

**THIRD QUARTER 2008 CONFERENCE CALL – TRANSCRIPT
THURSDAY, OCTOBER 23, 2008**

Set forth below is a transcript of NOVA Chemicals' conference call on Thursday, October 23, 2008, related to our third quarter 2008 earnings. This transcript has been edited for the purpose of increasing clarity and readability. However, management does not believe any of these changes, individually or in the aggregate, represent a material change from the information presented during the conference call itself.

Chuck Magro, Vice President of Investor Relations

Good morning. Welcome to the conference call for NOVA Chemicals' third quarter 2008 results.

Today you will hear from Jeff Lipton, our Chief Executive Officer, Chris Pappas, our President and Chief Operating Officer, and Larry MacDonald, our Chief Financial Officer.

After these remarks, we will open the phone lines to analysts and investors for a Q&A session. But first, a few comments about disclosure. Be advised that this call is being recorded for replay through our conference call provider – and is being broadcast live through an Internet webcast system. The audio replay will be available in the Investor Relations section of our company website for the next 90 days.

A transcript of the recording will remain available at our company website – as will all posted materials related to this Earnings Release – including a set of slides that will be referenced during our comments.

The comments and answers to your questions will contain forward-looking information. This information, by its nature, is subject to risks and uncertainties, as well as other factors that could cause actual results to differ materially from those suggested today.

Certain material facts and assumptions were applied in drawing the conclusions – and making the forecasts or projections, contained in these forward-looking statements. Please refer to the forward looking information panel and page 23 of our Third Quarter Earnings release for more information.

Now I will turn the call over to Jeff.

Jeff Lipton, Chief Executive Officer

Thank you Chuck.

Good morning everyone. I assume many of you have read Dow Chemicals' earnings release this morning; saw Andrew Liveris on TV – and / or heard their conference call. I cannot argue with anything my friend Andrew said about the broad economy or his company. Dow Chemicals does a great job in its many diverse product lines.

Sometimes, though it pays to be highly focused and different than other companies in your industry. I agree with Andrew that our industry will see an inventory consolidation in the fourth quarter that will lead to a reduction of orders for many chemical products, but I also believe we are already starting to see clear signs that credit markets are loosening and that conditions will allow our customers to rebuild inventories relatively soon and in the case of polyethylene in North America, they will need to do just that.

But the most important thing for investors to understand is that NOVA Chemicals is in a unique position in our industry and fortunately that position looks to be a relatively strong one.

We are highly focused on polyethylene that mainly goes into consumer staple products like food packaging, and food production – and as a consequence we expect fundamental demand for polyethylene to continue its historical growth pattern even in a global slow down – and we will show you why.

The core of our Company is in Alberta, Canada where natural gas costs, and therefore our feedstocks, give us a sustainable, structural cost advantage and generally, benign weather.

In addition, with the bulk of our operations in Canada, the sharp, 25% decline of the Canadian dollar from its recent peaks, will give us very significant operating cost reductions. Chris Pappas will explain the impact to you.

We also have new and recently modernized ethylene and polyethylene facilities, proprietary technology and high performance products that make us very different than most ethylene and polyethylene producers in our industry.

Our objective today is to explain all of this so you understand our differences and convince you that not only our track record but also our fundamental strengths and great future prospects make NOVA Chemicals a unique investment choice in today's volatile and uncertain markets.

This opportunity is expanded because our valuations, whether they are based on EBITDA generation; replacement costs of our assets, or now, our exceptional positive cash flow and liquidity, do not reflect our unique position among chemical companies and other basic materials producers.

The third quarter was our sixth excellent quarter in a row, with annualized EBITDA rates exceeding \$1 billion per year in each of those quarters. Our results were driven by a record Alberta Advantage, lower operating costs, and record polyethylene sales volume in September; despite several scheduled ethylene and polyethylene plant outages over the summer that limited our sales.

Hurricanes Ike and Gustav severely disrupted U.S. Gulf Coast ethylene and polyethylene production which certainly helped our sales in September. However, the most significant impact of these storms could be felt in the fourth quarter. Producer polyethylene inventories ended the third quarter at record lows and we will show you that polyethylene consumption remains strong.

The storms and steady consumption of polyethylene, combined with financial pressures and the uncertainty felt by some of our customers, has led to inventory reductions throughout the supply chain.

Even with those facts, it is harder than usual to make a call on the fourth quarter because it is difficult to pinpoint exactly when our customers will no longer be able to - or want to - continue consuming their inventory.

Like all companies today, our direct customers – converters and distributors – would like to tie-up as little cash as possible in their inventories and would also, like they did in the third quarter, try to put pressure on polyethylene producers to lower their prices. But unlike the third quarter, we entered the fourth quarter with extremely low producer inventories.

We know that polyethylene consumption has remained strong in October, we believe that's because polyethylene is used extensively to manufacture consumer staples. It is clear our customers will have to order heavily to maintain production and at some point replenish depleted inventories. It is hard to say exactly when that will be.

If you recall, after the hurricanes in 2005 we faced the same sort of issues and saw strong and expanding margins in the months following. We'll have to wait to see what this quarter brings.

Chris Pappas will cover our operating performance and current market conditions and provide you with some important data on polyethylene inventory and consumption.

In the third quarter, not only did we generate EBITDA at an annualized rate of more than \$1 billion, we also generated \$123 million in cash from our operations. It is the first, of what I expect will be a group of quarters where lower feedstock costs and a series of well constructed actions will allow us to significantly reduce our working capital investment and generate very strong cash flow.

Larry MacDonald will tell you about our cash flow in the third quarter and our expectations for the fourth quarter and will describe our very healthy liquidity and plans for additional cash generation and debt reduction.

Then, I'll come back and provide some very compelling data that I believe cements our case for global polyethylene demand strength and strong industry supply / demand fundamentals. You will be able to see the basis for NOVA Chemicals' exceptional potential for strong earnings and cash generation for the coming months and years.

Now let's hear from Chris.

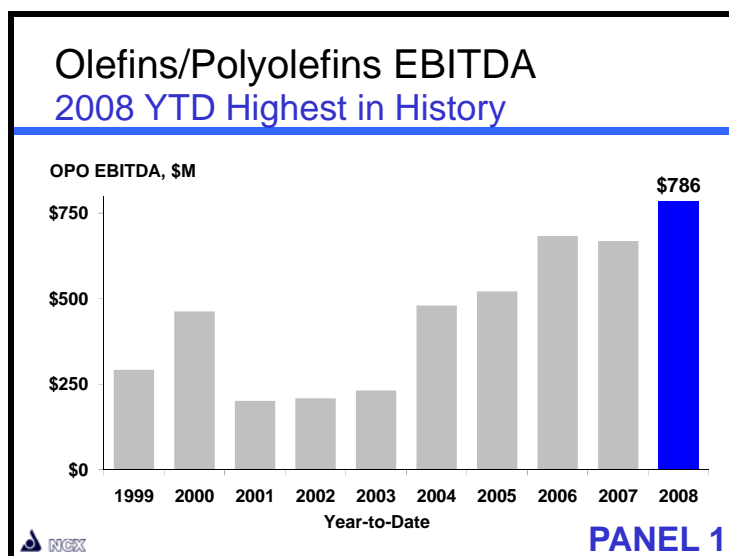
Chris Pappas, President and Chief Operating Officer

Thanks Jeff.

Let me start with Olefins and Polyolefins, a business that continues to deliver excellent performance. Third quarter EBITDA of \$282 million was higher than the \$258 million earned in the second quarter and the \$280 million this business delivered in the third quarter of 2007.

As you can see in **Panel 1**, the results year-to-date are equally impressive. We have delivered EBITDA of \$786 million so far in 2008, a step change improvement compared to 2007 – which was by far the best year in our history. You can see that we are on track to have another outstanding year.

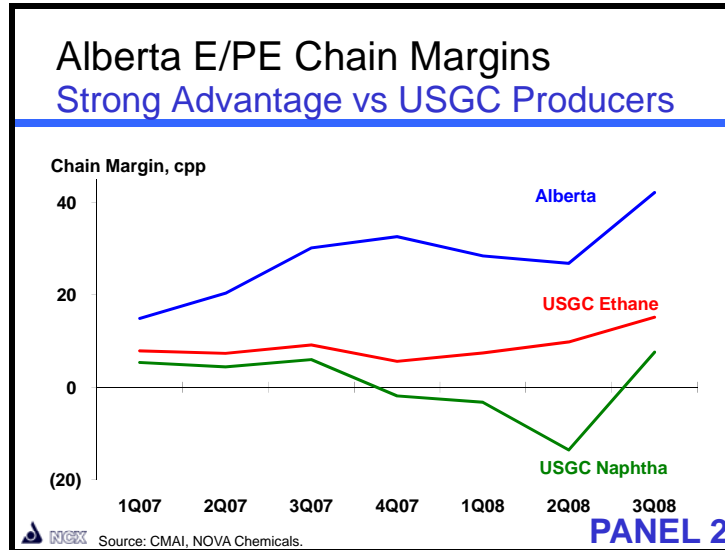
The main driver of this outstanding performance is our Alberta-based ethylene / polyethylene business, which delivered third quarter EBITDA of \$274 million. This strong performance is a direct result of the record 28 cent per pound Alberta Advantage and continuing improvement in our polyethylene product offering.



