

supplemental financial and product information

1998

On July 2, 1998, NOVA Corporation was launched as an independent, publicly traded commodity chemical company immediately following the merger of NOVA Corporation and TransCanada PipeLines Limited. Effective January 1, 1999, NOVA Corporation and its wholly owned subsidiary, NOVA Chemicals Ltd., amalgamated to form NOVA Chemicals Corporation

(NOVA Chemicals). All periods prior to July 2, 1998, presented for comparative purposes represent the results of NOVA Chemicals Ltd., which accounted for approximately 99% of the ongoing assets and revenues of NOVA Corporation. In the third quarter of 1998, NOVA Chemicals began reporting its financial results in U.S. dollars while continuing to follow

Canadian generally accepted accounting principles (GAAP). For all periods prior to July 2, 1998, Canadian dollar amounts have been restated in U.S. dollars using an exchange rate of \$1.00 Canadian = \$0.68 U.S., except for reported fair market values which were converted at the rates in effect on the relevant dates. Actual rates for the 10-year period

ended December 31, 1998 have ranged from a high of \$0.89 to a low of \$0.63. All dollar amounts are expressed in U.S. dollars except where otherwise indicated. Throughout this document, references to "peer average" include Dow Chemical Co., Eastman Chemical Company, Union Carbide Corp., Lyondell Chemical Company and Millennium Chemicals Inc.

NOVA Chemicals Corporation financial highlights

Financial Information

(millions of dollars)	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989
Revenue										
Olefins/Polyolefins	\$ 1,614	1,806	1,753	1,693	1,510	1,155	1,357	1,333	1,699	1,542
Styrenics	542	564	399	469	377	397	291	379	532	562
Methanol ¹	-	-	-	-	12	158	133	126	82	106
Rubber	-	-	-	-	-	-	-	-	436	552
Intersegment eliminations ²	(81)	(85)	(83)	(85)	(64)	(114)	(297)	(283)	(482)	(451)
	\$ 2,075	2,285	2,069	2,077	1,835	1,596	1,484	1,555	2,267	2,311
EBITDA ³										
Olefins/Polyolefins ⁴	\$ 280	416	409	575	338	n/a	n/a	n/a	n/a	n/a
Styrenics ⁴	(8)	(16)	35	116	29	n/a	n/a	n/a	n/a	n/a
Methanol ¹	-	-	-	-	1	n/a	n/a	n/a	n/a	n/a
Other ⁵	(18)	(11)	(23)	(44)	(25)	n/a	n/a	n/a	n/a	n/a
	\$ 254	389	421	647	343	194	183	135	392	495
Depreciation & Amortization										
Olefins/Polyolefins ⁴	\$ 122	128	127	121	114	n/a	n/a	n/a	n/a	n/a
Styrenics ⁴	29	32	23	16	13	n/a	n/a	n/a	n/a	n/a
	\$ 151	160	150	137	127	121	106	127	150	151
Operating Income (Loss) (EBIT) ⁶										
Olefins/Polyolefins	\$ 158	288	282	454	224	67	101	48	179	237
Styrenics	(37)	(48)	12	100	16	(13)	(35)	(61)	50	59
Methanol ¹	-	-	-	-	1	19	11	21	-	8
Rubber	-	-	-	-	-	-	-	-	18	41
Other ⁵	(18)	(11)	(23)	(44)	(25)	-	-	-	(5)	(1)
	\$ 103	229	271	510	216	73	77	8	242	344
Equity in earnings of Methanex ⁷	\$ (25)	39	12	39	91	-	-	-	-	-
Equity in earnings of Dynege ⁸	\$ 26	20	28	10	9	-	-	-	-	-

1 In January 1994, NOVA Chemicals exchanged its methanol facilities for shares in Methanex Corporation (Methanex).

2 Reflects the sale of ethylene and benzene from Olefins/Polyolefins to Styrenics.

3 Earnings before interest, taxes, depreciation and amortization.

4 EBITDA and depreciation and amortization not split out by business prior to 1994.

5 Includes re-engineering and computer system development costs.

6 Earnings before interest and taxes.

7 Excludes one-time asset write-down of \$22 million in 1996.

8 Excludes one-time asset write-down of \$39 million in 1997 relating primarily to Dynege's natural gas liquids and crude oil business.

After Tax ROCE ^{1,2} (%)	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989
NOVA Chemicals - operated facilities	4.2	10.1	12.0	24.3	10.5	2.5	3.0	(0.7)	10.1	12.8
Olefins/Polyolefins	9.5	18.1	16.5	26.1	12.5	3.9	5.7	2.0	9.6	11.3
Styrenics	(5.4)	(5.5)	2.6	24.7	5.5	(2.3)	(8.3)	(12.2)	12.5	20.4
Peer Average	6.3	8.9	10.5	15.1	8.0	2.1	3.0	9.1	8.1	19.3

1 Excludes Methanex and Dynege.

2 Equals net income plus after-tax interest expense divided by capital employed.

Operating Margin ^{1,2} (%)	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989
NOVA Chemicals - operated facilities	5.0	10.0	13.1	24.6	11.7	4.6	5.2	0.6	10.7	14.9
Olefins/Polyolefins	9.8	15.9	16.1	26.8	14.9	5.8	7.4	3.6	10.6	15.4
Styrenics	(6.8)	(8.6)	2.9	21.3	4.3	(3.4)	(12.1)	(16.0)	9.3	10.5
Peer Average	9.3	14.8	15.3	20.6	13.7	9.9	9.1	10.9	15.1	20.7

