

NOVA Chemicals

A Plastics and Chemical Company

Fourth Quarter 2008
Earnings Conference Call

January 29, 2009
11:30 AM

Forward-Looking Information

The material and comments contain forward-looking information with respect to NOVA Chemicals Corporation alone or together with its subsidiaries and affiliates. By its nature, forward-looking information requires us to make assumptions and is subject to inherent risks and uncertainties. There is significant risk that predictions, forecasts, conclusions and projections that constitute forward-looking information will not prove to be accurate, that our assumptions may not be correct and that actual results may differ materially from such forward-looking information. Forward-looking information for the time periods beyond 2009 involve longer-term assumptions and estimates than forward-looking information for 2009 and are consequently subject to greater uncertainty. We caution you not to place undue reliance on our forward-looking information 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 information. 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 information. Specific forward-looking information in the material and comments include, among others, statements regarding: our beliefs about our liquidity position and financing activities, our ability to secure new financing; our expectation that our year end liquidity, when coupled with our core bank support, internal actions we have taken to conserve cash, will put us in a position to deal with the \$250 million bond due on April 1, 2009, and our belief that, with the ongoing support of our core banks, we should be in a position to deal with that which comes our way; our beliefs about our Olefins/Polyolefins business, including our expectation that our Alberta Advantage will return to historical levels as ethane inventory on the U.S. Gulf Coast return to normal levels, our positive outlook for the polyethylene market and our belief that our relative competitive position is strengthening to more typical levels, our expectations concerning implementation of announced price increases, our beliefs about export markets and our expectation that we will export polyethylene at historical levels in the first quarter, our expectation of a positive contribution from Corunna in 2009, assuming crude oil remains relatively stable, our beliefs about global polyethylene demand and its resiliency and growth, and our beliefs about inventory and our expectation that orders will be higher in 2009 than 2008; our beliefs about our Performance Styrenics business, including our commitment to seek to generate cash from this business in 2009 and our intention to reduce fixed costs and working capital; our beliefs about INEOS NOVA, including the partners’ commitment seeking to run the business at no worse than cash neutral in 2009 and our expectation that it will deliver \$135 million of annual synergies by the end of 2009; our beliefs about our cost cutting and restructuring initiatives and the amounts those initiatives could yield or generate, including our plans to reduce fixed costs in our business and our plans to reduce corporate costs by about 25%; and our expectation of the impact of the Canadian dollar on costs. 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 maintain existing financing and obtain new 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: a deterioration in our cash balances or liquidity; our lenders’ willingness to extend maturing credit facilities or provide any consents or waivers; our ability to access capital markets, which could impact our ability to react to changing economic and business conditions; the ongoing world financial crisis and economic downturn that will continue to have a negative impact on our business, results of operations and financial condition; 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; 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 information is expressly qualified in its entirety by this cautionary statement. In addition, the forward-looking information is made only as of the date of this material, and except as required by applicable law, we undertake no obligation to update publicly this forward-looking information to reflect new information, subsequent events or otherwise.

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4Q 2008 Underlying Business EBITDA

Values in \$Millions	EBITDA	Exceptional Costs Q4'08 ⁽¹⁾	Underlying EBITDA
Business EBITDA			
Olefins/Polyolefins	\$(210)	\$364	\$154
Performance Styrenics	(35)	21	(14)
INEOS NOVA	(77)	108	31
Total for Businesses	\$(322)	\$493	\$171

