

NOVA Chemicals

Jeff Lipton

President and CEO

First Quarter 2006 Earnings Conference Call

April 26, 2006 10AM



Forward-Looking Information

This material contains forward-looking statements with respect to NOVA Chemicals Corporation alone or together with its subsidiaries and affiliates, depending on the context in which such statements are used. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions, forecasts, conclusions and projections will not prove to be accurate, that our assumptions may not be correct and that actual results may differ materially from such predictions, forecasts, conclusions or projections. Forward-looking statements for the time periods beyond 2006 involve longer-term assumptions and estimates than forward-looking statements for 2006 and are consequently subject to greater uncertainty. We caution you not to place undue reliance on our forward-looking statements as a number of factors could cause actual results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. The words “believe,” “expect,” “plan,” “intend,” “estimate,” or “anticipate” and similar expressions, as well as future or conditional verbs such as “will,” “should,” “would,” and “could” often identify forward-looking statements. Specific forward looking statements contained in this material include, among others, statements regarding: our expected financial performance in future periods, including cost savings in the Styrenics Business; our expectations regarding future improvements in underlying EBITDA from our Olefins/Polyolefins and Styrenics Businesses; our expectations of favorable market conditions for the near term and for the next three years; our expectations for the potential value of our feedstock hedging program; our expectation that our Alberta Advantage will at least keep strengthening; supply/demand balance and global and North American operating rates in future periods; changes in the demand for our products and the future sales of our standard and Performance Products and production capacity growth; our plans to increase our capacity to manufacture Performance Products; and general economic conditions. With respect to forward-looking statements contained in this material, we have made assumptions regarding, among other things: future oil, natural gas, natural gas liquids and benzene prices; our ability to obtain raw materials; our ability to market products successfully to our anticipated customers; the impact of increasing competition; and our ability to obtain financing on acceptable terms. Some of our assumptions are based upon internal estimates and analyses of current market conditions and trends, management plans and strategies, economic conditions and other factors and are necessarily subject to risks and uncertainties inherent in projecting future conditions and results.

Some of the risks that could affect our future results and could cause results to differ materially from those expressed in our forward-looking statements include: commodity chemicals price levels (which depend, among other things, on supply and demand for these products, capacity utilization and substitution rates between these products and competing products); feedstock availability and prices; operating costs; terms and availability of financing; technology developments; currency exchange rate fluctuations; starting up and operating facilities using new technology; realizing synergy and cost savings targets; our ability to implement our business strategies; meeting time and budget targets for significant capital investments; avoiding unplanned facility shutdowns; safety, health, and environmental risks associated with the operation of chemical plants and marketing of chemical products, including transportation of these products; public perception of chemicals and chemical end-use products; the impact of competition; changes in customer demand, including customer acceptance of our Performance Products; changes in, or the introduction of new laws and regulations relating to our business, including environmental, competition and employment laws; costs to comply with the Kyoto Protocol; loss of the services of any of our executive officers; uncertainties associated with the North American, South American, European, and Asian economies; terrorists attacks; severe weather events; and other risks detailed from time to time in our publicly filed disclosure documents and securities commission reports. Our forward-looking statements are expressly qualified in their entirety by this cautionary statement. In addition, the forward-looking statements are made only as of the date of this material, and except as required by applicable law, we undertake no obligation to publicly update these forward-looking statements to reflect new information, subsequent events or otherwise.

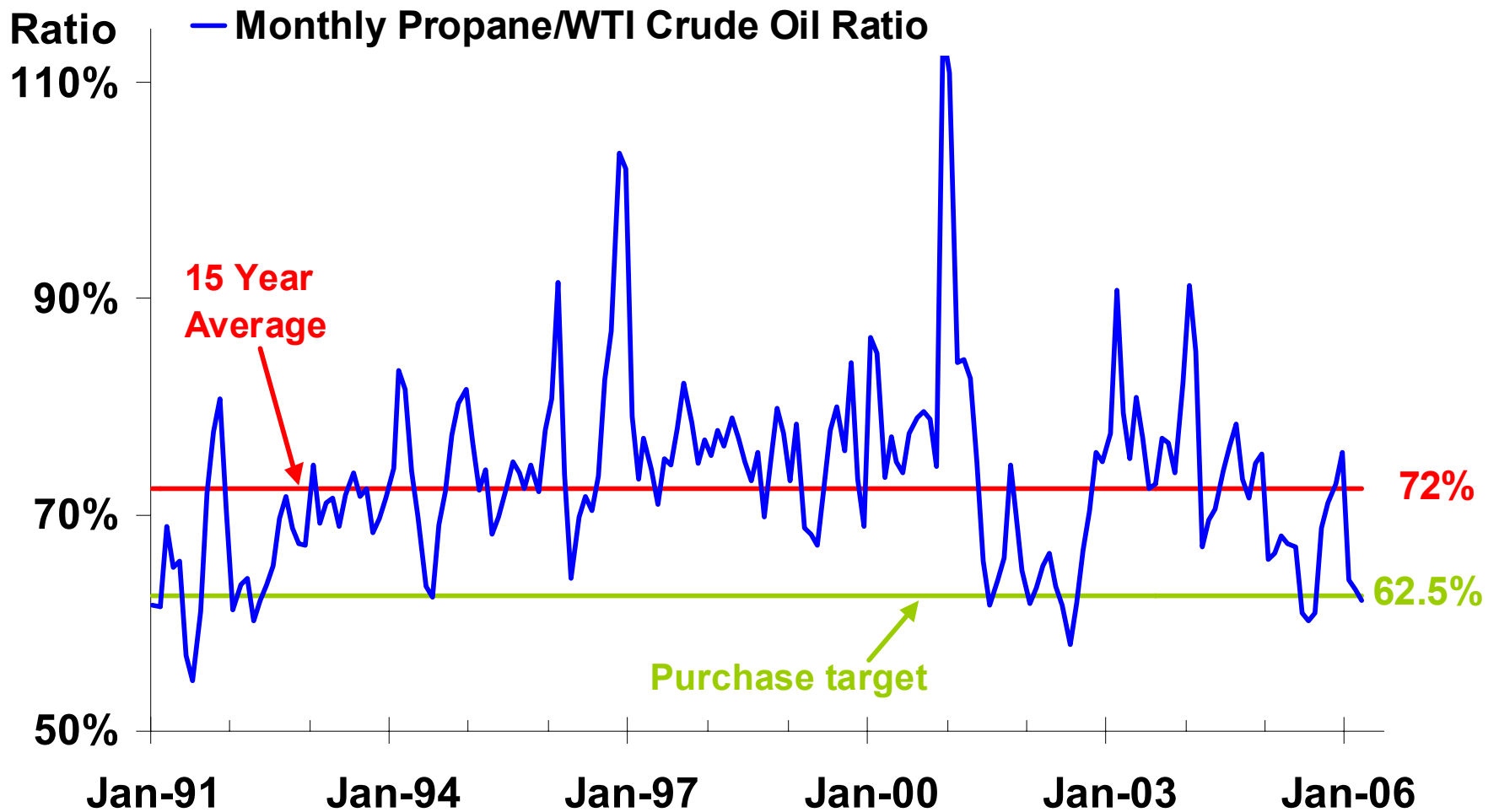


1Q 2006 Review

→ Eastern Canadian Ethylene/Polyethylene

Panel 1 - Feedstock Hedge Program

Propane as a % of WTI Crude



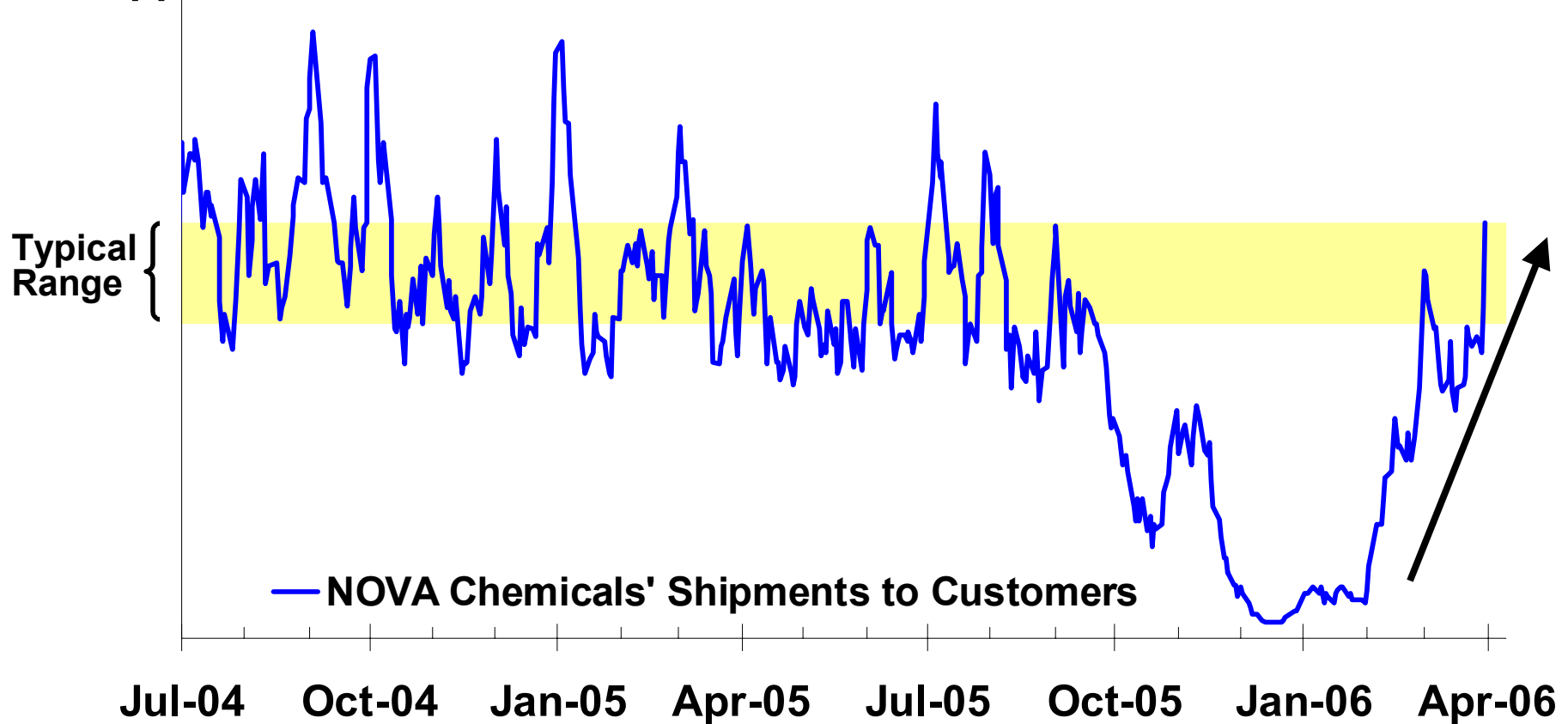
Source: Chemical Market Associates, Inc. Data through March 31, 2006.