1 Excludes Methanex and Dynege.

2 Operating margin is calculated as operating income divided by sales.

Working Capital as a Percentage of Sales ¹ (%)	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989
NOVA Chemicals - operated facilities	12.0	11.1	11.0	2.7	9.5	9.7	10.9	10.9	10.6	7.3
Olefins/Polyolefins	11.4	10.4	14.7	8.4	10.5	10.1	8.5	7.9	8.1	7.5
Styrenics	12.0	19.7	24.7	7.0	14.6	12.5	16.1	17.2	19.4	9.3
Peer Average	24.0	25.7	18.1	19.9	18.3	17.5	17.4	18.5	20.0	21.3

1 Excludes Methanex and Dynege.

Other Ratios

December 31 and for the year ended	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989
After-tax return on capital employed before other gains and losses ¹	2.2 %	7.9 %	8.7 %	21.1 %	13.1 %	3.5 %	21.5 %	17.8 %	5.0 %	20.9 %
After-tax return on capital employed after other gains and losses ¹	2.2 %	6.2 %	7.8 %	22.0 %	13.2 %	20.9 %	36.5 %	45.6 %	9.6 %	2.7 x
Percentage of debt to total assets ²	36.2 %	27.0 %	27.9 %	22.5 %	15.0 x	9.9 x	15.0 x	9.9 x	2.7 x	
Return on average equity ³	1.4 %	9.1 %	12.5 %	36.5 %	45.6 %	9.6 %	15.0 x	9.9 x	2.7 x	
Interest coverage (times) ⁴	1.3 x	4.6 x	6.3 x	15.0 x	9.9 x	2.7 x	15.0 x	9.9 x	2.7 x	
Employees at year-end ⁵	3,600	3,400	3,400	2,700	2,800	3,000	2,700	2,800	3,000	

1 Calculated as net income plus after-tax interest expense, divided by year-end net working capital plus fixed and other assets and the investment in Methanex and Dynege.

2 Debt includes long-term debt plus current portion of long-term debt. Excludes intercompany debt.

3 Equity is net of advances to parents and affiliates.

4 Equal to net income before interest expense and income taxes divided by interest expense.

5 Excludes employees of equity-held investments and Huntsman.

NOVA Chemicals Corporation **financial statements**

Statement of Income

<i>Year ended December 31 (millions of dollars)</i>	<i>Pro Forma¹ 1998</i>	<i>1998</i>	<i>1997</i>	<i>1996</i>	<i>1995</i>	<i>1994</i>	<i>1993</i>
Revenue	\$ 2,785	\$ 2,075	\$ 2,285	\$ 2,069	\$ 2,077	\$ 1,835	\$ 1,596
Operating costs and expenses							
Operating expenses	2,471	1,803	1,896	1,648	1,430	1,492	1,402
Styrenics restructuring	18	18	-	-	-	-	-
Depreciation	189	151	160	150	137	127	121
	<u>2,678</u>	<u>1,972</u>	<u>2,056</u>	<u>1,798</u>	<u>1,567</u>	<u>1,619</u>	<u>1,523</u>
Operating income	\$ 107	\$ 103	\$ 229	\$ 271	\$ 510	\$ 216	\$ 73
Other income (deductions)							
Interest expense	(67)	(46)	(56)	(45)	(37)	(41)	(37)
Equity in earnings of affiliates	1	1	57	40	50	99	-
Other gains (losses)	-	-	(39)	(22)	(6)	83	20
General and corporate	(2)	2	(5)	(5)	(2)	4	6
	<u>(68)</u>	<u>(43)</u>	<u>(43)</u>	<u>(32)</u>	<u>5</u>	<u>145</u>	<u>(11)</u>
Income before taxes	39	60	186	239	515	361	62
Income taxes	(42)	(42)	(75)	(86)	(161)	(76)	(16)
Net income	\$ (3)	\$ 18	\$ 111	\$ 153	\$ 354	\$ 285	\$ 46
Add back (deduct) other losses (gains) after-tax	\$ -	\$ -	\$ 39	\$ 22	\$ (7)	\$ (82)	\$ (20)
Net income before other gains and losses	\$ (3)	\$ 18	\$ 150	\$ 175	\$ 347	\$ 203	\$ 26

¹ The unaudited pro forma income statement was prepared to illustrate the effects of the Huntsman acquisition as if it had occurred at the beginning of 1998.

Balance Sheet¹

<i>Year ended December 31 (millions of dollars)</i>	<i>1998</i>	<i>1997</i>	<i>1996</i>	<i>1995</i>	<i>1994</i>	<i>1993</i>
Assets						
Current assets						
Cash and cash equivalents	\$ 37	\$ -	\$ 164	\$ 102	\$ 15	\$ 20
Receivables	348	301	228	192	251	189
Inventories	280	207	269	160	140	164
Advances to parents and affiliates	-	175	73	33	107	23
Assets held for sale	-	-	-	-	-	90
	<u>665</u>	<u>683</u>	<u>734</u>	<u>487</u>	<u>513</u>	<u>486</u>
Investments and other assets	733	780	746	712	545	121
Plant, property and equipment	3,401	2,435	2,223	2,030	2,068	1,989
Less accumulated depreciation	(1,219)	(1,211)	(1,068)	(913)	(836)	(736)
Net plant, property and equipment	<u>2,182</u>	<u>1,224</u>	<u>1,155</u>	<u>1,117</u>	<u>1,232</u>	<u>1,253</u>
	\$ <u>3,580</u>	\$ <u>2,687</u>	\$ <u>2,635</u>	\$ <u>2,316</u>	\$ <u>2,290</u>	\$ <u>1,860</u>
Liabilities and shareholders' equity						
Current liabilities						
Bank loans	\$ -	\$ 57	\$ -	\$ 8	\$ 217	\$ 214
Accounts payable & accrued liabilities	473	253	269	298	216	198
Long-term debt installments due within one year	17	36	37	35	81	84
	<u>490</u>	<u>346</u>	<u>306</u>	<u>341</u>	<u>514</u>	<u>496</u>
Long-term debt	1,280	690	698	474	221	305
Long-term debt to affiliates	-	66	66	66	514	388
Deferred credits	298	237	235	208	188	145
Shareholders' equity						
Preferred securities	210	-	-	-	-	-
Retractable preferred shares	198	-	-	-	-	-
Common shares	492	491	491	491	428	427
Contributed surplus	-	14	14	14	14	14
Cumulative translation adjustment	(15)	39	23	32	74	34
Reinvested earnings	627	804	802	690	337	51
	<u>1,512</u>	<u>1,348</u>	<u>1,330</u>	<u>1,227</u>	<u>853</u>	<u>526</u>
	\$ <u>3,580</u>	\$ <u>2,687</u>	\$ <u>2,635</u>	\$ <u>2,316</u>	\$ <u>2,290</u>	\$ <u>1,860</u>

