HEXION™

Specialty Chemicals

First Quarter 2008 Earnings Conference Call

May 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, 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 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.

Overview of First Quarter 2008 Results

Craig O. Morrison

Chairman, President & Chief Executive Officer

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First Quarter 2008 Highlights

- Hexion Specialty Chemicals First Quarter 2008 highlights:
  - Revenues increased 14% over prior year
  - Operating income of $82 million compared to $104 million in prior year
  - Segment EBITDA [(1)] of $154 million, a 9% decrease over prior year, due to $17 million in increased raw materials and $6 million from a force majeure in Versatic Acids
- $175 million synergy program continues on track
- Strategic bolt-on acquisitions and strong international demand contributed favorably to our Q108 results
- Q108 results delivered a pro forma adjusted EBITDA of $678 million and an interest coverage of 2.51 [(1)]
- Continued progress with the regulatory review process for the pending transaction with Huntsman Corporation [(2)]

Hexion Remains Focused on Driving Year-over-Year Sales and Earnings Gains

(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, the Company was able to satisfy this covenant and incur additional indebtedness under its indentures. March 31, 2008 Adjusted EBITDA includes $49 million of in-process Hexion synergies and $26 million of acquisition adjustments.

(2) Transaction remains subject to various conditions, including expiration or termination of applicable waiting periods under the Hart-Scott-Rodino Act, review by foreign jurisdictions and other customary closing conditions.

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First Quarter 2008
Summary Financial Performance

Quarter Ended March 31

($ in millions)	2008	2007	Δ
Revenue	$ 1,636	$ 1,438	↑ 14%
Operating Income	82	104	↓ 21%
Net (loss) income	(6)	4	nm
Segment EBITDA (1)	154	170	↓ 9%

Q108 Segment EBITDA Reflects $17 million in increased raw materials and $6 million from a Versatic Acids force majeure, as well as Challenging N. America Markets

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

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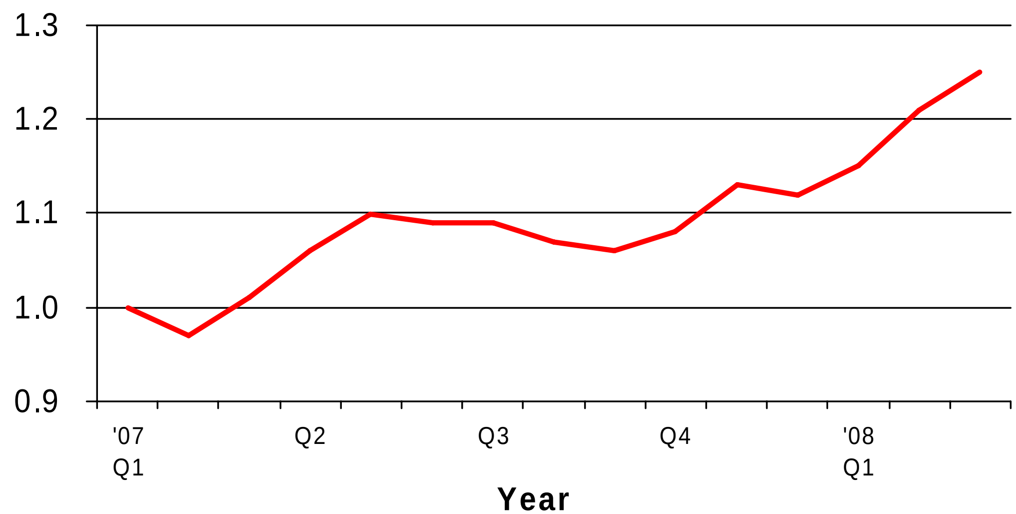
Ongoing Headwinds from Key Raw Materials in Q108

EPRD Global Raw Material Cost Index



Raw material Index at March 2008 increased 26% versus Q107 levels

- Hexion experienced strong raw material inflation in Q108 compared to flat trends in Q107
- Contractual raw material pass through terms typically a 30-45 day “lag” period
- Taking actions to compensate for $17 million in raw material headwinds
- Hexion is focused on closing the raw material gap despite ongoing volatility