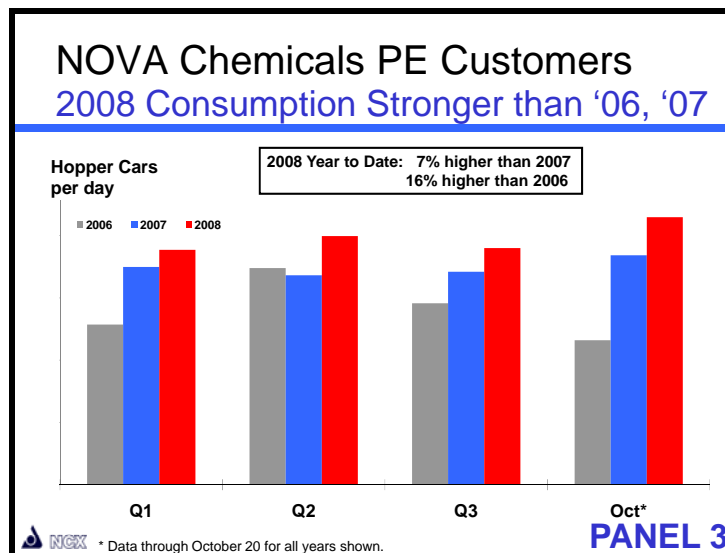
Take a look at **Panel 2** which shows U.S. Gulf Coast margins for both ethane and naphtha-based polyethylene production, and our Alberta based margins. You can see Alberta is truly a special place.

In polyethylene, I would like to repeat 3 basic points:

- First, polyethylene consumption remains strong,
- Second, producer inventories are at very low levels, and
- Third, producer chain margins are solid today and can remain solid in the near-term

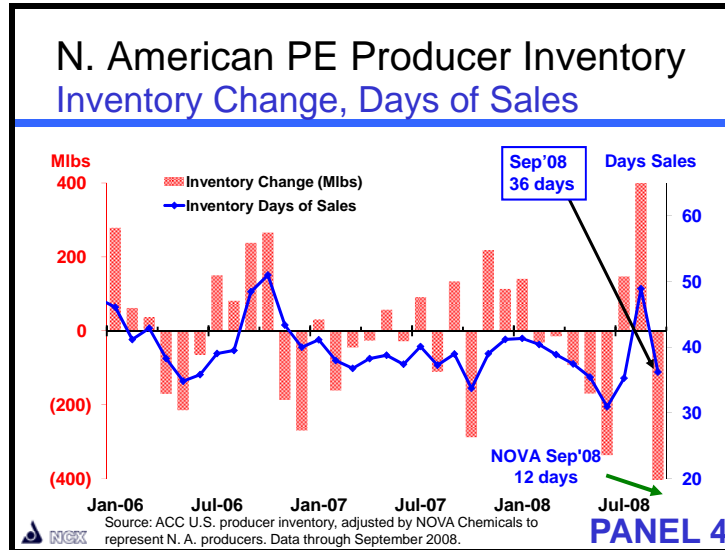


Panel 3 shows that year-to-date domestic consumption of polyethylene, as measured by NOVA Chemicals' hopper car releases by customers, is 7 % higher than 2007. We have consistently seen this consumption pattern all year. Industry order patterns, on the other hand, have been quite variable – which caused large inventory builds in the beginning of the third quarter and record inventory depletion at the end of the quarter. It is worthwhile stating that so far in October, consumption by NOVA Chemicals' customers is up 9 % vs. October 2007 – month to date.

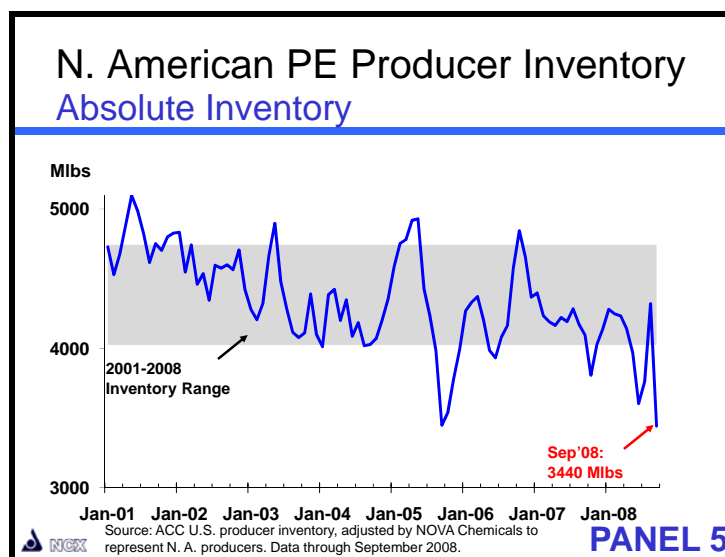


As we reported in our supplemental call on October 6, hurricanes Ike and Gustav caused a tremendous supply disruption for U.S. Gulf Coast producers in September and the effects have carried over into the fourth quarter. We estimate that almost 40% of ethylene capacity was off-line in September and about 15% was off-line in October. Some of this capacity is still off-line and could be down for quite some time.

Another important story for the third quarter and likely looking forward is polyethylene industry inventories. **Panel 4** shows American Chemistry Council data for producer inventory. You can see how volatile the pattern is, especially in the last few months. The industry ended the third quarter with 36 days of sales in inventory, which is far below the 44 day historical average and low considering that sales in September were constrained by the hurricanes. If September industry sales were at levels seen in the months before the hurricanes, the days of sales would be closer to 32 days.



Panel 5, which is a different view of the producer inventory data, shows the inventory in millions of pounds. You can see that producer inventory at the end of September was at a record low of approximately 3.4 billion pounds. In fact, the last time that inventories were this low on an absolute basis was after Hurricanes Katrina and Rita in 2005 when polyethylene margins expanded sharply.



U.S. Gulf Coast ethane prices have deteriorated as the hurricanes have severely disrupted demand for ethane but left supply relatively intact, leading to a large build in ethane inventory. This has led to an unsurprising temporary softening of the Alberta Advantage. We are currently averaging about 8 cents per pound so far in October.

Since demand for ethane is fundamentally strong, I believe it is a matter of time before ethane supply and demand return to balance and the Alberta Advantage strengthens.

In fact, even with WTI crude oil at \$70 - \$75 per barrel, if ethane price returned to a more typical relationship with oil, you would expect the Alberta Advantage to be about 15 cents per pound – an excellent number.

It is important to remember that the Alberta Advantage is relative to our U.S. Gulf Coast peers - our feedstock prices are still very low since Alberta natural gas in October is averaging \$5.75/mmbtu, the lowest gas prices have been all year.

Now let's shift to polyethylene pricing. Average industry polyethylene prices were up 6 cents per pound in the third quarter according to Townsend Polymer Services.

Pricing in the fourth quarter is less certain at this time – to repeat what Jeff said - understandably, converters are only buying what they absolutely need because of economic uncertainty and prices have softened – for now.

But, as I just showed you, our underlying polyethylene consumption remains strong. And this, combined with our expectation of very low inventories – both at the producer level and throughout the entire supply chain, and the fact that some ethylene and polyethylene supply is still constrained from the hurricanes are factors that will influence price in the future.

More importantly, the sharp drop in feedstock costs and the factors I just mentioned should allow for strong margins for polyethylene producers in the fourth quarter, even if price softens.

After all, it is margin, not price that drives results. In Eastern Canada, the Corunna flexi-cracker reported EBITDA of \$1 million compared to \$27 million in the second quarter. Our co-product sales were constrained during the quarter due to a scheduled 1 month maintenance outage at our front-end crude unit and due to hurricane related customer outages on the gulf coast. In addition, flow-through feedstock costs, mainly crude oil, outpaced higher ethylene and co-product selling prices.

