HEXION™

Specialty Chemicals

Second Quarter 2008 Earnings Conference Call

August 14, 2008

Forward-Looking Statements

Certain information in this presentation may be considered forward-looking information within the meaning of the Private Securities Litigation Reform Act of 1995. This information is based on the Company's current expectations and 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, our pending merger with Huntsman Corporation, including the related pending litigation, industry and economic conditions, and 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 presentation should circumstances change, except as otherwise required by securities and other applicable laws.

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

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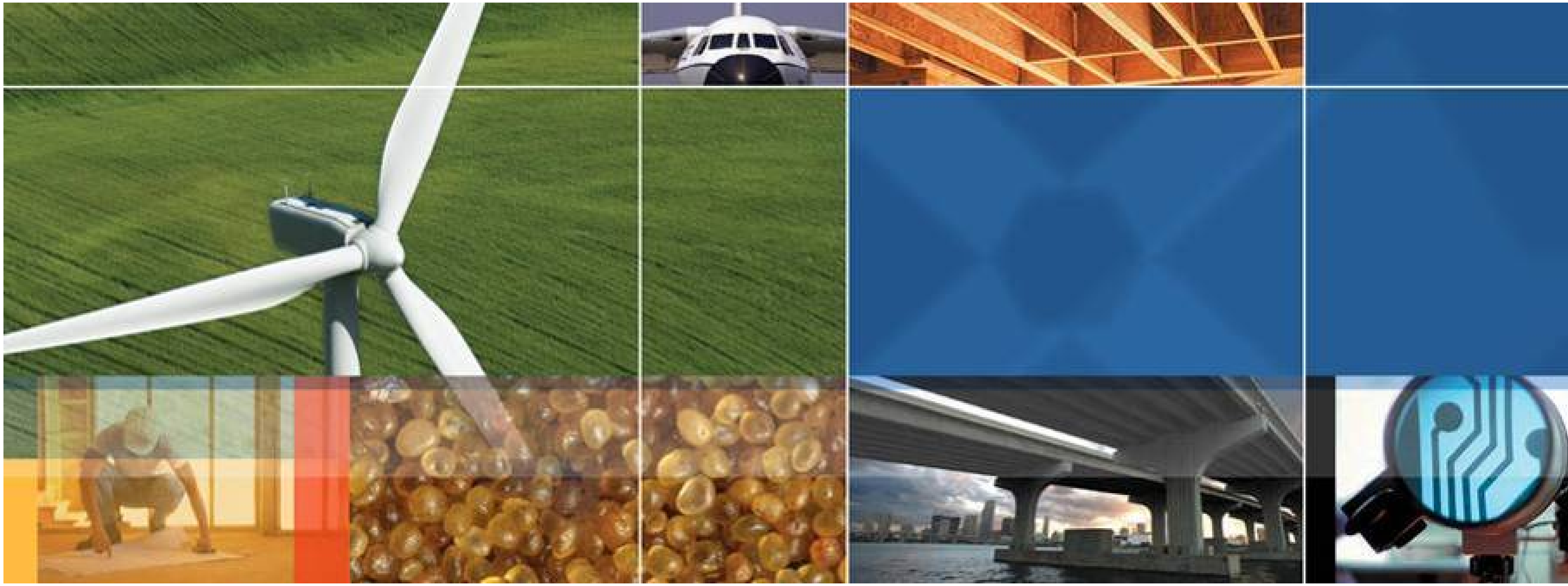

Overview of Second Quarter 2008 Results

Craig O. Morrison

Chairman, President & Chief Executive Officer

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Second Quarter 2008 Results

- Hexion Specialty Chemicals Second Quarter 2008 results included:
  - Revenues increased 14% over prior year
  - Operating loss of $105 million compared to operating income of $89 million in prior year
  - Q208 impacted by write-off of $167 million in deferred merger costs associated with Huntsman acquisition (1)
  - Segment EBITDA (2) of $131 million compared to $154 million in prior year quarter
- On a year-over-year comparison, Q208 was adversely impacted by a number of factors:
  - Softening market conditions in certain core markets
  - Net of the 14% sales increase, raw materials and energy had a negative $25 million impact to EBITDA
  - A major customer shutdown and vendor force majeure had an negative EBITDA impact of $5 million
- Aggressive actions being taken to address EBITDA shortfall
  - Price increases were implemented in the second quarter of 2008 driving a 14% revenue increase
  - Additional pricing actions are being pursued to offset inflationary trends
  - Aggressively identifying and pursuing incremental cost reduction programs
- Q208 results delivered a pro forma adjusted EBITDA of $645 million and an interest coverage of 2.39 (2)
- With a long-dated capital structure and $450 million in liquidity, Hexion is well positioned to serve its customer base
- On June 18, 2008, Hexion announced that it and related entities filed suit in the Delaware Court of Chancery to declare its contractual rights with respect to its merger agreement with Huntsman Corporation
- A Form 8-K was filed today announcing a senior management realignment within Hexion

Hexion is Taking Aggressive Actions to Offset Dynamic Market Conditions

(1) Transaction remains subject to various conditions, including completion of the antitrust review process in the United States and other customary closing conditions.
(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, the Company was able to satisfy this covenant and incur additional indebtedness under its indentures. June 30, 2008 Adjusted EBITDA includes $44 million of in-process Hexion synergies and $26 million of acquisition adjustments.