¹ NOVA Chemicals acquired the majority of Huntsman's styrenics businesses on December 31, 1998. Accordingly, NOVA Chemicals' balance sheet as at December 31, 1998 includes the Huntsman acquisition.

Long-Term Investment Activities and Other Assets

Year ended December 31 (millions of dollars)	1998	1997	1996	1995	1994	1993
Methanex Corporation ¹	\$ -	\$ -	\$ -	\$ 5	\$ 152	\$ 109
Dynegey Inc.	-	-	-	65	167	-
Other	6	7	20	3 ²	9	7
	\$ 6	\$ 7	\$ 20	\$ 73	\$ 328	\$ 116

1 Includes the cost of NOVA Chemicals' methanol assets (\$71 million) that were exchanged in 1994 for Methanex common shares. No gain or loss was recognized on the exchange of the methanol assets.

2 Excludes \$66 million intercompany transaction with NOVA Gas International Ltd., then a wholly owned subsidiary.

Statement of Cash Flow

Year ended December 31 (millions of dollars)	1998	1997	1996	1995	1994	1993
Operating activities						
Net income from continuing operations after minority interest	\$ 18	\$ 111	\$ 153	\$ 354	\$ 285	\$ 46
Depreciation	151	160	150	137	127	121
Deferred income taxes	2	1	(4)	31	44	12
Equity in earnings of affiliates	(1)	(57)	(40)	(50)	(99)	-
Other gains (losses)	-	39	22	6	(101)	(20)
Funds from continuing operations	170	254	281	478	256	159
Changes in non-cash working capital	28	(27)	(158)	115	(37)	(48)
Cash from operations	198	227	123	593	219	111
Investing activities						
Huntsman acquisition	(783)	-	-	-	-	-
Proceeds on sale of investments	-	11	-	46	180	20
Plant, property & equipment additions	(367)	(223)	(175)	(93)	(139)	(175)
Assets exchanged for Methanex common shares	-	-	-	-	71	-
Investment in Methanex	-	-	-	(5)	(152)	(109)
Long-term investments and other assets	(6)	(7)	(20)	(133)	(176)	(7)
Changes in non-cash working capital	-	18	-	-	-	-
	(1,156)	(201)	(195)	(185)	(216)	(271)
Financing activities						
Increase (decrease) in current bank loans	(57)	57	(8)	(209)	3	142
Huntsman acquisition debt financing	585	-	-	-	-	-
Long-term debt repaid	(36)	(34)	(35)	(119)	(86)	(114)
Long-term debt additions	10	-	257	325	-	135
Preferred securities issued ¹	203	-	-	-	-	-
Retractable preferred shares issued	198	-	-	-	-	-
Preferred securities distributions	(2)	-	-	-	-	-
Changes in common shares	1	-	-	63	1	-
Common share dividends	(12)	(109)	(41)	-	-	-
Intercompany and other ²	24	(104)	(39)	(381)	74	6
Changes in non-cash working capital	81	-	-	-	-	-
	995	(190)	134	(321)	(8)	169
Increase (decrease) in cash	37	(164)	62	87	(5)	9
Cash and cash equivalents at beginning of year	-	164	102	15	20	11
Cash and cash equivalents at end of year	\$ 37	\$ -	\$ 164	\$ 102	\$ 15	\$ 20

1 Net of underwriting commissions.

2 Prior to 1995, NOVA Chemicals Ltd.'s long-term funding requirements were primarily provided through its parent, NOVA Corporation.

Credit Ratings

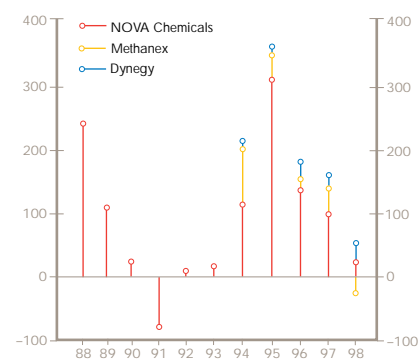
Unsecured Debt Securities ¹

NOVA Chemicals		
Canadian Bond Rating Service Inc.	(CBRS)	B++
Dominion Bond Rating Services Limited	(DBRS)	BBB
Standard & Poor's Rating Services	(S&P)	BBB+
Moody's Investors Service Inc.	(Moody's)	Baa2

1 Credit ratings are not recommendations to purchase, hold or sell securities and do not comment on market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future.

