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## NEWS RELEASE

FOR IMMEDIATE RELEASE

### Hexion Specialty Chemicals To Build Resin-Coated Proppant Plant in Alberta, Canada

COLUMBUS, Ohio (June 24, 2005) – Hexion Specialty Chemicals today announced plans to construct a plant in Alberta, Canada that will produce resin-coated proppants for use by the Canadian oil and gas production industry.

The plant will be built in Sturgeon County, Alberta and will produce resin coated sand proppants for hydraulic fracturing, a process used by oil and gas producers to help increase the yield and working life of wells. Hexion is a leading supplier of resin and proppant systems to this industry.

“It is important to our customers and the local industry for us to be able to supply them with materials needed to carry out their operations,” said Jerry Borges, vice president of Hexion’s Oilfield Technology Group. “The strategic location of our plant in the center of the most active fracture stimulation area in Western Canada will enable us to rapidly respond to their needs.”

In addition to Hexion’s traditional proppant systems, the plant will produce the company’s new SiberProp™ resin system, which is designed to help customers with lower formation temperature environments typical in a number of fields in Western Canada.

Groundbreaking will occur this summer and the plant is expected to begin operating in the first quarter of 2006. It will have a rated capacity of 150 million pounds per year and will employ approximately 25 people. Hexion Specialty Chemicals’ manufacturing facility in Edmonton will produce resins that the new plant will use to make the finished proppant products.

Based in Columbus, Ohio, Hexion Specialty Chemicals combines the former Borden Chemical, Bakelite, Resolution Performance Products and Resolution Specialty Materials into the global leader in thermoset resins. With 86 manufacturing and distribution facilities in 18 countries, Hexion serves the global wood and industrial markets through a broad range of thermoset technologies, specialty products and technical support for customers in a diverse range of applications and industries. Additional information is available at [www.hexionchem.com](http://www.hexionchem.com).

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