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Second Quarter 2008
Summary Financial Performance

Quarter Ended June 30

($ in millions)	**2008**	**2007**	**Δ**
Revenue	$ 1,668	$ 1,464	↑ 14%
Operating (loss) income	(105)	89	nm
Net loss	(180)	(4)	nm
Segment EBITDA (2)	131	154	↓ 15%

Q208 operating and net loss includes $167 million in previously-deferred merger costs associated with acquisition of Huntsman Corporation (1)

Pricing Actions, Productivity Programs and Ongoing Synergy Achievement Aimed at Addressing Cost Headwinds

(1) Transaction remains subject to various conditions, including completion of the antitrust review process in the United States and other customary closing conditions.

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

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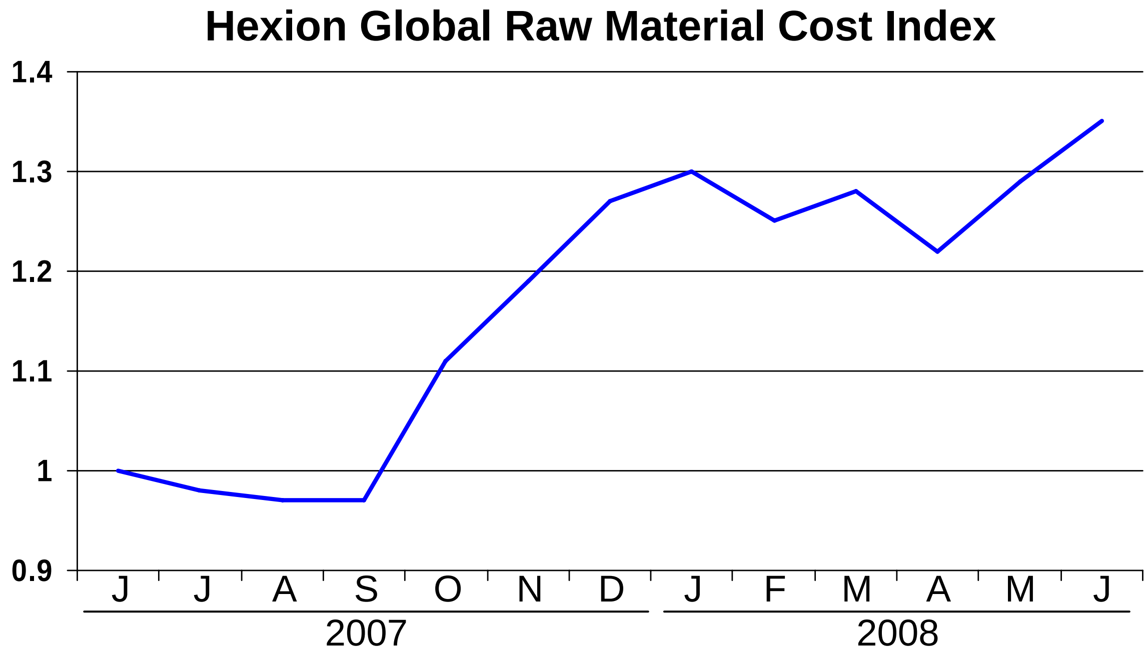
Pricing Actions Underway to Close Earnings Gap From Spiking Raw Materials



Raw Material Index increased 38% versus Q207 average levels

Summary

- **Raw materials spiked for three months ended June 30, 2008 compared to prior year period:**
  - **Methanol increased 50%**
  - **Urea increased 75%**
  - **Propylene increased 37%**
- **Year over year, raw materials have increased $180 million in the quarter**
- **Contractual raw material pass through terms typically require a 30-45 day "lag" period**
- **Hexion is accelerating its pricing actions to compensate for $25 million in raw material and energy Q208 variance**