We operated Corunna with the lightest feedstock slate possible in the third quarter to optimize margins.

Switching to our operating costs - a very positive trend for us is the recent sharp decline in the Canadian dollar. Remember for every 1 cent decline in the Canadian dollar vs. the US dollar our annual after-tax income increases by \$7 million. Approximately ¾ of this impact relates to our cash costs and the remainder to depreciation.

The Canadian economy is highly energy dependent so the weakness in crude oil and natural gas pricing is the main factor behind the dramatic softening in the Canadian dollar.

As of yesterday the Canadian dollar was 80 cents U.S., which is roughly 18 cents lower than the average for the first nine months of this year. If the Canadian dollar remained at 80 cents US for 2009, NOVA Chemicals earnings would improve by about \$125 million annually relative to our performance so far this year, all else being equal.

For the fourth quarter, the improvement to our earnings would be about \$27 million if the Canadian dollar stays in the same range. Most of NOVA Chemicals' Canadian dollar-denominated costs reside within the Olefins / Polyolefins business unit's results.

So to summarize, for Olefins / Polyolefins, the fundamentals remain strong. Polyethylene consumption has been good and inventories are very low. Margins expanded in the third quarter and given that feedstock costs are dropping, industry consultants are forecasting solid margins in the fourth quarter.

Let's turn to our two styrene-based segments.

For the INEOS / NOVA joint venture, NOVA Chemicals reported a third quarter EBITDA loss of \$13 million – as two of the JV's three North American styrene monomer plants shutdown due to the Hurricanes and industry margins in North America and Europe remained weak. The Bayport styrene plant re-started toward the end of September and the Texas City facility is planning to start-up by the end of October.

The fourth quarter is seasonally the lowest demand period for the styrenics business and we don't expect any market improvements in the quarter.

Last month INEOS NOVA made the decision to aggressively reduce inventories by cutting polystyrene production by 30% in Europe. We understand that other major producers are taking similar actions, which we believe are a good sign that producers no longer will produce for the sake of trying to gain market share at all costs. Actions like these should improve the quality of these businesses.

The INEOS NOVA management team continues to take proactive steps to improve its business. Given the uncertain market conditions, they are focusing on what they can control.

Since its inception only 1 year ago, INEOS NOVA has already delivered \$63 million of annualized synergies and now believes that they can deliver much more than its original \$80 million target. The management team now expects to deliver synergies at a \$135 million annualized rate by the end of 2009, through further cost cutting and business optimization. Remember, NOVA Chemicals' share of these synergies is 50%.

The JV is also working hard to maximize its cash position. They recently implemented an Accounts Receivable securitization program for \$150 million in North America. We would expect the joint venture to be at least cash neutral and potentially stronger than that, through 2009 – given the progress on cost reduction and business optimization work of INEOS NOVA.

In Performance Styrenics, we reported a third quarter EBITDA loss of \$8 million. The expandable polystyrene market is weak, particularly in the building and construction segment, and EBITDA in the third quarter was hit by lower expandable polystyrene demand.

During the quarter, we made the decision to focus on licensing the IMx cup and container technology and discontinue direct sales of cups in the North American market. Direct sales of the cups were very low and we expect this decision to save up to \$2 million per year in costs.

As we manage our portfolio of Performance Products and new business developments, we will continue to be disciplined and react rapidly when the signals are clear that businesses will not meet our EBITDA hurdles.

We reduced working capital in Performance Styrenics and were modestly cash flow positive during the third quarter. We also intend to manage this part of our company to be neutral to positive EBITDA and cash flow in 2009.

I would like to shift gears to discuss our earnings drivers.

NOVA Chemicals has two main earnings drivers: Advantaged feedstocks and manufacturing facilities in Alberta and our proprietary technology. We talk a lot about the Alberta Advantage and I think it is becoming well understood, so today; I am going to discuss our technology.

Now more than ever, having a solid portfolio of proven proprietary technology is critical to the overall success of a business like ours. I am going to discuss our extremely successful Advanced Sclairtech™ (AST) business and the tangible benefits of our portfolio of polyethylene technologies.

Our AST polyethylene business had another terrific quarter. We sold 228 millions pounds of resin – which again exceeded our nameplate capacity for the fifth time in the last six quarters. More importantly, the business also delivered very strong EBITDA and the business in 2008 is on track to deliver the highest EBITDA in its history.


In fact even though AST only represented a quarter of our total polyethylene sales volume in the third quarter it delivered a third of total polyethylene EBITDA. It is clear that AST is one of a very small number of globally elite technologies in the high-performance polyethylene marketplace and this business can deliver meaningful EBITDA.

We have been consistently increasing the overall quality of the AST polyethylene sales mix – selling more volume into higher value performance film applications such as food packaging films for cheese and meat wraps and cereal liners, and thin-walled injection molding applications for margarine and ice cream containers and lids. Another very successful product application has been in rotational molded agricultural tanks used in various farming applications.

Global demand for AST products is growing very rapidly – our exports sales to China and India have tripled since last year.

In addition to our Advanced SCLAIRTECH™ technology, we also have a full portfolio of valuable polyethylene process and catalyst technologies, which are summarized on **Panel 6**.

Polyethylene Technology NOVA Chemicals					
Phase	Catalyst		Process		Advantages
	Technology Ownership	Ability to License	Technology Ownership	Ability to License	
LLDPE - Gas phase	√	√	√	√*	-Unique catalyst and process technology - Free to license and build gas phase LLDPE plants
HDPE - Gas phase	√	√	√	√*	-Free to build gas phase HDPE plants - New catalyst technologies and products
SCLAIRTECH - Solution phase	√	√	√	√	-Unique, fully patented catalyst, process and product technology -Free to license and build plants -Licensed for use in 11 plants worldwide
Advanced SCLAIRTECH (AST)- Solution Phase	√	√	√	√	-Unique, fully patented catalyst, process and product technology -Free to license and build plants -Major applications: food packaging, industrial packaging, custom molded parts
LDPE - High Pressure	n/a	n/a			- Free to build large LDPE tubular plants

 * Can license the processes as we operate them. **PANEL 6**

In gas phase polyethylene technology, NOVA Chemicals today operates world scale plants with our own proprietary catalyst technology. We have complete freedom to act – with the ability to build or license gas phase facilities. Again, we are only one of only a handful of companies in the world to enjoy this position. This technology ownership gives us enviable flexibility for future growth and adds tremendous value to NOVA Chemicals.

We also continue to develop complementary catalyst, process, application, and raw material technology to further enhance the value of our AST and gas phase franchises and I can tell you that we are very excited about the potential of a number of those developments.

I would like to briefly mention one of these new developments before I turn the call over to Larry. We are pleased to announce that NOVA Chemicals' patent application for a new and unique technology to produce "on-purpose" 1-octene from ethylene was recently published. 1-octene is a key raw material for the production of solution-based, high performance polyethylene made by NOVA Chemicals and other companies as well.

The commercialization of this technology could significantly lower the production costs of this key raw material, allowing a pathway for companies to enter or grow their Octene business and expand supply of this very valuable raw material to the polyethylene market. This would clearly benefit NOVA Chemicals' operations and our global technology licensing business.

NOVA Chemicals has the right to use this technology anywhere in the world and retains the exclusive world-wide licensing rights for 1-octene technology.

Reliance Industries, our development partner in this effort, also has the right to use this technology anywhere in the world.

Over to you Larry.

Larry MacDonald, Chief Financial Officer

Thanks Chris.

NOVA Chemicals reported net income of \$98 million or \$1.18 per share for the third quarter. This includes the non-cash mark to market gains totaling \$0.18 per share due to the accounting treatment of our Corunna feedstock-purchasing program.

Let's turn to our cash and liquidity positions since these are of great interest to investors in this environment.

As we detailed at our October 6, 2008 Supplemental Conference Call, NOVA Chemicals' liquidity position is healthy – and we have recently taken steps to make it even stronger. In addition, we expect very strong cash generation in the coming quarters – both from our operations and through other actions.

Let me briefly summarize these actions.

- We have increased our total revolving credit facilities by \$100 million with maturity dates ranging from 2010 to 2013.
- We extended the maturity date of the total return swap related to the \$126 million Series A Preferred shares by 1 year to October 31, 2009. This has been - and remains – an attractive source of financing.

We repaid the \$125 million puttable bond in August while still expanding our liquidity during the quarter. We ended the third quarter with liquidity at \$510 million, up from \$483 million at the end of the second quarter and well within our target liquidity range of \$450 to \$650 million.