Panel 2 - Hopper Car Movements

Eastern PE

Number of
Hopper Cars



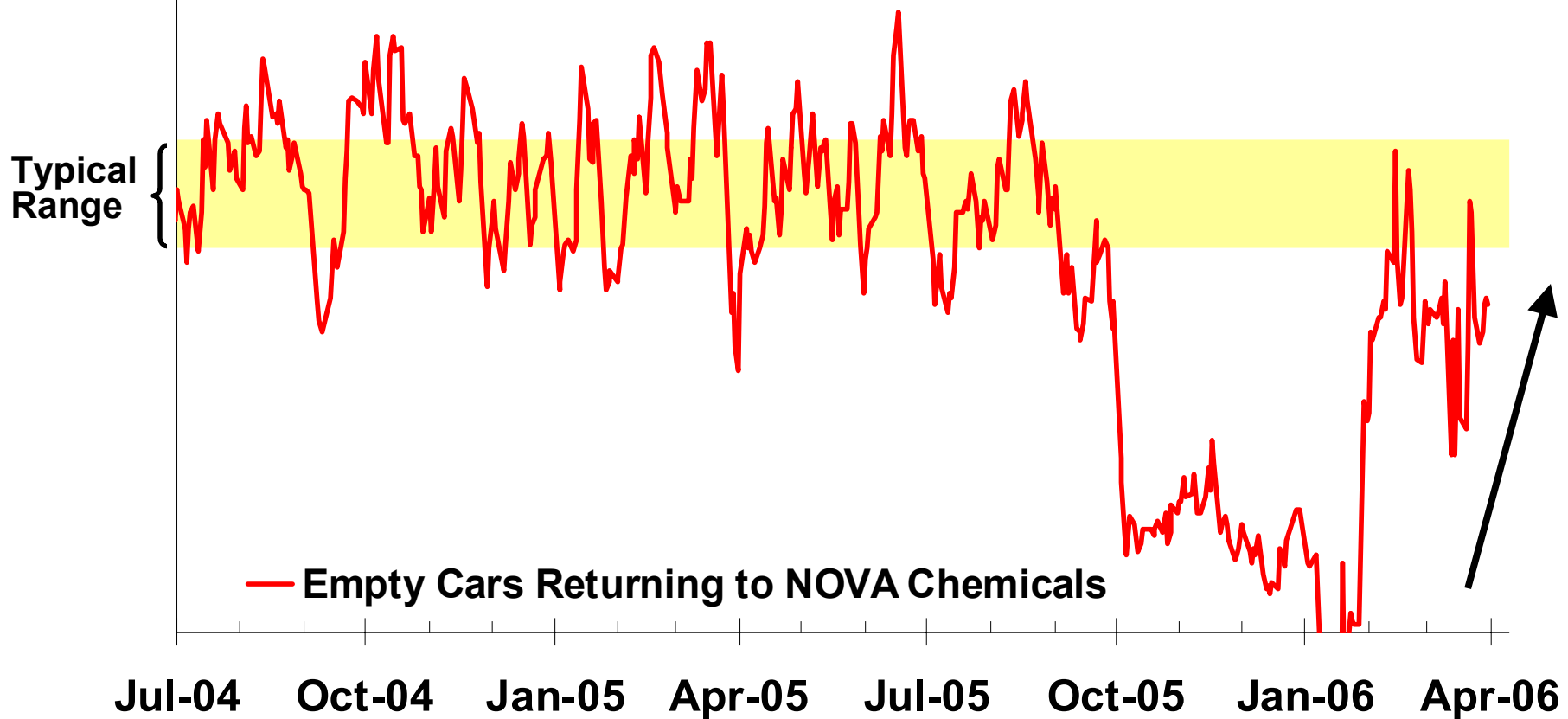
Source: NOVA Chemicals. Data through March 31, 2006.



Panel 3 - Hopper Car Movements

Eastern PE

Number of
Hopper Cars



Source: NOVA Chemicals. Data through March 31, 2006.

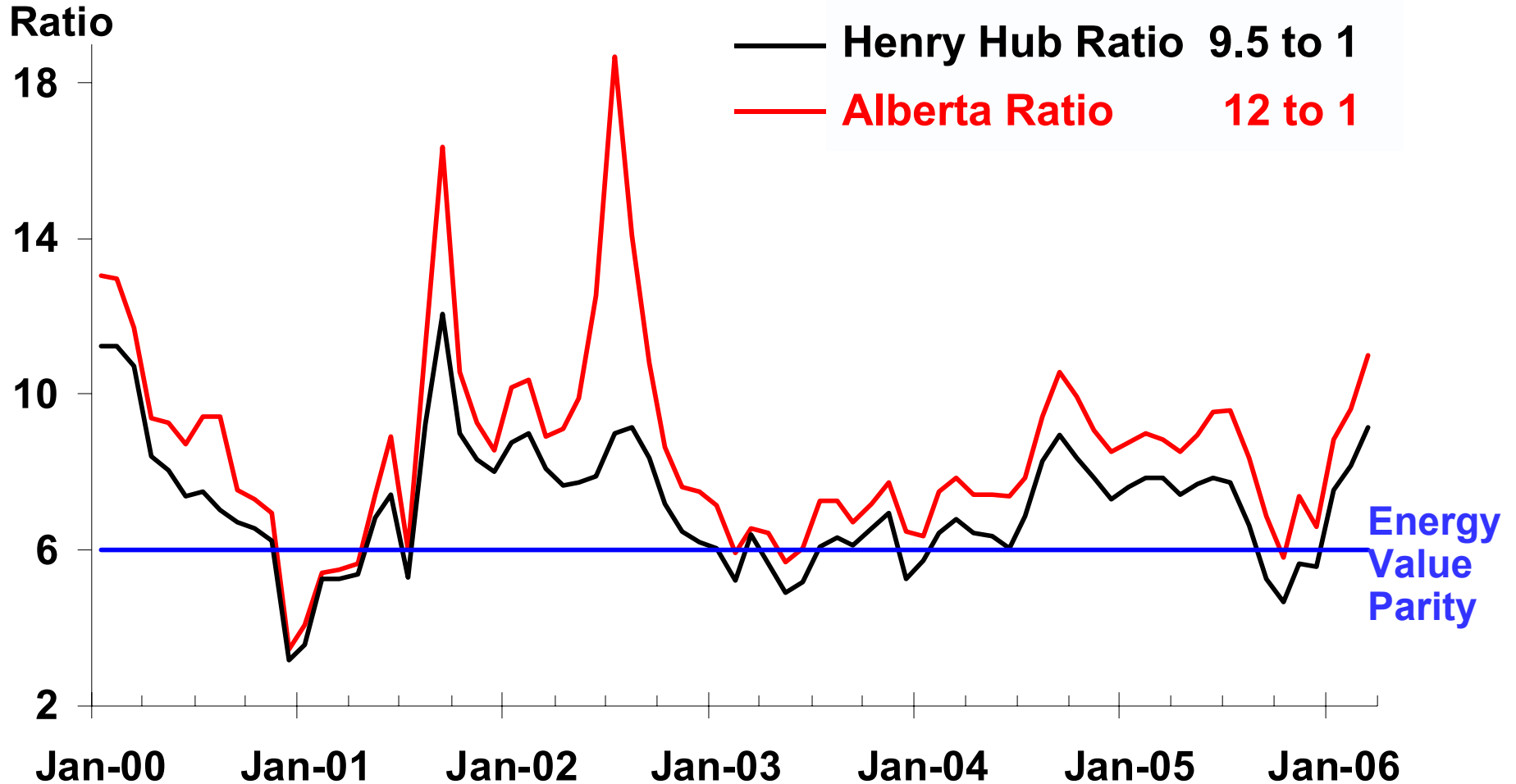


1Q 2006 Review

→ Western Canadian Ethylene/Polyethylene

Panel 4 - Feedstock Advantage

Oil to Gas Ratio

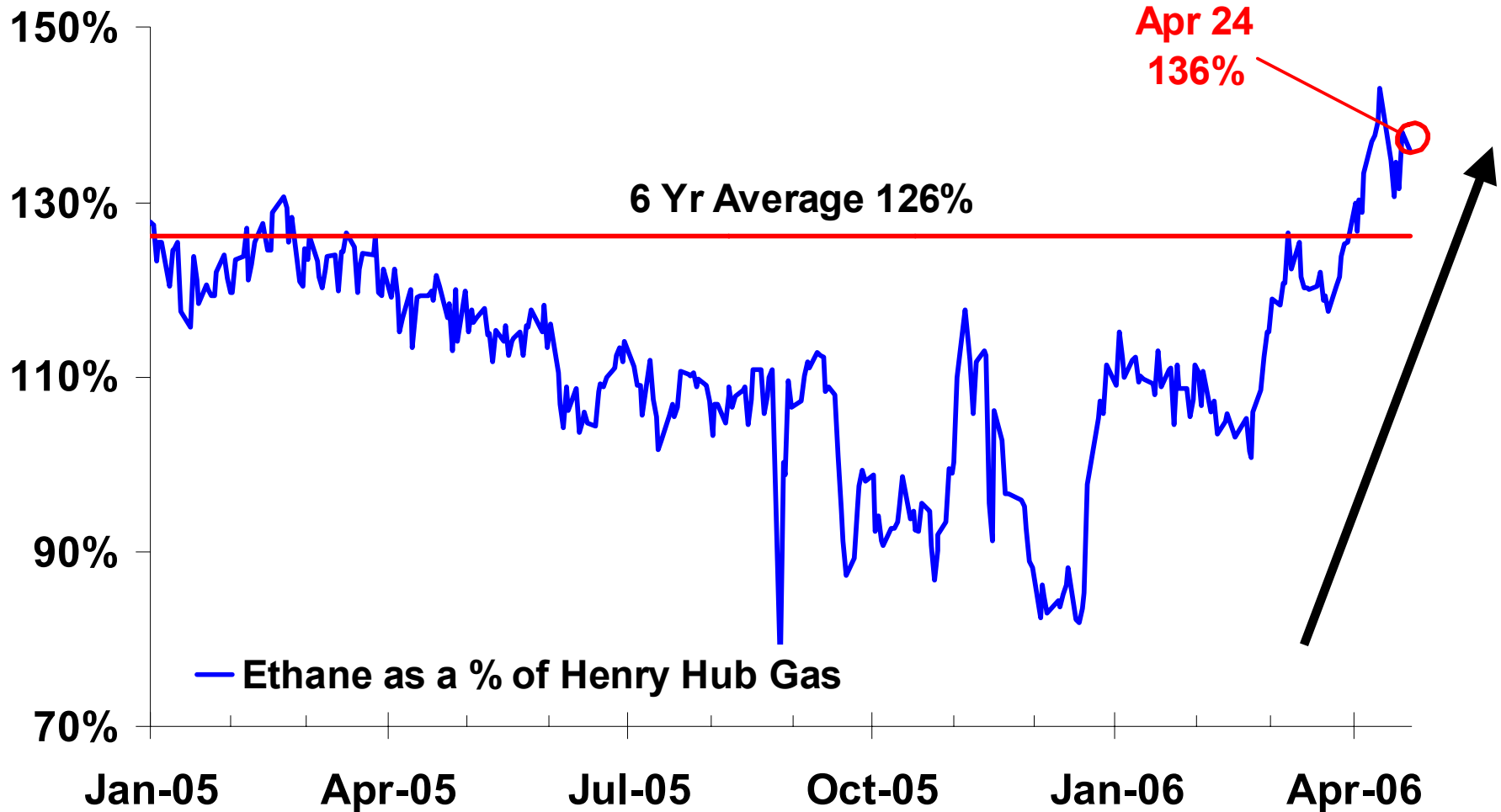


Source: Platts. Ratios use Henry Hub and Alberta day gas prices and WTI crude oil prices.
Ratios as of April 24, 2006.



