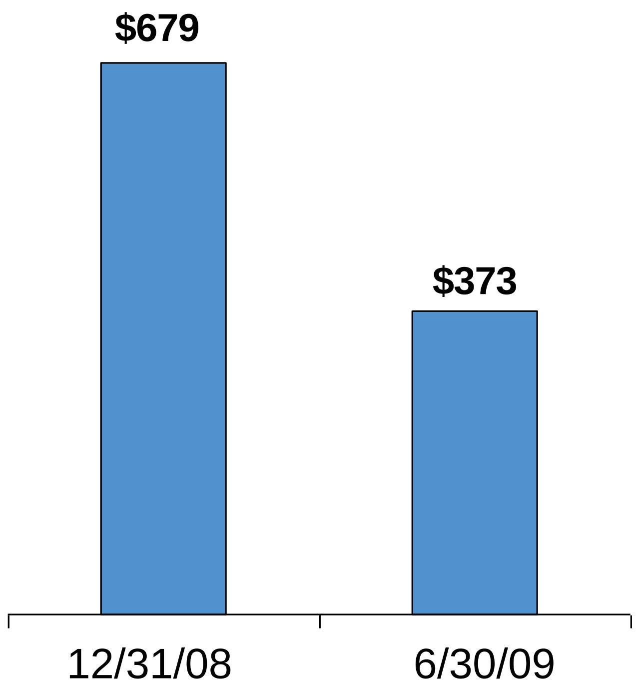
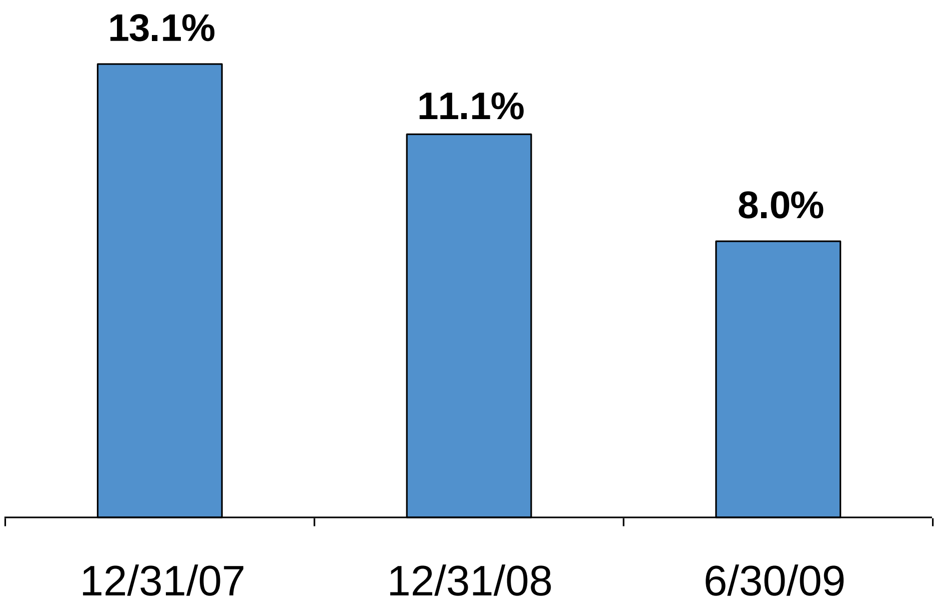
Working Capital as of June 30, 2009

$ in millions

Working Capital



Working Capital as a Percentage of LTM Sales



- Hexion anticipates increases in working capital in the second half of 2009 due to likely increases in certain raw material costs and an anticipated gradual recovery in volumes