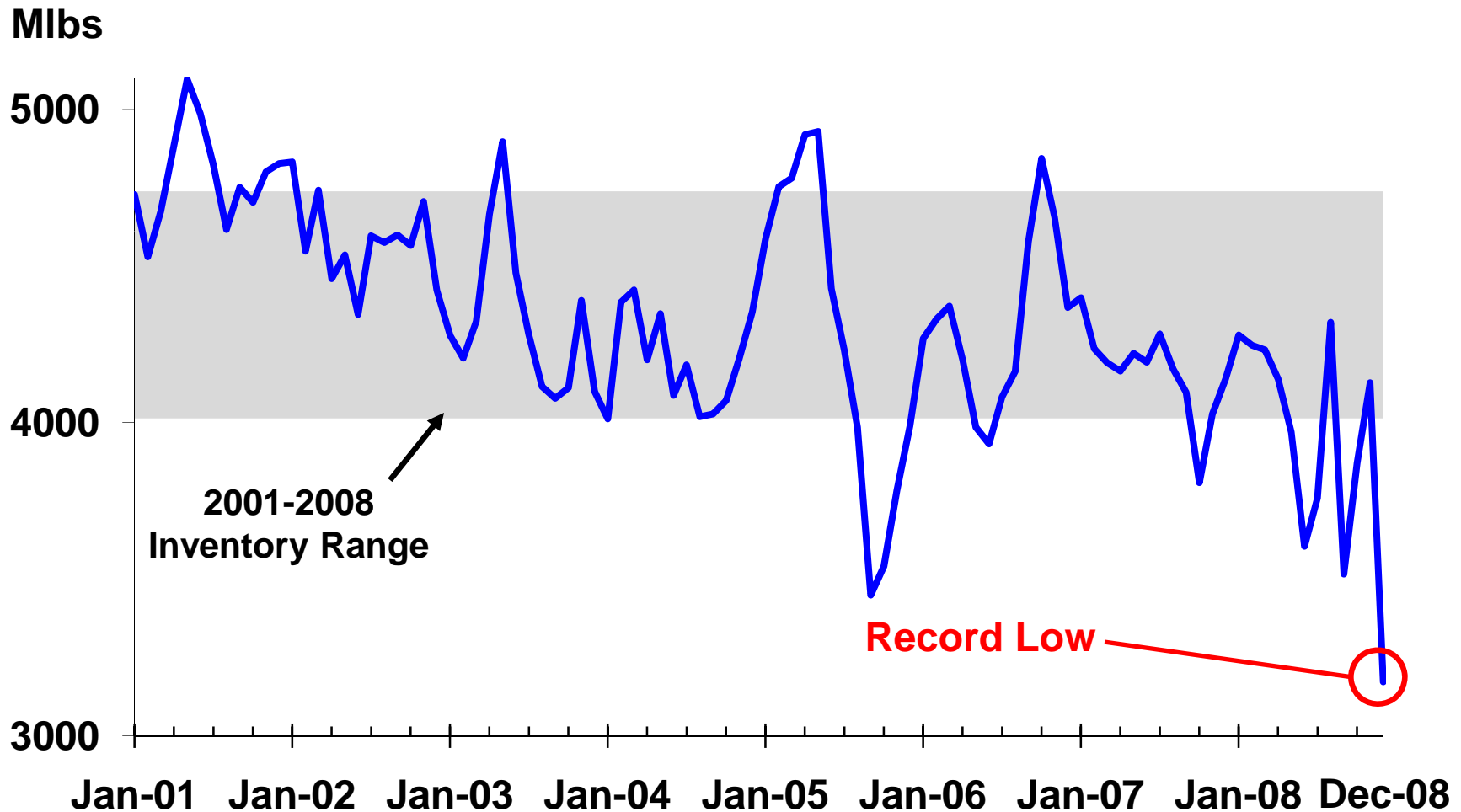


(1) Add back exceptional costs relating to inventory including flow-through and write-downs

