

NOVA Chemicals

Jeff Lipton

President and CEO

Fourth Quarter 2006 Earnings Conference Call

January 31, 2007 10AM

Forward-Looking Information

This material and the comments made by our management contain 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 2007 involve longer-term assumptions and estimates than forward-looking statements for 2007 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 cost savings and how such savings will be achieved; the write-down of asset values in our STYRENIX business unit and the non-cash charge took in the fourth quarter, including our expectations of reductions in depreciation charges and available tax reserves; our beliefs about the attractiveness of STYRENIX and the prospects for a transaction involving STYRENIX; our financial forecasts for STYRENIX and the entire company; our views concerning a strong Alberta Advantage in 2007 and beyond; our views on global naphtha supply and demand; our view that the underlying fundamentals in our Olefins/Polyolefins business unit remain very positive in North America and globally; our projection that global polyethylene operating rates will stay well above 90% for at least the next 4-5 years; our expectations regarding delays in start-up of new ethylene and polyethylene plants; our beliefs concerning implementation of polyethylene price increases; our plans concerning capacity expansions; and our plans to commercialize opportunities we are pursuing in our Performance Styrenics business unit and our expectation that this unit’s results will improve. With respect to these forward-looking statements, 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; 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.

Cost Reduction Progress

Projections Exceed Savings Targets

(\$Millions per year)

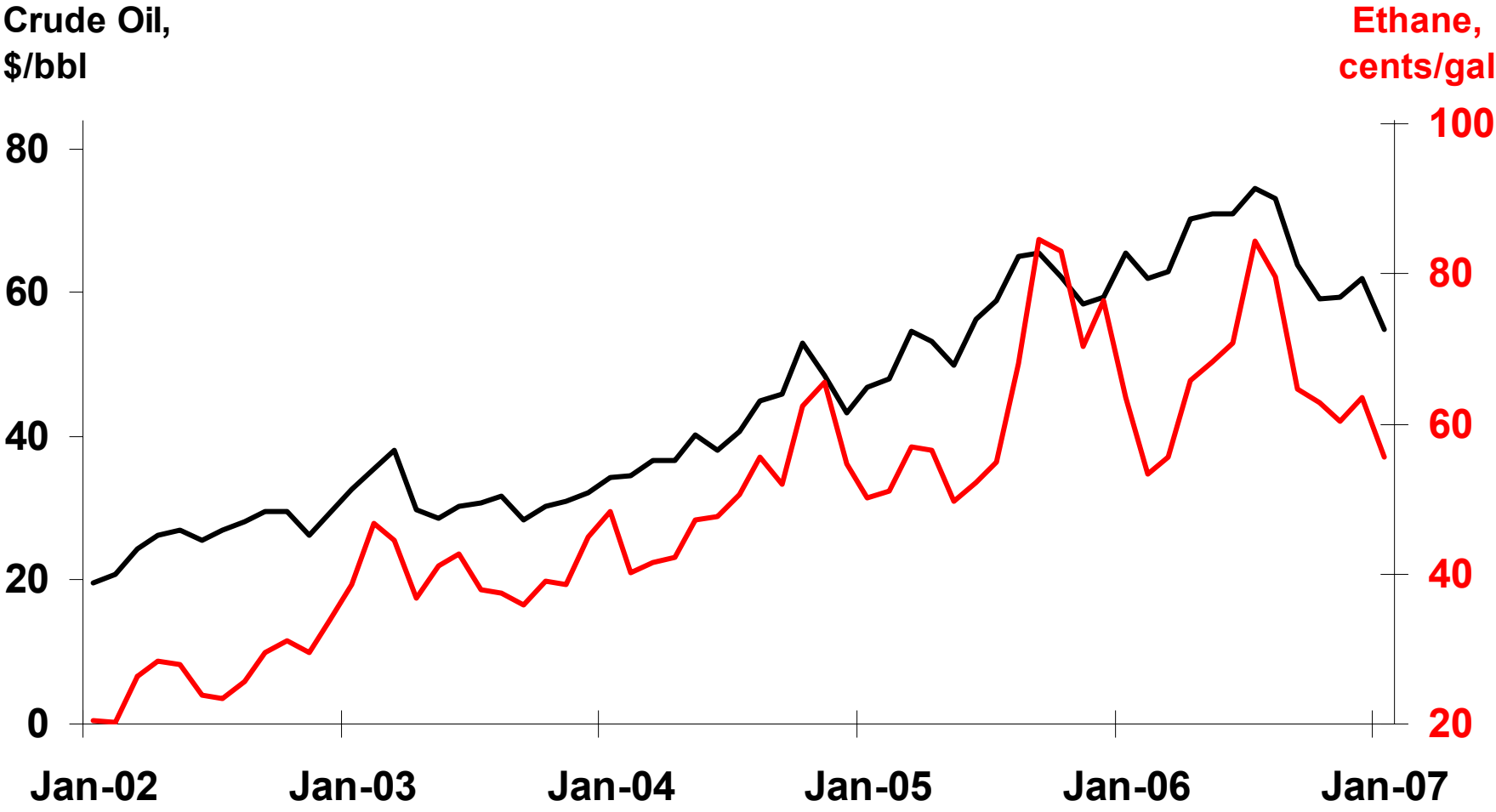
	Target	2007	2008
N.A. STYRENIX	\$15	\$12	\$12
EU Joint Venture	\$30	\$37	\$41
Styrene Contract	\$30	\$22	\$30
Total STYRENIX	\$75	\$71	\$83
Core Business	\$50	\$56	\$57
Total Savings	\$125	\$127	\$140



EU Joint Venture improvement represents NOVA Chemicals' share of the savings.