Focus on Working Capital Continues in 2009

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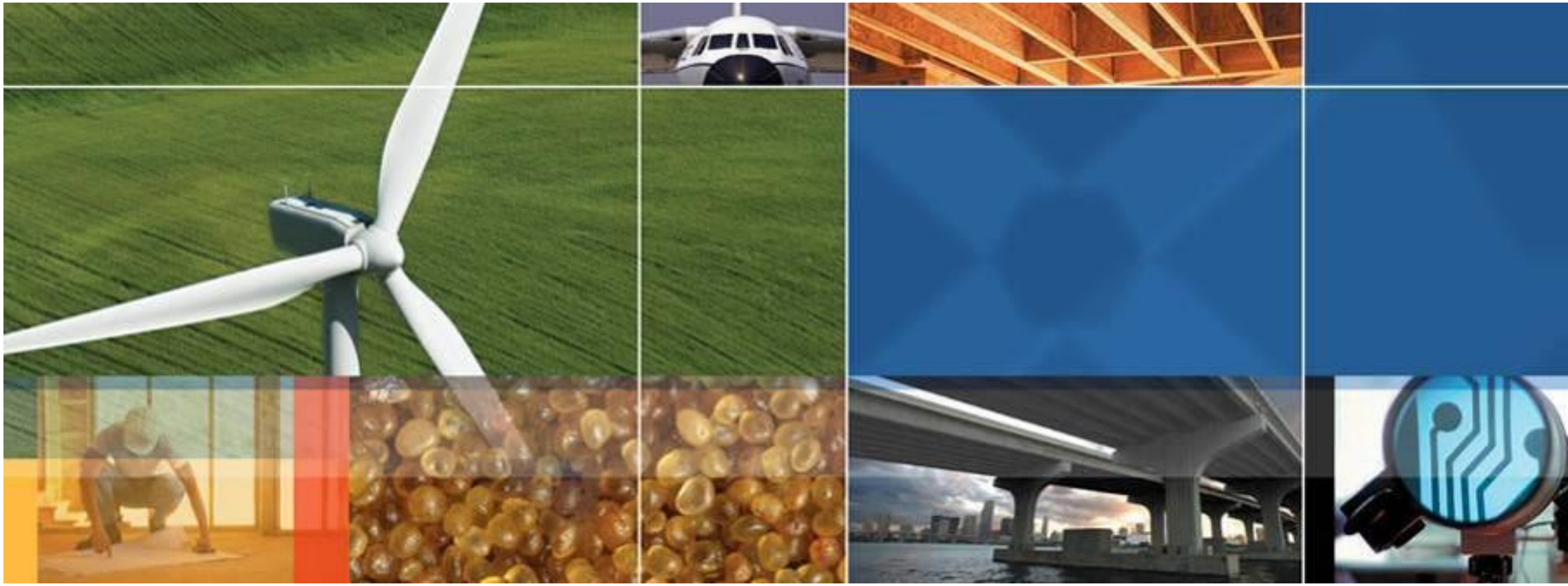

Financial Review

William H. Carter

Executive Vice President & Chief Financial Officer

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Epoxy and Phenolic Resins (EPR)
Second Quarter 2009 Segment Highlights

Quarter Ended June 30

($ in millions)	2009	2008	Δ
Revenue	$ 398	$ 697	(43)%
Segment EBITDA	$ 49	$ 58	(16)%

Q209 Sales Comparison YOY

Volume	Price/Mix	Currency Translation	Total
(28)%	(9)%	(6)%	(43)%

Summary

- Hexion continues to align operating rates with fluctuating customer demand
  - Indefinitely idled BPA3 unit
  - Selectively idled other production facilities in line with customer demand
- EBITDA increased sequentially due to productivity actions and improved performance of certain specialty product lines, such as specialty epoxy and Versatic Acids & Derivatives
- Hexion's base epoxy resins and precursors businesses remained challenged from general weakness in auto, construction and housing markets
- Closely monitoring raw material costs as several pricing actions were announced in response to recent inflationary trends

Formaldehyde and Forest Products (FFP) Resins Second Quarter 2009 Segment Highlights

Quarter Ended June 30

($ in millions)	2009	2008	Δ
Revenue	$ 267	$ 515	(48)%
Segment EBITDA	$ 21	$ 51	(59)%

Q209 Sales Comparison YOY

Volume	Price/Mix	Currency Translation	Total
(24)%	(18)%	(6)%	(48)%

Summary

- YoY comparisons reflect ongoing weakness in housing and downstream formaldehyde markets, although Hexion posted slight sequential improvement in Q209 volumes
- Prior year EBITDA reflected the impact of a favorable international raw material contract
- Estimated production dates for nearly-completed new sites:
  - Russian joint venture: targeting Q309
  - Montenegro, Brazil: targeting Q409

Coatings and Inks (C&I)
Second Quarter 2009 Segment Highlights

Quarter Ended June 30

($ in millions)	2009	2008	Δ
Revenue	$ 231	$ 358	(35)%
Segment EBITDA	$ 22	$ 12	83%