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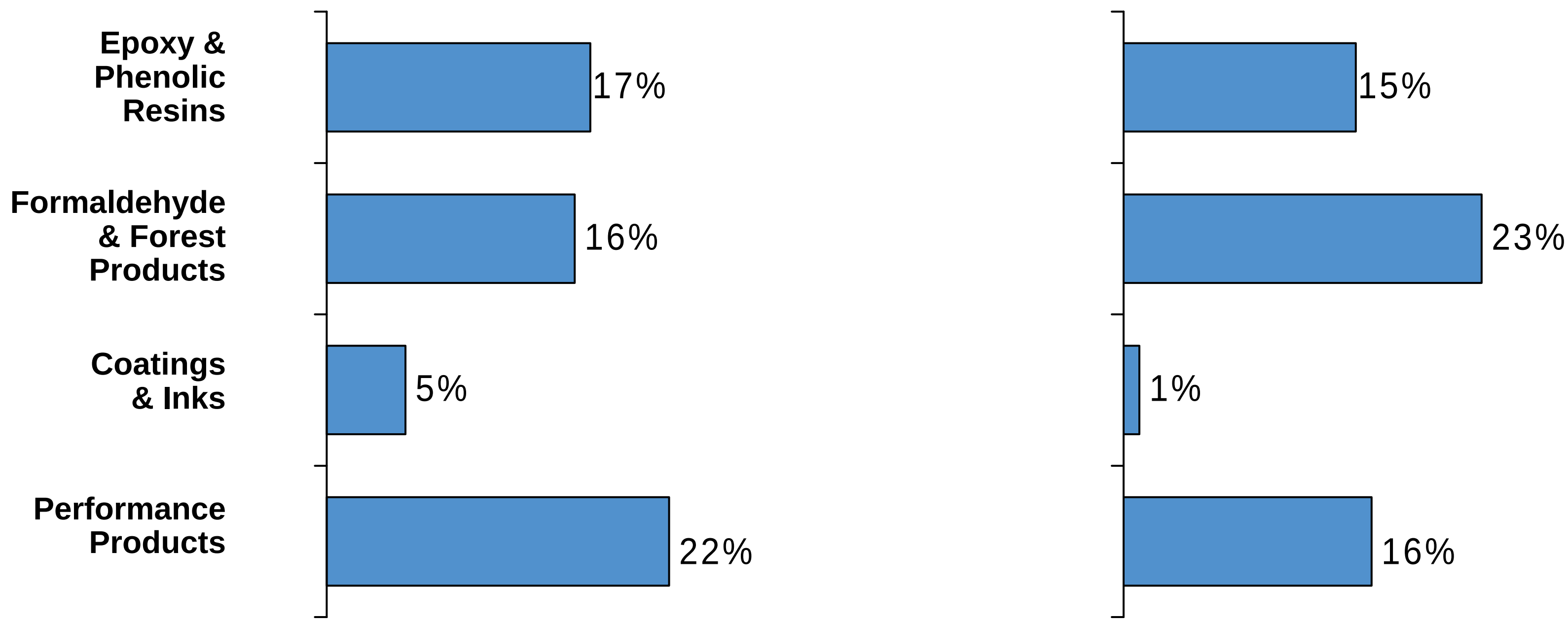
Across-the-Board Revenue Growth Driven by Ongoing Focus on Pricing and Growth in Specialty Products

Net Sales

Q208 vs. Q207 | 1H08 vs. 1H07



Summary

- **Pricing actions, acquisitions and positive currency gains drove net sales increase**
- **Softening in certain markets have limited the ability to increase pricing**
- **Incremental pricing actions are being implemented in Q308**

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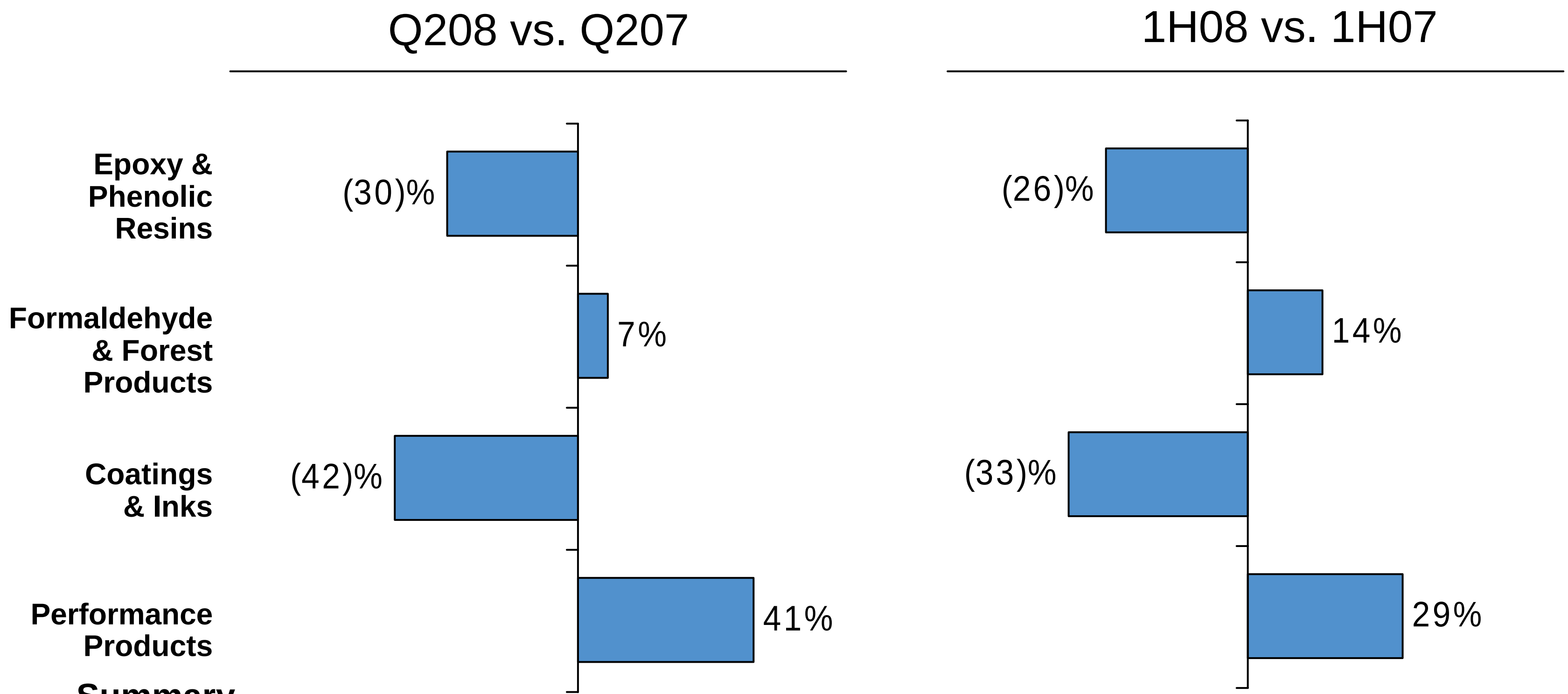
Segment EBITDA Results Impacted by Slowing Economy and Inflationary Raw Materials