PANEL 1

U.S Gulf Coast Ethane, WTI Crude Oil

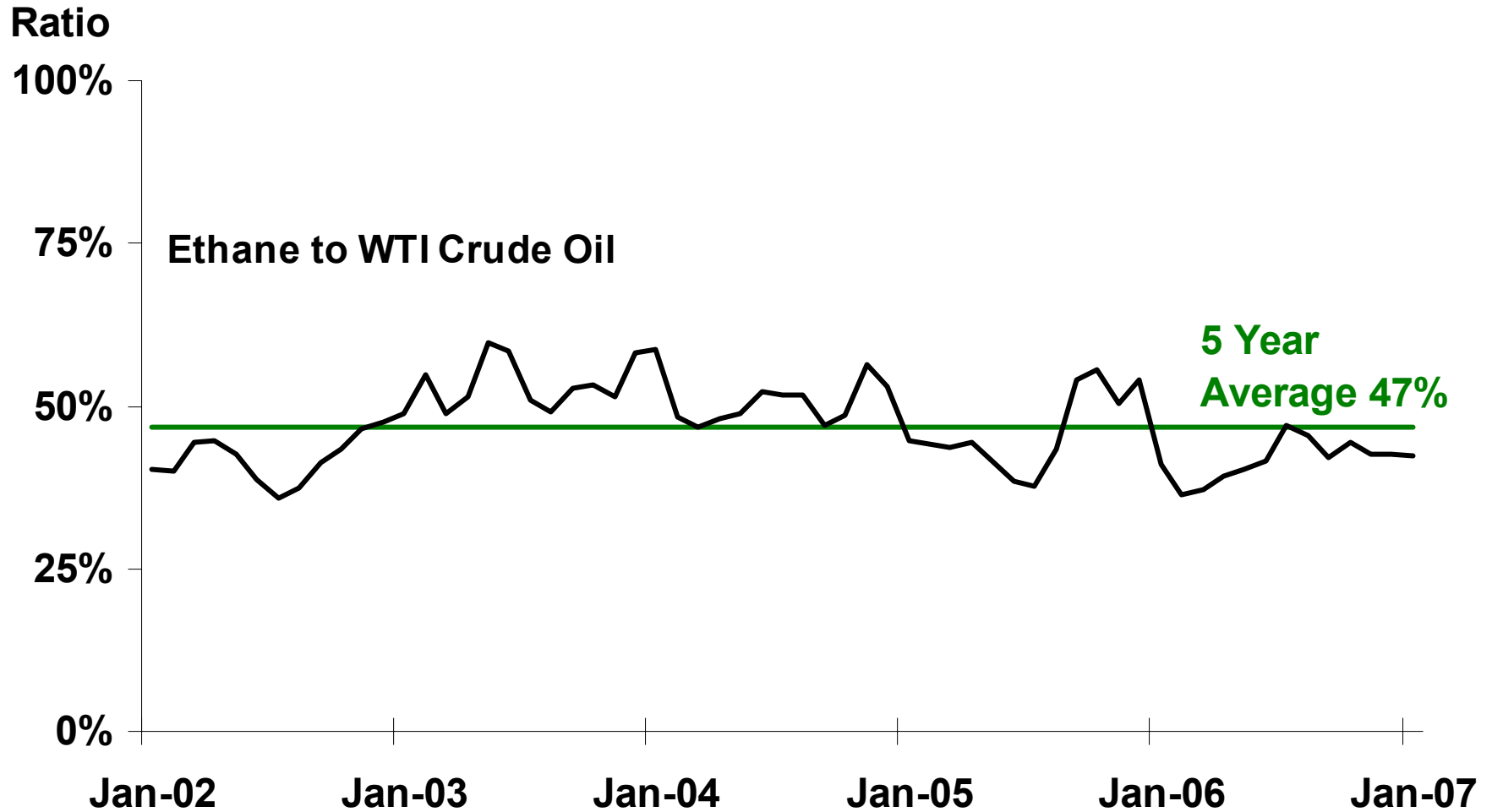


Source: Platt's. Data through January 29, 2007.