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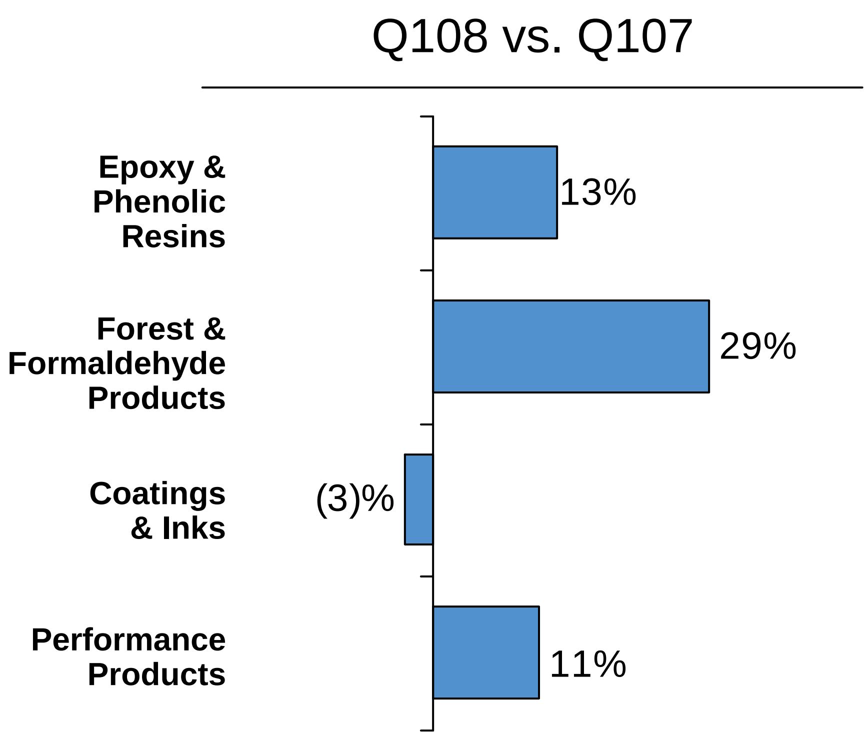
Specialty Product Lines Drove Sales Gains

Net Sales



Summary:

- Price initiatives drove strong revenue growth across most of Hexion's segments
- Strong sales gains in Latin America and Asia Pacific regions
- All segments benefited from favorable currency translation in Q108
- Raw material pass through capabilities and acquisitions drove strong gains in Formaldehyde & Forest Products

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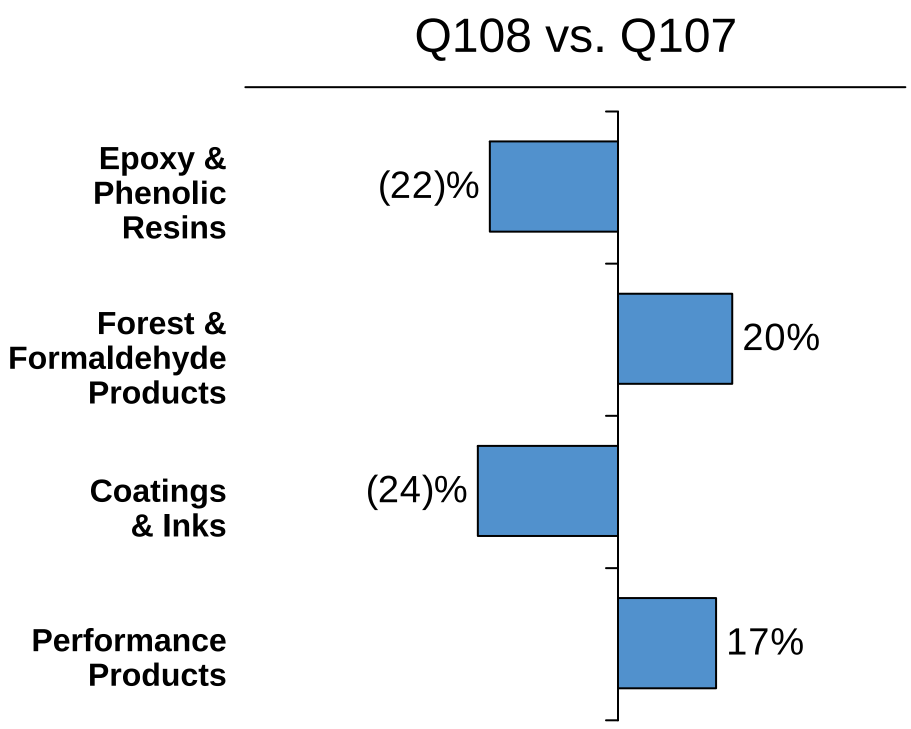
Q108 Segment EBITDA Results

