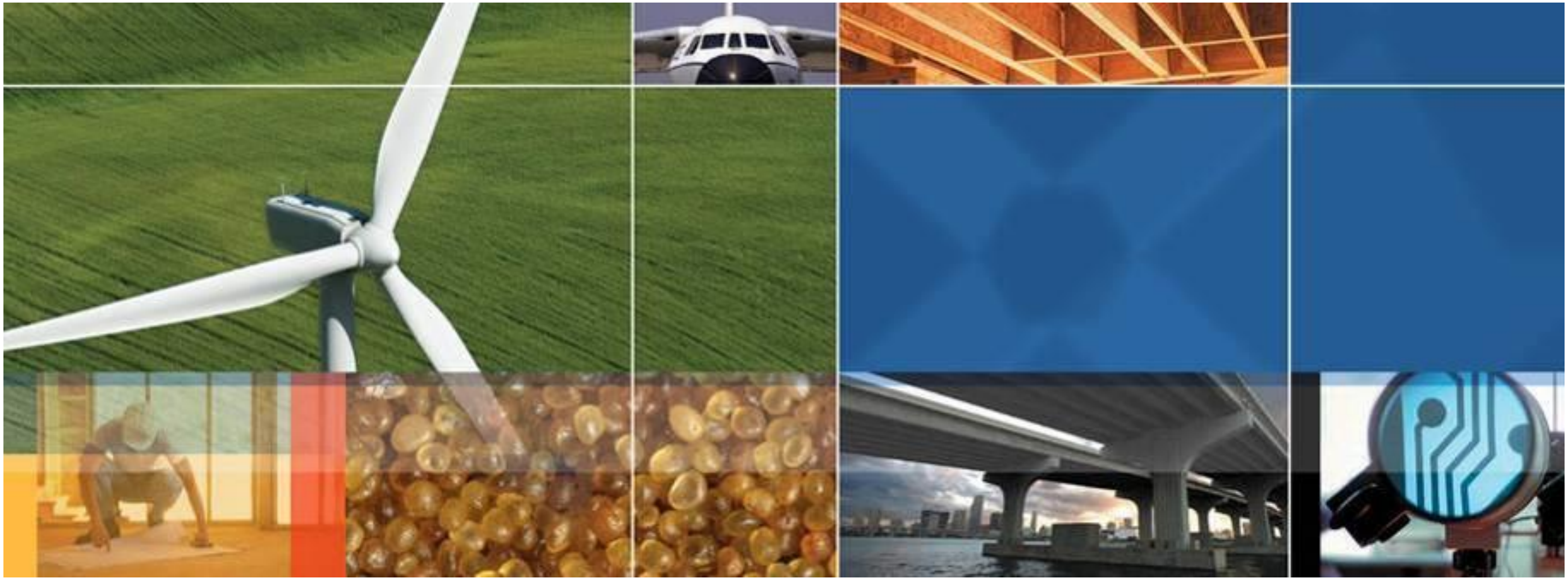

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Specialty Chemicals

Third Quarter 2009 Earnings Conference Call

November 16, 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; 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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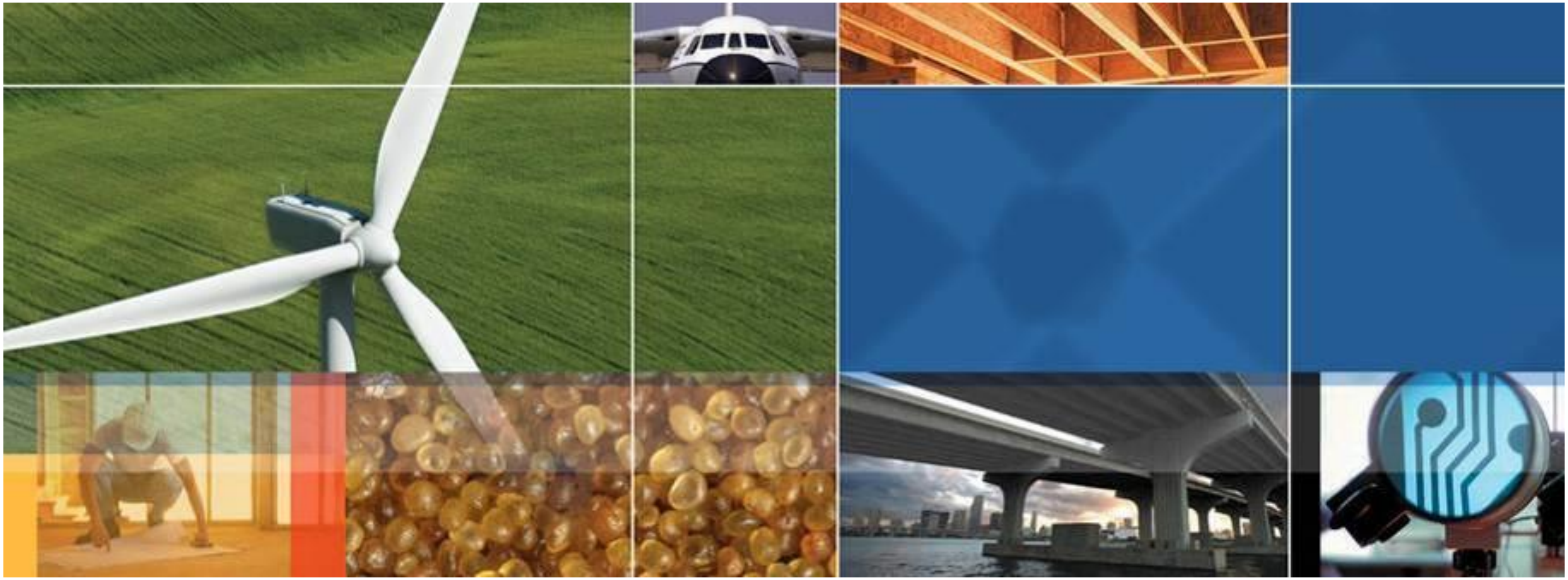