Net Income From Ongoing Operations ¹

(\$ millions)



1 Excluding non-recurring items.

Capital Spending ¹

Year ended December 31 (millions of dollars)	1998	1997	1996	1995	1994	1993
Olefins/Polyolefins						
Strategic capital	\$ 230	\$ 100	\$ 4	\$ n/a	\$ n/a	\$ n/a
Sustaining capital	55	41	48	n/a	n/a	n/a
Planned maintenance shutdowns	–	22	–	n/a	n/a	n/a
	<u>\$ 285</u>	<u>\$ 163</u>	<u>\$ 52</u>	<u>\$ n/a</u>	<u>\$ n/a</u>	<u>\$ n/a</u>
Styrenics						
Strategic capital	\$ 66	\$ 24	\$ 111	\$ n/a	\$ n/a	\$ n/a
Sustaining capital	16	36	12	n/a	n/a	n/a
Planned maintenance shutdowns	–	–	–	n/a	n/a	n/a
	<u>\$ 82</u>	<u>\$ 60</u>	<u>\$ 123</u>	<u>\$ n/a</u>	<u>\$ n/a</u>	<u>\$ n/a</u>
Total						
Strategic capital	\$ 296	\$ 124	\$ 115	\$ 27	\$ 41	\$ 83
Sustaining capital	71	77	60	66	78	92
Planned maintenance shutdowns	–	22	–	–	20	–
	<u>\$ 367</u>	<u>\$ 223</u>	<u>\$ 175</u>	<u>\$ 93</u>	<u>\$ 139</u>	<u>\$ 175</u>

¹ Capital spending not split out by business prior to 1996.

Productivity

Sales per employee (thousands of dollars)	1998	1997	1996	1995	1994	1993	1992
NOVA Chemicals	610	682	682	778	626	597	593
Peer Average	504	501	529	561	441	372	382

1998 Co-products Volumes and Revenues ¹

(MMlbs and millions of dollars)	Volumes	Revenues
Propylene	806	
Benzene	321	
No. 2 Fuel Oil	241	
Vacuum Gas Oil	782	
Residual Fuel Oil (No. 6)	526	
Joffre C3's to C 5's	405	
C4's	547	
C5's	173	
Other	1,014	
Total	4,815	\$ 324

¹ Excludes intercompany sales.

Capitalization

(millions of dollars)	1998
Long-term debt ¹	
E2 unsecured facility	77
Huntsman acquisition facility due March, 2000	390
6-1/2% notes due September, 2000	150
7% notes due September, 2005	100
7-7/8% debentures due September, 2025 ²	100
7% debentures due August, 2026	150
7-1/4% debentures due August, 2028	125
Unsecured notes due 2000 – 2003	205
Total long-term debt	1,297
Shareholders' equity	
9 1/2% preferred securities ³	210
Common equity	
Retractable preferred shares ⁴	198
Common share equity ⁵	1,104
Total common equity	1,302
Total shareholders' equity	1,512
Total capitalization	\$ 2,809

¹ Includes current portion.

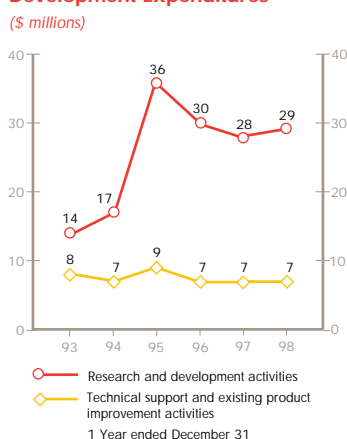
² Callable at the corporation's option after September 15, 2005.

³ On January 26, 1999, NOVA Chemicals issued an additional \$172.5 million of preferred securities due 2048.

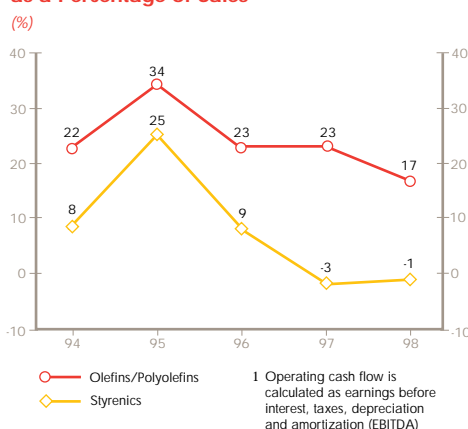
⁴ Preferred shares of a subsidiary which are exchangeable into NOVA Chemicals common shares.

⁵ 1997 figure is net of advances to parent and affiliates.

Research and Development Expenditures ¹



Operating Cash Flow ¹ as a Percentage of Sales



Factors Affecting NOVA Chemicals' 1999 Net Income ¹

<i>Assumptions ²</i>	<i>Estimated annual income increase (decrease)</i>	<i>Assumed third party sales</i>
Increase in profit margin of 1¢ per pound		
Ethylene ³	\$ 5 million	1.0 billion lbs.
Polyethylene	17 million	2.6 billion lbs.
Styrene ⁴	5 million	0.8 billion lbs. ⁵
Polystyrene ^{4,6}	18 million	2.8 billion lbs.
Propylene	5 million	0.9 billion lbs.
\$10-million increase in Methanex's net income	3 million	
\$10-million increase in Dynegey's net income	3 million	

1 The company has not disclosed the potential impact of foreign exchange rate changes for 1999, as substantially all of its anticipated Canadian dollar costs have been hedged.