Segment EBITDA



Summary:

- Increased raw material and utility costs negatively impacted Epoxy & Phenolic Resin results
- Global diversification continued to drive Formaldehyde & Forest Products growth
- Softening acrylic monomer demand, planned plant turnaround and continued weakness in U.S. housing and construction markets drove decline in Coatings & Inks
- Strong demand for Oilfield Products continues to drive earnings in Performance Products

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

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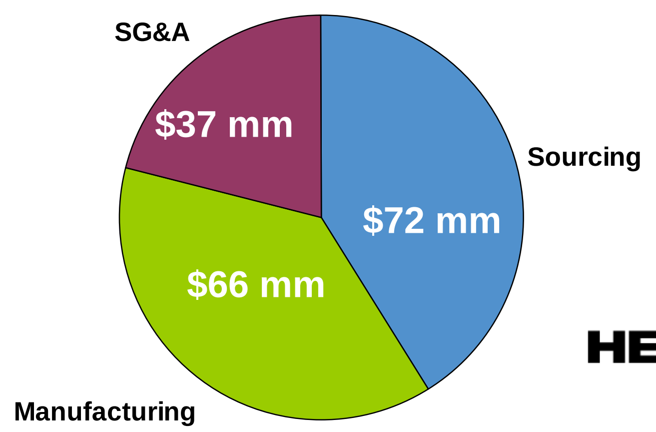
Synergy Program: On-Track and On-Budget

Achieved
($ millions)

Summary

- Achieved $6 million in targeted synergies in Q108
- All Phase II actions expected to be taken in 2008
- Synergy actions continue to partially offset raw material headwinds
- Aggressively pursuing additional productivity opportunities

