



Hexion Specialty Chemicals, Inc.
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NEWS RELEASE

FOR IMMEDIATE RELEASE

Borden Chemical Completes Combination with Resolution Performance Products and Resolution Specialty Materials to Form Hexion Specialty Chemicals

COLUMBUS, Ohio – (June 1, 2005) – Borden Chemical, Inc., Resolution Performance Products LLC (RPP) and Resolution Specialty Materials LLC (RSM), today completed their previously announced combination to form Hexion Specialty Chemicals, Inc., the world's largest producer of thermosetting resins. Hexion also includes Bakelite AG, which Borden Chemical acquired in late April.

"We are pleased to complete the formation of Hexion Specialty Chemicals and are excited about the benefits our combined enterprise will bring to our customers," said Craig O. Morrison, president and chief executive officer. Hexion Specialty Chemicals will be headquartered in Columbus, Ohio.

Hexion is owned by affiliates of the private investment firm Apollo Management, L.P.

Hexion Specialty Chemicals had pro forma 2004 annual net sales of \$4.1 billion. The company has approximately 7,000 employees and will rank third among North American-based specialty chemical firms. It has 86 manufacturing and distribution sites in 18 countries in the Americas, Europe and the Asia-Pacific region. It has a broad range of products, technologies and technical services for the industrial marketplace.

The company's major product areas include formaldehyde, epoxy and phenolic resins, molding compounds, coating resins, acrylics, alkyds, polyester resins, versatic acids, ink resins and other specialty products and formulations. These materials are used as bonding, binding and coating agents in a diverse range of industries including the construction, transportation, electronics, printing, oilfield, foundry, furniture, paints and engineered wood markets.

More information about Hexion Specialty Chemicals can be found at the company's web site, www.hexionchem.com.

About the Companies Forming Hexion Specialty Chemicals

Borden Chemical: 48 manufacturing facilities in 9 countries, 2,400 associates and 2004 sales of \$1.7 billion. Based in Columbus, Ohio. Apollo Management acquired Borden Chemical in August 2004.

RPP: based in Houston, operations in the United States, Europe and Asia. 950 employees and 2004 sales of \$996 million. Apollo acquired RPP from Shell Oil Company in November 2000.

RSM: formed from businesses acquired by Apollo Management from Eastman Chemical Company in August 2004. Based in Houston, 2,100 employees and facilities in the U.S., Europe and China. 2004 annual sales of \$768 million.

Bakelite: based in Iserlohn-Letmathe, Germany, 13 manufacturing facilities in Europe and Asia, 1,700 employees and 2004 sales of \$699 million. Acquired by Borden Chemical in April 2005.

About Apollo Management

Apollo Management, L.P., founded in 1990, is among the most active and successful private investment firms in the U.S. in terms of both number of investment transactions completed and aggregate dollars invested. Since its inception, Apollo has managed the investment of an aggregate of approximately \$13 billion in equity capital in a wide variety of industries, both domestically and internationally.

Forward-Looking Statements

Statements contained in this press release may include forward-looking information about the Company's financial results and business prospects and are based on our currently available financial, economic and competitive data and on current business plans. Actual results could vary materially depending on risks and uncertainties that may affect the company's operations, markets, services, prices and other factors as discussed in filings with the Securities and Exchange Commission. These risks and uncertainties include, but are not limited to, industry and economic conditions, competitive, legal, governmental and technological factors. There is no assurance that the company's expectations will be realized. The company assumes no obligation to update any forward-looking information contained in this document should circumstances change, except as otherwise required by securities and other applicable laws.

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