

# **NOVA Chemicals**

**Jeff Lipton**

President and CEO

**First Quarter 2007 Earnings Conference Call**

April 25, 2007 10AM

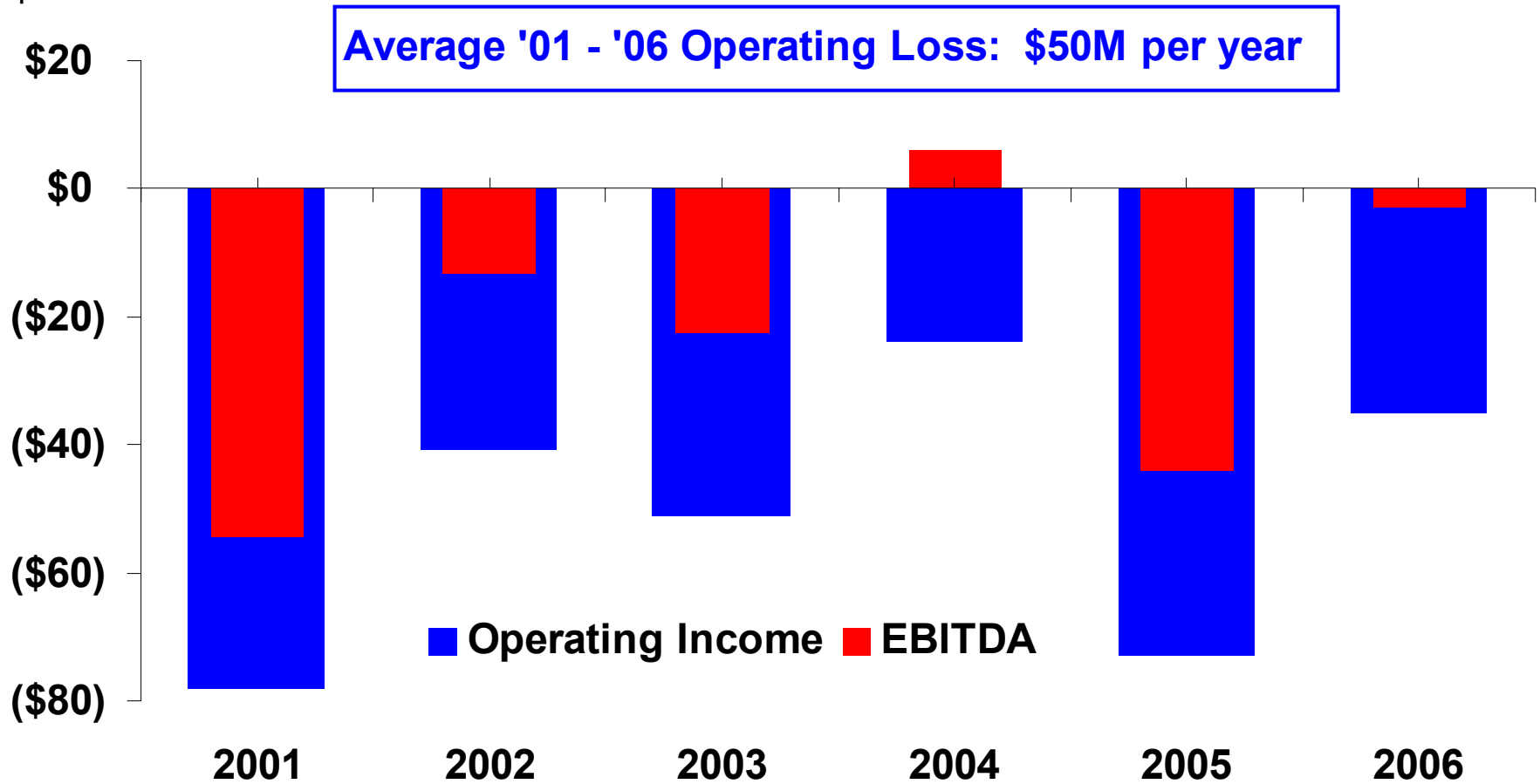
# Forward-Looking Information

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 beliefs about the proposed expanded JV with INEOS, including the minimum cost reduction target of \$40 million for North America and our expectation that it will be increased, our intent to continue talks with a potential third participant, our hopes that the expanded JV will be in operation by mid-year, and the expected annual revenues; our belief that our styrenics performance will continue to improve and that North American styrenics markets will improve somewhat as the industry consolidates; our expectation of further restructuring cost reductions; our beliefs concerning our performance styrenics unit, including our expectations concerning capital expenditures and expected improved financial performance; our expectation that we will export significant volumes of PE in the second quarter; our beliefs about PE price increases; our beliefs concerning the modernization of our Corunna cracker and our feedstock purchasing program; our views concerning our Alberta Advantage; our plans and beliefs regarding the proposed jointly developed new ethane extraction plant with Aux Sable, including the expected production capacity and start-up date of the plant; our expectation that the Alberta government policy will allow us to build the new plant, expand the use of our existing ethylene crackers, replace diminishing ethane supply and ultimately build a new PE plant in Joffre; our expectations and plans for increased output from our PE reactors in Joffre; our beliefs that Alberta is in the only part of North America with potential for significant globally-competitive feedstock supply expansion and that Alberta will be a strong competitor globally for the PE demand growth in Asia; our expectations concerning the timing for new ethylene/polyethylene capacity additions and that the global PE operating rates will remain strong at least through 2011; our expectations concerning the growth in naphtha demand and its likely impact; and our beliefs about North American producers ability to compete globally. 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.

