

NOTICE TO CANADIAN RESIDENTS –

Eligible Dividends

This Notice refers to Bill C-28, *A Second Act to Implement Certain Provisions of the Budget Tabled in Parliament on May 2, 2006*.

This Bill reduces personal taxes on "eligible dividends" paid after 2005. The Bill provides that payer corporations must designate eligible dividends as such at the time the dividend is paid. This designation should be provided to recipients by written notice.

By this Notice, NOVA Chemicals Corporation:

- Confirms that all dividends paid in 2006 are designated as "eligible dividends" as defined by the Income Tax Act as amended by Bill C-28.
- Confirms that the dividend paid on February 15, 2007 is designated as an "eligible dividend" as defined by the Income Tax Act as amended by Bill C-28.
- Confirms that, until this Notice is withdrawn, all dividends paid after February 2007 are designated as "eligible dividends" as defined by the Income Tax Act as amended by Bill C-28.