Cash from operations in the third quarter was an impressive \$123 million while still having to invest \$46 million in working capital. We extracted cash from crude oil inventory during the quarter as crude oil prices fell, but lower prices of natural gas and fewer crude oil purchases reduced payables during the quarter.

We also completed the first step in our crude oil working capital reduction effort. We believe this new arrangement, combined with lower inventory and accounts receivable values due to the sharp drop in crude oil prices in the third quarter and early in the fourth quarter, will reduce our working capital investment by \$150 - \$180 million in the fourth quarter.

The second step of this effort to further reduce our investment in crude oil working capital is progressing very well. If successful, this step will yield more cash - up to an additional \$140 million at \$70 per barrel of crude oil.

I would also like to mention our intent to sell our 20% interest in the Joffre cogeneration plant – something Chuck Magro referenced in our supplemental call.

We looked at selling this non-strategic asset a few years ago but the power market in Alberta at the time was depressed and we could not get full value. We have always said that we would only sell non-strategic assets if we could get full value for them and currently the power market outlook in Alberta is attractive. Given the going rate for plants of this size and quality, we would expect the proceeds from a sale to be meaningful.

To summarize:

We closed the third quarter at \$510 million of liquidity and the combination of cash from operations in the fourth quarter and the actions we have already completed, are expected to increase our liquidity beyond the top of our \$650 million target by year end. Completion of the crude deal and the sale of the cogen facility would further enhance our already strong liquidity position.

My job has always been to hope for the best and finance for the worst! I am extremely confident that the solid liquidity foundation we have built and actions we have already taken will serve us very well in these turbulent times.

Now I will turn the call back over to Jeff.

Jeff Lipton, Chief Financial Officer

Thanks Larry.

Those of you who know Larry understand his conservative nature and his career long focus on the importance of liquidity, especially in our industry. His very realistic view of our financial strength is possible – only because we have been working on liquidity enhancement for quite some time now.

We delivered on cash flow generation during the previous rough patches in our company's ten year history – I am confident we have done the work necessary to deliver again.

While we are also extremely confident that NOVA Chemicals' competitive advantages that Chris described and the healthy future of polyethylene markets will generate strong EBITDA and cash flow – we are prudently preparing to deal with anything thrown at us.

In these uncertain times it is easy for investors and analysts to overlook the fundamental strength of our company and our core markets. But to do so – in my view – is to risk missing a very unique opportunity to take advantage of what the equity markets have been missing.

I'm going to close with two key points today.

First, strong, consumer staple-based demand for polyethylene will drive global industry operating rates and allow relatively strong industry margins and excellent returns for NOVA Chemicals.

And second, NOVA Chemicals' healthy liquidity position and expected strong cash flow will allow us to enhance shareholder value, – first by strengthening our balance sheet through significant debt reduction.

Let's start with the polyethylene story:

Many analysts and investors continue to express negative views about ethylene and polyethylene supply and demand balances. They believe that polyethylene demand growth will slow sharply with reduced global Gross Domestic Product (GDP) growth and that new ethylene and polyethylene plants will start up on schedule.

More project delay announcements continue to support NOVA Chemicals' estimates and indicate that consultant projections on new capacity are just too high and too early.

For example, there were originally four new projects in Saudi Arabia that were projected to be commercial by the end of 2008. Now it appears that only one of the four has any chance to start up in 2008 despite the fact that Saudi Arabia is the most experienced operator in the Middle East.

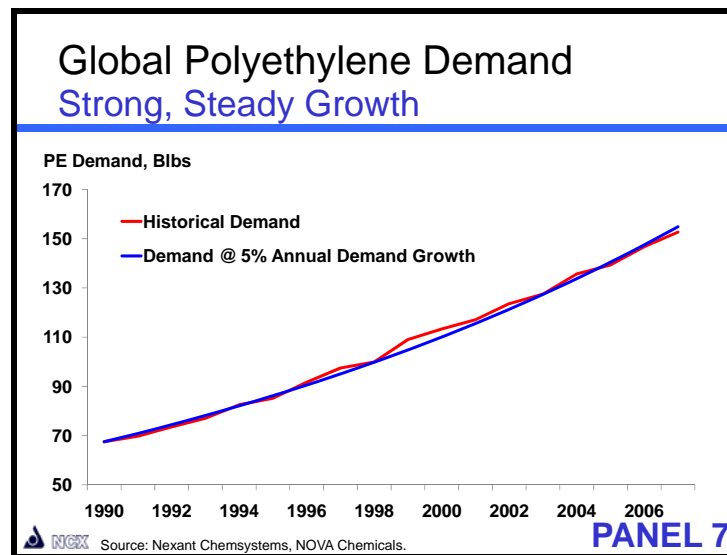
In Iran, the least skilled operator in the region, three large crackers that were started up in recent years are still only operating at about 30% of capacity due to lack of feedstock and incomplete derivative units. Combined, these three Iranian projects are impacting markets at a rate less than one new cracker should.

In Qatar – there were three announced projects scheduled for start-up in 2011 and 2012. Two of the three have been included in CMAI's forecasts – we included one in ours. Recent published statements indicate none of the three will be built due to concerns about feedstock availability.

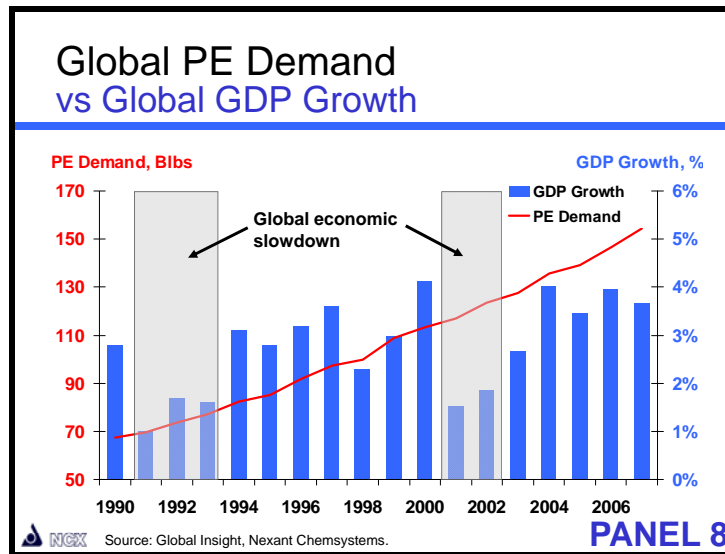
We expect there will be more delays and potentially other cancellations around the world – the trends are clear and it's time for consultants and analysts to update their supply estimates, as we do, with each piece of new data.

So that's the supply story, now let's examine polyethylene demand – **Panel 7** shows historical polyethylene demand in billions of pounds - each year since 1990 - that's the red line. We have inserted the blue line to show what demand would have looked like if it grew at a 5% each year – year in and year out.

Could the two lines be any closer together?



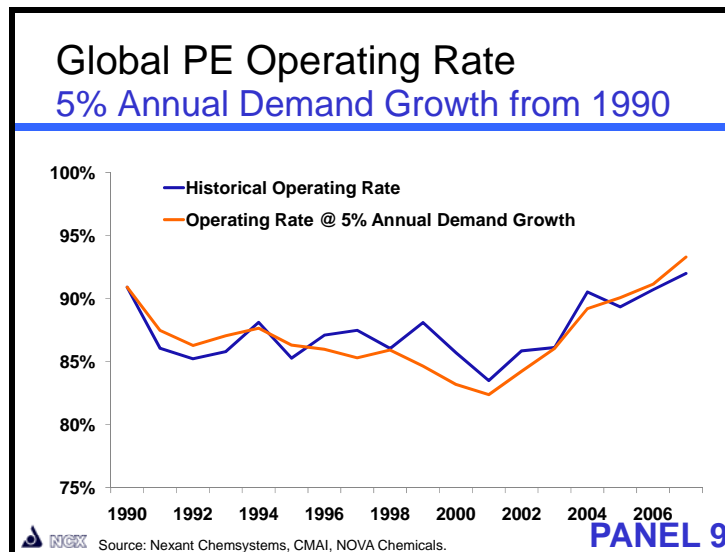
Panel 8 shows the same red line of actual demand for each year since 1990 against global GDP growth. We've shown this chart before but it is worth repeating in this time of uncertainty. Do you see the impact of global economic slow-downs in the steady 5% per year demand growth? I don't.