PANEL 2

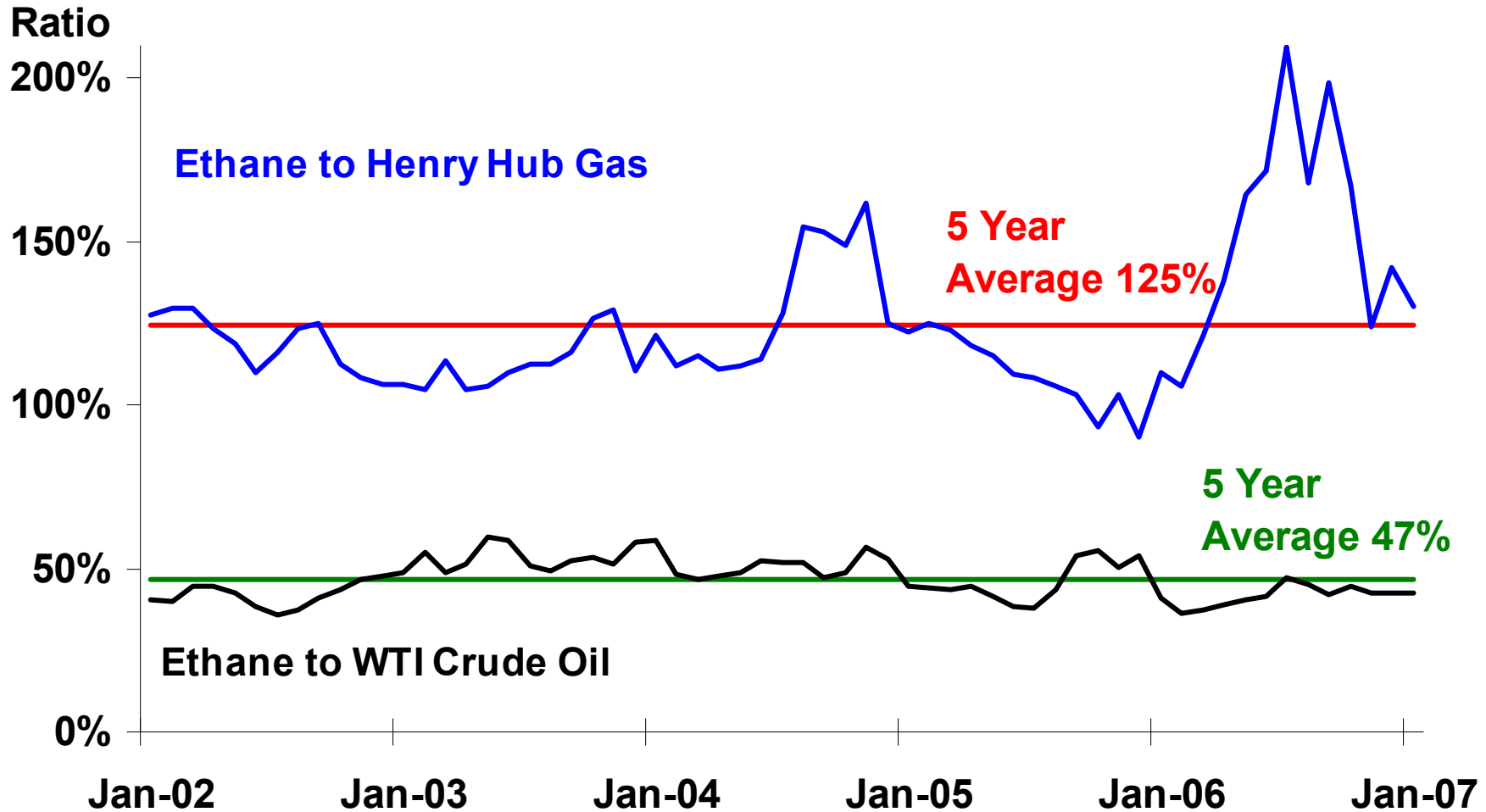
Ethane Price Ratio

USGC Ethane vs WTI Crude Oil



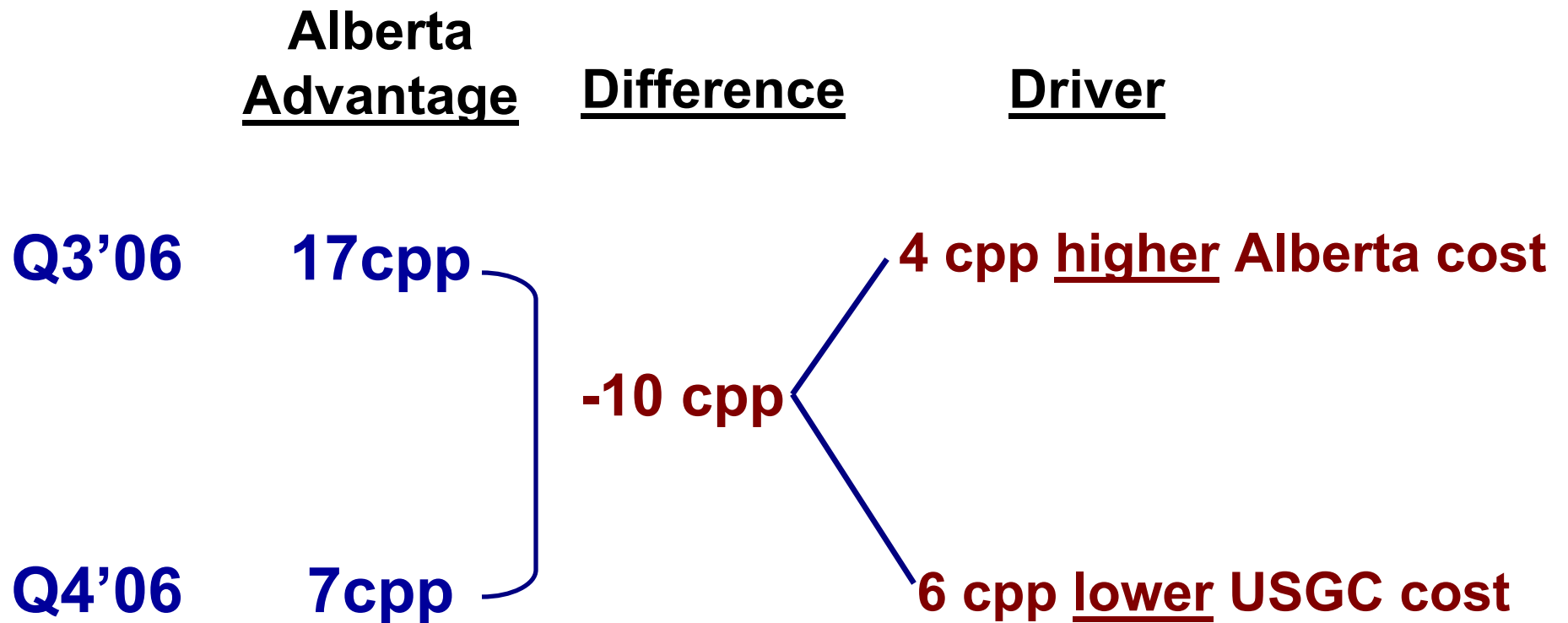
Ethane Price Ratios

Ethane vs Crude Oil, Gas