2 A decrease in these factors will have the opposite effect on net income.

3 Excludes cost-of-service third party sales.

4 Includes production capacity acquired with Huntsman acquisition.

5 Estimate based on projected utilization rates. Is not net of short-term purchase arrangements.

6 Includes polystyrene and expandable polystyrene (EPS).

Equity Investments - Methanex

<i>(millions of dollars)</i>	<i>1998</i>	<i>1997</i>	<i>1996</i>	<i>1995</i>	<i>1994</i>	<i>1993¹</i>
Equity earnings (loss) ²	\$ (18)	\$ 46	\$ 18	\$ 46	\$ 98	\$ n/a
Amortization of purchase differential	(7)	(7)	(6)	(7)	(7)	n/a
Net equity earnings contribution (loss)	\$ (25)	\$ 39	\$ 12	\$ 39	\$ 91	\$ n/a

1 Equity accounting began in 1994 when ownership percentage increased from 9% to 24%.

2 Excludes one-time asset writedown of \$22 million in 1996.

Equity Investments - Dynegey

<i>(millions of dollars)</i>	<i>1998</i>	<i>1997</i>	<i>1996</i>	<i>1995</i>	<i>1994</i>
Equity earnings (loss) ¹	\$ 28	\$ 22	\$ 30	\$ 14	\$ 15
Amortization of purchase differential	(2)	(2)	(2)	(4)	(6)
Net equity earnings contribution	\$ 26	\$ 20	\$ 28	\$ 10	\$ 9

1 Excludes one-time asset writedown of \$39 million to Dynegey's natural gas liquids and crude oil business.

Cost-of-Service Data

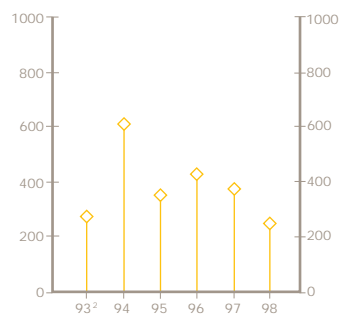
<i>(millions of dollars)</i>	<i>1998</i>	<i>1997</i>	<i>1996</i>	<i>1995</i>	<i>1994</i>	<i>1993</i>
Revenue						
Cost-of-service ^{1,2}	\$ 310	\$ 290	\$ 281	\$ 250	\$ 392	\$ 324
Non-cost-of-service	1,765	1,995	1,788	1,827	1,443	1,272
	\$ 2,075	\$ 2,285	\$ 2,069	\$ 2,077	\$ 1,835	\$ 1,596
Operating Income						
Cost-of-service ^{1,2}	\$ 75	\$ 74	\$ 78	\$ 75	\$ 72	\$ 60
Non-cost-of-service	28	155	193	435	144	13
	\$ 103	\$ 229	\$ 271	\$ 510	\$ 216	\$ 73
Net Income						
Cost-of-service ^{1,2}	\$ 24	\$ 25	\$ 27	\$ 27	\$ 29	\$ 24
Non-cost-of-service	(6)	86	126	327	256	22
	\$ 18	\$ 111	\$ 153	\$ 354	\$ 285	\$ 46

1 The cost-of-service arrangements related to E1 expired on December 31, 1998. After that date, E1 and E2 ethylene production previously contracted to cost-of-service customers is now split 46% to cost-of-service and 54% to non-cost-of-service sales. Joffre LLDPE is contracted for 33% of E1 and E2 ethylene production.

2 Includes cost-of-service contribution from NOVA Chemicals ethane storage and gathering system.

Market Value ¹ of Investment in Methanex

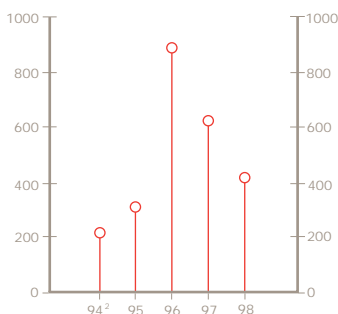
(\$ millions)



1 Based on NASDAQ closing prices at Dec. 31.
2 Original investment of \$109 million in 1993. Invested an additional \$152 million in 1994.

Market Value ¹ of Investment in Dynegey Inc.

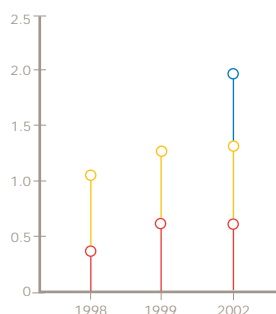
(\$ millions)



1 Based on NYSE closing prices at Dec. 31.
2 Original investment of \$167 million in 1994. Invested an additional \$65 million in 1995.

Internal Ethylene Consumption from Joffre

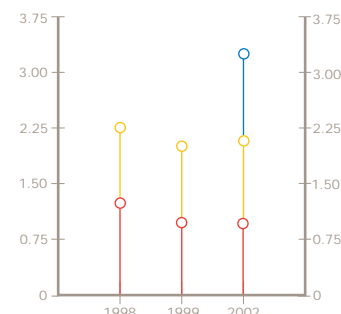
(billions of pounds)



○ E1 ○ E2 ○ E3

External Ethylene Sales from Joffre

(billions of pounds)



○ E1 ○ E2 ○ E3

NOVA Chemicals Corporation production and product information

Production Information

<i>MMlbs, except methanol</i>	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989
Production										
Ethylene – Joffre	3,366	3,547	3,270	3,200	3,453	3,158	3,188	3,250	3,200	3,200
– Corunna	1,578	1,228	1,420	1,387	1,246	1,371	1,388	1,130	1,230	980
Total ethylene	4,944	4,775	4,690	4,587	4,699	4,529	4,576	4,380	4,430	4,180
Co-products¹	3,955	3,604	3,684	3,581	3,558	4,319	4,355	4,303	5,582	4,694
Propylene	800	623	710	687	627	675	706	635	775	680
Polyethylene										
Linear low-density	1,103	1,143	1,159	996	1,108	1,009	1,008	950	925	775
Low-density	296	249	261	237	223	222	204	170	190	180
High-density	465	440	412	377	388	331	364	320	300	210
SCLAIR ^{®2}	566	532	547	515	260	–	–	–	–	–
Total polyethylene	2,430	2,364	2,379	2,125	1,979	1,562	1,576	1,440	1,415	1,165
Styrene ³	1,276	1,315	1,031	948	900	742	566	620	820	660
Polystyrene ⁴	1,210	1,216	849	674	675	617	641	650	630	680
Polypropylene ⁵	–	–	–	63	141	120	116	115	100	80
Methanol ^{6,7}	–	–	–	–	–	301	282	310	225	275

1 Includes crude, propylene, crude C₄ hydrocarbons, pyrolysis gasoline and hydrogen.

3 Includes styrene production from Sarnia and equity and tolling arrangements.

5 The polypropylene operation was sold on June 30, 1995.

7 Millions of U.S. gallons.

2 1994 includes six months of production from the St. Clair facility acquired from DuPont Canada Inc.