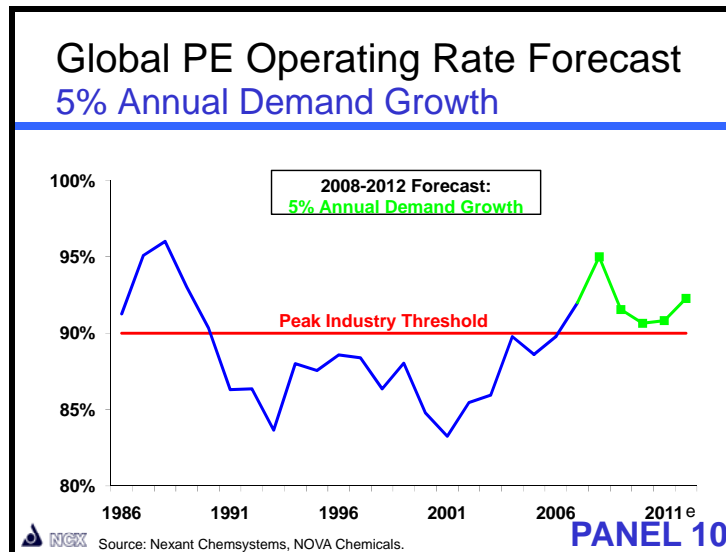
I have seen, by the way – the most pessimistic global GDP growth projections for next year are in the range of the 2001 / 2002 growth rates – 1½% to 2%. This time, developing economies are forecast to grow faster than they did in 2001/2002 and polyethylene demand in those countries is growing much faster than in the developed economies.

We have all seen polyethylene demand growth projections by industry observers that fall sharply over the next few years – In my view – an analysis of the historical data and current fundamentals would motivate most to change their minds.

Panel 9 shows historical global polyethylene operating rates in blue and what they would have been if demand growth were exactly 5% per year – in orange – another excellent match.



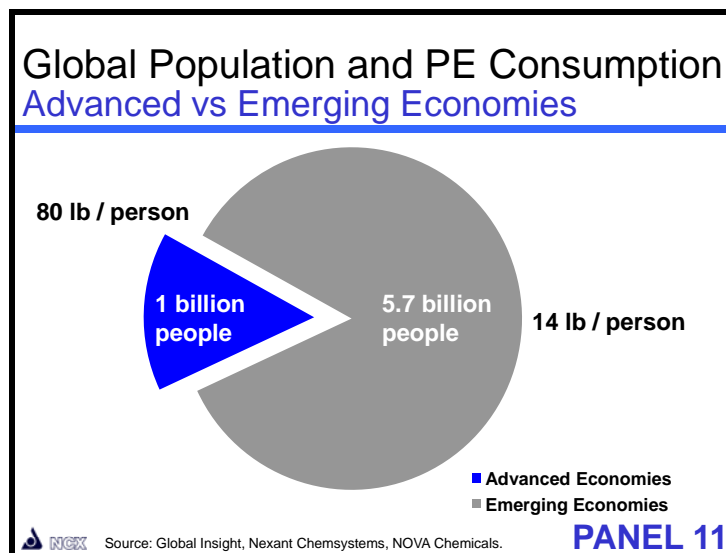
Panel 10 shows our latest operating rate forecast – which combines our most up-to-date supply estimates against the 5% historic demand growth rate - projected forward. We conclude that markets will be a lot stronger than most people are forecasting.



I remain very confident that our operating rate projections will prove – once again – to be much more accurate than most others. In fact, we believe the risk is to the upside – since some operating plants will not produce at normal rates due to feedstock limitations and supply interruptions related to poor reliability, design problems, and weather-induced outages.

There is another factor to consider – demand for consumer staples like food packaging and polyethylene film for food production – is growing faster and faster. As developing countries mature and food prices escalate, it becomes clear that polyethylene food packaging can help countries like India, for example, sharply reduce its 20% to 40% spoilage rates for unpackaged food.

Panel 11 will crystallize this polyethylene demand upside potential for you – the advanced economies, with about a billion people, consume about 80 lbs of polyethylene per person per year. Emerging economies – with 5.7 billion people today consume only 14 lbs per person per year. So there is tremendous potential for growth.



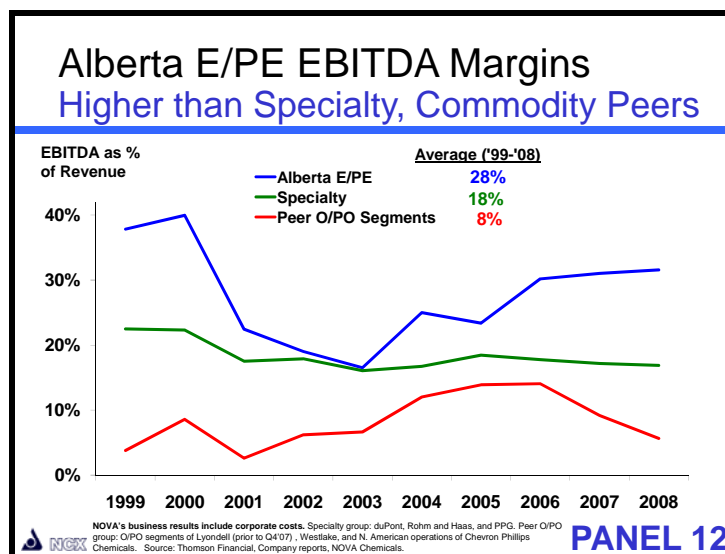
Since polyethylene packaging reduces food costs – you can understand why polyethylene growth rates in emerging economies continue to be very strong – and the world should continue increasing its demand by at least that 5% per year rate and likely more for a long time to come.

One last point – we have pointed to the strength and consistency of our ethylene and polyethylene business in Alberta.

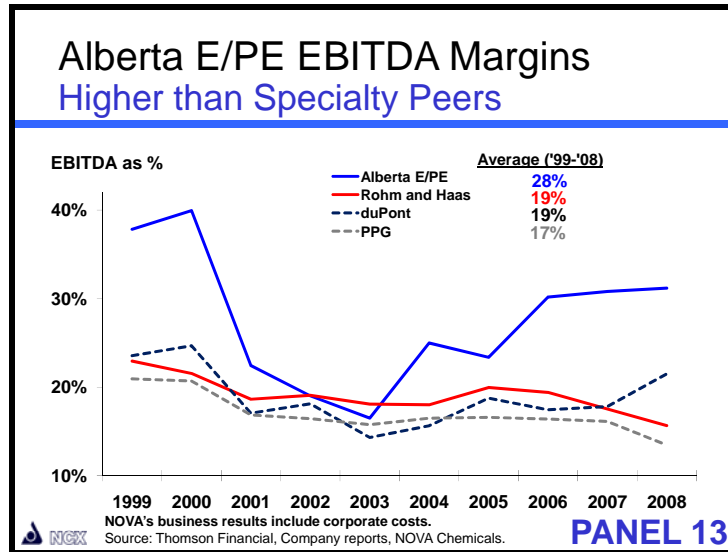
Since our Alberta business has represented 40% of our capacity and about 85% of our EBITDA from our businesses over the last two years – you can appreciate why our company performance has been so strong and consistent despite volatility in our other business segments.

Those assets that have generated 85% of our company performance make up a truly outstanding business.

Panel 12 shows our Alberta based ethylene and polyethylene EBITDA – including allocations of corporate costs - versus our commodity peers and some high quality specialty companies – through the first half of 2008. We don't have third quarter data yet for all the other companies - but with our great results, the spread for 2008 year to date is probably even wider.



Panel 13 compares our Alberta business against the corporate performance of those three high quality specialty companies. We compare spectacularly well. Add to this – our strong liquidity and increasing cash generation expectations – and you can understand why I believe that NOVA Chemicals offers a very unique investment opportunity. As Larry mentioned – we finished the third quarter with liquidity of more than \$500 million and with the actions that we already have in place we will likely exceed the top end of our range of \$650 million by the end of the fourth quarter, with oil at today's prices.



If you add up the estimates Larry made about the cash that can be generated if we complete our crude working capital reduction program and sell our cogen asset – we could see total liquidity approaching a billion dollars in the near future.

What will we do with that level of financial strength? We will first pay off the \$250 million bond due April 1, 2009.

We have no plans for acquisitions.

Our capital budgets will stay in the same range we've been working in for the last few years - and given the large percentage of our capital budget that is spent in Canada, the lower Canadian dollar will allow our capital costs to trend lower rather than higher.

The crude deals, once fully in place, will keep our crude oil working capital contained – even when oil spikes up again.

As a consequence, we should have the capacity to add to shareholder value by further reducing debt and when the world's financial system begins to stabilize we will be prepared to look at alternatives as well.