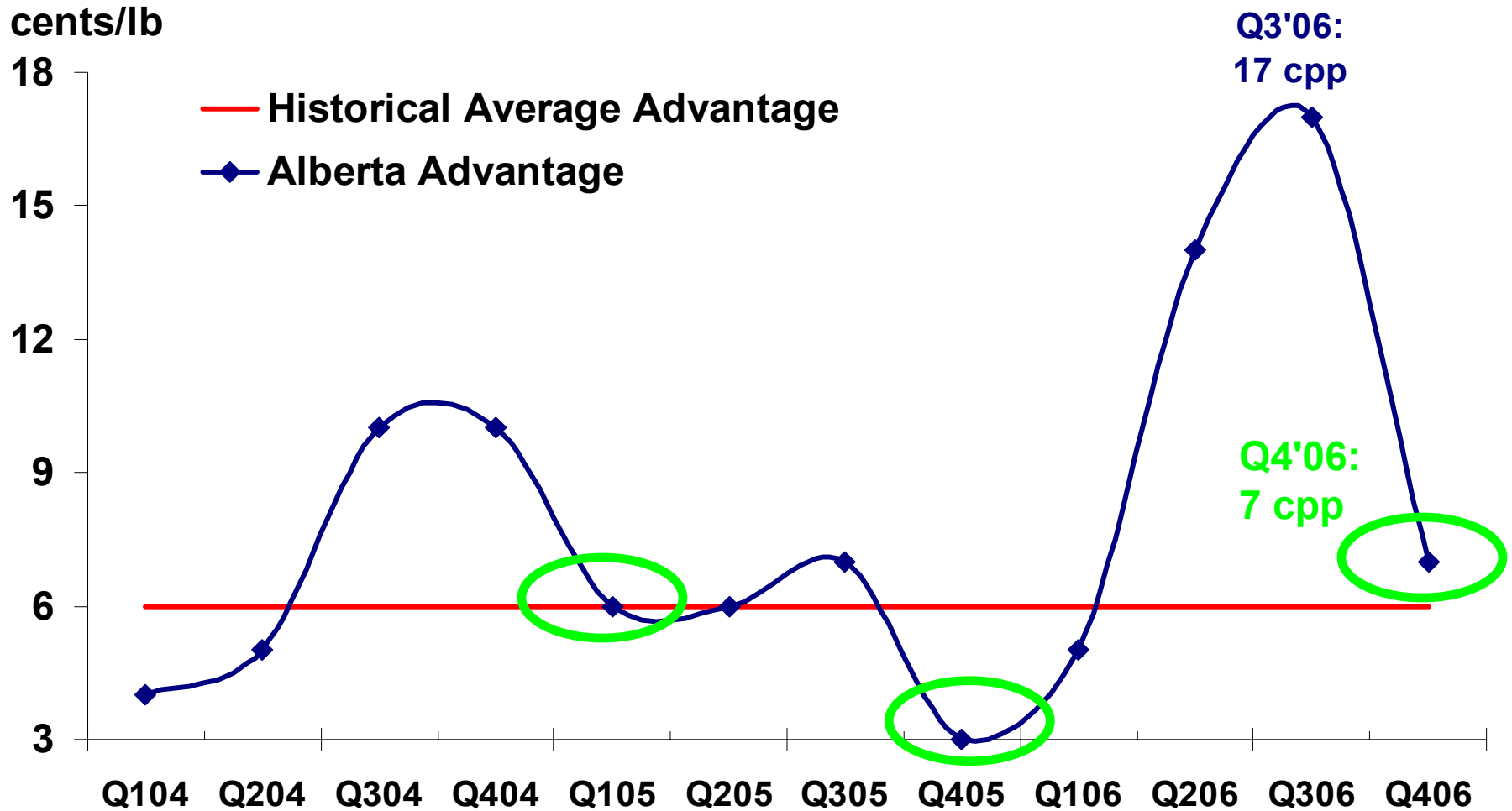


Alberta Advantage Drivers

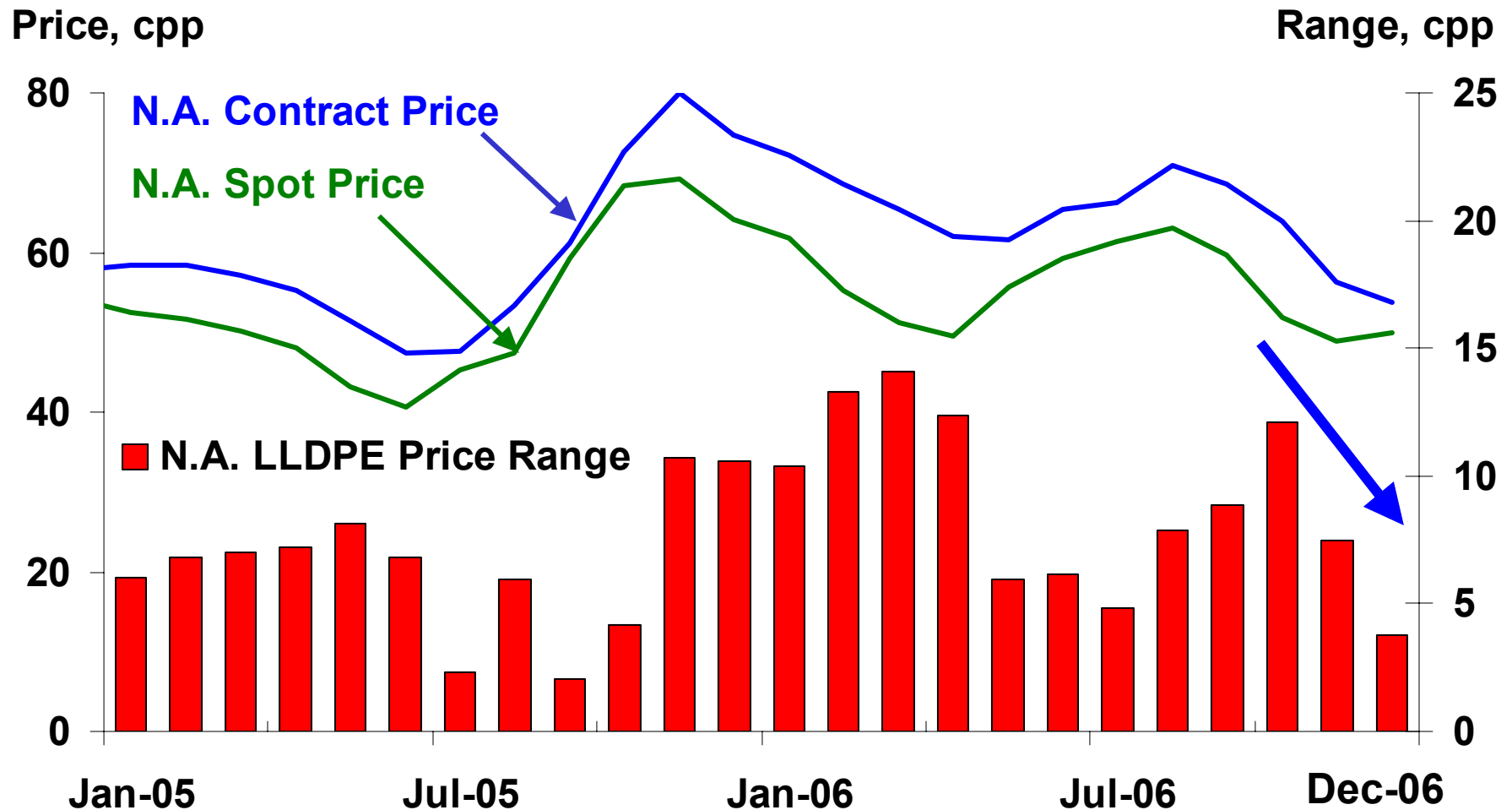
Change in USGC and Alberta Costs



Alberta Advantage Seasonal Patterns