Panel 5 - Ethane Prices

U.S. Gulf Coast

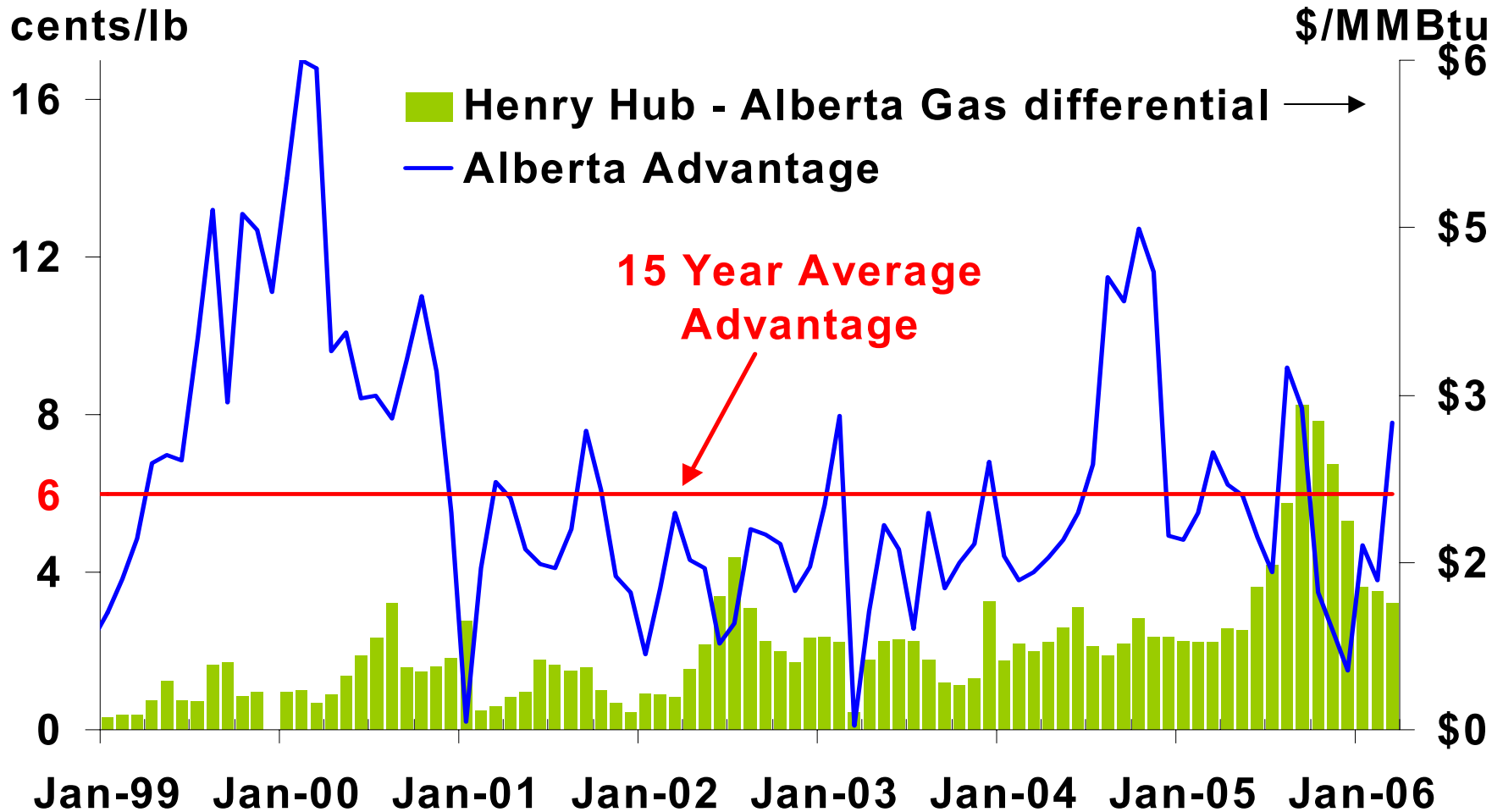


Source: Platt's and Oil Price Information Service.



Panel 6 - Alberta Advantage

Competitive Cost Ethylene

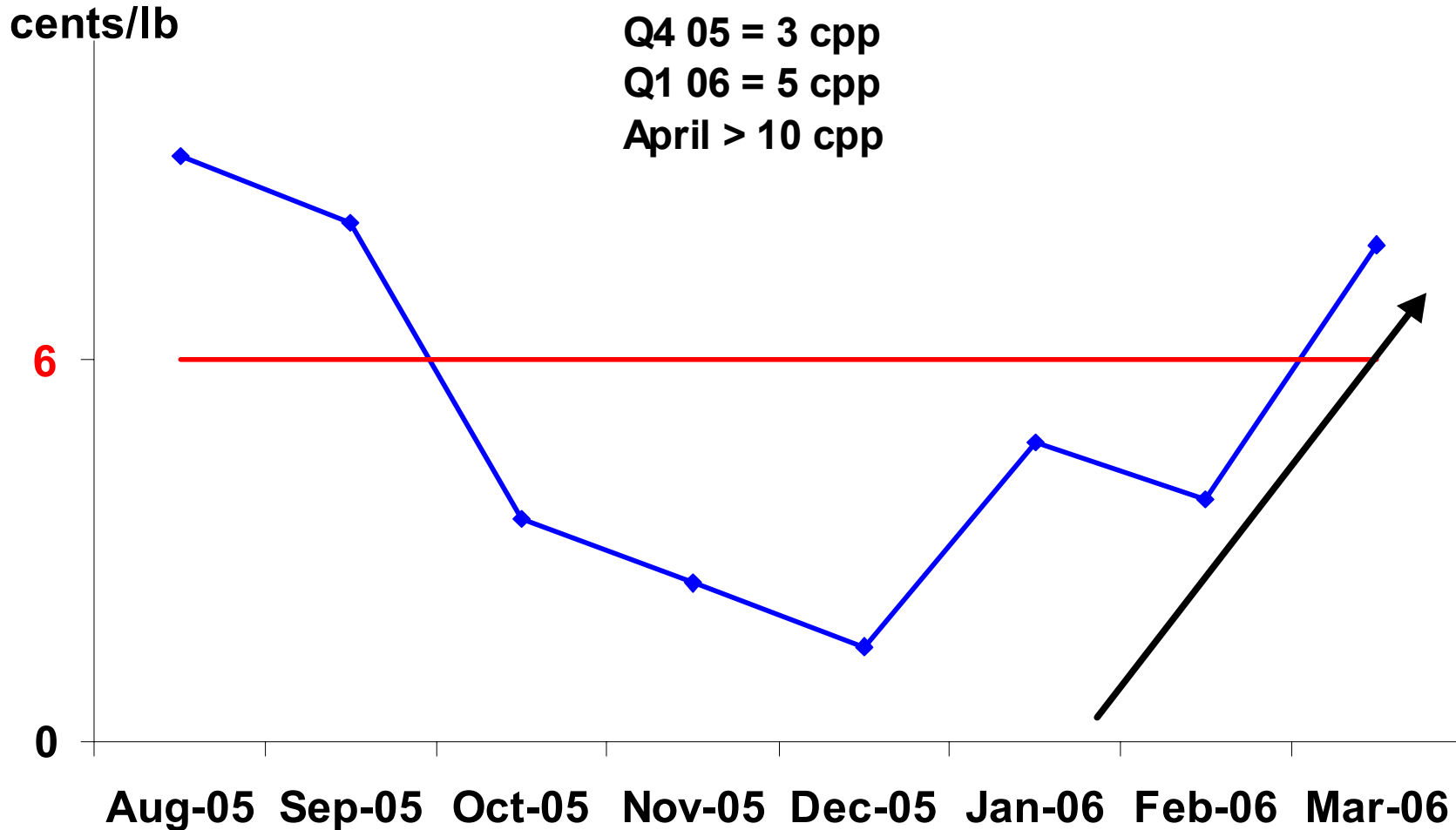


Source: Platts, Enerdata, and NOVA Chemicals. Data as of April 24, 2006.



Panel 7 - Alberta Advantage

Competitive Cost Ethylene



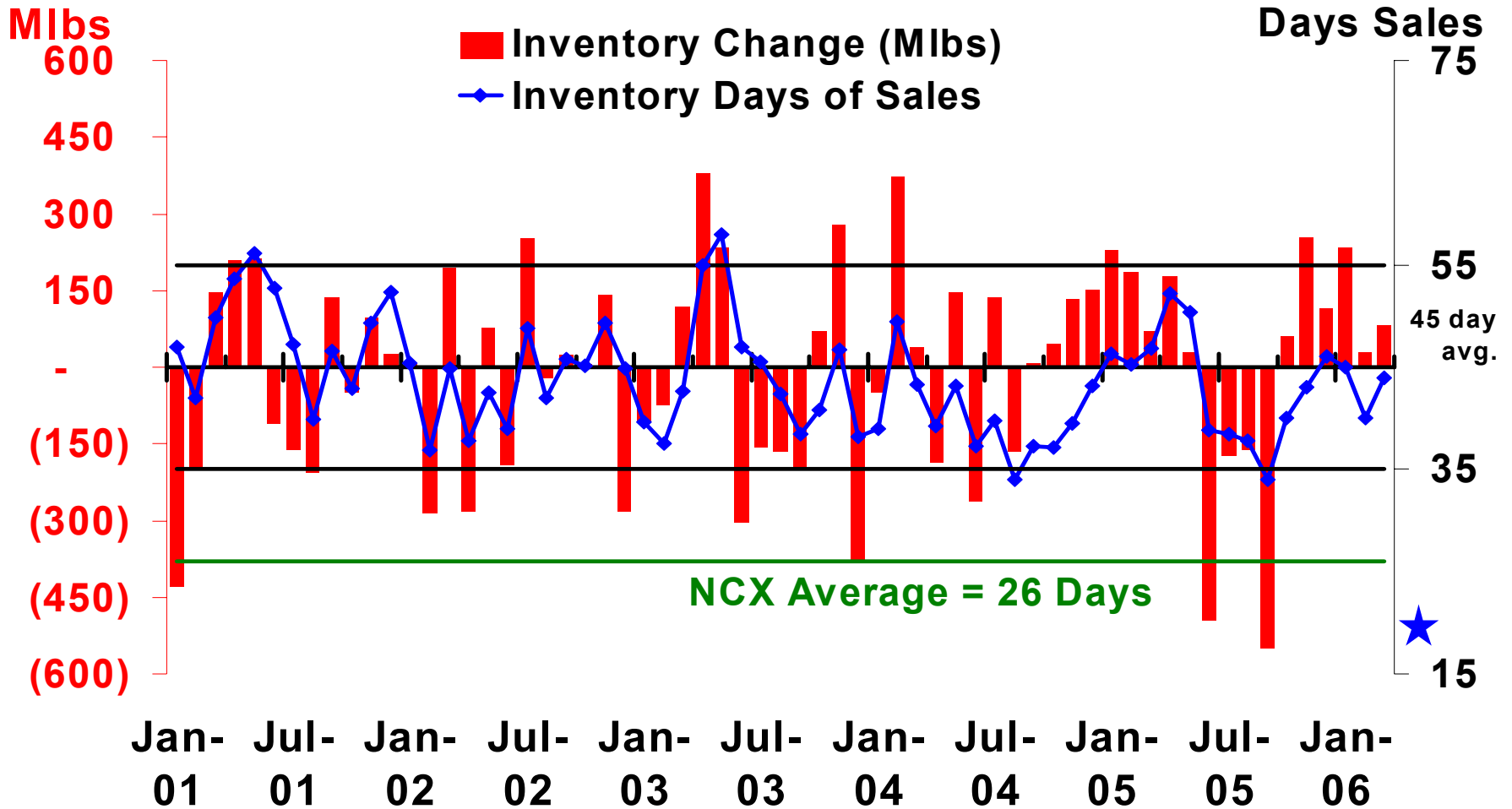
Source: NOVA Chemicals. Data through March, 2006.