Summary

- EPRD EBITDA reflects softening in the Epoxy intermediates and base resins markets
- Epoxy specialty markets continue to be robust
- Forest Products driven by international expansion
- 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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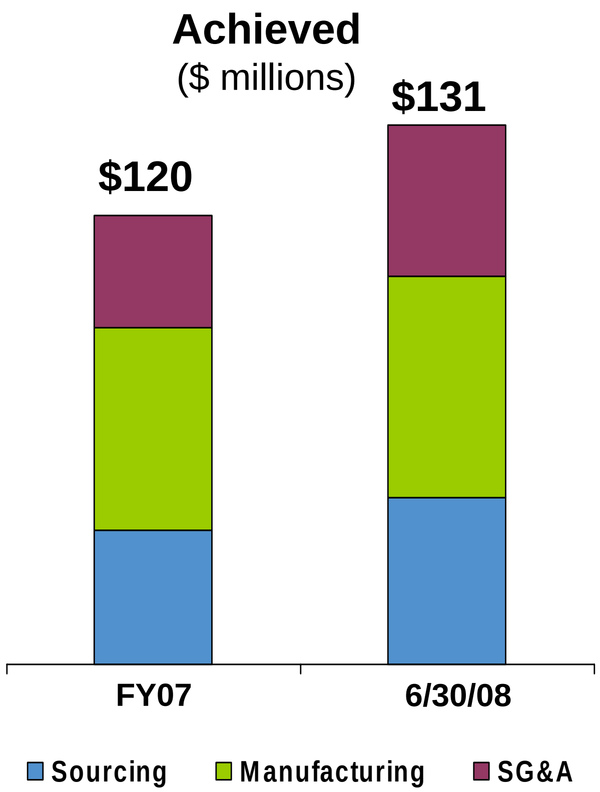
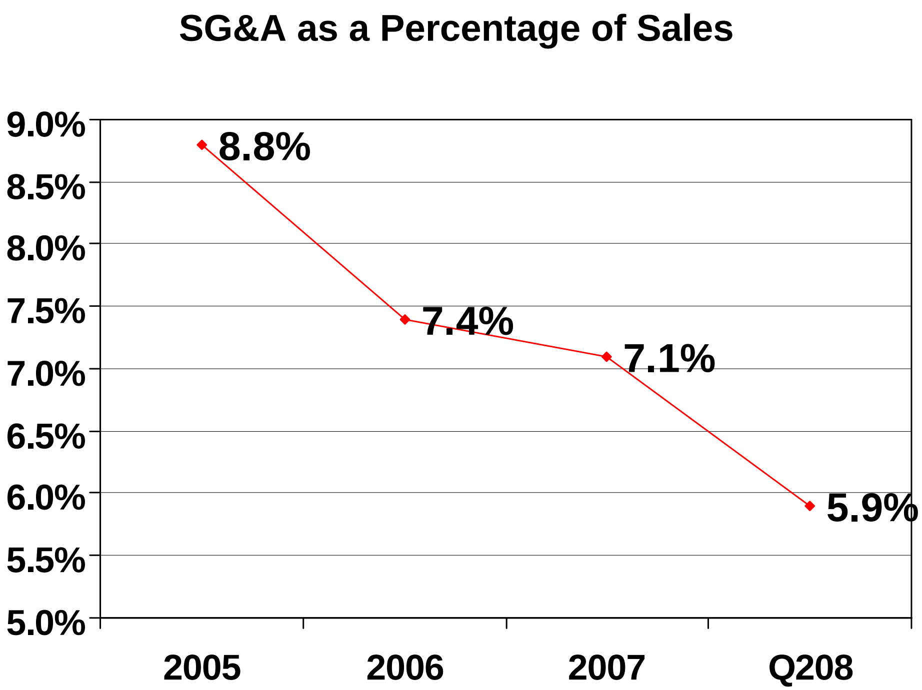
(1) Segment EBITDA excludes in-process synergies and the pro forma effect of acquisitions.