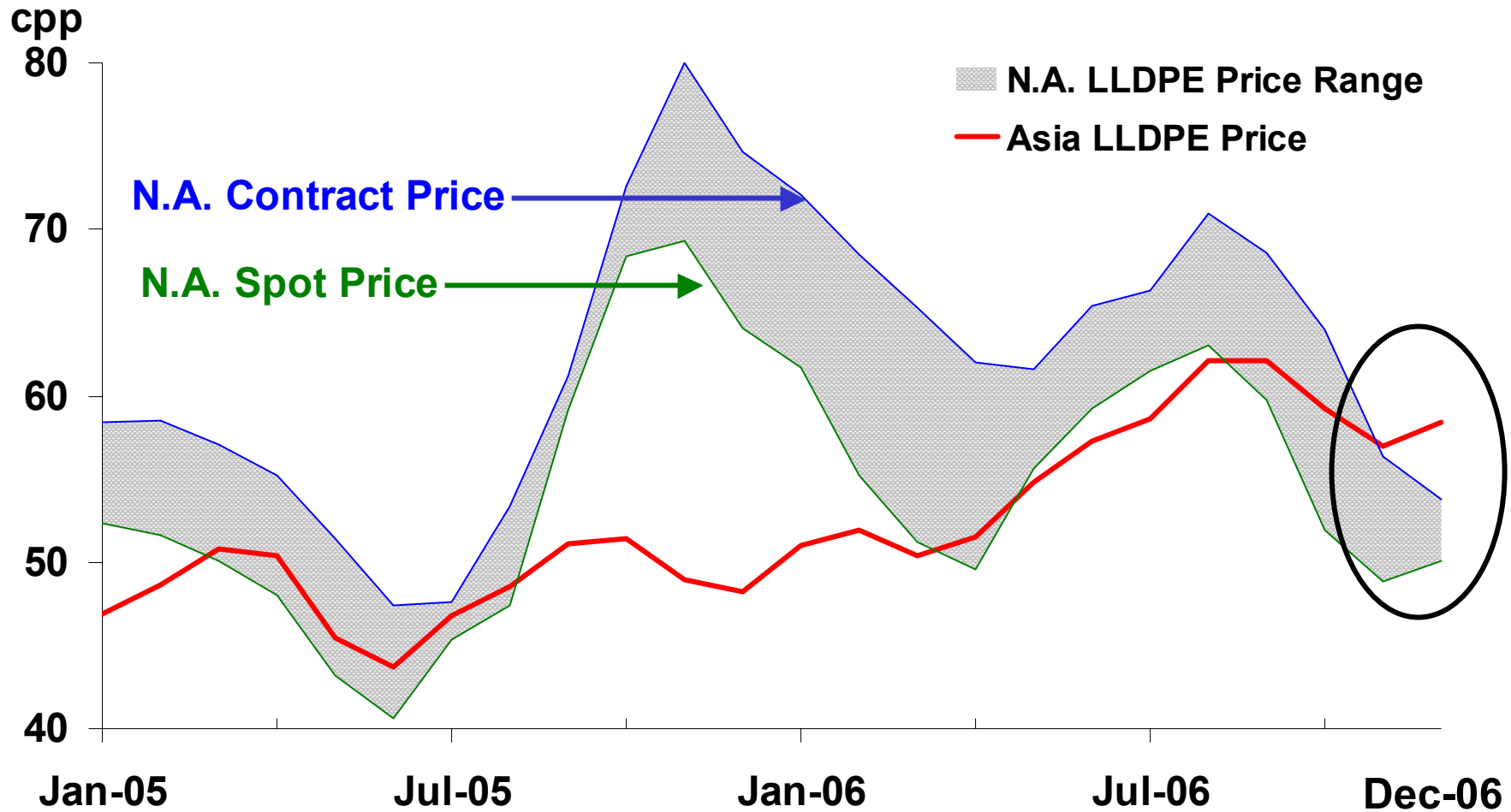


North American Polyethylene LLDPE Contract vs Spot Prices

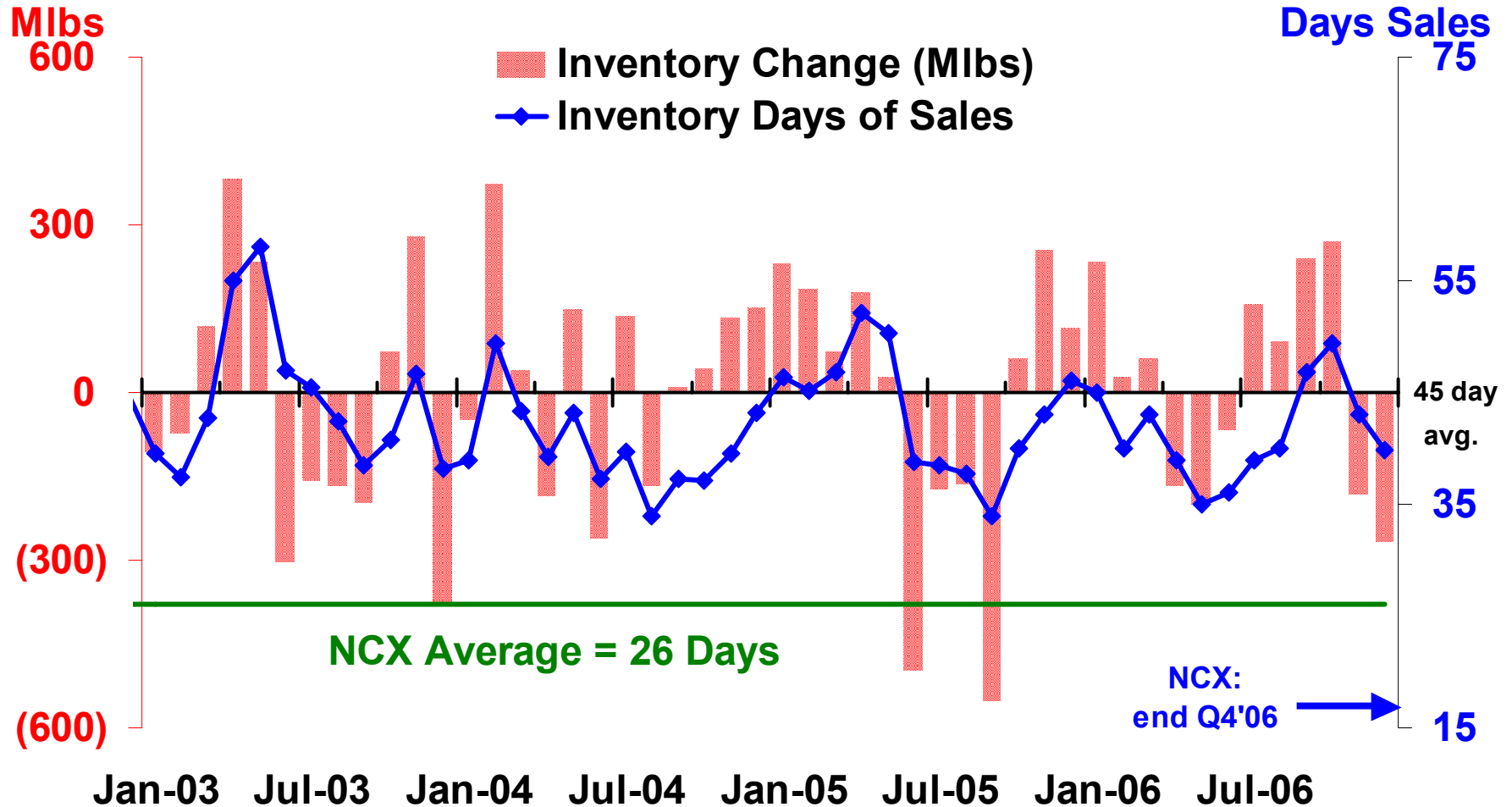


Regional Polyethylene Prices

Asia vs. North America



North American Polyethylene Producer Inventory



Source: APC U.S. producer inventory, adjusted by NOVA Chemicals to represent North American producers. Data through December, 2006.