1Q 2006 Review

→ Polyethylene Market

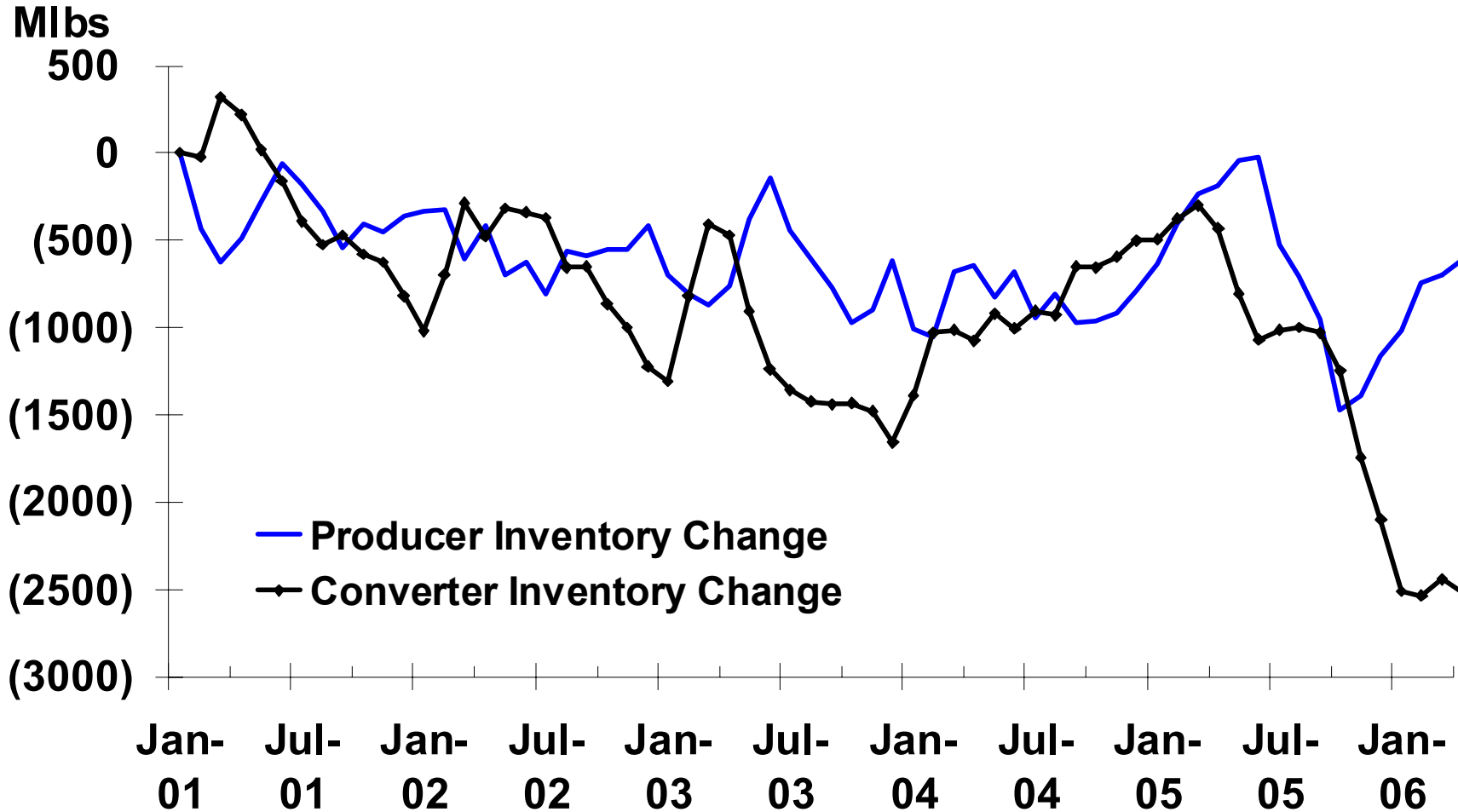
Panel 8 - North American PE Producer Inventory



Source: American Plastics Council U.S. producer inventory, adjusted by NOVA Chemicals to represent North American producers. Data through March 31, 2006.



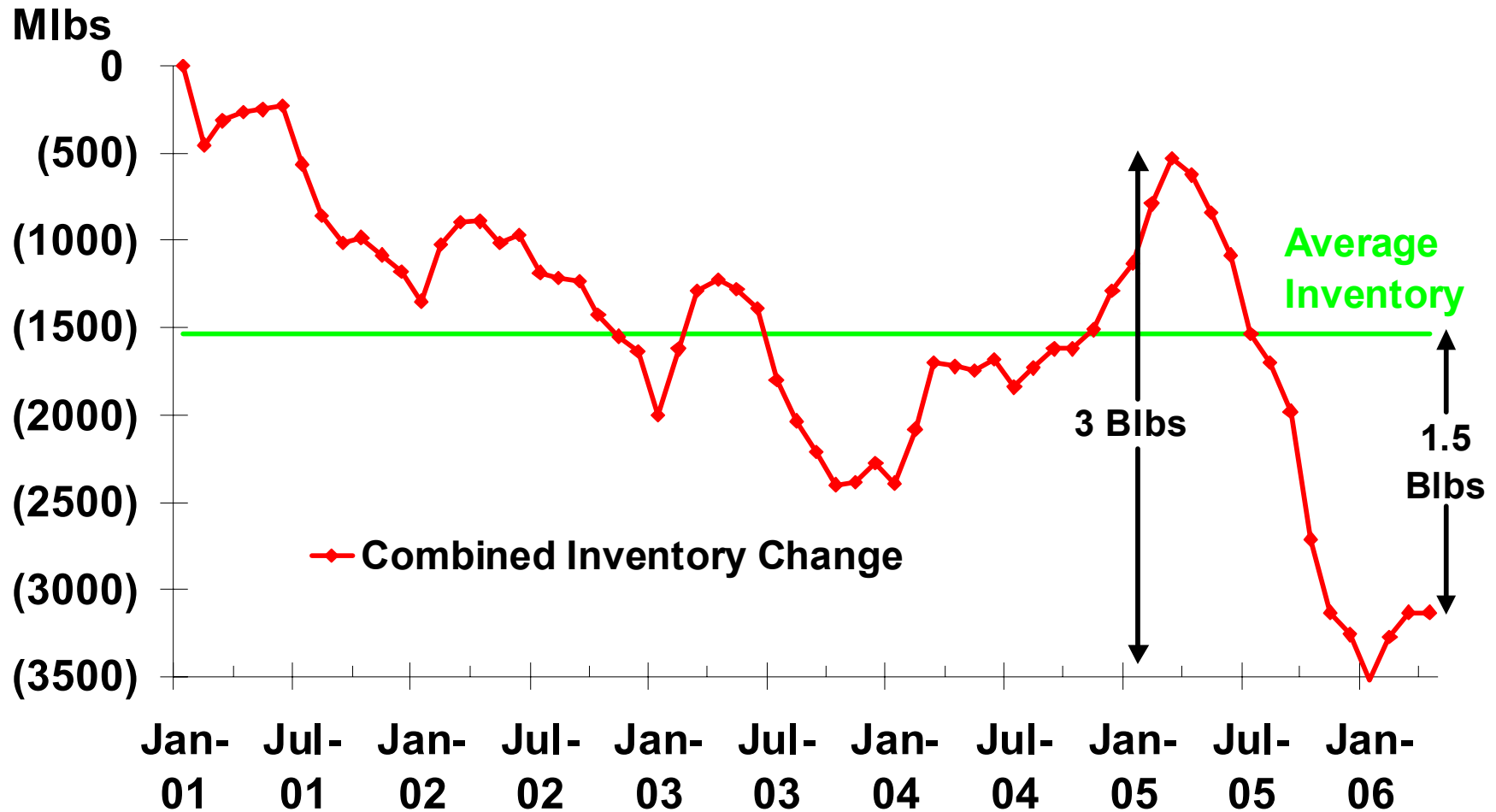
Panel 9 – North American PE Cumulative Inventory Change



Source: American Plastics Council and Chemical Market Associates, Inc. and NOVA Chemicals. Data through March 31, 2006.