Synergy Program Continues to Drive Efficiencies





Summary

- Achieved $5 million in targeted synergies in Q208
- All Phase II actions expected to be taken in 2008
- Synergy actions reflected in lean SG&A levels

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Growing our Core Business in Emerging Markets

Strategic Latin America Footprint

Summary

- Construction has commenced on a formaldehyde and resins manufacturing complex in Montenegro, Brazil
- Anticipated to begin operating in Q209
- Annual capacity of 450,000 metric tons
- New facility slated to produce a variety of thermosets:
  - PF resins
  - UF resins
  - Low-emitting resins, such as E-1 and E-0 standards
- Expansion further strengthens our leadership position in Latin America

Building the Infrastructure for Future Growth in Key Global "Wood Baskets" through Brazilian Expansion and Russian Joint Venture with OAO Shchekinoazot

Transaction Update

- On June 18, 2008, Hexion announced that it and related entities filed suit in the Delaware Court of Chancery to declare its contractual rights with respect to its merger agreement with Huntsman Corporation
  - In the action, the Company alleges, among other things, that the capital structure agreed to by the parties for the combined company is no longer viable due primarily to Huntsman's increased net debt and lower than expected earnings, and that consummating the merger on the basis of the agreed capital structure would render the combined company insolvent.
  - The action also alleges that Huntsman has suffered a Company Material Adverse Effect, as defined in the merger agreement.
  - Trial is set to begin on September 8, 2008
  - Further information about this and other litigation related to the transaction will be contained in the Company's second quarter Form 10-Q.
- The transaction was approved by the European Commission on June 30, 2008, conditioned on the divestiture of certain portions of the Company's global specialty epoxy resins business (1)

(1) Transaction remains subject to various conditions, including completion of the antitrust review process in the United States and other customary closing conditions.

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Financial Review

William H. Carter

Executive Vice President & Chief Financial Officer

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Epoxy and Phenolic Resins
Second Quarter 2008 Segment Highlights

Quarter Ended June 30

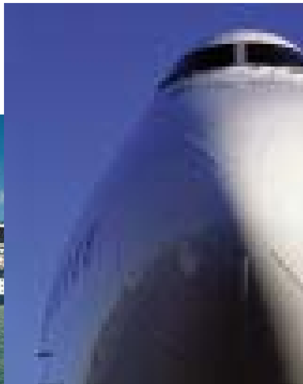
($ in millions)	2008	2007	Δ
Revenue	$ 697	$ 598	↑ 17%
Segment EBITDA	$ 58	$ 83	↓ (30)%

Summary

- EBITDA variances driven by higher raw materials and utility costs
- Pass through capability impacted by competitive pressures within intermediates and base epoxies
- Continued strong sales and earnings results for specialty products
- Negatively impacted ($4mm) by supplier force majeure
- Ongoing focus on pricing actions to recover increased costs

Q208 Sales Comparison YOY

Volume	Price/Mix	Currency Translation	Acquisitions/ Divestitures	Total
6%	2%	9%	--	17%



Formaldehyde and Forest Products Resins
Second Quarter 2008 Segment Highlights

Quarter Ended June 30

($ in millions)	2008	2007	Δ
Revenue	$ 496	$ 429	↑ 16%
Segment EBITDA	$ 48	$ 45	↑ 7%

Q208 Sales Comparison YOY

Volume	Price/Mix	Currency Translation	Acquisitions/ Divestitures	Total
(15)%	16%	5%	10%	16%

Summary

- Volume comparisons impacted by extended formaldehyde customer turnaround and North American housing market
- Sales growth reflects raw material pass through capabilities and Arkema acquisition
- Aggressive cost reduction programs positively impacting EBITDA
- Brazil and Russian expansions further accelerate globalization of forest products business

Coatings and Inks
Second Quarter 2008 Segment Highlights

Quarter Ended June 30

($ in millions)	2008	2007	Δ
Revenue	$ 358	$ 341	↑ 5%
Segment EBITDA	$ 14	$ 24	↓ (42)%