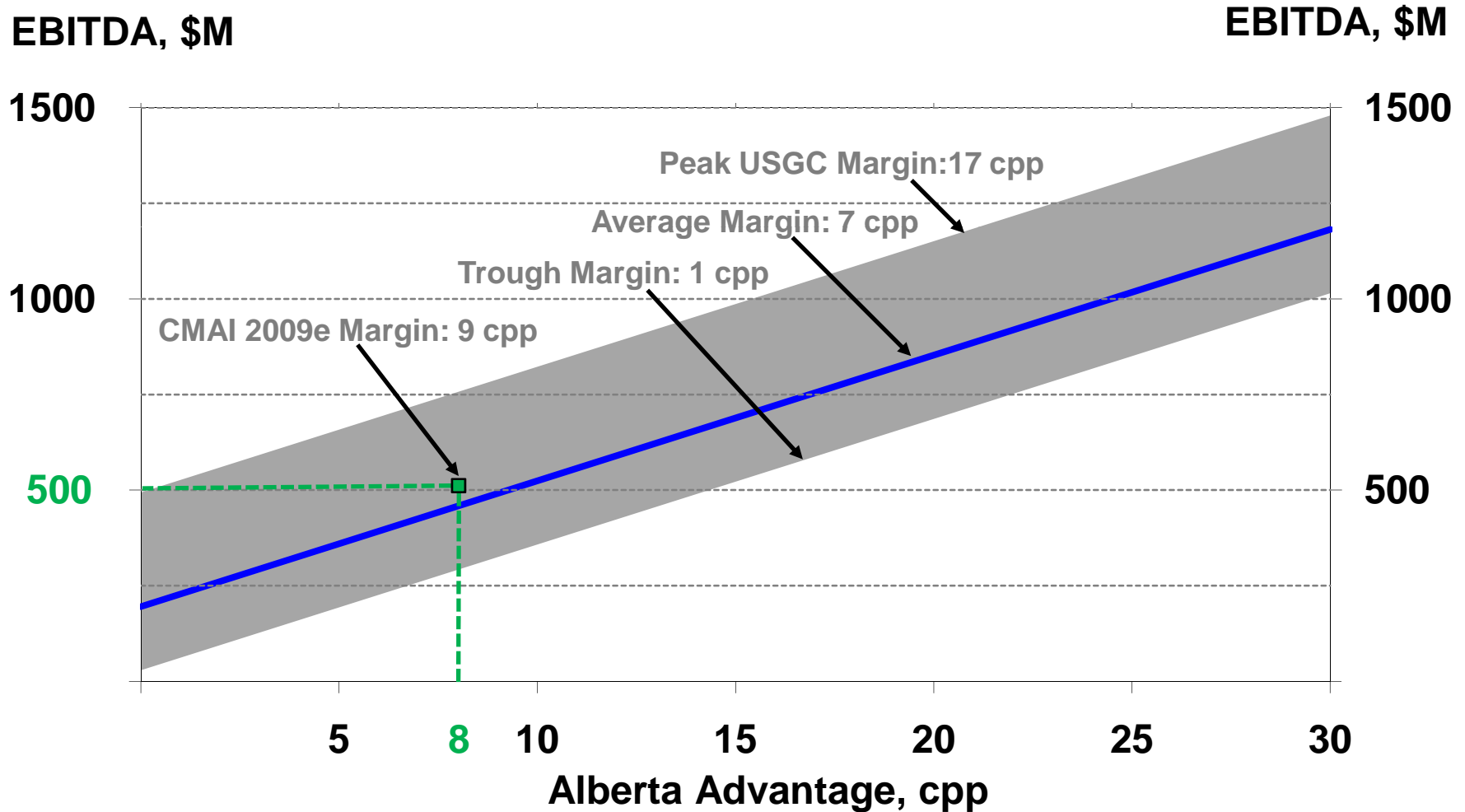
PANEL 1

N. American PE Producer Inventory

Absolute Inventory



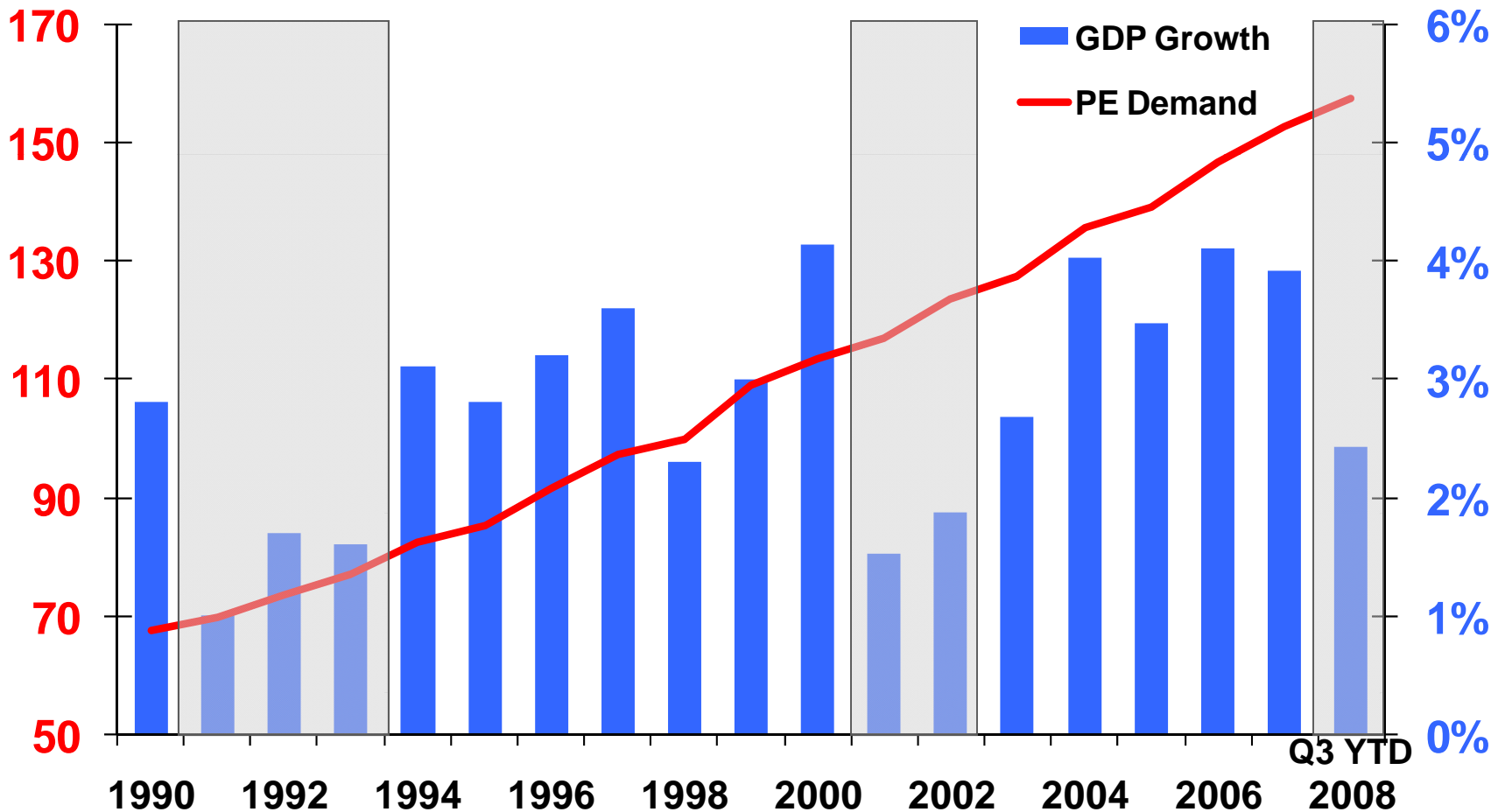
Joffre E/PE EBITDA Potential vs Alberta Advantage, USGC Margin