Q209 Sales Comparison YOY

Volume	Price/Mix	Currency Translation	Total
(23)%	(5)%	(7)%	(35)%

Summary

- Coatings business drove bulk of YOY EBITDA gain, while Inks business was up slightly
  - Sequential EBITDA improvement driven by productivity, raw material margin improvement and seasonality
- Restructuring activities continued in Q209
  - Lynwood, CA site will be modified to a blend-only facility
  - Carpentersville, IL location significantly downsized and refocused

Performance Products (PP)
Second Quarter 2009 Segment Highlights

Quarter Ended June 30

($ in millions)	2009	2008	Δ
Revenue	$ 51	$ 98	(48)%
Segment EBITDA	$ 15	$ 23	(35)%

Q209 Sales Comparison YOY

Volume	Price/Mix	Currency Translation	Total
(42)%	(6)%	--	(48)%

Summary

- Falling rig counts, as well as increased competition, negatively impacted Oilfield business, which accounted for nearly all of the Q209 earnings variance versus prior year
- Foundry markets remained challenged from declining auto and industrial demand

Balance Sheet Update & Financial Summary

- Hexion generated $97 million in cash from operations in the second quarter of 2009 compared to $(7) million in the second quarter of 2008
- The Company continues to focus on cash management, evidenced by a further reduction in working capital investments of $312 million in the first half of 2009
- Hexion believes working capital could increase in 2H09 due to likely increases in certain raw material costs and an anticipated gradual recovery in volumes
- Q209 capital expenditures totaled $30 million; maintaining full year target of ~ $110 million
- Liquidity remained strong with cash plus borrowing availability of $420 million at June 30, 2009, including equity financing commitment from affiliates of Apollo Management

Net Debt: ~ $3.41 billion (6/30/09) (1)

(1) Includes $100 million of affiliated debt. See detail of Hexion's total debt of $3.5 billion in the Appendix of this presentation.

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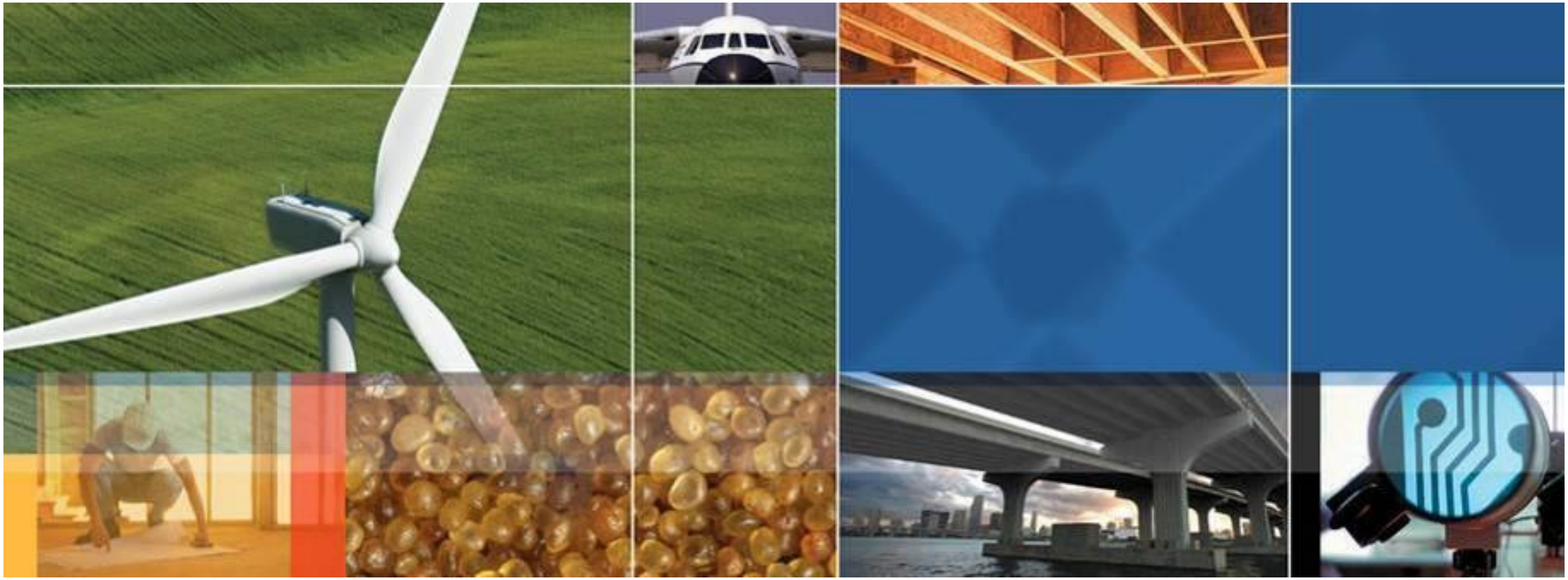