Overview of Third Quarter Results

Craig O. Morrison

Chairman, President & Chief Executive Officer

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Third Quarter 2009 Results

- Third quarter 2009 results reflected gradual improvement in overall volumes, strength in certain specialty product lines and the positive impact of the Company's focused cost control efforts

- Hexion Specialty Chemicals Q309 results included:
  - Revenues of $1.08 billion reflecting lower volumes and the pass through of declining raw material costs versus $1.6 billion in prior year
  - Operating income of $70 million compared to operating income of $7 million in prior year
  - Segment EBITDA(1) of $128 million compared to $130 million in prior year quarter

- Productivity program continues to support sequential EBITDA improvement as Hexion realized $43 million in productivity savings in the third quarter of 2009
  - Total targeted productivity program has been expanded to $289 million since the end of third quarter 2008
  - Hexion has responded aggressively to the global economic downturn and achieved $97 million through the first three quarters of 2009 and $114 million in productivity savings since the third quarter of 2008

- Hexion's focus on cash management and working capital has yielded significant results:
  - Working capital investment has decreased from $679 million at year end 2008 to $373 million as of Q309
  - YTD'09 cash generated from operations totaled $311 million

- Hexion has purchased ~ $300 million in face value of its debt in the open market in the first nine months of 2009, including $71 million in Q309

- Liquidity remains strong at $403 million

- LTM pro forma adjusted EBITDA of $520 million and an interest coverage ratio of 2.71 (1) at September 30, 2009

Hexion Continues to Steadily Improve its Profitability Due to Gradual Volume Recovery and Aggressive Cost Reductions

(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 September 30, 2009, the Company was able to satisfy this covenant and could incur additional indebtedness under its indentures. September 30, 2009 LTM Adjusted EBITDA includes $175 million of in-process productivity program savings.

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Third Quarter 2009
Summary Financial Performance

Quarter Ended September 30

($ in millions)	**2009**	**2008**	**Δ**
Revenue	$1,080	$1,611	(33)%
Operating income	70	7	nm
Net income (loss)	53	(76)	nm
Segment EBITDA **(1)**	128	130	(2)%

Hexion's Results Reflected Lower YoY Raw Materials and Dramatic Cost Reduction

(1) Segment EBITDA excludes in-process synergies.

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Third Quarter 2009 Segment Sales

$ in millions

	Quarter Ended September 30	
	2009	2008
Epoxy and Phenolic Resins	$ 463	$ 650
Formaldehyde and Forest Product Resins	312	544
Coatings and Inks	244	319
Performance Products	61	98

Summary

- Volumes negatively impacted revenue by $218 million, raw material driven price decreases accounted for $272 million of the sales decline and foreign currency translation negatively impacted sales by $41 million

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Third Quarter 2009 Segment EBITDA Results

$ in millions

	Quarter Ended September 30	
	2009	2008
Epoxy and Phenolic Resins	**$ 68**	**$ 62**
Formaldehyde and Forest Product Resins	**30**	**48**
Coatings and Inks	**27**	**9**
Performance Products	**16**	**23**

Summary

- EPRD performance improved on the continued strength of specialty products – both Specialty Epoxy and Versatic Acids & Derivatives posted double-digit YoY gains
- Forest Products' results continue to reflect sluggish domestic and international markets, although the business showed slight improvement sequentially
- Dramatically improved results in Coatings & Inks primarily due to restructuring activities
- Performance Products EBITDA continued to reflect softer demand for oilfield resins as natural gas and oil exploration markets remained soft

(1) Segment EBITDA excludes in-process synergies.