Global PE Demand vs Global GDP Growth

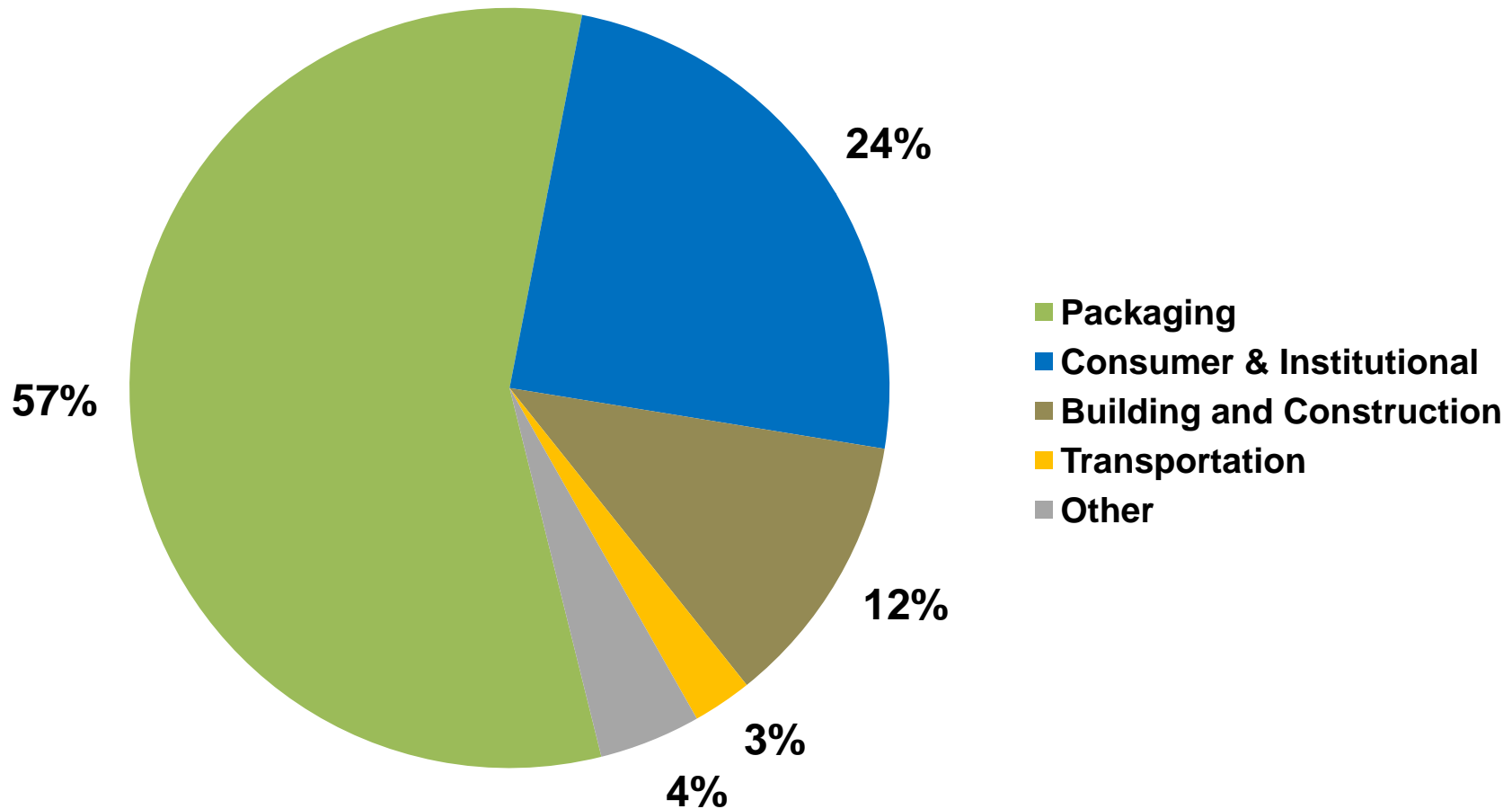
PE Demand, Blbs

GDP Growth, %



Polyethylene Major Markets

North America



Retail Sales

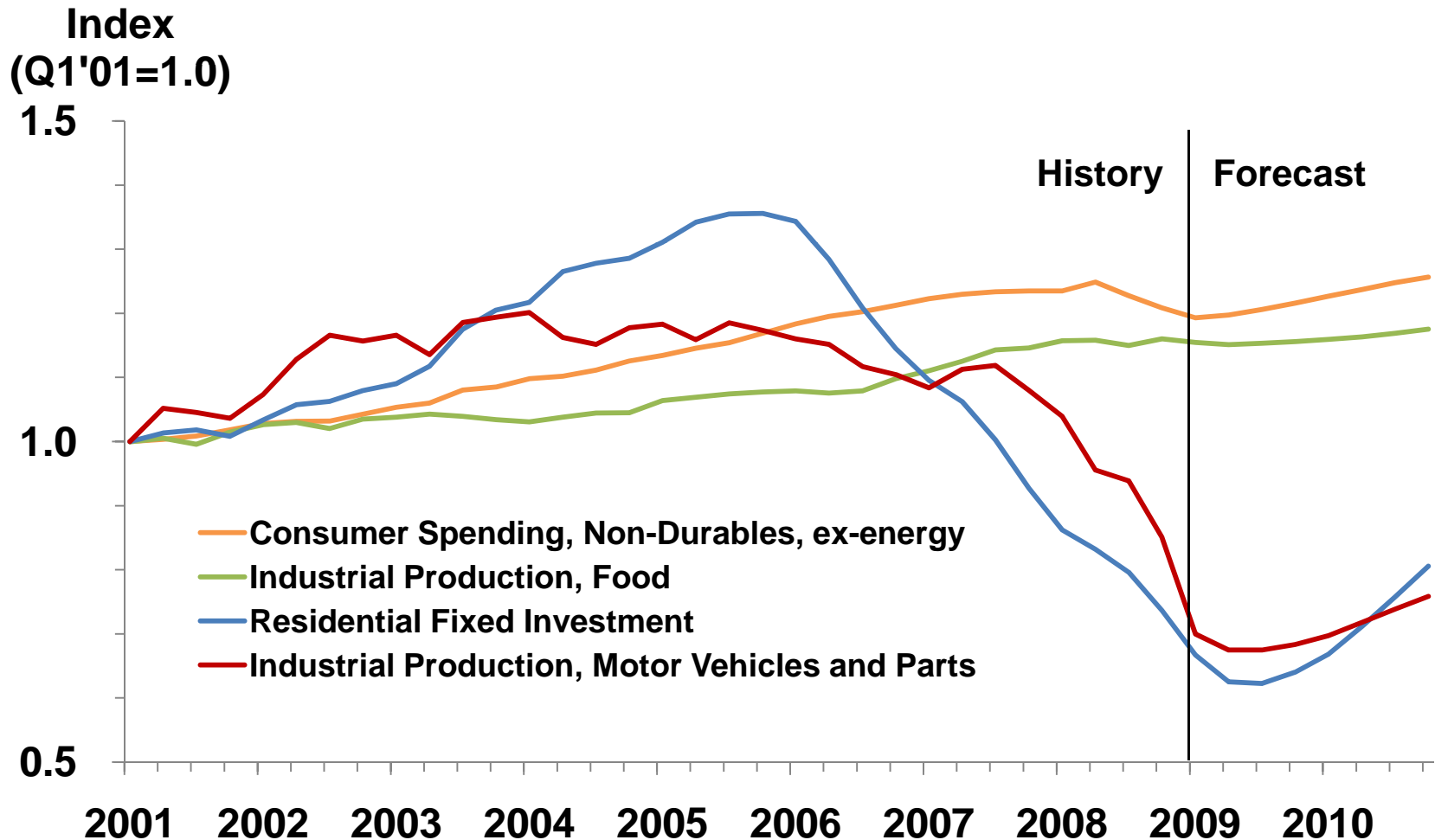
4Q 2008 versus 4Q 2007

	% of Retail Sales	Change	
Motor Vehicle Dealers	17.0%	-23.6%	} Not key drivers of polyethylene demand
Gasoline Stations	9.0%	-20.7%	
Furniture Stores	2.5%	-12.6%	
Building Materials	7.3%	-7.2%	
Apparel Stores	5.0%	-6.7%	
Electronics Stores	2.5%	-5.4%	
Internet	7.2%	-3.2%	} Key drivers of polyethylene demand
Sporting Goods	2.0%	-2.8%	
Miscellaneous	2.8%	-1.8%	
General Merchandise	14.0%	1.1%	
Eating and Drinking Places	11.0%	1.8%	
Food Stores	14.0%	2.8%	
Health Stores	6.0%	4.4%	