Summary

Craig O. Morrison

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Summary: Hexion Q209 Results & Q309 Outlook

- Sequential gains in second quarter 2009 Segment EBITDA reflected the impact of ongoing productivity actions, a modest increase in volumes and seasonality of the business
- To improve our operating efficiencies, Hexion announced increased incremental productivity savings of $63 million
  - The Company achieved $32 million in productivity savings in Q209
  - Total in process productivity actions of $181 million remained at June 30, 2009
- Despite challenging market conditions in the first half of 2009, Hexion's liquidity of $420 million demonstrates an aggressive focus on cost and cash management
- New plant additions in Russia and Brazil are expected to be operational in 2H09
- Hexion expects that the global economy will moderately strengthen during the third quarter of 2009, but anticipates that it will remain significantly below prior year trends
  - The Company's longer-term visibility remains limited at this time
- Hexion continues to aggressively focus on the items it can directly control, such as driving productivity initiatives, managing working capital and taking other actions that strengthen the Company's balance sheet and enhance liquidity

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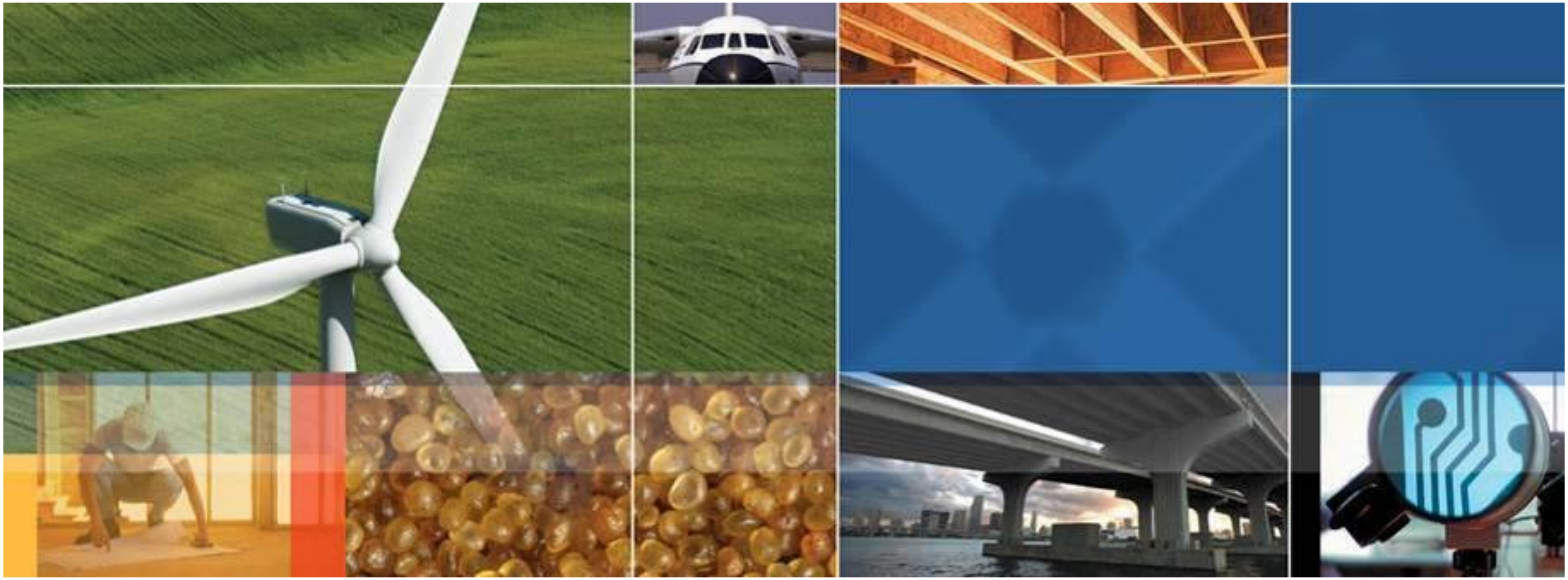