PANEL 9

STYRENIX Write-down

\$ Millions	Europe	North America	Total
Book value			
Before write-down	\$383	\$719	\$1,102
After write-down	63	179	242
Write-down before-tax	\$320	\$540	860
Tax recovery at 36%			(308)
Tax valuation reserve			220
Net tax recovery			(88)
Write-down, after-tax			<u>\$772</u>

NOVA Chemicals

Seven Reporting Segments

Olefins/ Polyolefins

1. Joffre Olefins
2. Corunna Olefins
3. Polyethylene

Performance Styrenics

4. Performance Styrenics

STYRENIX

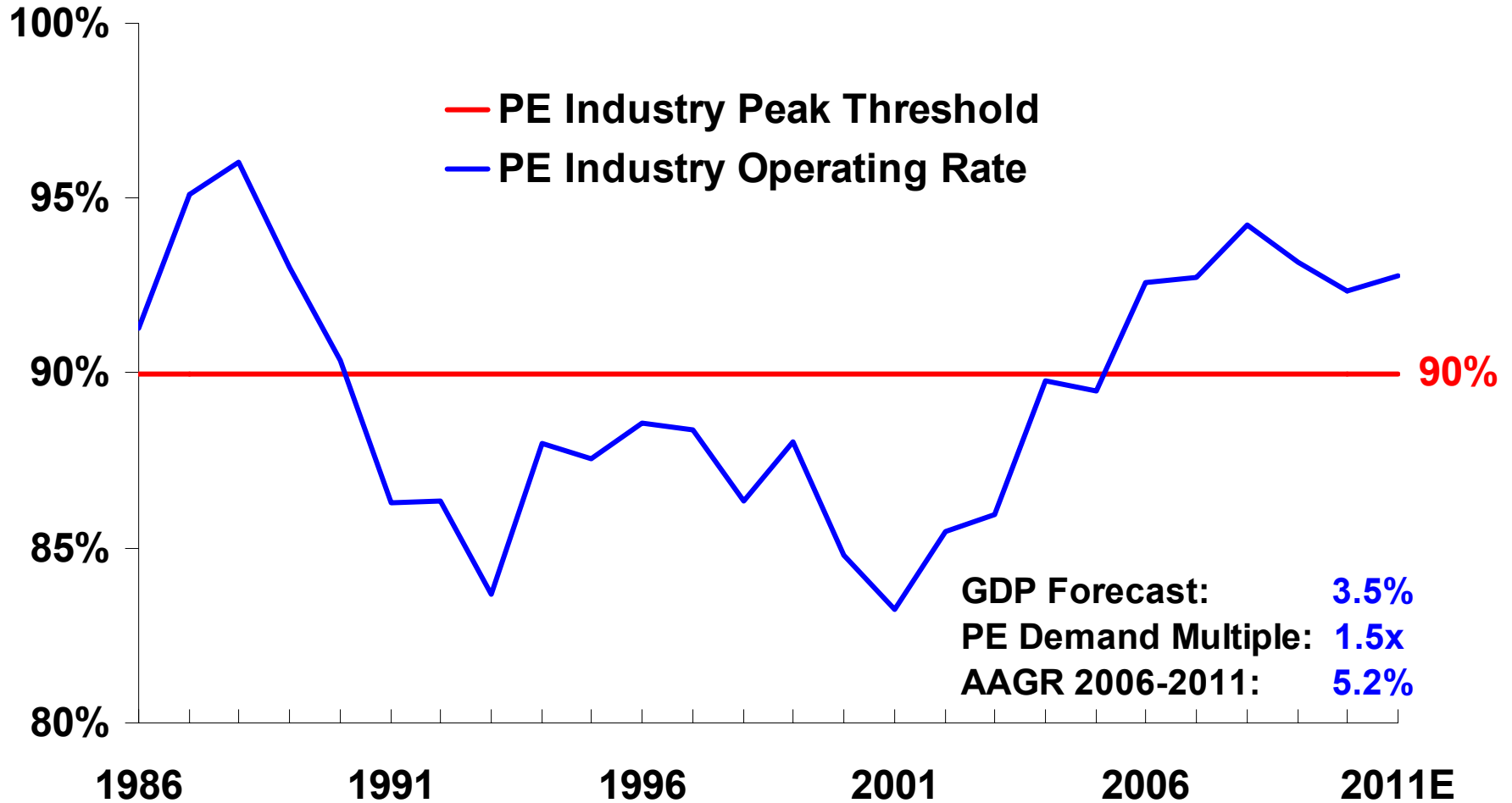
5. Styrene Monomer
6. North American Solid Polystyrene (SPS)
7. NOVA Innovene European Joint Venture