4 1996 includes three months of production from facilities acquired from ARCO.

6 In January 1994, NOVA Chemicals exchanged its methanol facilities for shares in Methanex.

Regional Demand Growth

<i>Summary by world (consumption in millions of lbs. except growth percentages)</i>	<i>6-Year Compound Annual Demand Growth Rate 1993 – 1998</i>	1998	1997	1996	1995	1994	1993
Polyethylene¹							
Asia and Pacific	4.4 %	30,099	30,399	28,869	25,479	23,173	20,542
North America	5.3	31,374	30,040	29,226	26,987	26,812	24,248
West Europe	4.3	23,733	22,782	21,451	21,076	20,763	19,202
South America	7.7	6,473	6,296	5,657	5,401	4,850	4,469
Africa and Mid-East	7.0	5,335	5,251	4,839	4,489	4,156	3,807
East Europe	2.7	3,263	3,131	3,062	2,985	2,709	2,855
Polystyrene							
Asia and Pacific	4.9 %	8,183	8,556	8,172	7,840	7,145	6,451
North America	3.8	6,259	6,182	5,849	5,534	5,723	5,196
West Europe	3.3	4,888	4,599	4,418	4,325	4,497	4,156
South America	11.5	966	950	884	838	703	560
Africa and Mid-East	6.6	529	514	421	549	518	461
East Europe	2.8	690	661	608	467	489	500

1 Source: Chemical Markets Associates, Inc.

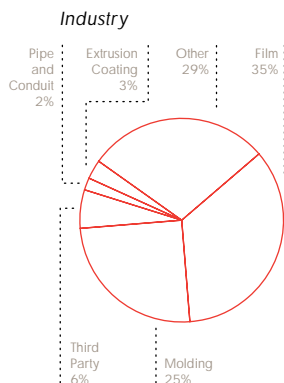
Market Share for Polyethylene and Solid Polystyrene

<i>North America</i>	1998	1997	1996	1995	1994	1993
Polyethylene %	8	7	6	6	7	6
Polystyrene ^{1,2} %	28	12	12	12	12	12

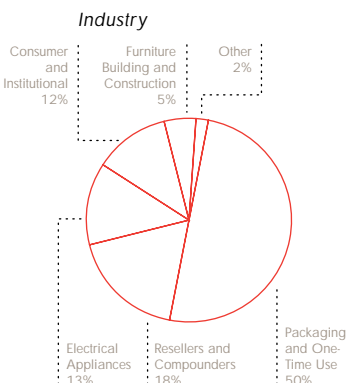
1 Includes Huntsman.

2 Percentage based on SPI North American sales.

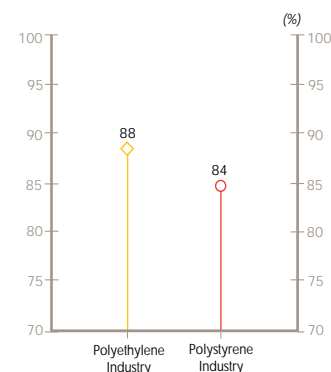
Major North American Polyethylene Product Markets and Percentage of Total Sales by Volume



Major North American Polystyrene Product Markets and Percentage of Total Sales by Volume



1998 Average North American Industry Operating Rates



NOVA Chemicals Facility Profile

<i>Site</i>	<i>Main Products</i>	<i>1998 Rated Capacity¹</i> <i>(MMlbs per year)</i>
Ethylene		
Joffre, Alberta	Ethylene (E1) Ethylene (E2) Co-products ²	1,600 1,800 520
Corunna, Ontario	Ethylene Propylene Chemical and energy products	1,600 750 – 875 ³ 3,250 – 3,750 ^{4,5}
Total Ethylene Production Capacity		5,000
Polyethylene		
Joffre, Alberta	Linear low-density polyethylene	1,255
St. Clair River Site, Ontario	Linear low-density polyethylene High-density polyethylene	265 335
Moore Township, Ontario	High-density polyethylene Low-density polyethylene	450 300
Total Polyethylene Production Capacity		2,605
Styrene Monomer		
Bayport, Texas	Styrene Monomer	1,250
Sarnia, Ontario	Styrene Monomer	950 ⁶
Channelview, Texas	Styrene Monomer	800 ⁷
Total Styrene Production Capacity		3,000
Styrenic Polymers		
Beaver Valley Site, Pennsylvania ⁸	Expandable polystyrene resins, DYLARK [®] and other styrenic polymers	405
Belpre, Ohio	Polystyrene resins	480
Carrington, United Kingdom	Polystyrene resins	400
Chesapeake, Virginia	Polystyrene resins and other styrenic polymers	400
Decatur, Alabama	Polystyrene resins	395
Joliet, Illinois	Polystyrene resins	230
Montréal, Québec	Polystyrene resins	130
Peru, Illinois ⁹	Polystyrene resins	120
Painesville, Ohio	Expandable polystyrene resins	70
Ribécourt, France	Expandable polystyrene resins	200
Springfield, Massachusetts	Polystyrene resins and other styrenic polymers	310
Total Styrenic Polymers Production Capacity		3,140

1 Capacity at December 31, 1998. Includes facilities acquired from Huntsman.

2 Co-products include crude, propylene, crude C₄ hydrocarbons, pyrolysis gasoline and hydrogen.

3 Variable depending on feedstock.

4 Excludes propylene.

5 Variable depending on feedstock used and includes crude C₄ hydrocarbons, C₂ dienes, dicyclopentadiene (DCPD), benzene, toluene/xylene, C₉ resin oils, hydrogen and fuels.