Q208 Sales Comparison YOY

Volume	Price/Mix	Currency Translation	Acquisitions/ Divestitures	Total
(13)%	8%	10%	--	5%

Summary

- Continued softening acrylic monomer demand and weakness in U.S. housing drove coatings decline
- Inks volumes increased in Europe due to increased market share, but negatively impacted by lower U.S. demand and higher raw materials
- Site rationalizations will improve cost structure going forward
  - Sant' Albano closed in Q208
  - Santa Varao closing in Q308


Performance Products
Second Quarter 2008 Segment Highlights

Quarter Ended June 30

($ in millions)	2008	2007	Δ
Revenue	$ 117	$ 96	↑ 22%
Segment EBITDA	$ 24	$ 17	↑ 41%

Summary
- Results continued to reflect strong demand for oilfield products
- Oilfield products expanding internationally and into adjacent product lines

Q208 Sales Comparison YOY

Volume	Price/Mix	Currency Translation	Acquisitions/ Divestitures	Total
17%	4%	1%	--	22%

Balance Sheet Update

- Strong cash flow management practices continue to improve working capital metrics
- Q208 capital expenditures of $28 million
  - Aggressively managing capital expenditures and revising 2008 target down to $140 million
  - Montenegro, Brazil expansion project included in 2008 estimated capital expenditures
- Strong liquidity position: cash plus borrowing availability of $450 million at June 30, 2008 and no significant debt maturities until 2013

Net Debt: $3.55 billion (6/30/08)

(1) FY08 estimated capital expenditure target excludes any Huntsman merger-related requirements. Transaction remains subject to various conditions, including completion of the antitrust review process in the United States and other customary closing conditions.

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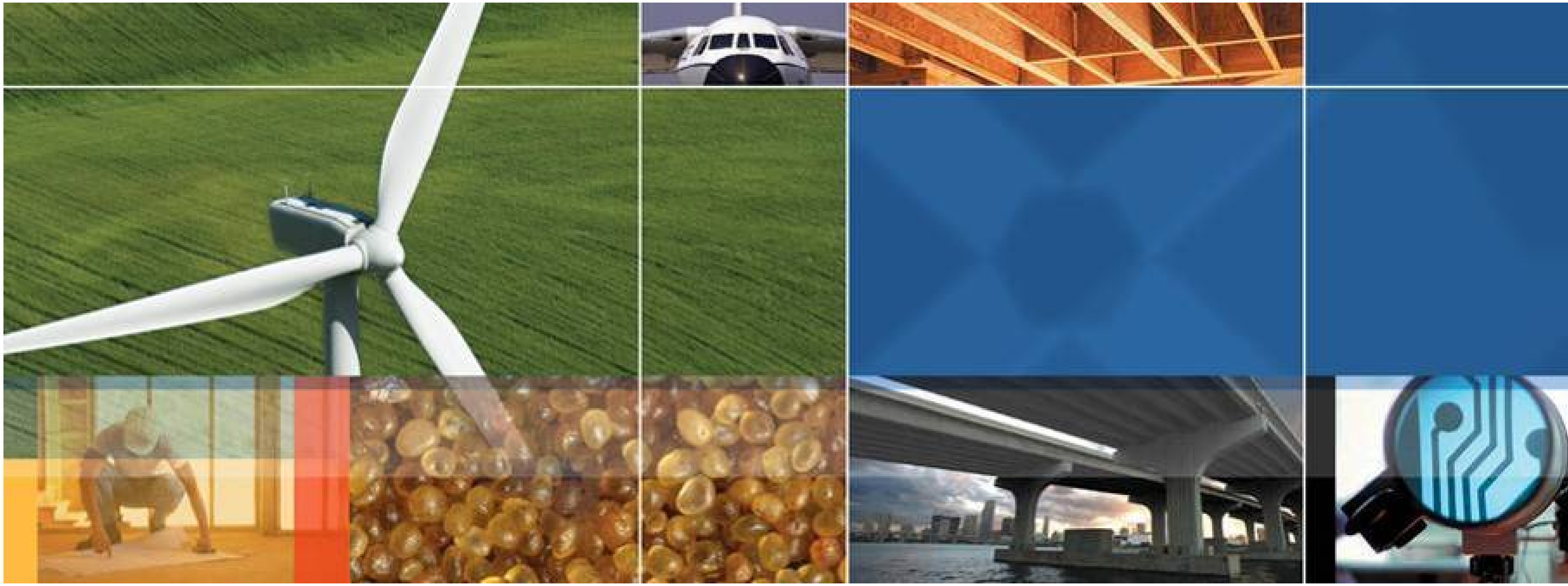

Summary

Craig O. Morrison

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Summary: Hexion Second Quarter 2008 Results