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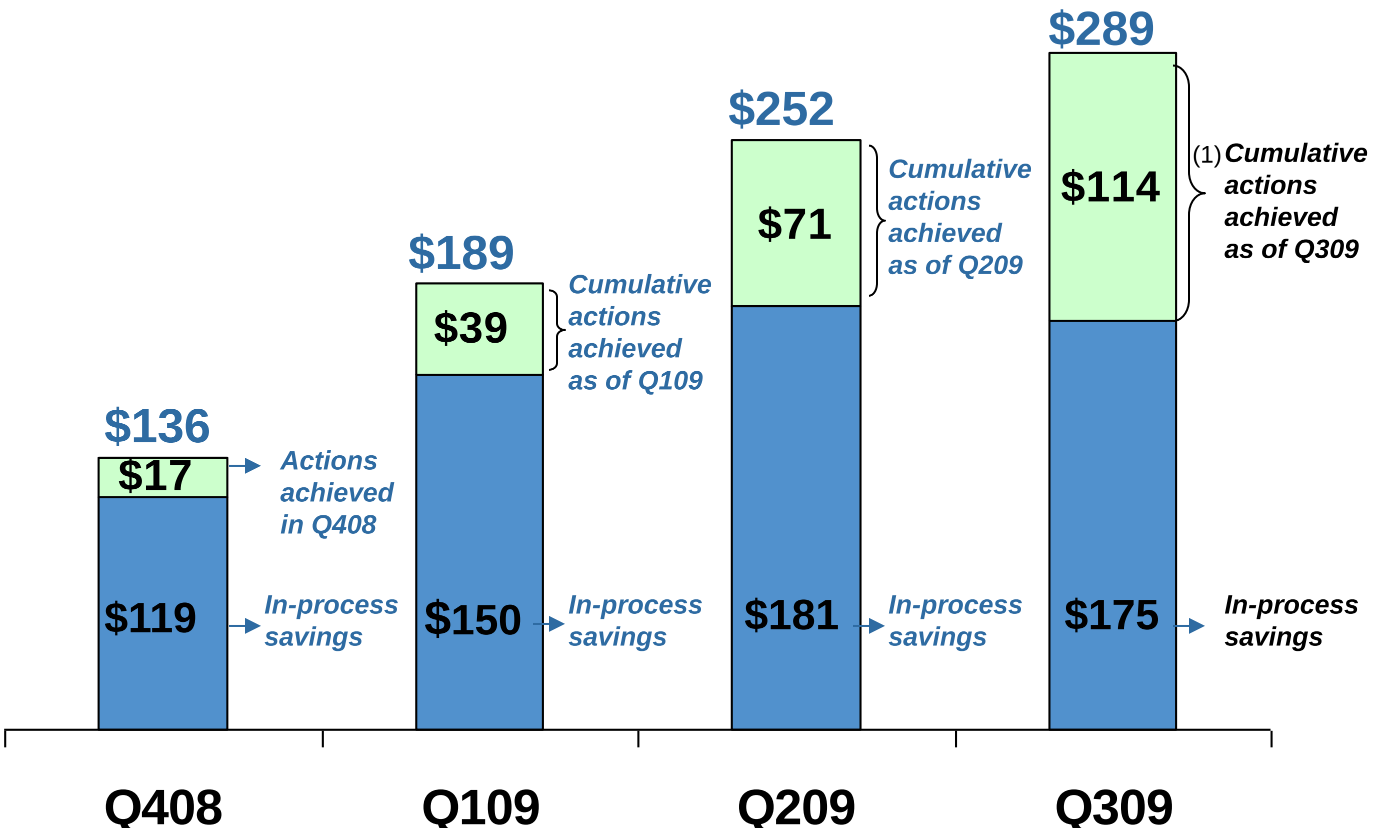
Productivity Actions Are Creating Operating Efficiencies

Summary

- Productivity actions continue to drive lower costs
- Hexion achieved $43 million in targeted productivity savings in Q309
- Hexion is pursuing $37 million in additional savings identified in Q309
  - Hexion expects these actions to occur primarily over the next 15 months
  - Incremental targets are primarily within EPRD; project-based initiatives vs. personnel reductions
  - We estimate net costs of $70 million to obtain the $175 million of remaining in-process savings

Expanded Productivity Program

$ in millions



Hexion Continues to Aggressively Manage its Cost Infrastructure

(1) Reflects $114 million in cumulative productivity actions taken as of September 30, 2009 since Hexion's 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, $32 million in Q209 and $43 million in Q309.

Cost Reductions Continue to Partially Offset Softer Year-over-Year Volumes

	YTD09 vs. YTD08 Δ
Utilities	(36)%
Mfg. Variable	(36)%
Salary & Wages	(20)%
Travel	(49)%
Office Expense	(43)%
Purchased Services	(29)%
Other	(21)%

YTD' 09 Cost Reductions vs. YTD '08: $275 million

YTD Savings Reflect Lower Volumes, Structural Improvements from Productivity Programs and Reductions in Variable Costs

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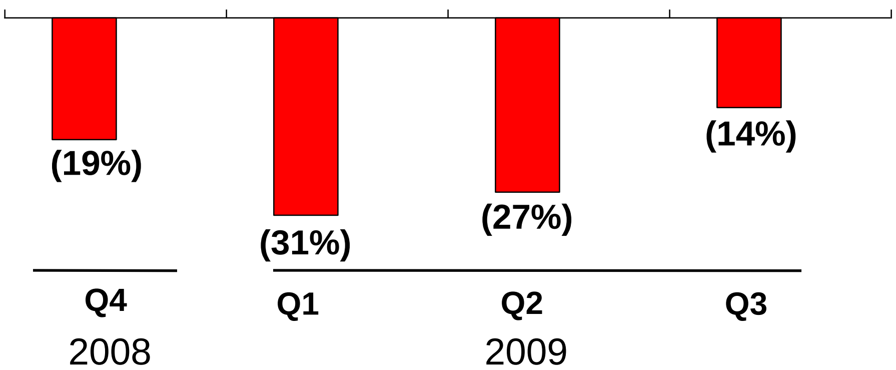
Segment EBITDA Showing Improvement While Quarterly Volumes Gradually Recover