# European Styrenics

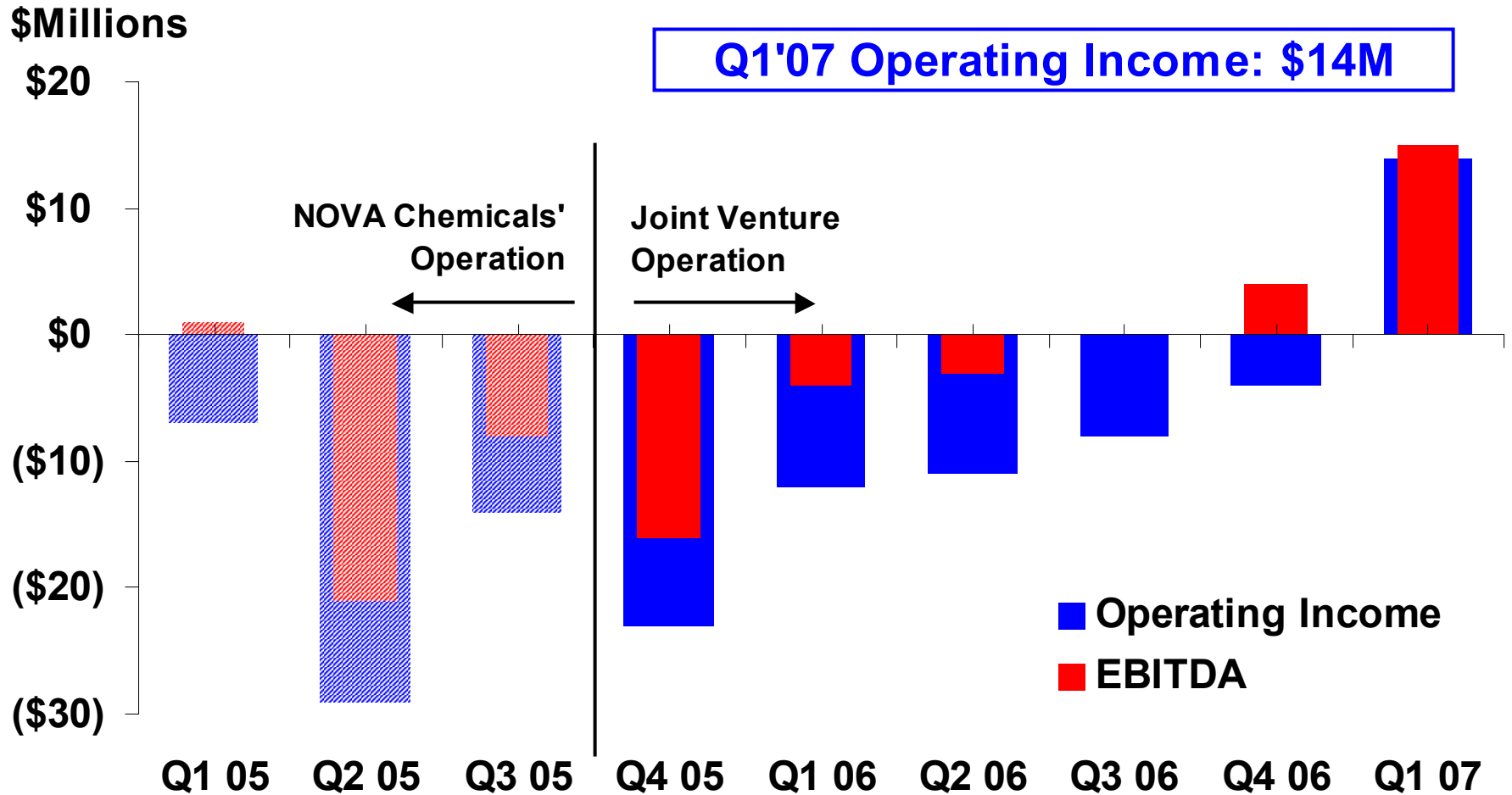
## Annual EBITDA, Operating Income

\$Millions