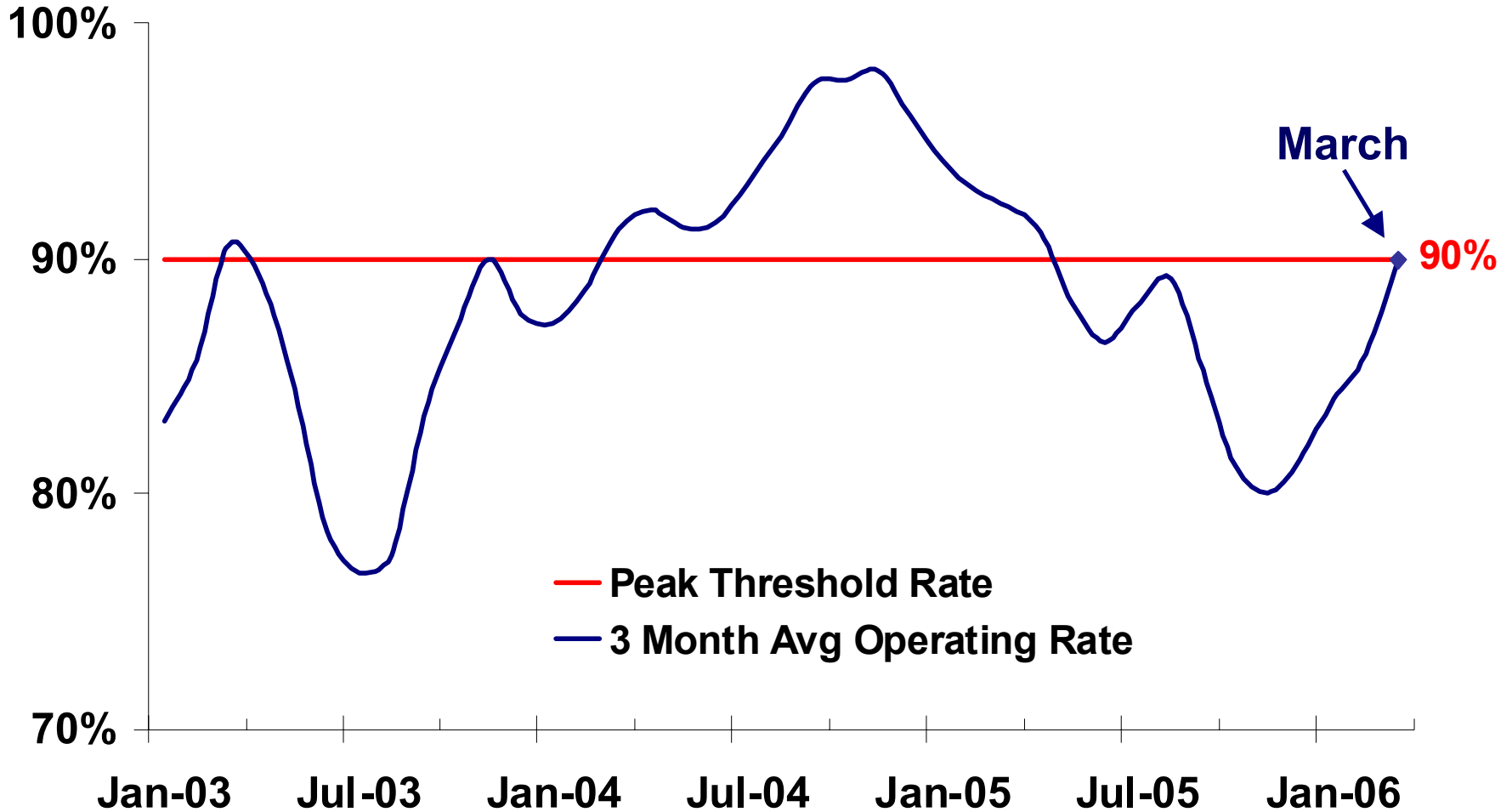
Panel 10 – North American PE Cumulative Inventory Change



Source: American Plastics Council and Chemical Market Associates, Inc. and NOVA Chemicals. Data through March 31, 2006.



Panel 11 - North American PE Producer Operating Rates



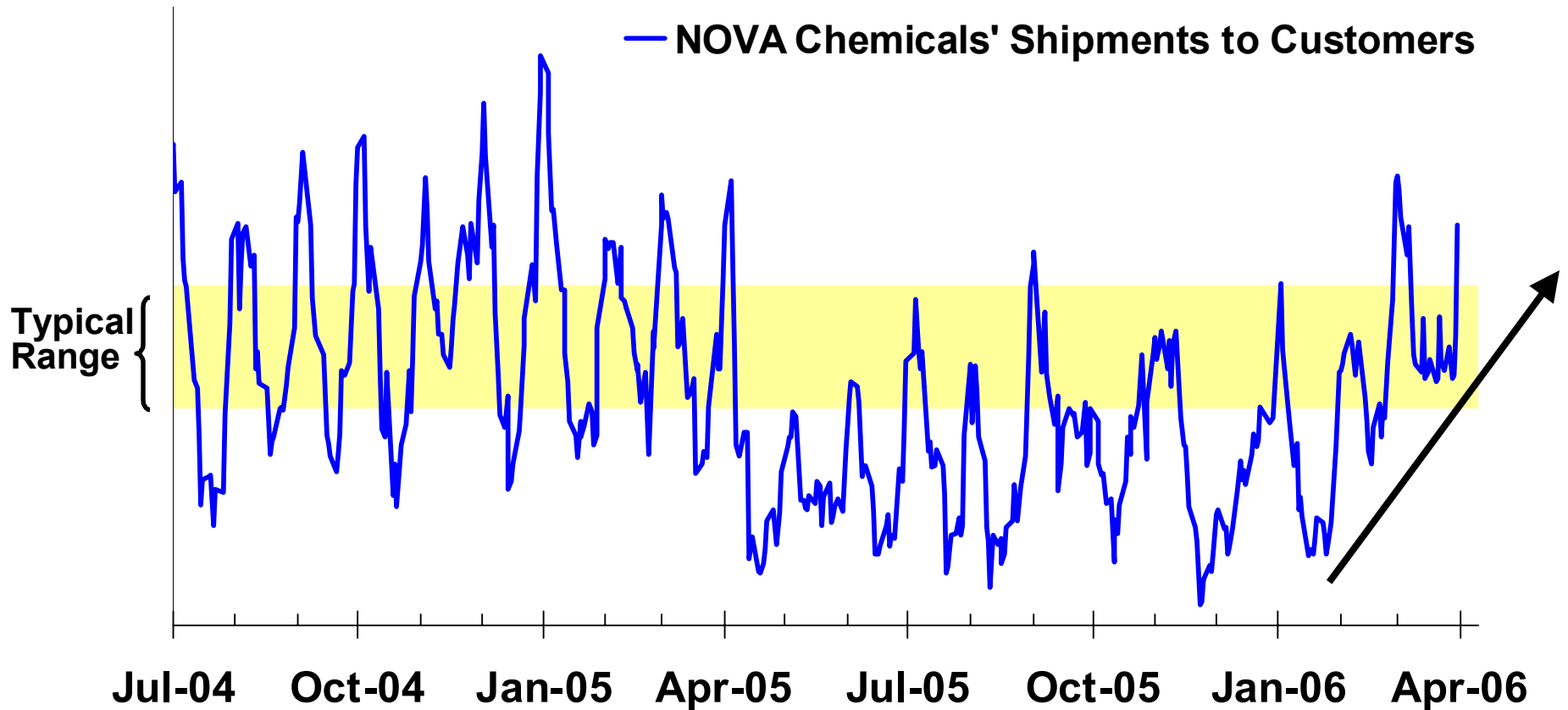
Source: American Plastics Council. Data through March 31, 2006.



Panel 12 - Hopper Car Movements

Total PE

Number of
Hopper Cars



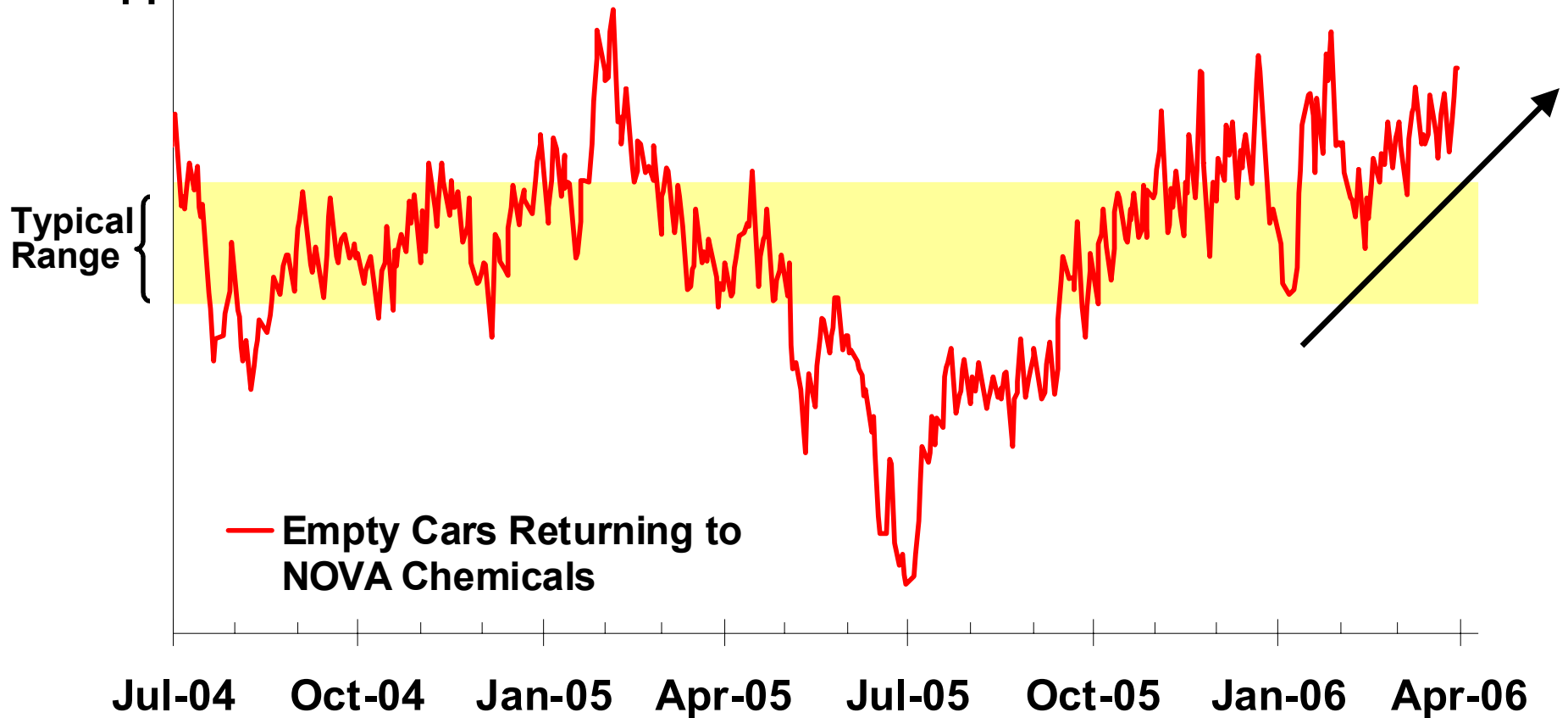
Source: NOVA Chemicals. Data through March 31, 2006.