When you put all of these factors together – and look at our current multiples, like enterprise value that is 3 times the last 12 months EBITDA or our equity values which are trading at 12% of our replacement value net of liabilities - I would hope you will agree with me that NOVA Chemicals does indeed provide a unique and compelling investment opportunity in today's environment.

Thanks for joining us today – we look forward to your questions and comments.

Eric Katz - Citi Investment Research

Looking at the impact of tightening credit on your customers, how are converters funding their purchases?

Jeff Lipton - NOVA Chemicals – CEO

They are making reasonable returns and they are continuing to move product. So the return on that product is quite reasonable. I expect that their operating cash flow is allowing them to continue to fund their purchases. And I would tell you, they seem to be holding up quite well.

Eric Katz - Citi Investment Research

Looking to China, what kind of volumes are you seeing in China currently? And how do you see 2009?

Jeff Lipton - NOVA Chemicals – CEO

I don't think we see anything much different in China today than we are seeing in every other part of the world. The Chinese market is a spot market. Every attempt that they can possibly make to consume inventory to move down prices, that is what they will do. In the third quarter, we exported about 17% of our total polyethylene sales and I would tell you that it will probably be significantly lower than that in the fourth quarter because there is a lot of unfilled demand in North America since we had that Hurricane outage and reduced inventory. So, our exports basically are dependent upon opportunities everywhere in the world, including North America. We will try to take advantage of opportunities wherever they are.

Frank Mitsch from BBT Capital Markets

Jeff, you talked about liquidity improving in the fourth quarter, and Larry talked about the first step of the Algerian crude oil monetization of \$150 million to \$180 million. Do you need the first step to be completed in order for liquidity to be better in the fourth quarter or was that comment just based on operating cash flow and working capital reduction, etc?

Jeff Lipton - NOVA Chemicals – CEO

That first step is completed Frank. And, we are moving forward on that basis. It is the second step that we are working on.

Frank Mitsch from BBT Capital Markets

All right, the \$140 million for the second step?

Jeff Lipton - NOVA Chemicals – CEO

Yes.

Frank Mitsch from BBT Capital Markets

And the timing -- the potential timing on that?

Jeff Lipton - NOVA Chemicals – CEO

Hopefully it will be relatively soon. There is a reasonable amount of paperwork involved. We are exchanging documents with the counterparty. We don't know of any reason why it won't move forward relatively quickly. That is the deal we have to put in place to get to that one billion dollars of liquidity that I talked about.

Frank Mitsch from BBT Capital Markets

Along with \$200 million or so for your share of the cogen facility?

Jeff Lipton - NOVA Chemicals - CEO

No, it is likely to be a lot lower than that. But we do expect to further reduce other working capital during the quarter as energy values keep on coming down. So it's working capital reduction, that deal, and the potential of that cogen sale that improve liquidity.

Jeff Lipton - NOVA Chemicals - CEO

No, that is likely to be a lot lower than that. But we do expect to further reduce other working capital during the quarter as energy values keep on coming down. So it's working capital reduction, that deal, and the potential of that cogen sale that improve liquidity.

Frank Mitsch - BBT Capital Markets

Okay. That gets you to the one billion-plus.

Jeff Lipton - NOVA Chemicals - CEO

Right.

Frank Mitsch - BBT Capital Markets

Chris mentioned that the important thing to keep our eye on is margin and not pricing, but can you talk about where prices and margins are here in October for polyethylene versus the third quarter average and what your expectations are for the balance of the quarter.

Chris Pappas - NOVA Chemicals - President and COO

I think, Frank, one thing to consider in the early part of the quarter is we are obviously in a bit of disarray in our industry relative to the post hurricane environment. Costs have dropped dramatically. Margins on the Gulf Coast have improved as we move into the fourth quarter, both for light feed and for naphtha. I think the fourth quarter margins on the Gulf Coast will actually be a little bit better than the third quarter. That's what the industry consultants are forecasting. We will just have to wait and see. I think the key point is the back of the fourth quarter is a long way away in today's environment in terms of what might happen. We have very low inventories throughout the chain, we have some ethylene still offline and we have very low feedstock costs.

Frank Mitsch - BBT Capital Markets

Chris you also mentioned that two of the three styrene plants for INEOS NOVA have been shut down. You are expecting Bayport -- Bayport is back up. Your other facility should be back up by the end of October. What was the total impact of the hurricanes in the third quarter and how are you expecting that to manifest itself in the fourth quarter i.e. because you lost production capacity, should we see that swing back positive or because of the seasonally weak quarter, whatever volumes you lost are gone pretty much gone forever?

Chris Pappas - NOVA Chemicals - President and COO

I think you hit it on the second point - the fourth quarter for the Styrenics business is going to be seasonally weak. We would not expect any improvement quarter over quarter in that business. The joint venture is going to work very hard to continue to cut costs, control their capital spending, their working capital will be coming down significantly as well as feedstock costs are expected to drop dramatically. But in terms of the underlying business itself, you should expect the fourth quarter to be pretty weak in that business.

Jeff Lipton - NOVA Chemicals - CEO

Frank, the one point that I think is worth stating and is perhaps obvious to some who have been following this industry, Styrenics products, because they are used in construction and the packaging of hard goods, tend to be much more sensitive to global GDP movements than polyethylene. So we would not make the same points about polystyrene as we would about the consumer staple orientation of polyethylene.

Mike Judd - Greenwich Consultants

Yes, hi. Congratulations on a good quarter.

Jeff Lipton - NOVA Chemicals - CEO

Thank you Mike.

Mike Judd - Greenwich Consultants

You mentioned the currency issue and given what the Canadian dollar is relative to the U.S. dollar, does that create any opportunities for you here in the near term that we should be considering?

Jeff Lipton - NOVA Chemicals - CEO

Well, I don't know what you mean by opportunities. Perhaps you can flesh that out. But I will say it will have a significant impact on the fixed costs we experience in Canada. Each penny per year is \$7 million after-tax. So going from the high 90s which we saw in the third quarter, to not knowing what the bottom will look like. It closed last night at less than 80 cents, and it's a very significant factor for us. We believe the Canadian dollar is tied almost directly to energy values and the falling oil and falling natural gas prices are likely to keep the Canadian dollar low. The kind of impact we have seen so far will be very significant for us, as Chris pointed out. You look at a full year of the difference between the high 90s and the high 70s and that is an awful lot of after tax income for our company.

Mike Judd - Greenwich Consultants

From a volume perspective, obviously people have different views on what they think the demand will be for exports into places like Asia given the weakness. Would you guys -- this must enhance your competitive position. Can you just elaborate a bit little bit more about that please?

Jeff Lipton - NOVA Chemicals - CEO

It absolutely does. I would tell you that just given our feedstock position, we would expect to operate at full capacity quarter in and quarter out, and to take advantage of opportunities in North America and the rest of the world where they present themselves. With the lower Canadian dollar and our lower fixed costs, we just have the opportunity to look at more opportunities than we did before.

Mark Connelly - Credit Suisse

Thank you. I just hope you can walk me through the affects of the Alberta Advantage of lower natural gas prices. If we do get lower gas prices in 2009 and if new supplies come online through shale, what do you think that does to the Alberta Advantage next year and the year after?

Jeff Lipton - NOVA Chemicals - CEO

So Mark, it is hard to exactly quantify. The only point I would make is that, if we are in fact moving into a natural gas bubble situation, as many people expect, we are direct buyers of natural gas; if you recall we buy natural gas and swap it for BTUs of ethane and then pay a fixed fee to extract and deliver the ethane. The Gulf Coast has a market -- a distinct market for ethane, and ethane values have for the most part followed oil. So the key is, where do natural gas prices go and where will the absolute value of oil be? It is not so much the ratio of oil to gas, which has been very positive and good for us, but the absolute difference.

As Chris mentioned, in the \$70-\$75 per barrel range we would expect the Alberta Advantage, given historical norms of ethane to oil or natural gas to oil, to be around 15 cents or so. Which we would love to see on an ongoing basis at the bottom of the oil price range. But I think your fundamental point is a very important one. We expect that there will be lots of natural gas. That natural gas will be pushed back into Alberta which is producing a lot more natural gas and the spread between natural gas costs in Alberta and natural gas costs at Henry Hub will stay healthy for us. And we will have very strong competitive advantages going forward. We had a great year in 2007 by the way, when we averaged 17 cents per pound on the Alberta Advantage. Our financial health is not just dependent on a 28-cent Alberta Advantages like we had this last quarter.

Mark Connelly - Credit Suisse

Jeff, if that is true, and if that plays out and we have lots of gas, does that mean that you are less susceptible to any push backs that we see in these oil sands projects?