6 Additional capacity of 350 million pounds added in January 1999, to bring total capacity to 950 million pounds.

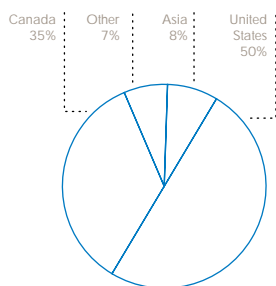
7 Two long-term tolling arrangements with Lyondell Chemical Company for 400 million pounds each.

8 Includes a total of 130 million pounds of production capacity divided between DYLARK engineering resin, ARCEL[®] moldable resilient foam resin and polystyrene.

9 Tolling arrangement. NOVA Chemicals has announced its intent to decommission the assets it owns at this facility during the third quarter of 1999.

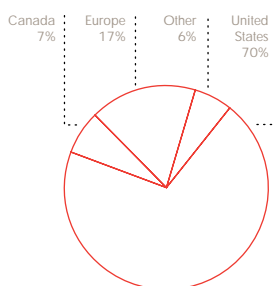
Polyethylene Sales by Volume

(1998 total: 2,458 mmlb)



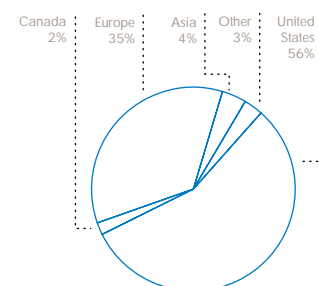
Solid and High Performance Polystyrene Sales by Volume

(1998 pro forma Huntsman total: 2,206 mmlb)



Expandable Polystyrene Sales by Volume

(1998 pro forma Huntsman total: 551 mmlb)



NOVA Chemicals Corporation production and product information

North American Leading Ethylene Producers

<i>Dec. 31/98 Production Capacities</i>	<i>(MMlbs)</i>
Equistar Chemicals LP	11,340
Dow Chemical Co.	7,900
Exxon Chemical SA	6,700
NOVA Chemicals	5,000
Shell Oil Co.	5,000
Union Carbide Corp.	4,840
Phillips Petroleum Co.	4,625
Chevron Corp.	3,500
Petróleos Mexicanos	3,070
Others	3,000
Total	54,975

Source: Chemical Markets Associates, Inc. and public information compiled by NOVA Chemicals.

North American Leading Styrene Producers (Pro Forma) ¹

<i>Dec. 31/98 Production Capacities</i>	<i>(MMlbs)</i>
NOVA Chemicals ^{2,3}	3,000
Lyondell Chemical Co. ³	1,275
Chevron Corp.	1,700
Sterling Chemicals Inc.	1,700
Dow Chemical Co.	1,420
Amoco Chemical	1,000
General Electric ⁴	1,000
Petrofina ⁴	1,000
Shell Chemical	990
Others	1,755
Total	14,840

Source: Chemical Markets Associates, Inc. and public information compiled by NOVA Chemicals.

North American Leading Polyethylene Producers

<i>Dec. 31/98 Production Capacities</i>	<i>(MMlbs)</i>
Equistar Chemicals LP	6,541
Exxon Corporation	5,540
Dow Chemical Co.	4,663
Union Carbide Corp.	4,306
Chevron U.S.A. Inc.	2,674
NOVA Chemicals	2,605
Phillips Petroleum Co.	2,249
Mobil Corp.	2,099
Solvay SA	1,867
Westlake	1,358
Others	5,167
Total	39,069

Source: Chemical Markets Associates, Inc.

- 1 Includes assets acquired from Huntsman.
 - 2 Includes 400 mmlb minority interest in Lyondell's Channelview, Texas facility.
 - 3 Includes 400 mmlb NOVA Chemicals tolling arrangement.
 - 4 Operated under Cosmar 50/50 joint venture.
- * Excludes NOVA Chemicals DYLARK and clear production.

North American Leading EPS Producers*

<i>Dec. 31/98 Production Capacities</i>	<i>(MMlbs)</i>
NOVA Chemicals	345
BASF Corp.	255
Dart	205
Huntsman Corp.	200
StyroChem U.S. Ltd	130
Others	105
Total	1,240

Source: Chemical Markets Associates, Inc. and public information compiled by NOVA Chemicals.

North American Leading Solid Polystyrene Producers (Pro Forma) ¹

<i>Dec. 31/98 Production Capacities</i>	<i>(MMlbs)</i>
NOVA Chemicals	2,065
Dow Chemical Co.	1,635
BASF Corp.	1,075
FINA Oil & Chemicals Co.	1,025
Chevron Corp.	770
Others	900
Total	7,470

Source: Chemical Markets Associates, Inc. and public information compiled by NOVA Chemicals.

Announced Global Styrene, Polystyrene and EPS Capacity Expansions, through to 2002

<i>Company</i>	<i>Size of Expansion (MMlbs)</i>
1999	
NOVA Chemicals	350
BASF Corp.	180
Ind. Resistol	77
Polidesa	55
Dow Chemical Co.	(55)
Total 1999 Additions	607
2000	
FINA Oil & Chemicals Co.	44
Ind. Resistol	33
Total 2000 Additions	77

Source: Public information compiled by NOVA Chemicals.