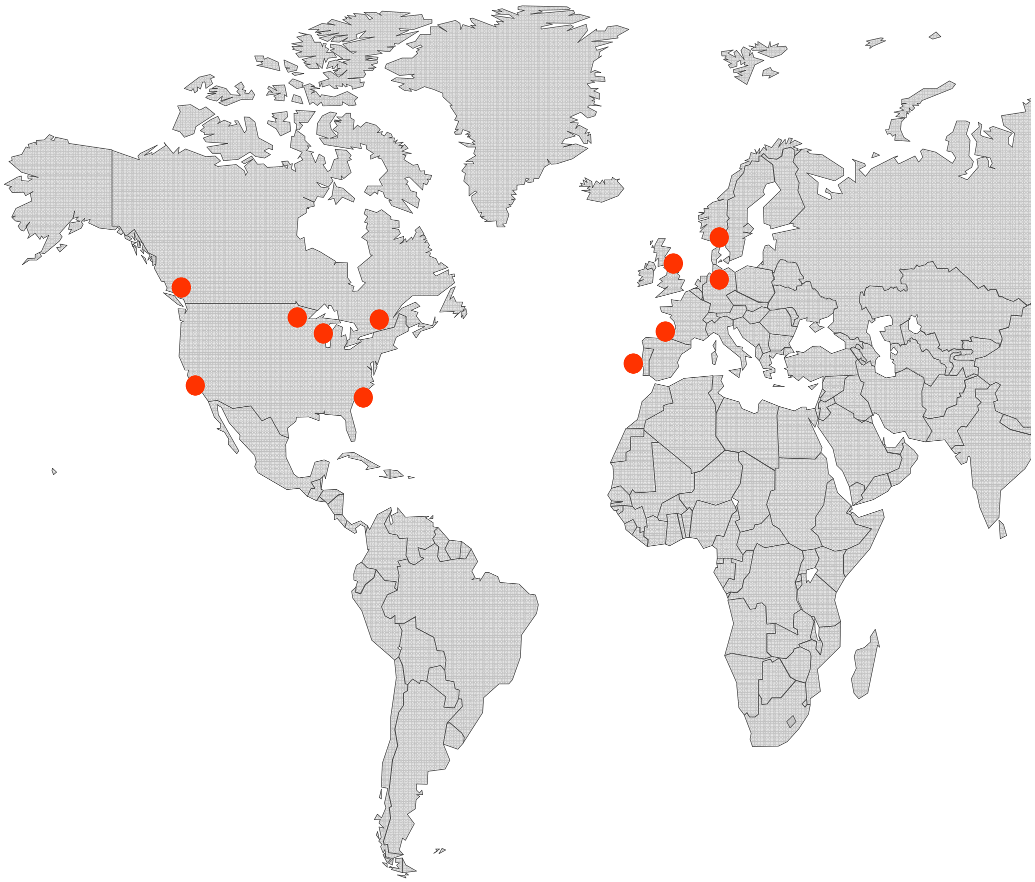
Targeted Synergy Focus Areas



Operational Excellence: Continual Focus On Creating a Leaner Manufacturing Footprint

- **2007 Site Actions:**
  - Pleasant Prairie, Wisconsin[1] (Inks)
  - Lynwood, California [1] (Coatings)
  - Clayton, U.K. (Coatings)
  - Hamburg, Germany (Coatings)
  - Molndal, Sweden (Coatings)
  - Vancouver, British Columbia (Forest Products)
  - High Point, North Carolina (Forest Products)

- **Q108 Site Actions**
  - LaVal, Quebec (Forest Products)
  - Virginia, Minnesota (Forest Products)
  - Hernani, Spain (Phenolic Resins)
  - Santo Varao, Portugal (Inks)
  - Sant' Albano, Italy [1] (Coatings)
  - SG&A Reductions (Inks, FFP, Corp.)