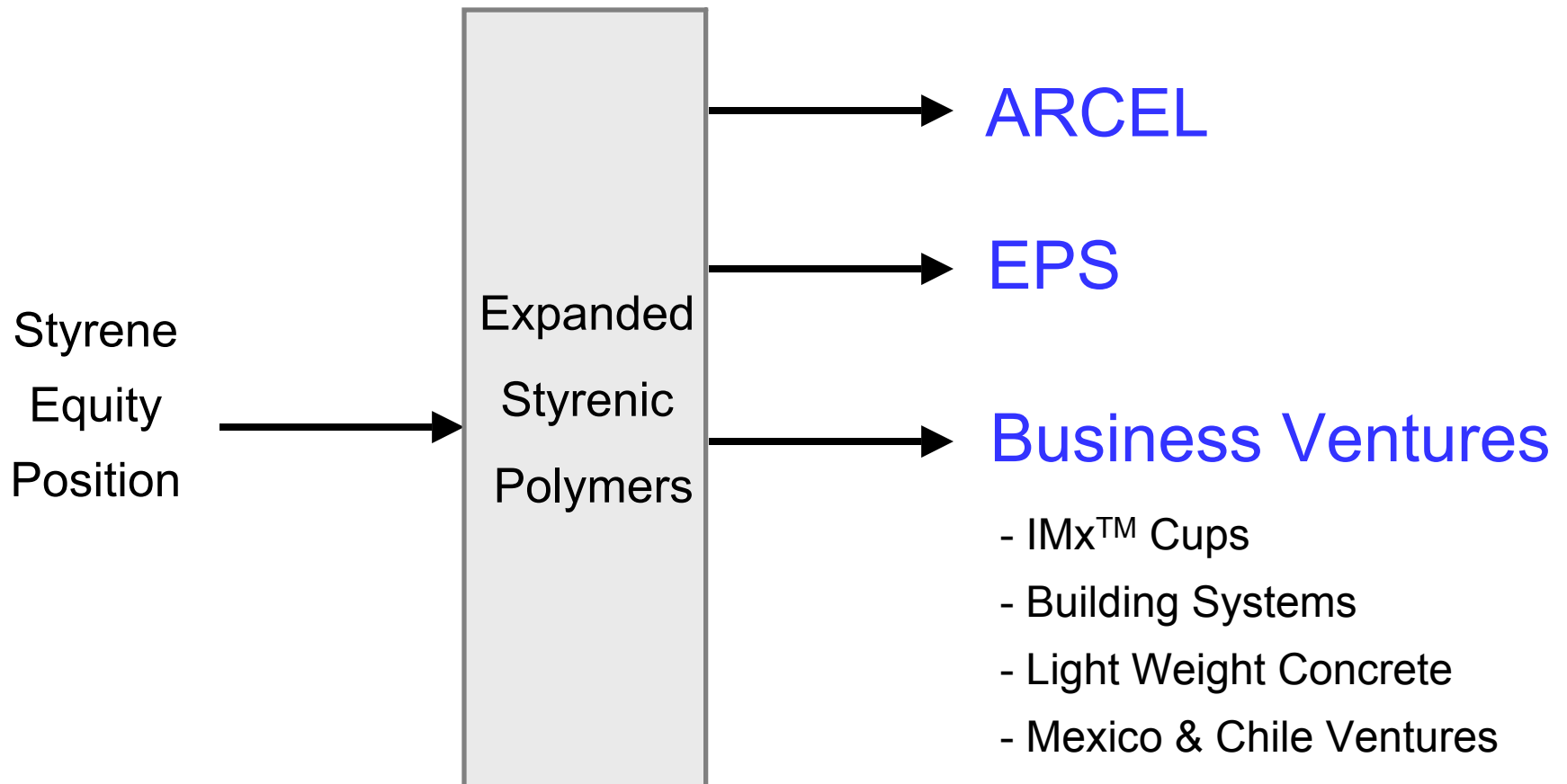
# European Styrenics

## Quarterly EBITDA, Operating Income

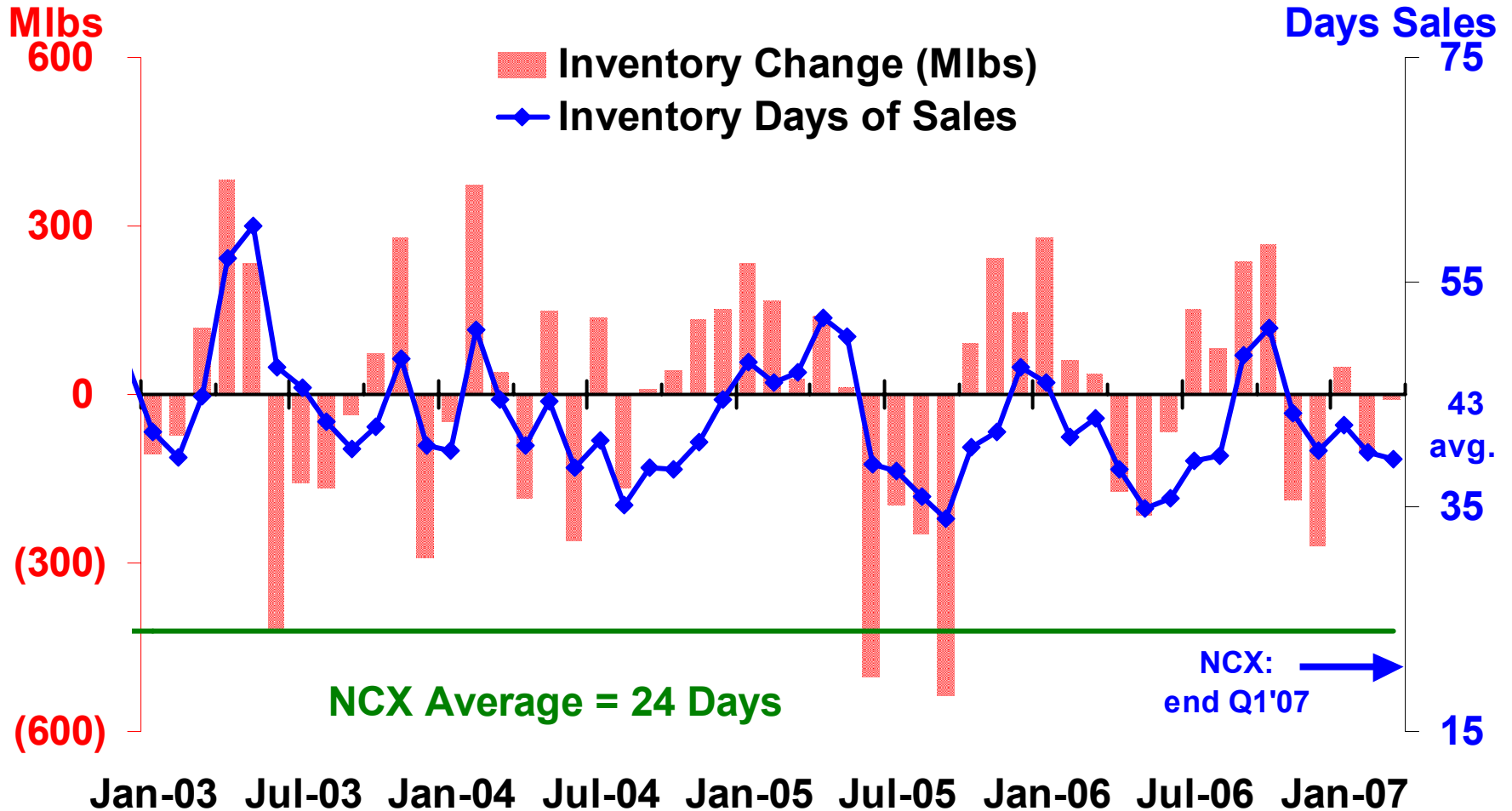