Announced Global Ethylene Capacity Expansions, through to 2002

<i>Company</i>	<i>Size of Expansion (MMlbs)</i>
1999	
Dow Chemical Co.	990
Union Carbide Corp.	500
Total 1999 Additions	1,490
2000	
NOVA Chemicals/ Union Carbide Corp.	2,800
Shell Chemical	500
Union Carbide Corp.	750
Total 2000 Additions	4,050
2001	
BASF Corp./ FINA Oil & Chemicals Co.	1,800
Formosa Plastics	1,500
Shell Chemical	1,250
Total 2001 Additions	4,550
2002	
Eastman Chemical Company	251
Total 2002 Additions	251

Source: Chemical Markets Associates, Inc.

Announced Global Polyethylene Capacity Expansions, through to 2002

<i>Company</i>	<i>Size of Expansion (MMlbs)</i>
1999	
Chevron Chemical Co.	200
Dow Chemical Co. (Canada)	550
Eastman Chemical Company	100
Equistar Chemicals LP	480
Hoechst AG	60
Total 1999 Additions	1,390
2000	
NOVA Chemicals	850
Union Carbide Corp.	1,200
Total 2000 Additions	2,050
2001	
Equistar Chemicals LP	170
Exxon Chemical SA	210
Formosa Plastics	730
Total 2001 Additions	1,110
2002	
Formosa Plastics	302
Exxon Chemical SA	99
Westlake	33
Total 2002 Additions	434

Source: Chemical Markets Associates, Inc.

NOVA Chemicals Corporation price information

Average Benchmark Prices ¹	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989
Ethylene (\$/lb) ²	0.18	0.25	0.22	0.25	0.20	0.18	0.18	0.21	0.24	0.30
Natural Gas –										
NYMEX (\$/mmbtu) ³	2.07	2.61	2.57	1.64	1.90	2.13	1.82	1.55	1.69	n/a
Alberta Spot Price (\$/mmbtu) ⁴	1.38	1.35	1.02	0.85	1.62	1.77	0.95	n/a	n/a	n/a
W.T.I. Oil (\$/bbl) ⁵	14.40	20.60	22.00	18.40	17.20	18.40	20.60	21.50	24.50	19.60
Purity Ethane (\$/gallon) ⁶	0.19	0.23	0.26	0.16	0.21	0.21	0.24	0.22	0.22	0.15
Propylene (\$/lb) ⁸	0.13	0.19	0.17	0.21	0.14	0.12	0.13	0.16	0.16	0.19
Polyethylene										
Linear low-butene liner (\$/lb) ⁸	0.27	0.37	0.36	0.42	0.33	0.29	0.32	0.32	0.37	0.43
Weighted Average Polyethylene (\$/lb) ⁷	0.33	0.42	0.40	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Styrene (\$/lb) ⁸	0.26	0.29	0.32	0.45	0.33	0.24	0.25	0.30	0.41	0.42
Benzene (\$/gallon) ⁸	0.80	1.00	0.97	0.95	1.07	0.97	1.11	1.22	1.51	1.34
Polystyrene (\$/lb) ⁹	0.36	0.40	0.45	0.55	0.46	0.41	0.41	0.44	0.49	0.52
Weighted Average Polystyrene (\$/lb) ¹⁰	0.40	0.44	0.46	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Methanol (\$/gallon) ¹¹	0.36	0.56	0.45	0.67	0.87	0.47	0.43	0.51	0.41	0.44

1 Average benchmark prices are not necessarily the prices realized by NOVA Chemicals or any other petrochemical company.

2 U.S. Gulf Coast large buyer price. Source: Dewitt and Company, Incorporated.

3 NYMEX Henry Hub.

4 Weighted average spot price at AECCO C and via NOVA Inventory Transfer. Source: Canadian Gas Price Reporter.

5 U.S. Gulf Coast price. Source: 1988-1994, the Purvin & Gertz LPG Yearbook, 1995 Edition, Volume 1. 1995-1997. Public information compiled by NOVA Chemicals.

6 U.S. Gulf Coast price. Source: Oil Price Information Service.

7 Benchmark prices weighted according to NOVA Chemicals' product mix. Source: Phillip Townsend Associates, Inc.

8 U.S. Gulf Coast price. Source: Phillip Townsend Associates, Inc.

9 U.S. Gulf Coast marker price which includes a combination of high heat crystal, high impact extrusion, high impact injection and GP crystal polystyrene. Source: Phillip Townsend Associates, Inc.

10 Average benchmark prices and NOVA Chemicals' actual realized prices (for certain products where there are no benchmarks available), weighted according to NOVA Chemicals' product mix.

Includes EPS, but excludes high performance styrenics, DYLARK and other. Source: Phillip Townsend and Associates Inc. and NOVA Chemicals.


11 Methanex's average realized price.

U.S./Canadian Dollar

Exchange Rates	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989
High	.7123	.7493	.7526	.7533	.7642	.8065	.8771	.8934	.8859	.8652
Low	.6309	.6945	.7212	.7009	.7097	.7416	.7729	.8573	.8275	.8254
Average Noon Rate	.6743	.7223	.7223	.7334	.7285	.7134	.8276	.8728	.8570	.8445
Year-End	.6534	.6997	.7301	.7325	.7321	.7566	.7868	.8654	.8621	.8632

Example: \$1.00 Cdn. = \$.6534 U.S.

On March 4, 1999 the noon rate for Canadian dollars as reported by the Bank of Canada was Cdn. \$1.00 = \$.6556 U.S.

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