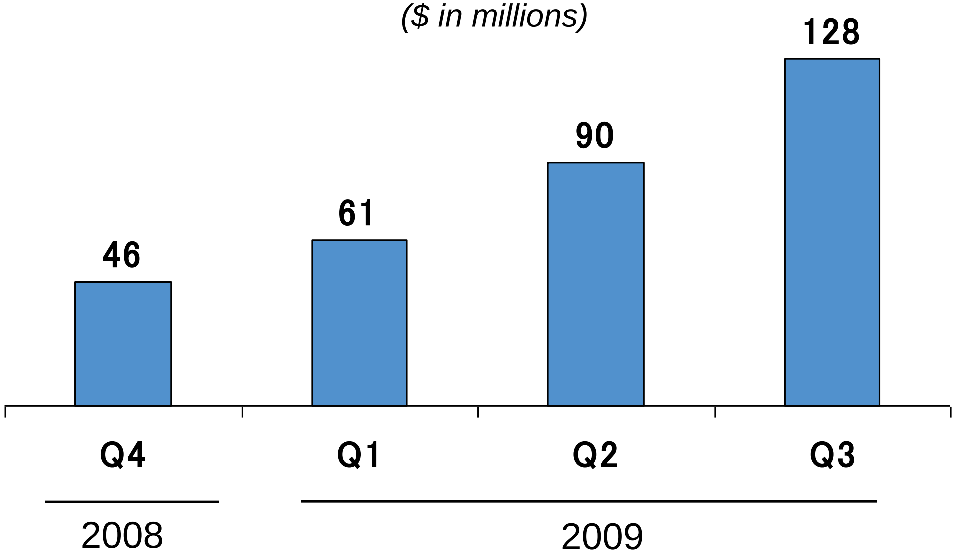
Volume Change vs. Prior Year Qtr.

(kMT)



Segment EBITDA

($ in millions)

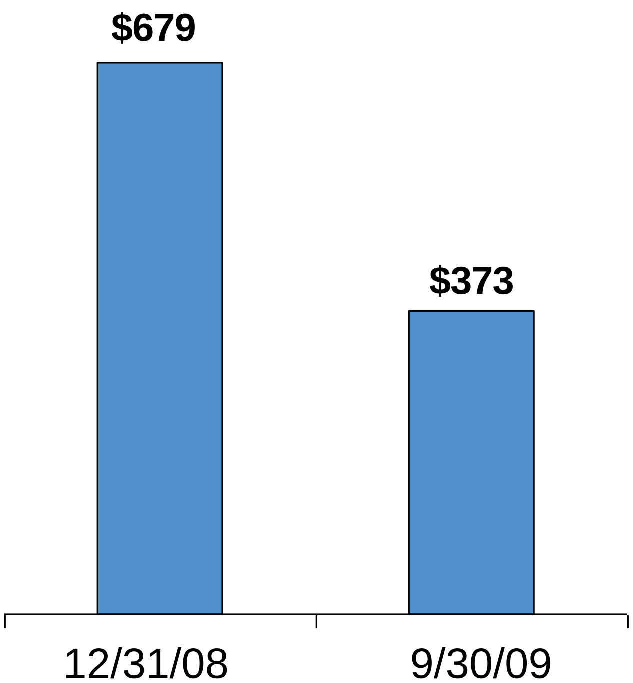


Segment EBITDA Trend Reflects Positive Impact of Ongoing Productivity Actions and Modest Volume Recovery in 2009

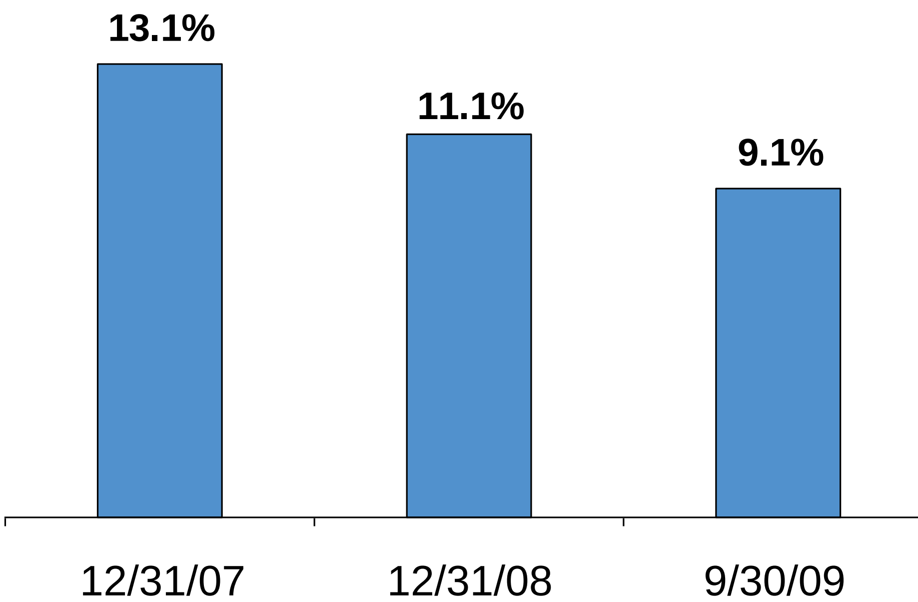
Working Capital as of September 30, 2009