New Ethylene Capacity Start Ups

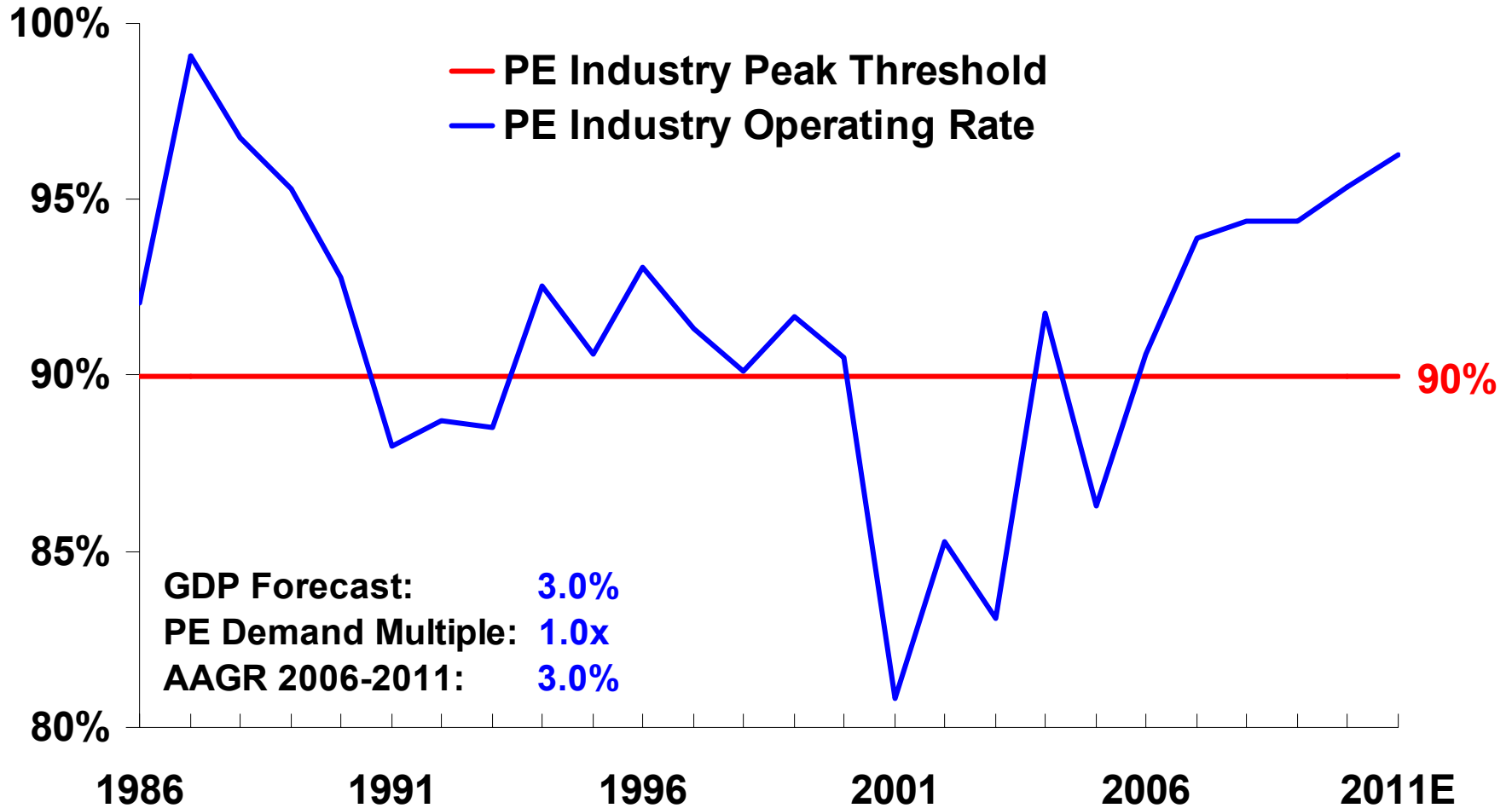
Ethylene Feedstock for Polyethylene

Capacity (Mlbs)	Project	Country	Assumed Timing	Comment
1,150	Amir Kabir (# 6)	Iran	05'Q4	02'Q1 initial target start, reduced rates
2,400	Marun (# 7)	Iran	06'Q3	05'Q3 initial target start, reduced rates
< 500	Samsung Total	Korea	07'Q1	not for Polyethylene feedstock
620	LG Daesan	Korea	07'Q1	not for Polyethylene feedstock
2,200	Arya Sasol (# 9)	Iran	07'Q2	not on-time in Q4'06 as reported
2,650	Formosa	Taiwan	07'Q2	not for Polyethylene feedstock
< 500	Turkmengas	Turkmenistan		not a project, under study only
2,900	Jam (# 10)	Iran	07'Q3	funding issues may delay into 2008
< 500	QAPCO	Qatar	07'Q3	not for Polyethylene feedstock
620	BASF	Belgium	07'Q4	not for Polyethylene feedstock
660	Jubail Chevron Phillips	S.Arabia	08'Q1	not for Polyethylene feedstock
2,870	Yansab	S.Arabia	08'Q3	summer '08 start target - confirmed
2,650	SHARQ (Mitsubishi JV)	S.Arabia	08'Q3	summer '08 start target - confirmed
1,900	TKOC (formerly Equate)	Kuwait	08'Q3	rumors of start up delay til 2009
770	Lotte Daesan	Korea	08'Q3	
< 500	PQU	Brazil	08'Q4	

Global Polyethylene Producer Operating Rates



North American Polyethylene Producer Operating Rates





NCX

New Ethylene Capacity Start Ups

Capacity (Mlbs)	Project	Country	Assumed Timing	Comment
2,870	Petro-Rabigh	S. Arabia	09'Q1	<i>Constr started March 2006</i>
2,204	Saudi Ethylene and PE	S. Arabia	09'Q1	<i>Constr started early 2006</i>
1,100	Kharg PC	Iran	09'Q1	
2,870	Ras Laffan Ethylene Co	Qatar	09'Q2	<i>Constr started 2006</i>
2,200	Dushanzi PC	China	09'Q3	<i>Constr started June 2006</i>
1,760	Fujian PC (JV)	China	09'Q3	<i>Constr started July 2006</i>
2,200	PTT Chemical	Thailand	09'Q4	
1,980	Indian Oil	India	09'Q4	
2,200	Tianjin PC	China	09'Q4	
2,200	Zhenhai Refining	China	09'Q4	
2,200	Shell	Singapore	10'Q2	<i>Constr started Feb 2006</i>
3,090	Borouge	UAE	10'Q2	
450	Pemex	Mexico	10'Q3	
1,146	Guangzhou Ethylene	China	10'Q3	
1,760	Fushun	China	10'Q3	
2,630	Dow-Siam Cement	Thailand	10'Q3	
2,860	Sipchem	Saudi Arabia	10'Q4	

New Ethylene Capacity Start Ups

Capacity (Mlbs)	Project	Country	Assumed Timing	Comment
2,430	Arvand PC (#8)	Iran	2011	
450	Pemex	Mexico	2011	
700	Ilam PC (#13)	Iran	2011	
1,760	Chengdu Petrochemical	China	2011	
990	Petrox SA	Chile	2011	
2,200	OPIC (Dow JV)	Oman	2011	
2,600	Q-JV	Qatar	2011	