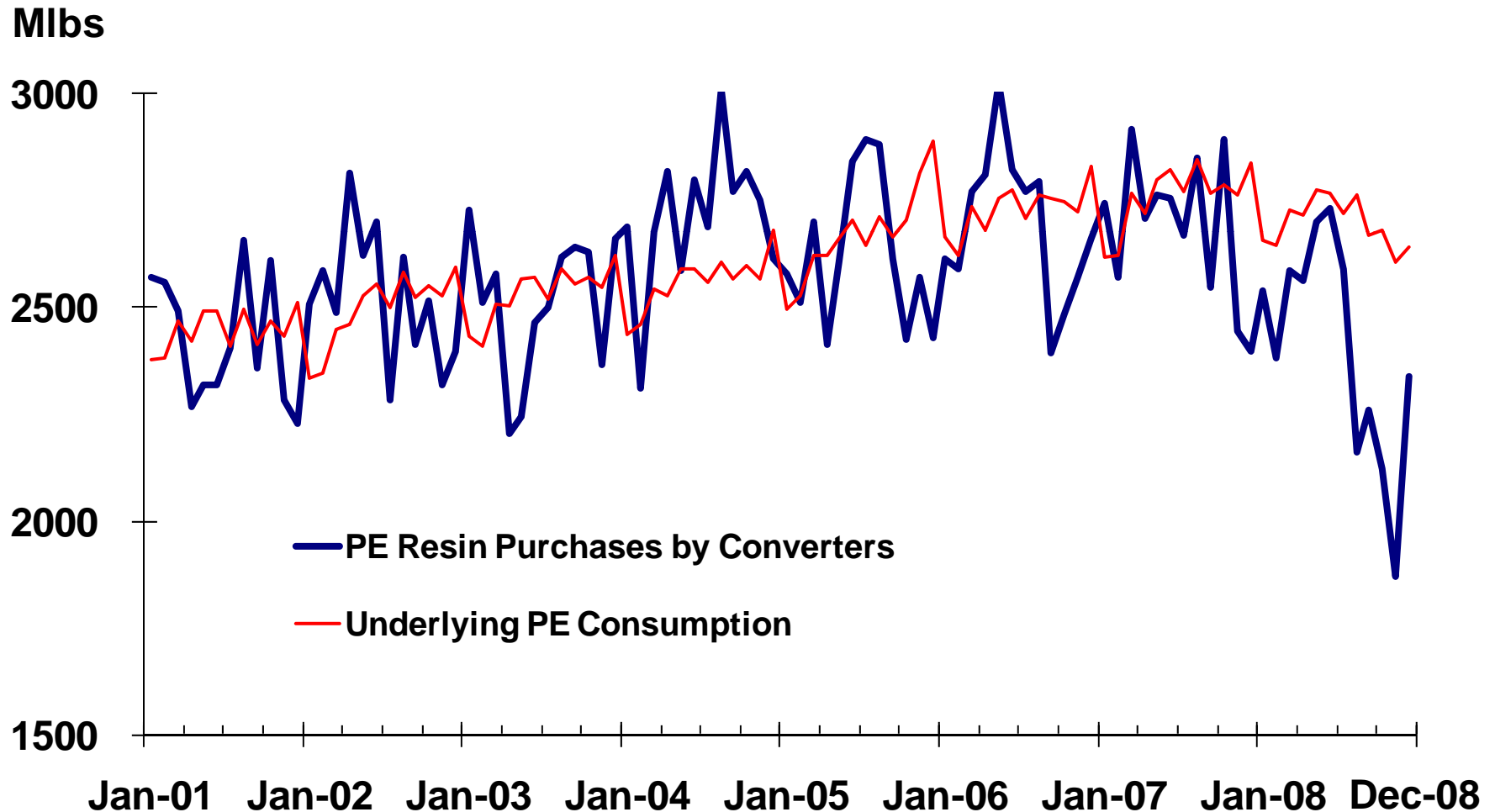
Total Change: -7.7 %

Economic Indicators

Drivers of Demand

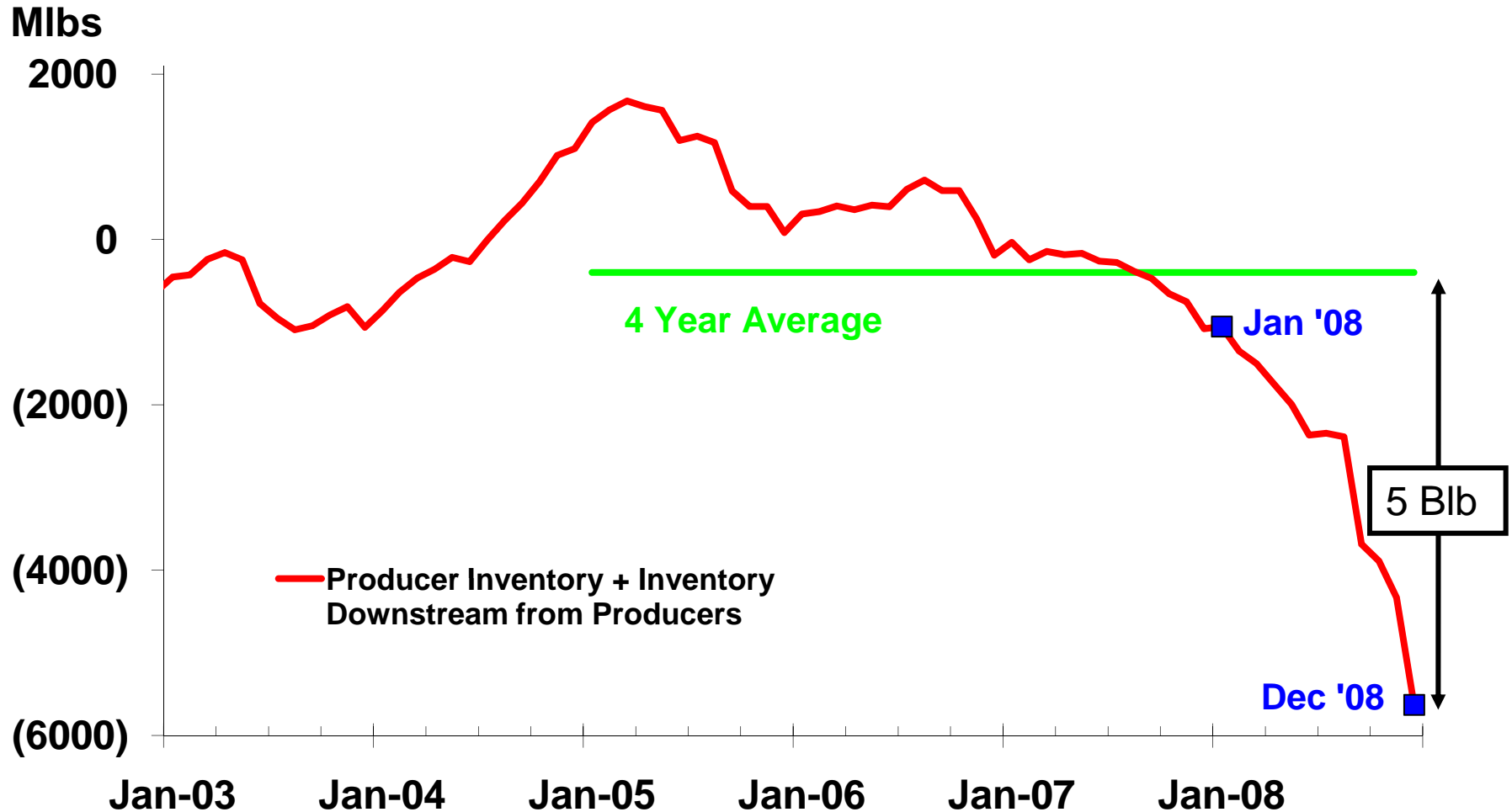


North American Polyethylene Resin