Panel 13 - Hopper Car Movements

Western PE

Number of
Hopper Cars



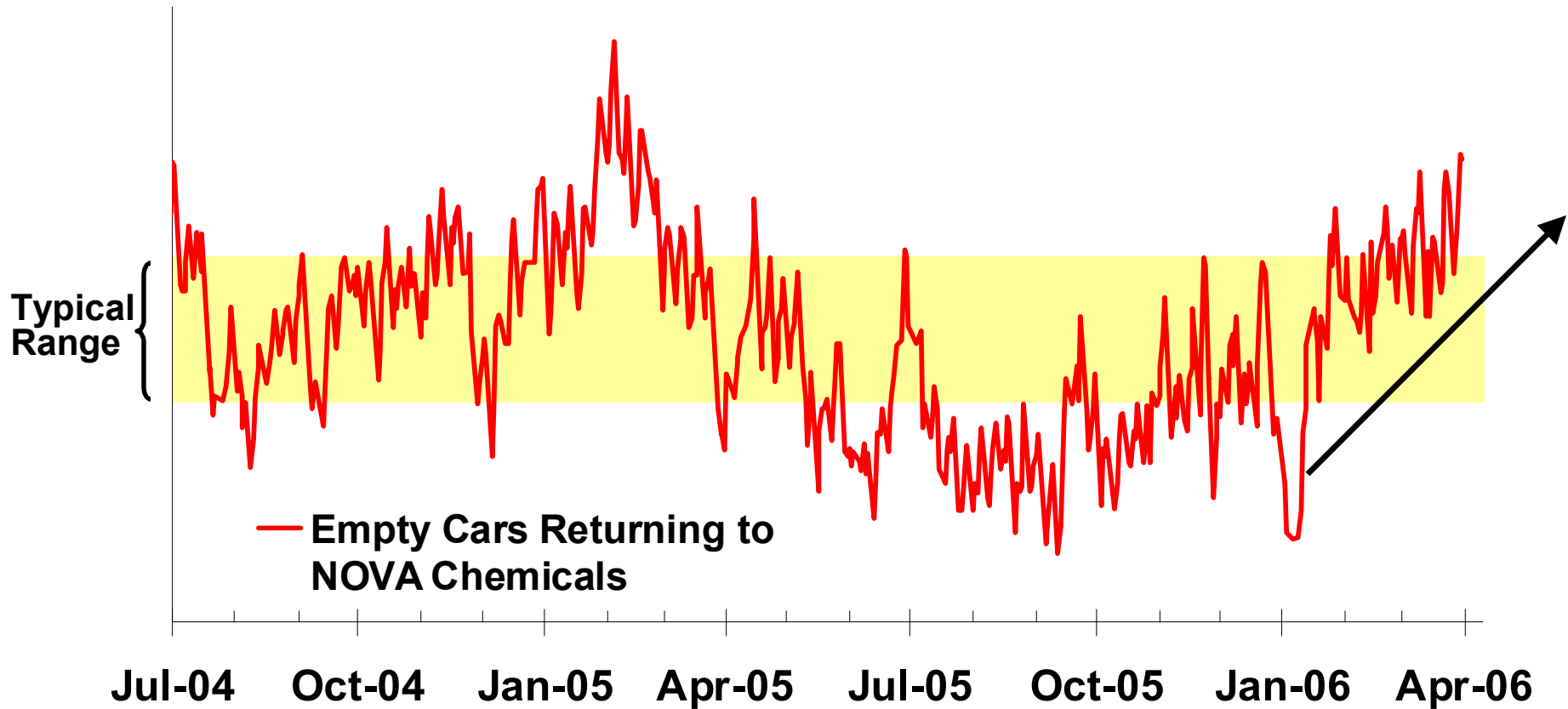
Source: NOVA Chemicals. Data through March 31, 2006.



Panel 14 - Hopper Car Movements

Total PE

Number of
Hopper Cars



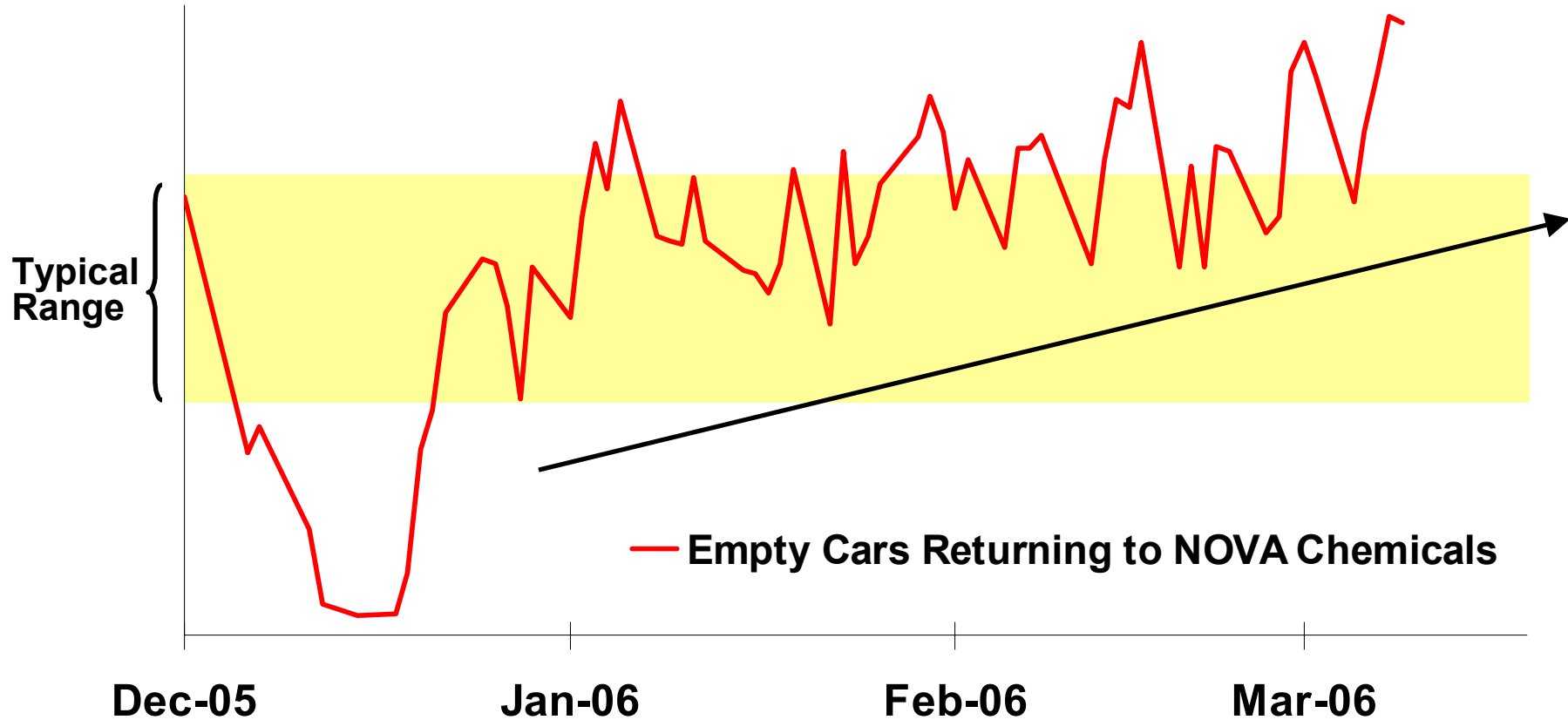
Source: NOVA Chemicals. Data through March 31, 2006.



Panel 15 - Hopper Car Movements

Total PE

Number of
Hopper Cars



Source: NOVA Chemicals. Data through March 31, 2006.

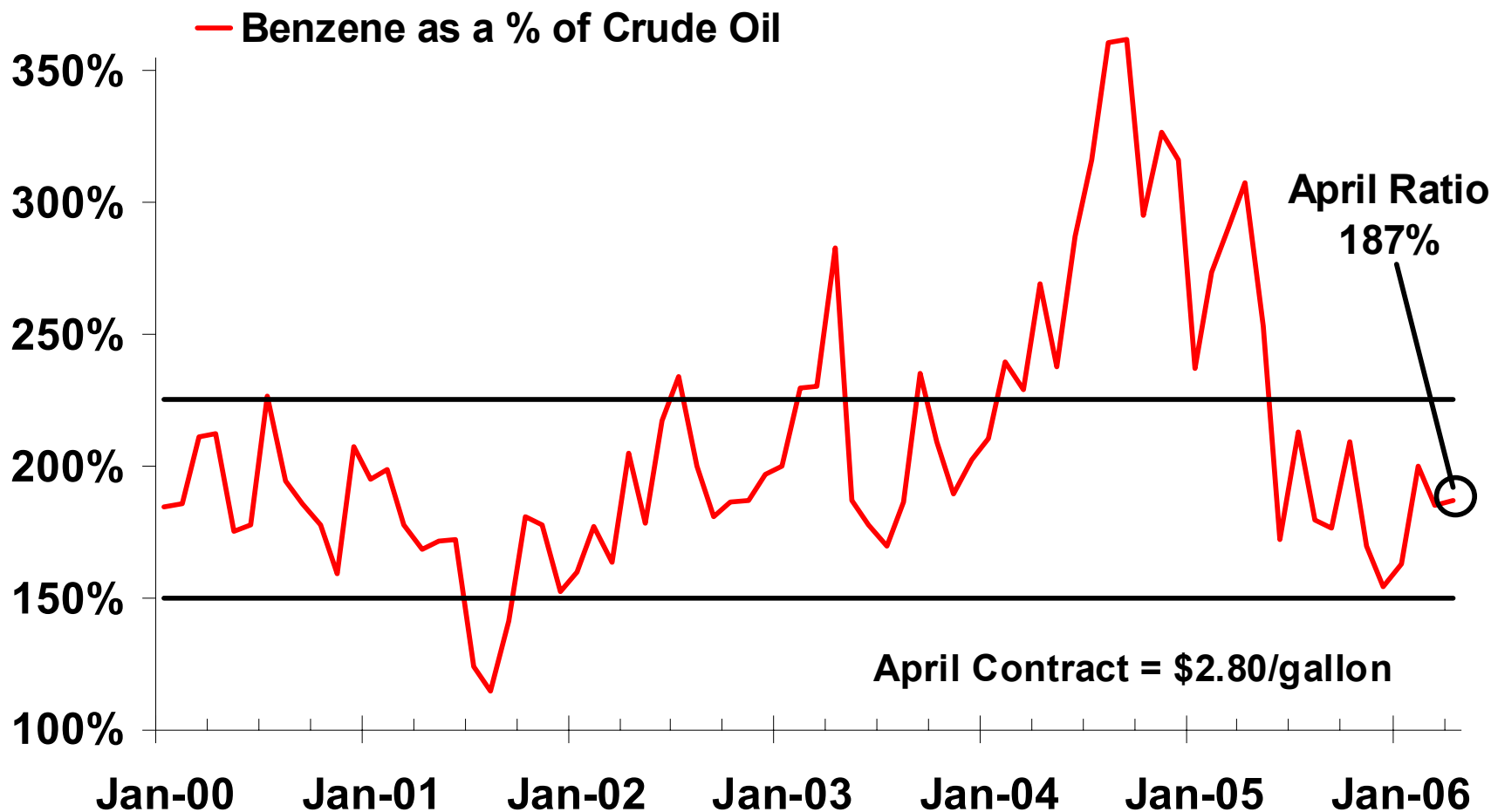


1Q 2006 Review

→ Benzene

Panel 16 - Benzene Price

Benzene vs. Crude Oil



Source: Chemical Market Associates, Inc.