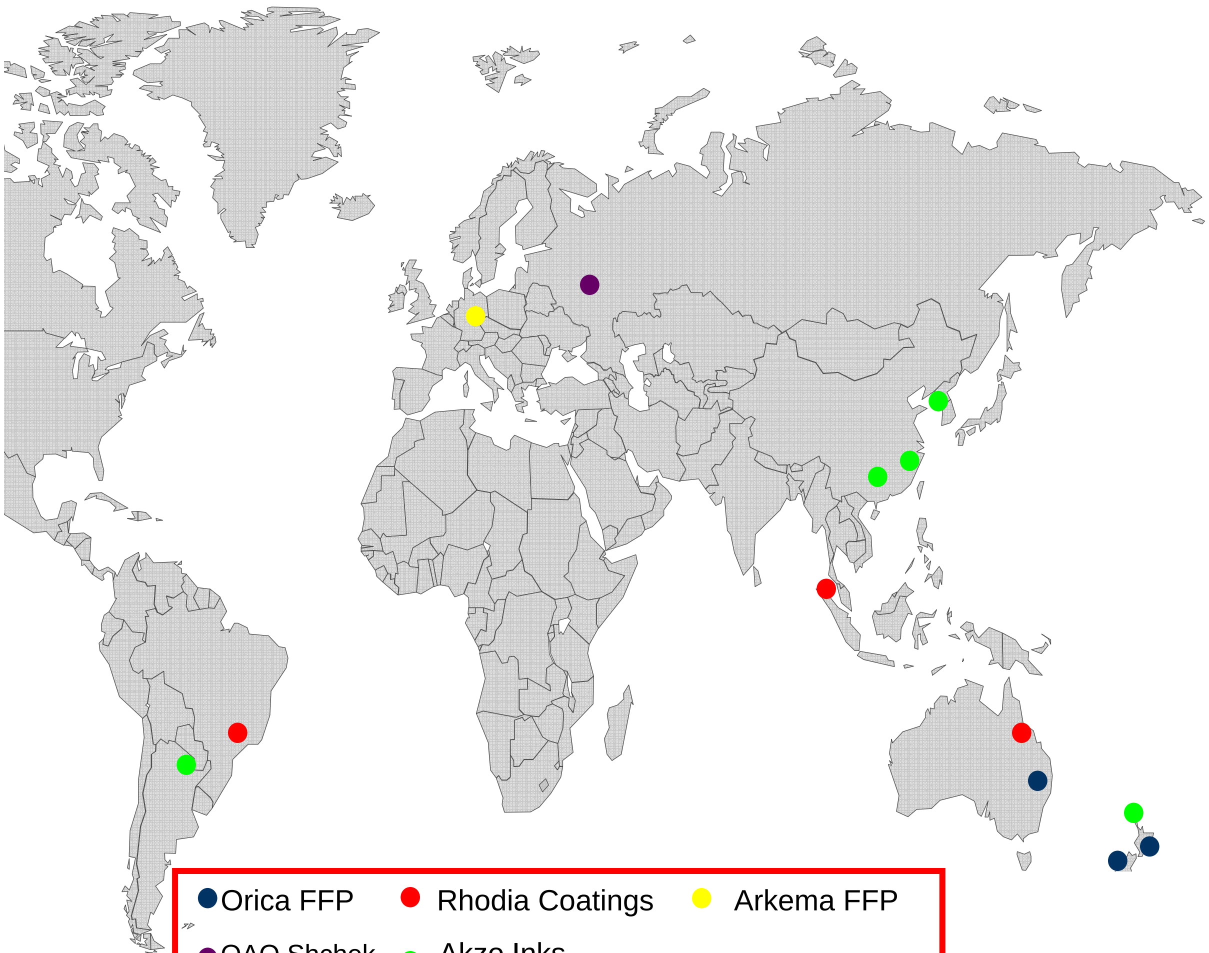


SG&A as a Percentage of Sales improved to 6.4% in Q108 vs. 7.0% in Q107

(1) Sites remain operational; actions included stopping production of heatset ink vehicles at Pleasant Prairie location, solvent-based coatings at our Lynwood California facility, as well as ceasing production of two amino resin departments at Sant' Albano, Italy.

Hexion Continues to Invest in Emerging Markets

Emerging Market Bolt-on Acquisition & JV Sites



Orica FFP | Rhodia Coatings | Arkema FFP

OAO Shchek. Joint Venture | Akzo Inks

Strategic Value Drivers

- Ongoing growth in the emerging markets
  - 59 percent of sales outside of U.S. in Q108
  - Acquisitions in Eastern Europe and Asia Pacific region expand Hexion’s international footprint
- Russian forest products joint venture will fuel growth in another key global “wood basket”

Financial Review

William H. Carter

Executive Vice President & Chief Financial Officer

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Epoxy and Phenolic Resins
First Quarter 2008 Segment Highlights

Quarter Ended March 31

($ in millions)	2008	2007	Δ
Revenue	$ 639	$ 567	↑ 13%
Segment EBITDA	$ 74	$ 95	↓ (22)%

Q108 Sales Comparison YOY

Volume	Price/Mix	Currency Translation	Acquisitions/ Divestitures	Total
(1)%	5%	9%	--	13%

- Strong revenue gains from specialty epoxies, non-wovens and laminates
  - Demand for key specialty products increased from 2007 levels
  - Wind energy customers continued to fuel growth
- Actions underway to address increased raw materials of $17 million and a $6 million Versatic Acids force majeure

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Formaldehyde and Forest Products Resins
First Quarter 2008 Segment Highlights

Quarter Ended March 31

($ in millions)	**2008**	**2007**	**Δ**
Revenue	$ 554	$ 428	↑ 29%
Segment EBITDA	$ 53	$ 44	↑ 20%

Q108 Sales Comparison YOY

Volume	Price/Mix	Currency Translation	Acquisitions/ Divestitures	Total
(7)%	16%	7%	13%	29%

- Revenue growth reflects raw material pass-through capabilities, international growth and positive currency translation
- Broad-based international demand driving favorable volume comparisons in high growth markets
  - Latin America: ↑ 9% YoY
  - Aust. & NZ: ↑ 24% YoY
- Methanol remained near historic highs for much of Q108 before beginning to moderate
- Continued progress with our Russian forest products joint venture

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Coatings and Inks
First Quarter 2008 Segment Highlights

Quarter Ended March 31

($ in millions)	2008	2007	Δ
Revenue	$ 332	$ 343	↓ (3)%
Segment EBITDA	$ 19	$ 25	↓ (24)%

Q108 Sales Comparison YOY

Volume	Price/Mix	Currency Translation	Acquisitions/ Divestitures	Total
(8)%	--	9%	(4)%	(3)%

- European Inks volume rebounded in Q108
- Softening acrylic monomer demand and continued weakness in U.S. housing and construction drove Coatings decline
- Site rationalizations will improve cost structure going forward
- New Product Development pipeline continues to show promise, such as aerospace coatings applications

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Performance Products
First Quarter 2008 Segment Highlights

