

FOR IMMEDIATE RELEASE

Hexion Specialty Chemicals, Inc. Announces Bank Funding Of \$325 Million Merger Termination Fee

Borrowing by parent Hexion, LLC will not affect company's cash flow or debt covenants

COLUMBUS, Ohio – (December 19, 2008) – Hexion Specialty Chemicals, Inc. today announced that Credit Suisse and Deutsche Bank (the “Banks”) have funded to its parent company, Hexion LLC, funds to fully cover payment of the \$325 million termination fee associated with Hexion Specialty Chemicals’ terminated merger agreement with Huntsman Corporation. Hexion plans to promptly convey the termination fee to Huntsman Corporation.

The six-year loan to Hexion, LLC has a Payment in Kind (PIK) provision that enables Hexion LLC, at its option, to accrue the interest at intervals during the term of the loan in lieu of paying cash interest payments. Because the borrowing was made by Hexion LLC, it will not impact the cash flow or debt covenant compliance calculations of Hexion Specialty Chemicals.

“We are pleased that the Banks have provided this funding as outlined in their commitment letters, so that we in turn can fulfill our termination fee commitment to Huntsman Corporation as outlined in the merger agreement,” said Craig O. Morrison, Chairman and CEO of Hexion. “This continues the string of recent positive developments that includes settlement with Huntsman Corporation of all litigation and a \$200 million investment commitment to Hexion by affiliates of our owners, Apollo Management. This incremental investment in Hexion will help strengthen our strong competitive position in a difficult economic environment.”

About Hexion Specialty Chemicals, Inc.

Based in Columbus, Ohio, Hexion Specialty Chemicals is the global leader in thermoset resins. 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. Hexion has more than 7,000 associates and over 100 manufacturing sites around the world. The company had 2007 revenues of \$5.8 billion. Additional information is available at www.hexion.com.

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Forward Looking Statements

Certain statements in this press release 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 2007 Annual Report on Form 10-K, and 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 crisis and economic downturn and an interruption in the supply of or increased pricing of raw materials due to natural disasters; 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 2007 Annual Report on Form 10-K, and our other filings, with the SEC.

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