$ in millions

Working Capital



Working Capital as a Percentage of LTM Sales



- Hexion continues to aggressively manage its investment in working capital

Focus on Working Capital Continues

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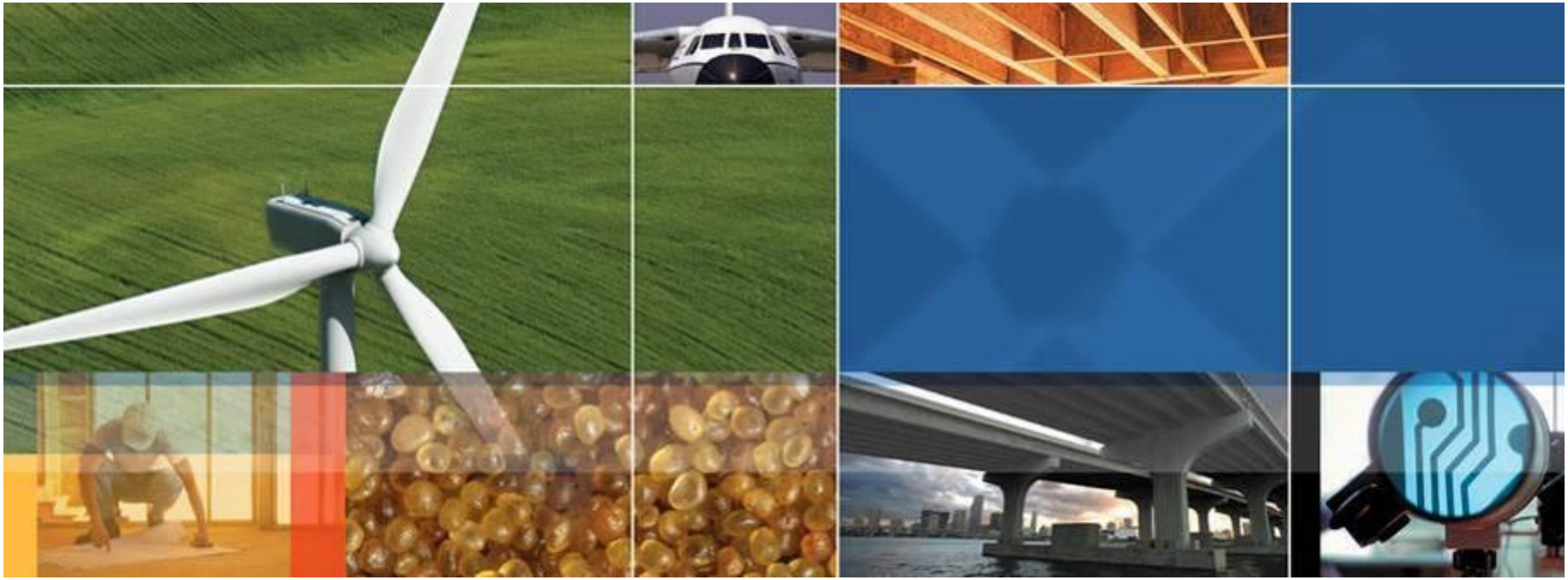

Financial Review

William H. Carter

Executive Vice President & Chief Financial Officer

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

Quarter Ended September 30

($ in millions)	2009	2008	Δ
Revenue	$ 463	$ 650	(29)%
Segment EBITDA	$ 68	$ 62	10%

Q309 Sales Comparison YOY

Volume	Price/Mix	Currency Translation	Total
(15)%	(12)%	(2)%	(29)%

Summary

- Improved operating rates throughout our global EPR network in Q309
- EBITDA increased due to productivity actions, absence of hurricanes, and improved performance of certain specialty product lines, such as Specialty Epoxy and Versatic Acids & Derivatives
  - Base epoxy resins & intermediates earnings improved vs. Q209 and prior year
  - Specialty epoxy benefiting from improved demand from Asian-based wind customers
- Hexion announced a number of price increases since June ’09 in response to raw material volatility

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

Quarter Ended September 30

($ in millions)	2009	2008	Δ
Revenue	$ 312	$ 544	(43)%
Segment EBITDA	$ 30	$ 48	(38)%

Q309 Sales Comparison YOY

Volume	Price/Mix	Currency Translation	Total
(12)%	(28)%	(3)%	(43)%

Summary

- YoY comparisons reflect N. American housing demand that appears to have stabilized but at low levels and soft formaldehyde markets
- Q309 sequential improvement primarily due to gradually increasing volumes in all regions, with improved earnings in international markets accounting for majority of the EBITDA gain
- Russian joint venture began producing “trial batches” in Q309; anticipating full production in Q409
- Hexion remains on track to begin operations in Q409 for the new Montenegro, Brazil facility