1Q 2006 Review

→ Financial Causal Analysis

Panel 17 - Causal Analysis

Q4 2005 to Q1 2006 Variance

Q4 '05 Net Loss		(\$68)
Margin erosion - LIFO basis	(33)	
Margin expansion – FIFO basis	<u>21</u>	
•Margin erosion - FIFO basis		(12)
Corunna start-up delay	45	
Restructuring and closure costs	<u>40</u>	85
Feedstock derivatives mark-to-market		(22)
Licensing revenue		4
Other		<u>8</u>
Q1 '06 Net Loss		<u><u>(\$5)</u></u>

(millions of U.S. dollars, all amounts are after-tax)

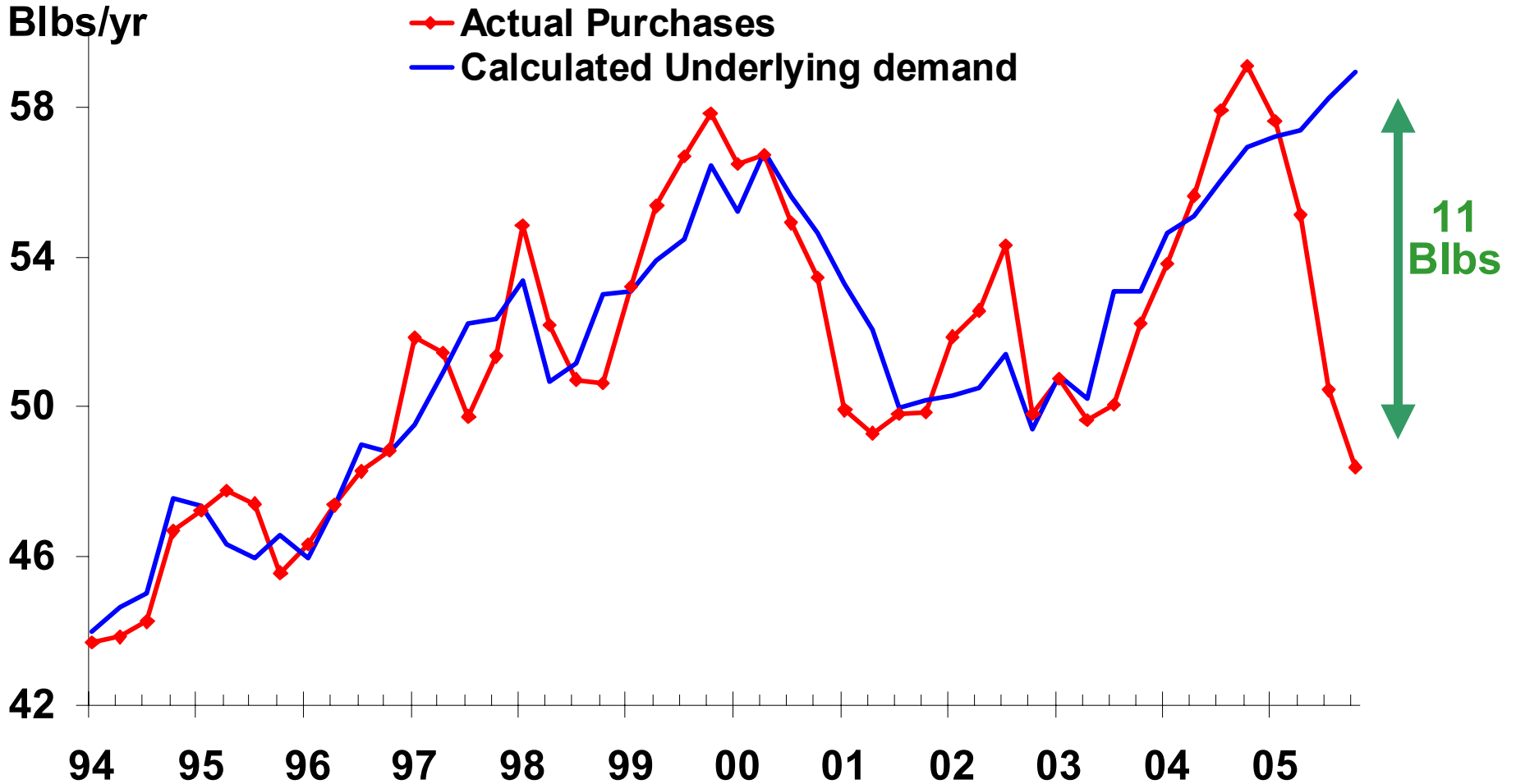


Medium to Long Term Outlook

→ Olefins/Polyolefins

Panel 18 - Ethylene Demand

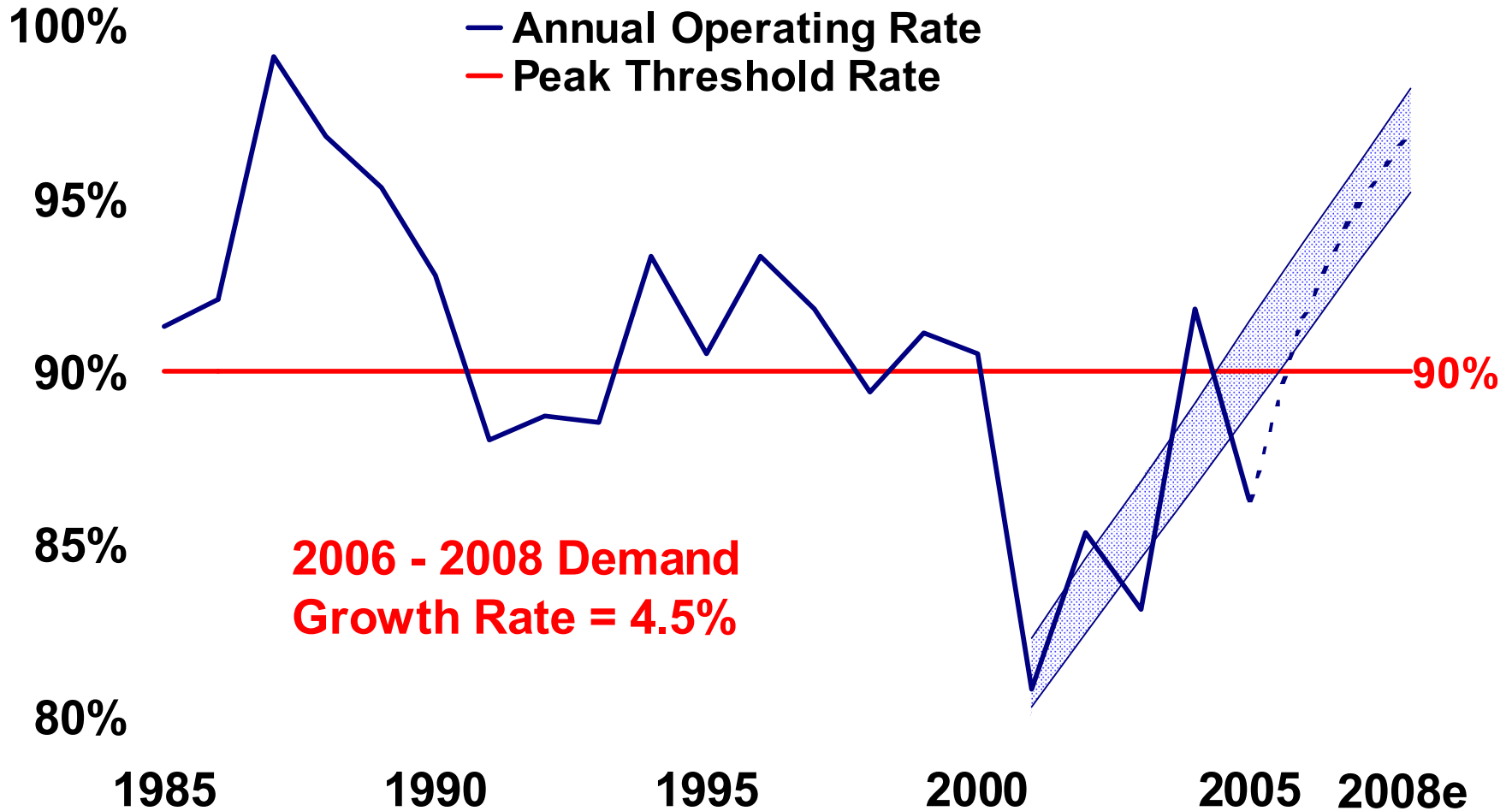
Underlying vs. Actual



Source: NPRA, American Chemistry Council analysis as published in Weekly Chemistry and Economic Trends on Feb. 3, 2006.



Panel 19 - North American PE Producer Operating Rates



Source: American Plastics Council, Nexant ChemSystems and NOVA Chemicals.