Jeff Lipton - NOVA Chemicals - CEO

Absolutely. I would say that if the oil sands projects get pushed back in the short term, there will be less natural gas consumed in Alberta. Now if you recall over the long term, we hope to use the off-gas from the oil sands as a feed stock source as well. But in the very short term, any push back of new projects would put more natural gas into our hands in Alberta which is a good thing.

Kevin McCarthy - Banc of America

Yes, good afternoon. Jeff, what is your sense of inventory levels downstream of resin producers versus long term average inventory?

Jeff Lipton - NOVA Chemicals - CEO

We look at them on a regular basis. They were in pretty decent shape toward the end of this summer before the hurricanes. The one point I think is important to understand for us is that our view is clouded by the fact that we kept on shipping to our customers and other people's customers couldn't get product from them. Our customers are at close to normal levels. We believe other producer's customers are below normal because they could not get regular shipments at the end of the third quarter.

And so our view is that in total, inventories in converter hands are relatively low and coming down rapidly. We know they're coming down rapidly and they are relatively low to begin with. We have less clarity on our competitor's customers then we have on ours. So I would tell you that our customers are trending down and consuming inventory with consumption strong though across the board. We believe total inventories through the first two legs of the chain are extremely low at this point.

Kevin McCarthy - Banc of America

If I look at your hopper car data, which suggests polyethylene consumption at a rate of 7% year to date, do you think that number is inflated somewhat by market share gains that you've experienced recently through the dislocations on the U.S. Gulf Coast?

Jeff Lipton - NOVA Chemicals - CEO

I don't think that our market share gains are because of dislocations so much, because we were limited in what we could ship. We had restrictions ourselves. We had some planned outages for ethylene and polyethylene so we shipped everything we could. We wound up the quarter with nothing much but sawdust on the warehouse floors. We have seen about three or four percent of market share gains across the year. And so the difference between 7% and three or four of our market share gain is actual consumption growth. And our customer mix is not atypical for the industry. I think that is a pretty good estimate.

Kevin McCarthy - Banc of America

That is helpful. Final question if I may. Jeff I think in prior years you had indicated that you had some contracts in place whereby you were sharing your Alberta Advantage with your customers but as those contracts were to come up for renewal you were hoping to renegotiate those in a more favorable way to retain more of the advantage. In that context, could you update us on that and do you anticipate any changes for 2009 versus 2008.

Chris Pappas - NOVA Chemicals - President and COO

Yes, we have one major contract in particular that will hopefully be finalized by the end of this year for 2009. It is in the range of 350 million pounds of ethylene, Kevin. The terms of the contract will be somewhat better than before. We are working out the details. We will have others that will come up further down the road. Our objective is to increase our profitability as a producer and seller of ethylene from our prior contractual relationships. I think we will deliver on that in the first contract this year and on

others down the road. Let's just wait and see how the numbers come out in terms of step change improvement or incremental improvement.

Jeff Lipton - NOVA Chemicals - CEO

In 2008 where we operated in one of those relationships without a contract, and the margins were up substantially.

Gregg Goodnight - UBS

Polyethylene volumes, 864 million were down a little bit. You said AST was running basically flat out. So is the shortfall or the mild shortfall due to your E-3 outage or was it due to reduced exports or can you sort of bridge to what you have been running?

Jeff Lipton - NOVA Chemicals - CEO

Sure. Let me ask Chris to cover that. We did wind up with about 12 days of inventories so we shipped everything we possibly could.

Chris Pappas - NOVA Chemicals - President and COO

We ended up with our lowest inventory on record. And the fundamental difference between 900 and 865 are a couple of turnarounds' that we had in our polyethylene plants. We did have lower exports, both as an absolute number and as a percentage but that was driven by our choices. And the difference again between the two numbers was just availability. We had a couple of planned turnarounds on our polyethylene plants that caused us to have a few less pounds.

Gregg Goodnight - UBS

Okay great. In terms of your export volumes, are your exports to Asia, from a volume standpoint, falling off or are you meeting the lower prices that are currently in Asia? Can you comment on trends both in terms of volumes and price in your shipments to Asia?

Chris Pappas - NOVA Chemicals - President and COO

The amount of export volume that we had in the third quarter, as Jeff said, was down from the second quarter, but our sales to China in particular were still about half of our total export volume in the third quarter. Our sales to the rest of the world were about the same. So our mix stayed about the same in terms of geographies. Our volume dropped from about 170 million pounds to 140 million pounds of volume, and China accounted for just about half of each of the volumes in both the second quarter and third quarter.

As we started the fourth quarter, as we said earlier, the Chinese being spot buyers and watching the drop in raw materials, they have really retracted on their purchasing in the early part of the quarter. We continue to ship and book orders for the fourth quarter for all parts of the world. We will likely ship less to the rest of the world in the fourth quarter than the third quarter. And we will pick our best places to do that and move product in North America where we can get better margins.

Edlain Rodriguez - Goldman Sachs

Hi. Quick question Jeff. This is a philosophical question. You noted that there have been some capacity delays from the new ethylene plants. In a sense, doesn't that make it worse because all it means is there are still to come and that knowledge out there will continue to wait on the market and sentiment?

Jeff Lipton - NOVA Chemicals - CEO

If you look at our panel 10 Edlain, and make the assumption that we will see that same trend line in demand growth that we have seen for a very long time now, with demand continuing to grow, any slowdown or cancellation of those projects will increase utilization rates for every one of those years. You can see the dip in 2009 and 2010. We have been looking at numbers where the utilization rate will stay above 90%. We believe that it will hang in there regardless of the economic conditions and that the slowdown and cancellations will actually give a lift. If they come eventually or if they come in 2012 or 2013 as some of them will, we will be in much stronger territory on the supply and demand balance because of continued demand growth. They won't have as big a negative impact if they all came in 2009 and 2010.

The cancellation of three projects in Qatar, the inability of the Iranians to complete their downstream capacity which strands their ethylene is important to understand. I think we will see very little built beyond the announced capacity in the Middle East in the foreseeable future. So I think this environment where capital is hard to get, where they have had difficulty starting projects up, will actually create a very positive situation for our industry for the long term. Slowdown is good in terms of new capacity coming because demand will keep on moving at that 5% level and the supply / demand balances will get stronger and stronger.

Edlain Rodriguez - Goldman Sachs

Quick question for Chris. This is on Styrenics. Is something permanently blocking that business because it seems like capacity reductions doesn't seem to help much. Can you see anything on the horizon that is a confidence that fundamentals will improve?

Jeff Lipton - NOVA Chemicals - CEO

Edlain, I'm glad you asked Chris that question. Let me just say one thing. I just saw a chart in an international chemical industry publication that said styrene will have the second-best supply / demand balance of all petrochemicals after I retire.

Chris Pappas - NOVA Chemicals - President and COO

I think obviously it has been a horrific run for this business. Permanently broken is probably not the right characterization. If I look forward to the limited amount of styrene coming, the continued rationalization that is going on in the industry, the fundamentally lower feedstock, benzene costs in particular, all of the restructuring activities that are going on in the industry, I think there is some hope that styrene, as Jeff said, will see itself as a reasonable chemical chain sometime in the near future. But Edlain, I can understand why you would ask the question. It has been a really, really horrible eight or nine years. And I think we are well positioned with our INEOS NOVA JV in terms of continued cost reductions and some of the activities that we are working on in that JV on other restructuring within the industry could put us in the best possible position for that business as it may start to see returns get better.

Jeff Lipton - NOVA Chemicals - CEO

Eldain, if I can add just a little bit. We did not see, the spike in benzene that we saw early in this decade coming at all. And as a consequence seeing styrene and polystyrene prices shift in demand from polystyrene to polypropylene and other products. We did not appreciate how impactful the POSM plants would be. They generate 2.2 pounds of styrene for every 1 pound of propylene oxide (PO). We are pleased that benzene is back down below its normal range of pricing. We are very pleased that people have basically abandoned POSM technology and are going to be making propylene oxide directly without any styrene monomer co-product. So those two things have returned to positive situations as opposed to being very negative situations.

Styrene and polystyrene are good products. Especially expandable polystyrene in today's construction markets, with high energy values. So we think demand will continue to grow at a reasonable pace now that the products are priced competitively and benzene is not so high. But it will take a while to grow into that POSM capacity that was thrust on us. We don't see any more of that being built after this one last plant in China. So I think the fundamentals over time will correct themselves. The question really is, how many years after I retire before that happens? It will be before Chris retires, I guarantee you that. (laughing).