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

Quarter Ended September 30

($ in millions)	2009	2008	Δ
Revenue	$ 244	$ 319	(24)%
Segment EBITDA	$ 27	$ 9	200%

Q309 Sales Comparison YOY

Volume	Price/Mix	Currency Translation	Total
(12)%	(9)%	(3)%	(24)%

Summary

- Generated significantly increased year-over-year earnings on 24% lower revenue.
  - 830 bp year-over-year margin improvement
- EBITDA in both businesses increased, although Coatings accounted for the bulk of absolute change in earnings
- EBITDA improvement driven primarily by productivity gains

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Performance Products (PP)
Third Quarter 2009 Segment Highlights

Quarter Ended September 30

($ in millions)	2009	2008	Δ
Revenue	$ 61	$ 98	(38)%
Segment EBITDA	$ 16	$ 23	(30)%

Q309 Sales Comparison YOY

Volume	Price/Mix	Currency Translation	Total
(26)%	(12)%	--	(38)%

Summary

- Results reflected ongoing softness in Oilfield and Foundry resins businesses compared to prior year
  - Falling rig counts due to depressed natural gas prices
- While Oilfield and Foundry volumes were down on a year-over-year basis, volumes trended sequentially upward throughout the quarter in an indication of slight improvement in market demand

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Balance Sheet Update & Financial Summary

- The Company continues to focus on cash management, evidenced by a further reduction in working capital of $306 million in the first nine months of 2009
- YTD’09 cash generated from operations totaled $311 million versus $(48) million in prior year period
- Q309 capital expenditures totaled $35 million, while YTD’09 totaled $95 million including ~ $14 million related to our productivity savings initiatives
  - Maintaining outlook for full year target of ~ $110 million for base capital expenditures
- YTD’09 debt reduction efforts have yielded positive results:
  - Net debt has decreased approximately $370 million through 9/30/09 vs. 12/31/08
  - An additional $71 million of debt was purchased for approximately $31 million in August 2009 on the open market
  - YTD debt buybacks of $288 million will reduce ongoing interest cash flows by ~ $23 million annually
- Liquidity remained strong with cash plus borrowing availability of $403 million at September 30, 2009, including equity financing commitment from affiliates of Apollo Management

Net Debt: ~ $3.36 billion (9/30/09) (1)

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

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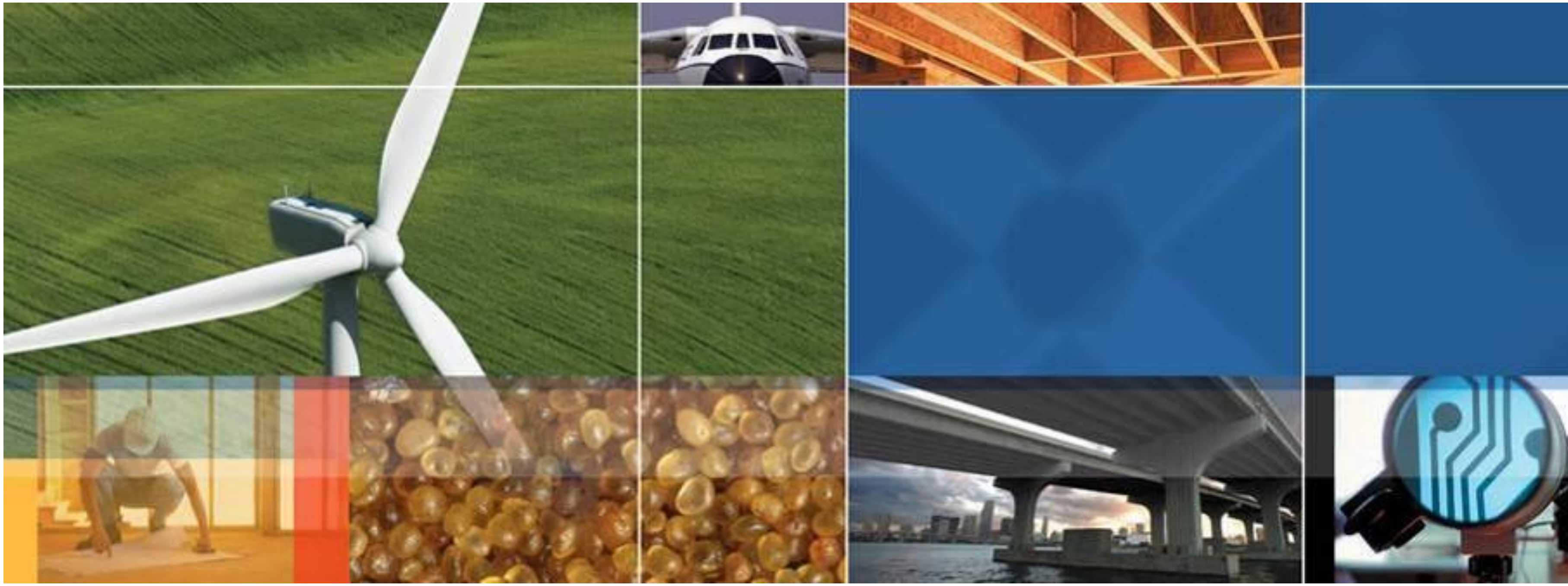