- Hexion's pricing focus drove a 14% revenue increase compared to prior year
- Segment EBITDA was negatively impacted by increased raw material and energy costs
- Incremental pricing increases are being implemented in the third quarter
- Aggressive incremental cost reduction projects are being finalized and will be pursued in Q308 and beyond
- The company remains on track to achieve $175 million in targeted synergies
- A Form 8-K has been filed announcing Senior leadership team changes:
  - Jody Bevilaqua, president, Epoxy & Phenolic Resins
  - Dale Plante, president, Forest Products
  - Sarah Coffin, president, Coatings & Inks
- Hexion posted a June 30, 2008 pro forma adjusted EBITDA of $645 million
- With a long-dated, stable capital structure and $450 million in liquidity, Hexion is well positioned to serve its global customers

Hexion Continues to Execute its Strategic and Operational Plan

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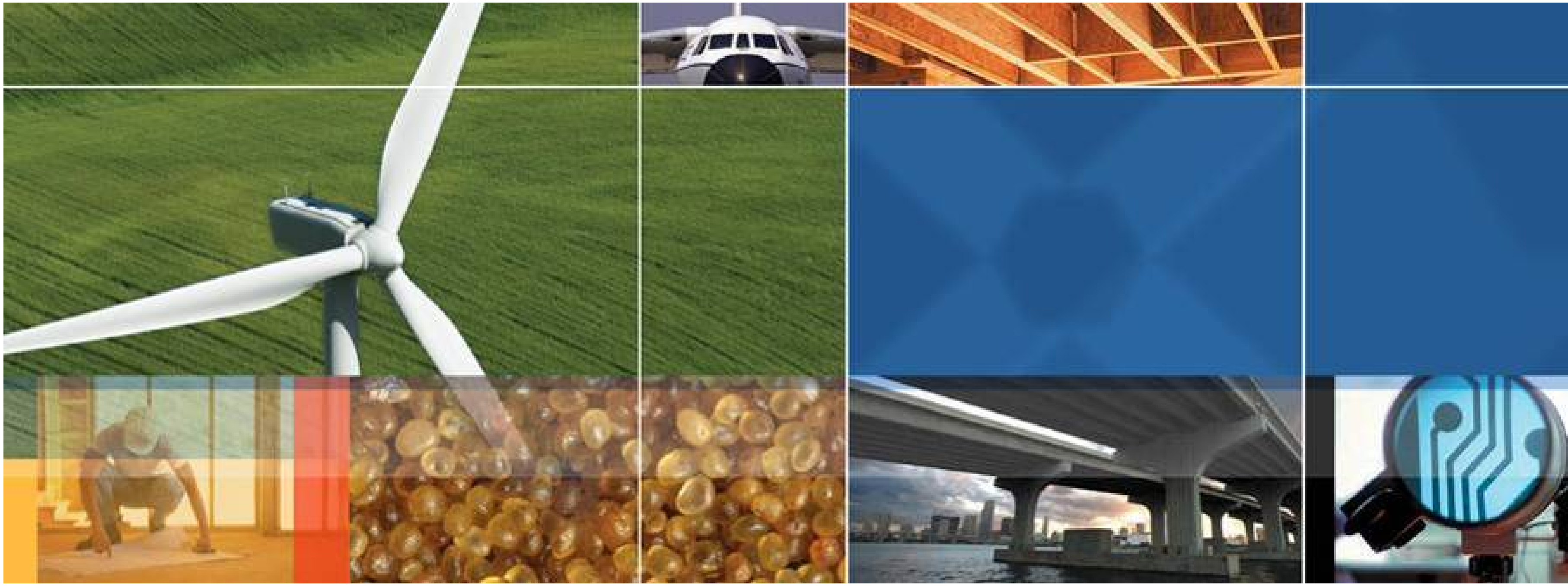

Appendices

Reconciliation of Non-GAAP Financial Measures

($ millions)	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
Segment EBITDA:				
Epoxy and Phenolic Resins	58	83	132	178
Formaldehyde and Forest Product Resins	48	45	101	89
Coatings and Inks	14	24	33	49
Performance Products	24	17	45	35
Corporate and Other	(13)	(15)	(26)	(27)
Total	131	154	285	324
Reconciliation:				
Items not included in Segment EBITDA				
Pending merger costs	(167)	--	(176)	--
Integration and transaction costs	(8)	(11)	(15)	(21)
Non-cash charges	(4)	(10)	--	(15)
Unusual items:				
Gain on divestiture of assets	3	4	10	4
Business realignments	(10)	(4)	(13)	(10)
Other	2	1	(7)	--
Total unusual items	(5)	1	(10)	(6)
Total adjustments	(184)	(20)	(201)	(42)
Interest expense, net	(74)	(77)	(152)	(153)
Income tax benefit (expense)	1	(12)	(12)	(33)
Depreciation and amortization	(54)	(49)	(106)	(96)
Net (loss) income	(180)	(4)	(186)	--

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Fixed Charge Covenant Calculations