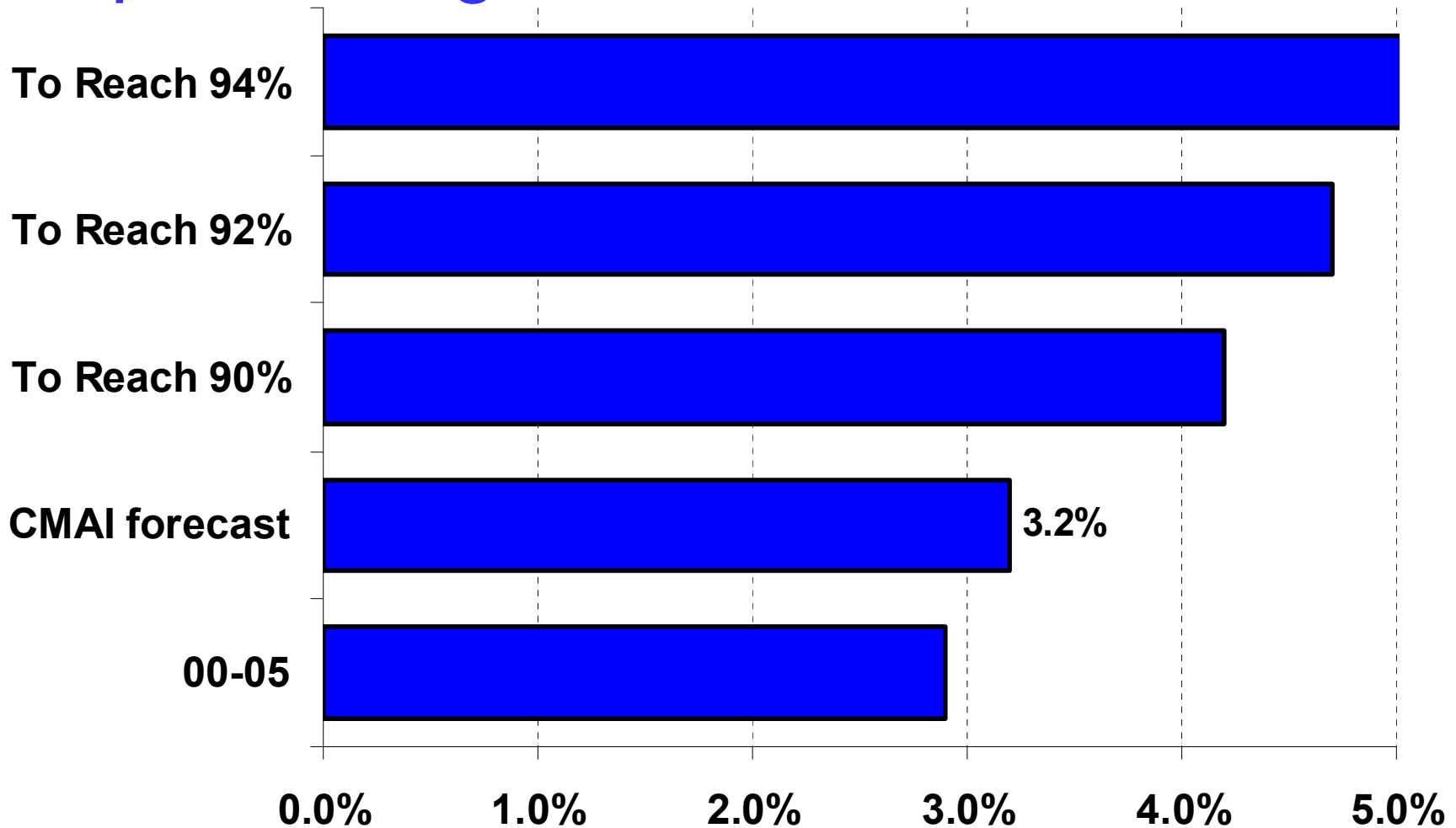


Medium to Long Term Outlook

→ Styrenics

Panel 20 - Global Styrene Monomer

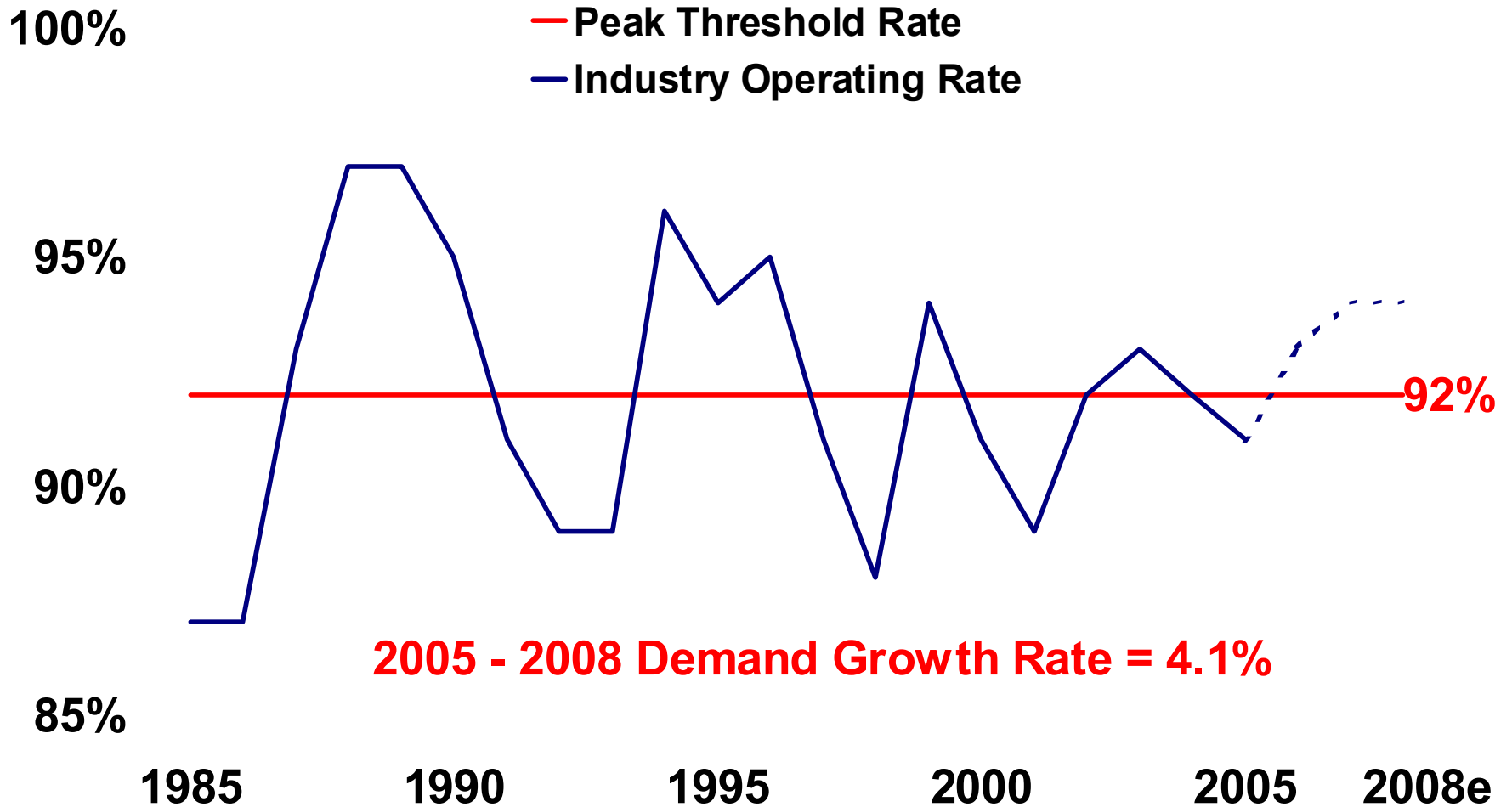
Impact of Higher Growth Rates



Source: Chemical Market Associates, Inc.



Panel 21 - Global Styrene Monomer Producer Operating Rates

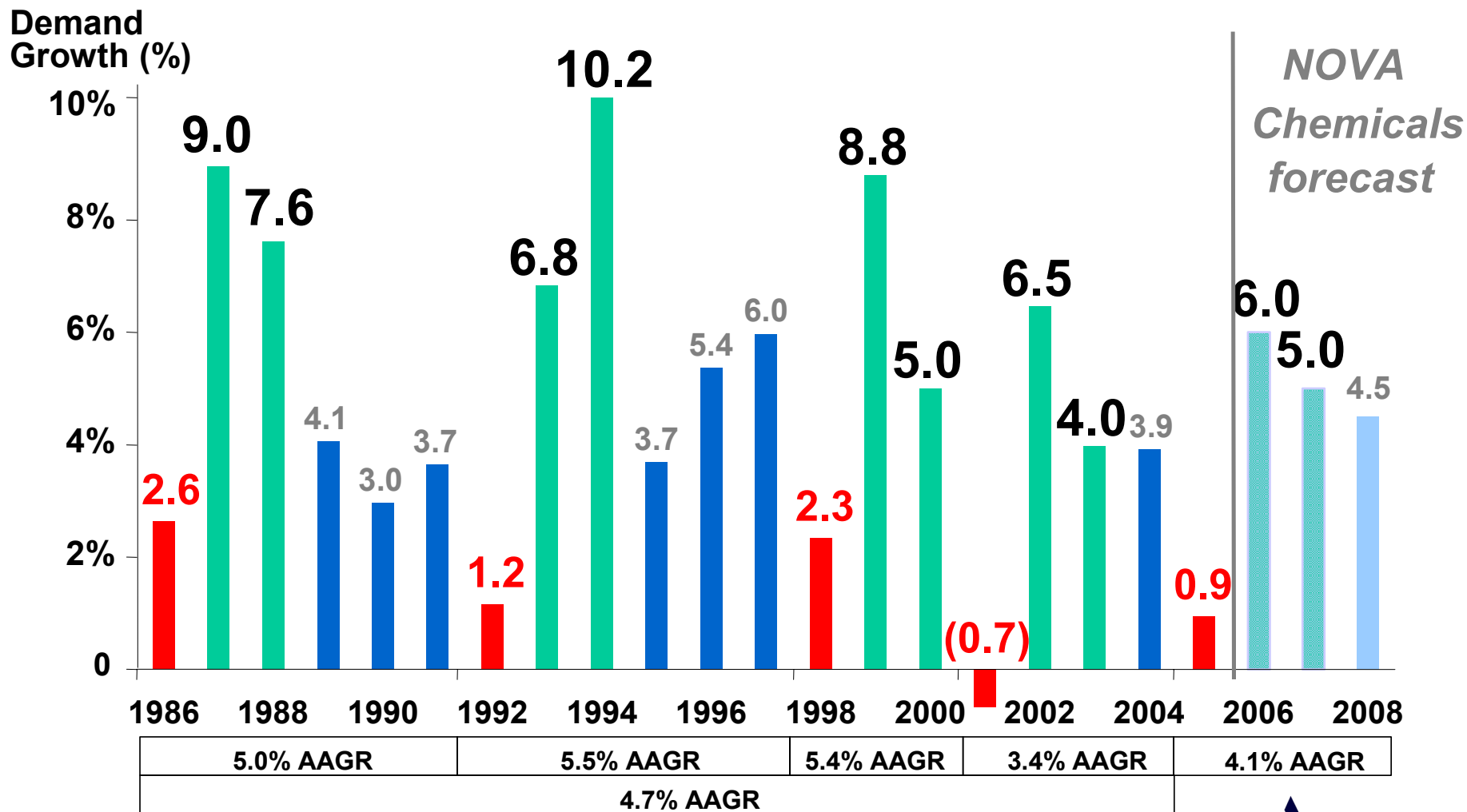


Source: Chemical Market Associates, Inc. and NOVA Chemicals.



Panel 22 – Global SM Demand Growth

One Weak Year, Two Strong Years



Source: Chemical Market Associates, Inc. Data through 2005.



NCX

Panel 23 – Performance Products

ARCEL[®] Resin Capacity – 2006 Growth

MIbs	Base Polymer	Finished ARCEL Resin
End Q1	25	30
End Q2	35	70
End Q3	90	70
End Q4	90	100

Source: NOVA Chemicals.



Panel 24 – Summary

- Low Inventories, Strong Consumption
- NCX: Advantaged Cost, Ability to Supply
- Strong Fundamentals through 2008
- Performance Products
- Styrenics Improvements



NCX

Q4 2005 Results

Net Income and EBITDA Summary

	Net	<u>EBITDA</u>			
	Income	Total	OPO	Styrenics	Corp.
Q4 Actual Results	<u>(\$68)</u>	<u>\$77</u>	<u>\$130</u>	<u>(\$48)</u>	<u>(\$5)</u>
<u>Q4 Impacts:</u>					
1. Corunna start-up delay	(70)	(106)	(106)	-	-
2. Restructuring	(50)	-	-	-	-
3. FIFO Accounting	(17)	(27)	(3)	(24)	-
4. Stock-based Comp.	(2)	(3)	-	-	(3)
	<u>(\$139)</u>	<u>(\$136)</u>	<u>(\$109)</u>	<u>\$(24)</u>	<u>(\$3)</u>
Q4 Results (excl. 1- 4)	<u>\$71</u>	<u>\$213</u>	<u>\$239</u>	<u>(\$24)</u>	<u>(\$2)</u>

(millions of U.S. dollars)



Q1 2006 Results

Net Income and EBITDA Summary

	Net	EBITDA			
	Income	Total	OPO	Styrenics	Corp.
Q1 Actual Results	<u><u>(\$5)</u></u>	<u><u>\$121</u></u>	<u><u>\$172</u></u>	<u><u>(\$22)</u></u>	<u><u>(\$29)</u></u>
Q1 Impacts:					
1. Corunna start-up delay	(25)	(38)	(38)	-	-
2. Mark to market hedge	(16)	(25)	-	-	(25)
3. Chesapeake accrual	(10)	-	-	-	-
4. FIFO accounting	4	7	(14)	21	-
	<u><u>(\$47)</u></u>	<u><u>(56)</u></u>	<u><u>(52)</u></u>	<u><u>21</u></u>	<u><u>(25)</u></u>
Q1 results (excl. 1 – 4)	<u><u>\$42</u></u>	<u><u>\$177</u></u>	<u><u>\$224</u></u>	<u><u>(\$43)</u></u>	<u><u>\$(4)</u></u>

(millions of U.S. dollars)