Summary

Craig O. Morrison

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Summary: Hexion Q309 Results & Outlook

- Q309 results reflected gradual improvement in overall volumes, strength in certain specialty product lines and the positive impact of the Company's focused cost control efforts
- To improve our operating efficiencies, Hexion announced increased incremental productivity savings of $37 million
  - The Company achieved $43 million in productivity savings in Q309
  - Total in process productivity actions of $175 million remained at September 30, 2009
- Hexion's cash management and cost reductions support its liquidity position of $403 million
- New plant additions in Russia and Brazil are coming online and demonstrate Hexion's ongoing commitment to strategic expansion in high-growth regions for forest products
- While we are encouraged by the monthly volume improvement we have experienced in 2009, the Company's longer-term visibility remains limited at this time

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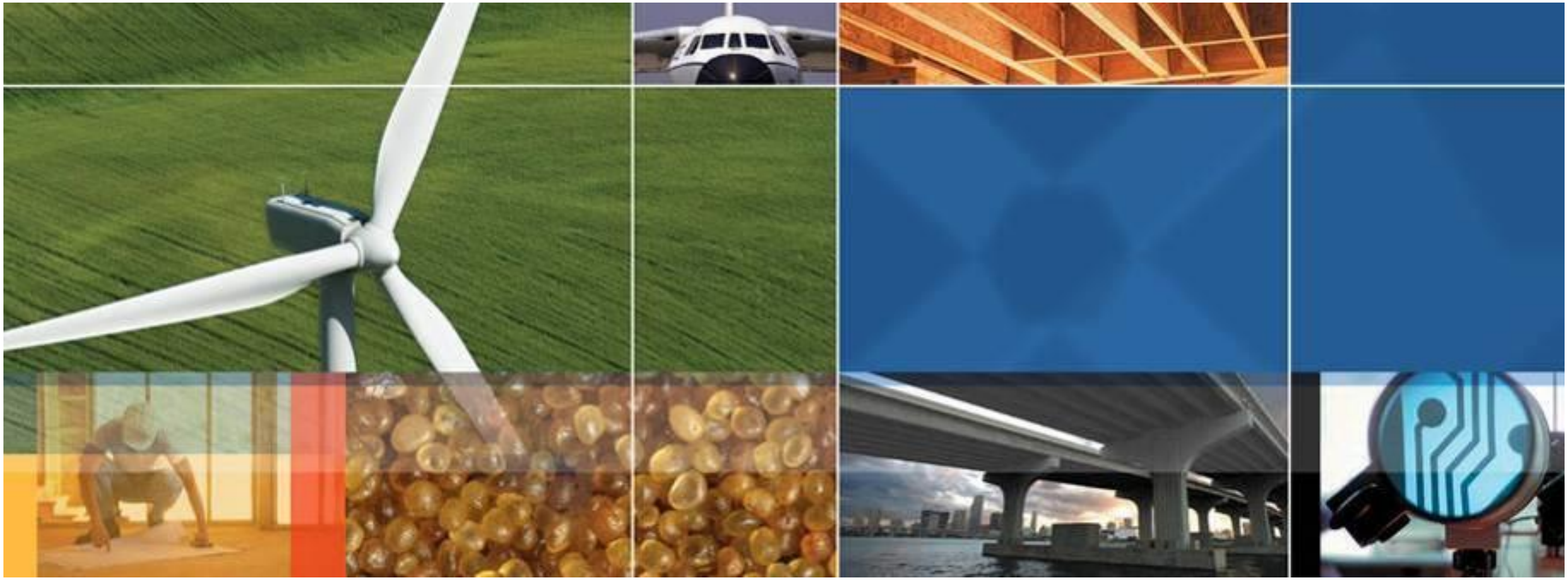

Appendices

Reconciliation of Non-GAAP Financial Measures

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
Segment EBITDA:				
Epoxy and Phenolic Resins	$ 68	$ 62	$ 139	$ 194
Formaldehyde and Forest Product Resins	30	48	72	153
Coatings and Inks	27	9	50	39
Performance Products	16	23	56	67
Corporate and Other	(13)	(12)	(38)	(38)
Reconciliation:				
Items not included in Segment EBITDA				
Terminated merger and settlement income (expense), net	12	(51)	39	(227)
Integration and transaction costs	—	(5)	—	(20)
Non-cash charges	2	(6)	3	(15)
Unusual items:				
(Losses) gains on divestiture of assets	(1)	1	(2)	11
Business realignments	(15)	(9)	(53)	(22)
Asset impairments	—	—	(47)	—
Derivative settlement	—	(13)	—	(13)
Other	(11)	(2)	(33)	(9)
Total unusual items	(27)	(23)	(135)	(33)
Total adjustments	(13)	(85)	(93)	(295)
Interest expense, net	(52)	(75)	(172)	(227)
Gain on extinguishment of debt	41	—	223	—
Income tax (expense) benefit	(7)	5	(7)	(5)
Depreciation and amortization	(44)	(51)	(132)	(157)
Net income (loss) attributable to Hexion Specialty Chemicals, Inc.	53	(76)	98	(269)
Net income attributable to noncontrolling interest	—	1	1	4
Net income (loss)	$ 53	$ (75)	$ 99	$ (265)