Quarter Ended March 31

($ in millions)	2008	2007	Δ
Revenue	$ 111	$ 100	↑ 11%
Segment EBITDA	$ 21	$ 18	↑ 17%

Q108 Sales Comparison YOY

Volume	Price/Mix	Currency Translation	Acquisitions/ Divestitures	Total
6%	2%	3%	--	11%

- Sales and Segment EBITDA gains fueled primarily by strong demand for Company's oilfield products
  - Balanced regional demand with growth from U.S. and Mexico
  - Hexion's next-generation proppants address changing oil and gas industry production methods
- Focused cost control programs support year-over-year Segment margin gains

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Balance Sheet Update

- Hexion generated $18 million in cash from operations in Q108 overcoming negative working capital impacts of $66 million in increased raw material prices and foreign currency translation

- Maintaining 2008 capital expenditure targets
  - Q108 capital expenditures of $22 million

- Strong liquidity position: cash plus borrowing availability of $476 million at March 31, 2008

- Working capital as a percentage of sales totaled 11.8% in Q108
  - Ongoing focus on working capital improvements in 2008 and maintaining a disciplined approach to capital spending

Net Debt: $3.5 billion (3/31/08)

Summary

Craig O. Morrison

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Summary: Hexion First Quarter 2008 Results

- Hexion delivered strong sales gains in Q108 with a 14% increase in revenues, while Q108 Segment EBITDA was negatively impacted by $17 million in increased raw materials and $6 million from a Versatic Acids force majeure
- The company remains on track to achieve $175 million in targeted synergies
- Hexion's recently announced site closings will continue to improve overall cost structure
- Ongoing expansion into the emerging markets will fuel future growth
- March 31, 2008 pro forma adjusted EBITDA of $678 million
- Progress continues with the regulatory review process for the pending merger with Huntsman [1]

Hexion Continues to Execute its Strategic and Operational Plan

(1) Transaction remains subject to various conditions, including expiration or termination of applicable waiting periods under the Hart-Scott-Rodino Act, review by foreign jurisdictions and other customary closing conditions.

Appendices

Reconciliation of Non-GAAP Financial Measures

($ millions)

	Three months ended March. 31,	
	2008	2007
Segment EBITDA:		
Epoxy and Phenolic Resins	74	95
Formaldehyde and Forest Product Resins	53	44
Coatings and Inks	19	25
Performance Products	21	18
Corporate and Other	(13)	(12)
Total	154	170
Reconciliation:		
Items not included in Segment EBITDA		
Pending merger costs	(9)	--
Integration costs	(7)	(9)
Non-cash items	4	(6)
Unusual items:		
Gain on divestiture of assets	7	--
Business realignments	(3)	(6)
Other	(9)	(1)
Total unusual items	(5)	(7)
Total adjustments	(17)	(22)
Interest expense, net	(78)	(76)
Income tax expense	(13)	(21)
Depreciation and amortization	(52)	(47)
Net (loss) income	(6)	4

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Fixed Charge Covenant Calculations

		LTM Ended March 31, 2008
Reconciliation of Net Loss to Adj. EBITDA		
Net loss	$	(75)
Income taxes		36
Interest expense, net		312
Depreciation and amortization expense		203
EBITDA		476
Adjustments to EBITDA		
Acquisitions EBITDA (1)		31
Pending merger and transaction costs		10
Integration costs (3)		36
Non-cash items (4)		44
Unusual items:		
Gain on sale of assets		(15)
Purchase accounting effects/inventory step-up		1
Business realignments (5)		18
Other (6)		28
Total unusual items		32
In process Synergies (7)		49
Adjusted EBITDA	$	678
Fixed Charges (8)		270
Ratio of Adj. EBITDA to Fixed Charges (9)		2.51

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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 the 2007 and 2006 acquisitions.

2) Primarily represents accounting, tax and miscellaneous costs related to the pending Huntsman merger.

3) Represents redundancy and plant rationalization costs 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 impact 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 May 6, 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 March 31, 2008, the Company was able to satisfy this covenant and incur additional indebtedness under this indenture.

Debt at March 31, 2008

($ in millions)

	3/31/2008	12/31/2007
Senior Secured Credit Facilities:		
Floating rate term loans due 2013	$ 2,286	$ 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	72	69
Industrial Revenue Bonds due 2009	34	34
Capital Leases	13	12
Other	54	58
Total debt	$ 3,724	$ 3,720

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