Don Carson - Merrill Lynch

Hi Jeff. We have seen an improvement at long last in naphtha based feedstock margins, what implications do you think this has -- two things, one, the outlook for Corunna profitability as you go into 2009 and then secondly just the price of ethane. Presently some of the higher demand for ethane was with the ability to switch to lighter feedstocks. Do you think that any improved profitability from cracking naphtha could lead to less demand for ethane and have an effect on the Alberta Advantage?

Jeff Lipton - NOVA Chemicals - CEO

It is certainly possible. It depends on where naphtha goes. All of the studies that we look at, all of the analysis that we do says that naphtha remains fundamentally short. In an economic slowdown, if we see less driving, less consumption of gasoline that means that naphtha becomes more readily available for petrochemical feed. But as we recover, the owners of the naphtha face a choice: whether it is gasoline or used as a feedstock. And our view is that gasoline always wins that battle and we expect naphtha shortages on a fundamental basis to be in place for quite a reasonable period of time.

Most of the U.S. Gulf Coast that has been able to has been using ethane at maximum rates and propane and butane have also been highly competitive compared to WTI. We have made the point a number of times. So, you hear of our competitors putting in hardware, as fast as they can, to use lighter and lighter feedstock – and to move away from naphtha. I think once that capacity is put in place, based on working capital issue, cost issues, versus value, we will see more and more light feed used on the U.S. Gulf Coast. A proportion of products made from light feeds in the U.S. will continue to expand. That will all help the Alberta Advantage over the long term.

There will be movements up and down as inventories swings and short term dislocations occur. But I think fundamentally, the U.S. will be blessed with good light feed cost advantages and will be a very competitive place in the long term which makes Alberta even better.

Don Carson - Merrill Lynch

Is it fair to say in the short term with economic weakness and hence more naphtha being diverted away from the gasoline pool. You are sort of hit two ways, not only is demand weak, but the Alberta Advantage suffers as well.

Jeff Lipton - NOVA Chemicals - CEO

I think the Alberta Advantage will come down. We are looking at lower numbers in the fourth quarter than we were in the third. And we will probably not hit 28 cents until oil recovers significantly. So in the short term, that is true. But remember, the Alberta Advantage is relative to U.S. Gulf Coast margins. Chris showed a couple of charts indicating that U.S. Gulf Coast margins are expanding. The very pleasant offset to the Alberta Advantage is the Canadian dollar cost advantage. As oil comes down, we expect the Canadian dollar to remain relatively low versus the U.S. dollar. We have fixed costs that will benefit from that.

So I don't know that we get down to the 65 cents that we were looking at when I moved to Pittsburgh, but the high 70s is not too far away. So, I think we do get a significant offset. Remember each penny is worth \$7 million after tax for us which is a very significant impact.

Don Carson - Merrill Lynch

And how about Corunna near term? Should that benefit from this temporary dislocation that advantages naphtha once again?

Jeff Lipton - NOVA Chemicals - CEO

The issue for Corunna -- remember we don't buy naphtha we buy crude oil and we are using as much light feed as possible. And so I will tell you that today, our light feed components, propane and butane mainly at Corunna are still significantly lower cost than oil for us. The big issue for Corunna in the fourth quarter will be the flow through of oil costs going into the Corunna plant. It is not anywhere near as large as some assumed it was because we are using large quantities of light feed, but it will still have an impact on us in the fourth quarter. Co product prices tend to follow today's oil price rather than the delayed oil price that moves through our plant. So we will see some negative impact from that, until we catch up.

Peter Butler - Glen Hill Investments

You have a lot of moving parts affecting NOVA's world here, including, what happens to Canadian asset values if oil settles out at \$70-\$90 instead of \$120-\$150 a barrel with some of the other moving parts going on?

Jeff Lipton - NOVA Chemicals - CEO

Well I think if you looked at how much it would cost to reconstruct our facilities in Canada, they would still be dramatically higher than what we paid for them and also dramatically higher than our equity values less our debt. So if you look at our net value today, we are selling at a dramatic multiple. Our equity is at 12-13% of replacement costs less debt. And so I would tell you that our asset values are dramatically understated in our stock prices today. And with the Alberta Advantage where it is, I would expect that our assets are worth a premium not to be sold at a sharp discount to construction costs. So I think we will have some change. But not a significant one in the relative sense of things.

Peter Butler - Glen Hill Investments

Looking at your company from the outside, from the proverbial 30,000 feet, it looks like you have a really good position in polyethylene and a great story and maybe the other side of the coin with your Styrenics business. I'm wondering are there any realistic options to separate the two stories to benefit the stock?

Jeff Lipton - NOVA Chemicals - CEO

Well, we look at them all the time of course. I think Chris pointed out the important first step, which is to ensure that our Styrenics businesses are cash neutral. And not impacting our liquidity, which we believe we have taken the steps to do. And we will continue looking at any alternative we can find for those assets. You know, we are in a situation that is locked up until next April. We will see what develops then.

Fai Lee - RBC Capital Markets

I was just wondering, Jeff, if you could comment on I know the current credit environment is very challenging, but what is your view on industry consolidation perhaps picking up and if you believe it will pick up, when?

Jeff Lipton - NOVA Chemicals - CEO

I believe that the current credit situation impacts some players in our industry, but has no impact or very little impact on others. And I believe there will be continued significant consolidation in our industry. And I think the industry would benefit from it. I think you will see it over time, potentially sooner rather than later. So I think the argument that the credit markets are going to restrict some from being able to move does not make a lot of sense when you look at who those entities are.

Fai Lee - RBC Capital Markets

And my second question with respect to the positive impact from the lower Canadian dollar, if I understand correctly, if it is versus a par value, 80 cents Canadian dollar versus the U.S. that is almost like a 5-cent per pound cost advantage. I am just wondering if that is one way to look at it, I'm just wondering if some of that advantage is already reflected in your calculations in the Alberta Advantage.

Jeff Lipton - NOVA Chemicals - CEO

No, it is not. And if you looked at our costs in the third quarter, we were basically accounting with a number like 98 cents for the value for the Canadian dollar. So, the difference between the third quarter and the fourth quarter will be quite significant, if the Canadian dollar values stay where they are.

Steve Schuman - New Vernon Associates

Good morning guys. I guess to follow up on a couple of other callers. Is there any other, I would say more aggressive things you can do with Styrenics, outside of an outright sale? I know you are obviously doing a lot on the cost side. You have done some shutdowns, but clearly, and your competitors also, but is there an intermediate step that you have planned?

Jeff Lipton - NOVA Chemicals - CEO

We are looking at many other alternatives. There are others in the industry that have a range of thoughts about Styrenics. We are in a relationship with our joint venture partner that has little flexibility until April. But in our conversations with them and others, we are looking at any possible way we can be more aggressive in that market segment.

Steve Schuman - New Vernon Associates

And then I guess on a demand side, how has your new business development worked out? I know you have done some work in Mexico, I believe India, particularly on the construction side. Is that being stalled out now with the slowdown in the global economy or has that taken off?

Chris Pappas - NOVA Chemicals - President and COO

Maybe a couple of different dimensions of that Steve. One, the activity in Latin America, Chile and Mexico with our construction parts business, has actually been pretty good and is coming along nicely. The work we're doing in India with Reliance on the joint venture to enter into a construction parts and engineering construction business is progressing. We are at a point where we're just about through the definitive agreements and we expect to have the manufacturing facility to make those parts up and running somewhere around the end of this year or the first part of next year. In terms of generating revenue and EBITDA from that activity, we obviously have the plant up and we have to start building buildings. The validation of that step will take part in the early part of '09. So in the construction parts activity in general I think we are tracking along pretty nicely.

On some of the other polymer sides of our businesses, the ARCEL[®] business, while we are up about 13% or so, through nine months, we are very disappointed with the rate of growth of the polymer compared to what we hoped. We have more work to do to continue to drive the growth rates in that polymer.

So all and all we are not happy with our Performance Styrenics portfolio. Our expandable polystyrene business is not strengthening, at least in the third and fourth quarter. And we have to work very hard to get the differentiated parts of that portfolio up faster. And you can be sure that we are doing that. So the short answer is we are not happy with the portfolio. Parts of it are doing pretty well. Parts of it doing not so well. We continue to put a lot of pressure on everything we can to improve the overall quality of that business as fast as we can do it.

Jeff Lipton - NOVA Chemicals - CEO

And if we don't hit our targets, then we will exit segments like we did the direct sales of cup business.

Jeff Lipton - NOVA Chemicals - CEO

Okay, well, thank you everybody for joining us. We appreciate your time and your interest. And, thank you, operator.