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Fixed Charge Covenant Calculations

	September 30, 2009 LTM Period
Reconciliation of Net Loss to Adjusted EBITDA	
Net loss	$ (821)
Income taxes	(15)
Gain on extinguishment of debt	(223)
Interest expense, net	249
Depreciation and amortization	178
EBITDA	(632)
Adjustments to EBITDA:	
Terminated merger and settlement costs[1]	761
Integration costs[2]	7
Net income attributable to noncontrolling interest	(2)
Non-cash items[3]	55
Unusual items:	
Loss on divestiture of assets	8
Business realignments[4]	72
Derivative settlement[5]	24
Other[6]	52
Total unusual items	156
Productivity program savings[7]	175
Adjusted EBITDA	$ 520
Fixed charges[8]	$ 192
Ratio of Adjusted EBITDA to Fixed Charges[9]	2.71

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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 $72 million for impairments of property and equipment and intangible assets, impairments of goodwill and accelerated depreciation. Also represents stock-based compensation, and is partially offset by unrealized net foreign exchange and derivative losses.

(4) Represents plant rationalization and headcount reduction expenses related to productivity programs and other costs associated with 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 October 16, 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 September 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 September 30, 2009

($ in millions)

Debt outstanding at September 30, 2009 and December 31, 2008 is as follows:

	September 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	2,219	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	73	—	115	—
7.875% debentures due 2023	189	—	247	—
8.375% sinking fund debentures due 2016	62	—	78	—
Other Non-affiliated Borrowings:				
Australia Multi-Currency Term / Working Capital Facility due 2011	45	6	43	7
Industrial Revenue Bonds due 2009	—	34	—	34
Capital leases	14	1	14	1
Other	37	47	13	48
Total non-affiliated debt	3,292	111	3,746	113
Affiliated debt:				
Affiliated borrowings due on demand	—	4	—	—
Affiliated term loan due 2011	100	—	—	—
Total affiliated debt	100	4	—	—
Total debt	$ 3,392	$ 115	$ 3,746	$ 113

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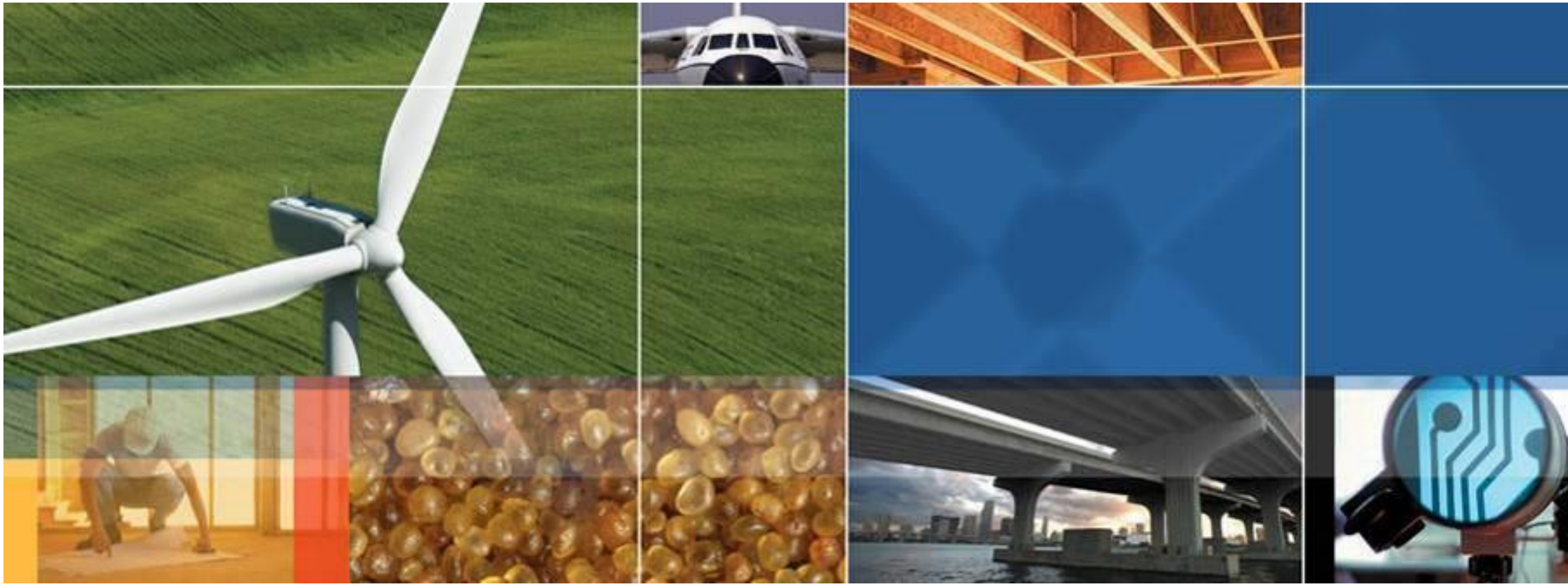

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