Purchases, Underlying Consumption



North American PE Inventory

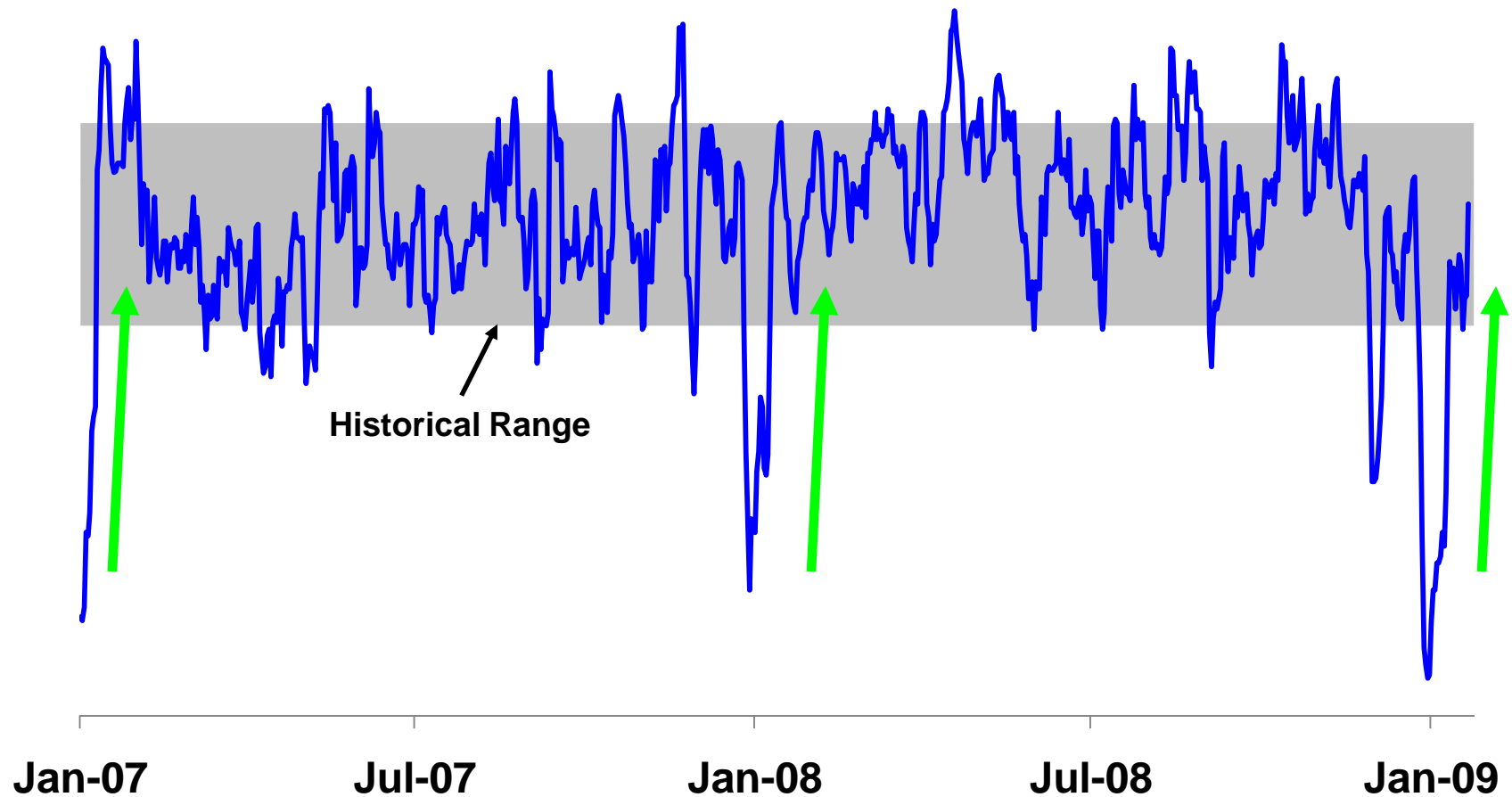
Cumulative Inventory Chain Change



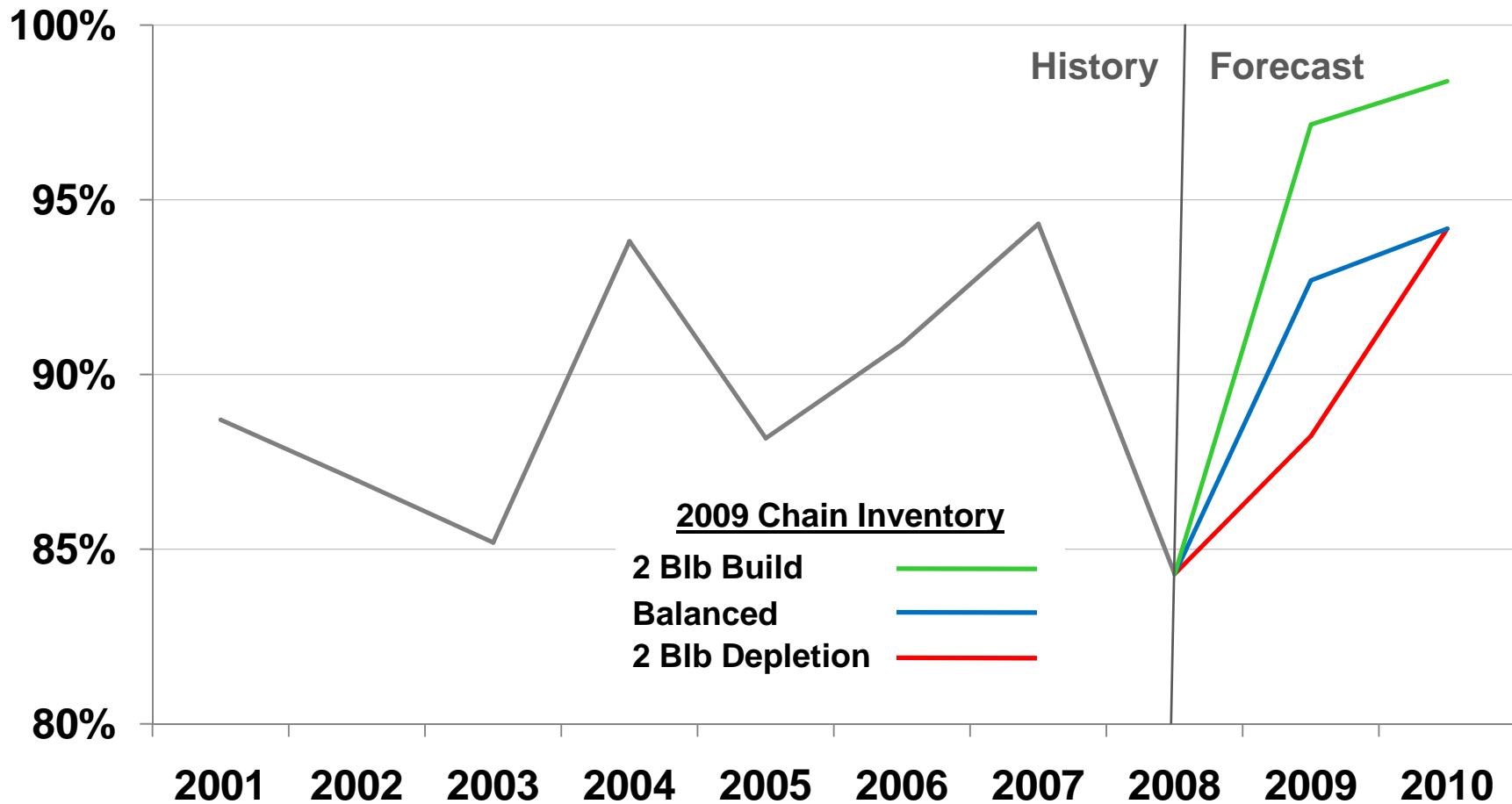
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Hopper Car Returns – 7 Day Average

Hopper Cars/day



North American Polyethylene Industry Operating Rate





NCX