		LTM Ended June 30, 2008
Reconciliation of Net Loss to Adj. EBITDA		
Net loss	$	(251)
Income taxes		23
Interest expense, net		309
Depreciation and amortization expense		208
EBITDA		289
Adjustments to EBITDA		
Acquisitions EBITDA (1)		26
Pending merger costs		176
Integration and transaction costs (3)		33
Non-cash items (4)		39
Unusual items:		
Gain on sale of assets		(14)
Purchase accounting effects/inventory step-up		1
Business realignments (5)		24
Other (6)		27
Total unusual items		38
In process Synergies (7)		44
Adjusted EBITDA	$	645
Fixed Charges (8)		270
Ratio of Adj. EBITDA to Fixed Charges (9)		2.39

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Fixed Charge Covenant Calculations *cont.*

Footnotes

1) Represents the incremental EBITDA impact for the Arkema acquisition as if they had taken place at the beginning of the period. Also includes the impact of in-process synergies related to our 2007 and 2006 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) Represents redundancy and incremental administrative costs 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, stock based compensation, and unrealized foreign exchange and derivative activity.

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

6) Includes the income of the announced divestiture of the European solvent coating resins business, management fees, costs to settle a lawsuit, realized foreign currency activity, and costs for unplanned plant outages.

7) Represents estimated net unrealized synergy savings from the Hexion Formation.

8) The charges reflect pro forma interest expense based on interest rates at August 8, 2008 as if the Arkema acquisition and the amendment of our senior secured credit facilities had taken place at the beginning of the period.

9) The Company is required to maintain 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, 2008, the Company was able to satisfy this covenant and incur additional indebtedness under this indenture.

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Debt at June 30, 2008

($ in millions)

	6/30/2008	12/31/2007
Senior Secured Credit Facilities:		
Floating rate term loans due 2013	$ 2,280	$ 2,282
Revolving credit facilities due 2011	--	--
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	69	69
Industrial Revenue Bonds due 2009	34	34
Capital Leases	13	12
Other	48	58
Total debt	$ 3,709	$ 3,720

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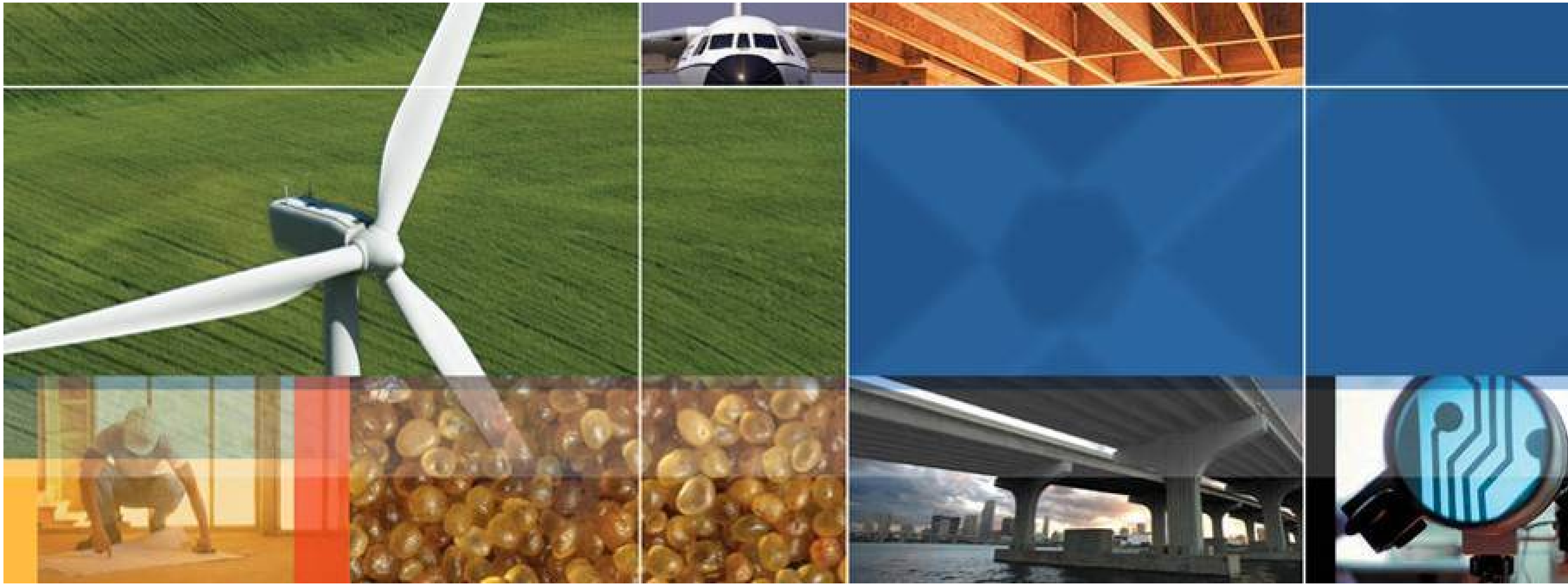

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