Appendices

Reconciliation of Non-GAAP Financial Measures

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
Segment EBITDA:				
Epoxy and Phenolic Resins	$ 49	$ 58	$ 71	$ 132
Formaldehyde and Forest Product Resins	21	51	42	105
Coatings and Inks	22	12	23	30
Performance Products	15	23	40	44
Corporate and Other	(17)	(13)	(25)	(26)
Reconciliation:				
Items not included in Segment EBITDA				
Terminated merger and settlement (expense) income, net	(3)	(167)	27	(176)
Integration and transaction costs	—	(8)	—	(15)
Non-cash charges	(3)	(3)	1	(9)
Unusual items:				
Gains (losses) on divestiture of assets	2	3	(1)	10
Business realignments	(22)	(10)	(38)	(13)
Asset impairments	(44)	—	(47)	—
Other	(8)	—	(22)	(7)
Total unusual items	(72)	(7)	(108)	(10)
Total adjustments	(78)	(185)	(80)	(210)
Interest expense, net	(56)	(74)	(120)	(152)
Gain on extinguishment of debt	14	—	182	—
Income tax benefit (expense)	3	1	—	(10)
Depreciation and amortization	(44)	(54)	(88)	(106)
Net (loss) income attributable to Hexion Specialty Chemicals, Inc.	(71)	(181)	45	(193)
Net income attributable to noncontrolling interest	—	2	1	3
Net (loss) income	$ (71)	$ (179)	$ 46	$ (190)

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Fixed Charge Covenant Calculations

	June 30, 2009 LTM Period
Reconciliation of Net Loss to Adjusted EBITDA	
Net loss	$ (949)
Income taxes	(26)
Gain on extinguishment of debt	(182)
Interest expense, net	272
Depreciation and amortization expense	185
EBITDA	(700)
Adjustments to EBITDA:	
Terminated merger and settlement costs[(1)]	824
Integration costs[(2)]	12
Net income attributable to noncontrolling interest	(3)
Non-cash items[(3)]	63
Unusual items:	
Loss on divestiture of assets	6
Business realignments[(4)]	66
Derivative settlement[(5)]	37
Other[(6)]	41
Total unusual items	150
Productivity program savings[(7)]	181
Adjusted EBITDA	$ 527
Fixed charges[(8)]	$ 205
Ratio of Adjusted EBITDA to Fixed Charges[(9)]	2.57

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Fixed Charge Covenant Calculations Footnotes

(1) Represents accounting, consulting, tax and legal costs related to the terminated Huntsman merger and related litigation, including the $550 million payment to Huntsman to terminate the merger and settle litigation and the non-cash push-down of settlement costs paid by Apollo of $200 million, net of Apollo's recovery of $15 million in insurance proceeds related to the $200 million settlement payment. Also represents legal settlement accruals pertaining to the New York Shareholder Action.

(2) Primarily represents redundancy and incremental administrative costs associated with integration programs. Also includes costs to implement a new consolidations and financial reporting system.

(3) Represents non-cash charges of $71 million for impairments of property and equipment and intangible assets, impairments of goodwill and accelerated depreciation. Also represents stock-based compensation and unrealized foreign exchange and derivative activity.

(4) Represents plant rationalization and headcount reduction costs related to productivity programs and other business realignments.

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

(6) Primarily includes pension expense related to formerly owned businesses, business optimization expenses, management fees, and realized foreign currency activity.

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

(8) Reflects pro forma interest expense based on interest rates at July 30, 2009 as if our repurchases of our outstanding debt securities had taken place at the beginning of the period.

(9) We are required to have an Adjusted EBITDA to Fixed Charges ratio of greater than 2.0 to 1.0 under our indenture for the Second Priority Senior Secured Notes. As of June 30, 2009, the Company was able to satisfy this covenant. Non compliance with this covenant would limit the Company's ability to incur additional indebtedness.

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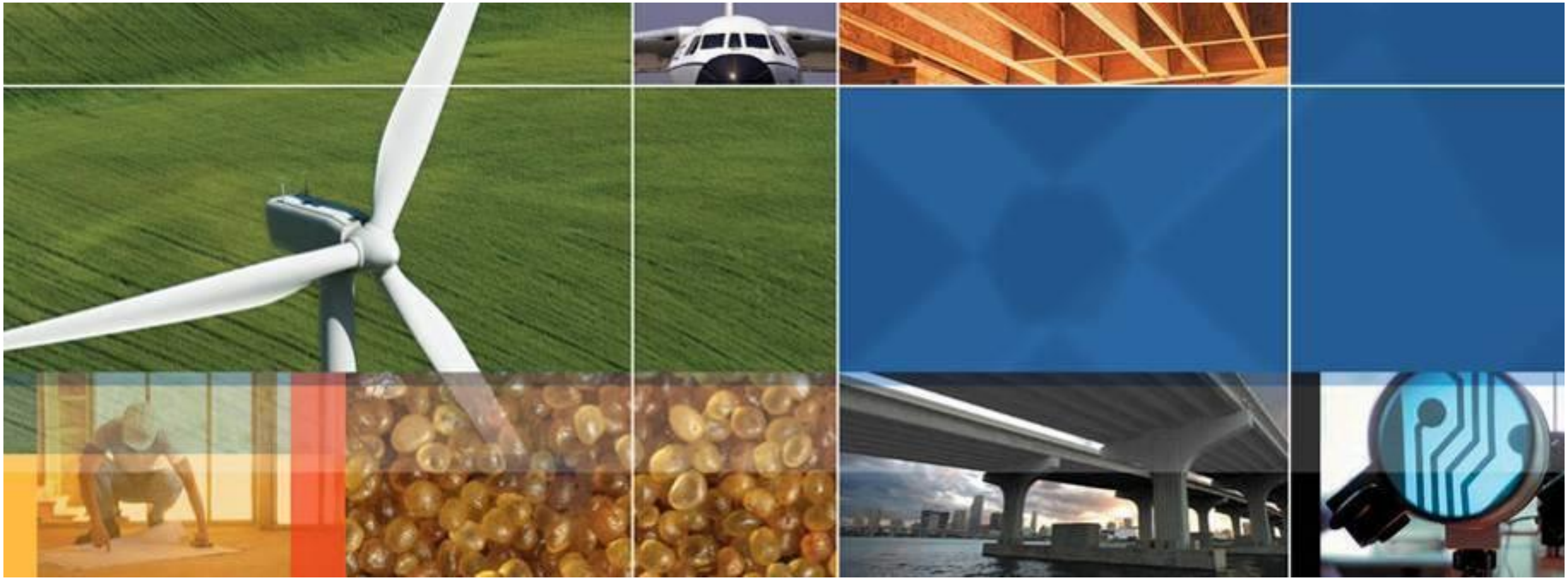
Debt at June 30, 2009

($ in millions)

	June 30, 2009		December 31, 2008	
	Long-Term	Due Within One Year	Long-Term	Due Within One Year
Non-affiliated debt:				
Senior Secured Credit Facilities:				
Revolving facility due 2011	$ —	$ —	$ 180	$ —
Floating rate term loans due 2013	2,222	23	2,231	23
Senior Secured Notes:				
Floating rate second-priority senior secured notes due 2014	120	—	200	—
9.75% Second-priority senior secured notes due 2014	533	—	625	—
Debentures:				
9.2% debentures due 2021	101	—	115	—
7.875% debentures due 2023	221	—	247	—
8.375% sinking fund debentures due 2016	72	—	78	—
Other Non-affiliated Borrowings:				
Australia Multi-Currency Term / Working Capital Facility due 2011	46	4	43	7
Industrial Revenue Bonds due 2009	—	34	—	34
Capital leases	14	1	14	1
Other	13	47	13	48
Total non-affiliated debt	3,342	109	3,746	113
Affiliated debt:				
Affiliated borrowings due on demand	—	4	—	—
Affiliated term loan due 2011	100	—	—	—
Total affiliated debt	100	4	—	—
Total debt	$ 3,442	$ 113	$ 3,746	$ 113



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