# Performance Styrenics

## NOVA Chemicals



# North American Polyethylene Producer Inventory

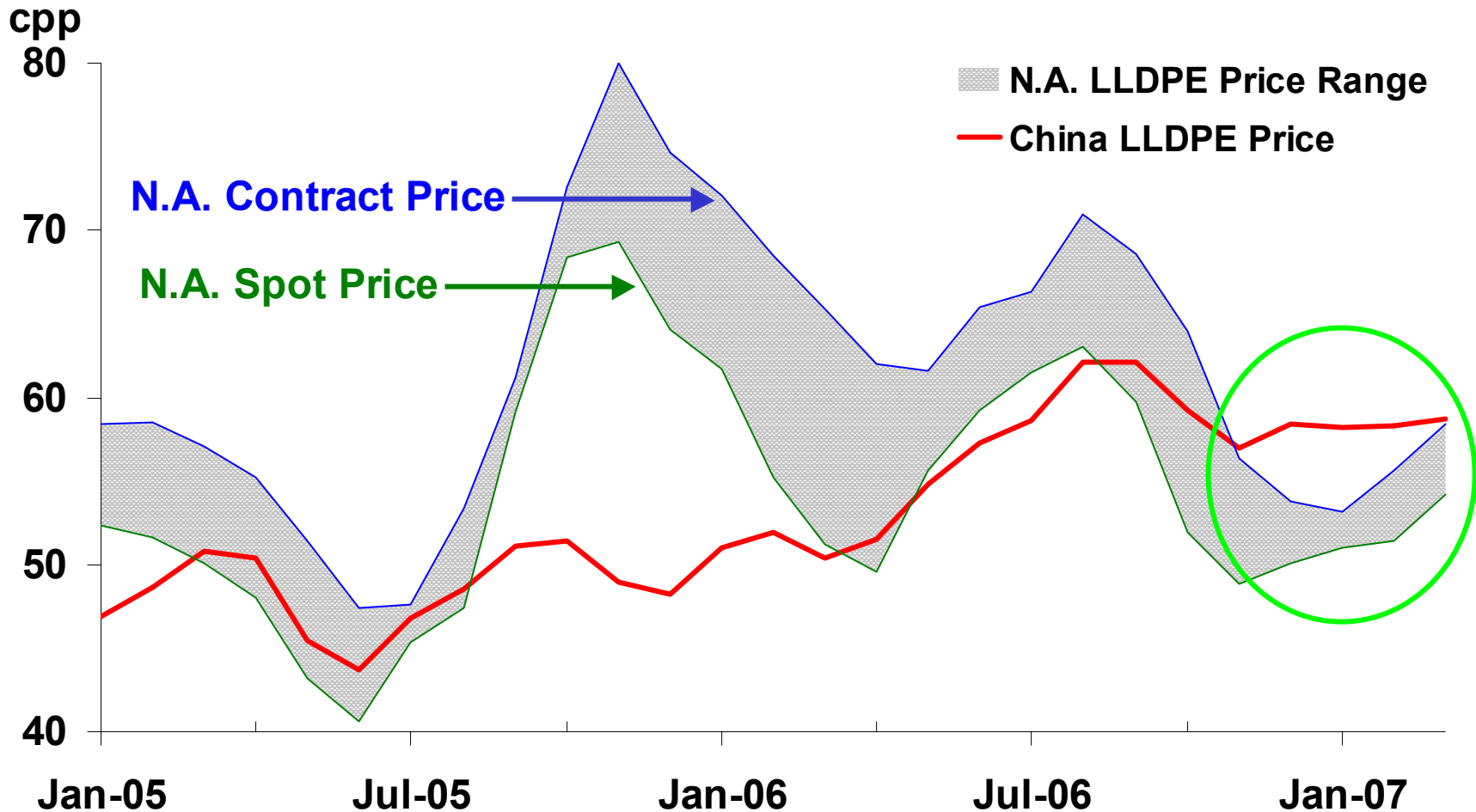


Source: APC U.S. producer inventory, adjusted by NOVA Chemicals to represent North American producers. Data through March 2007.

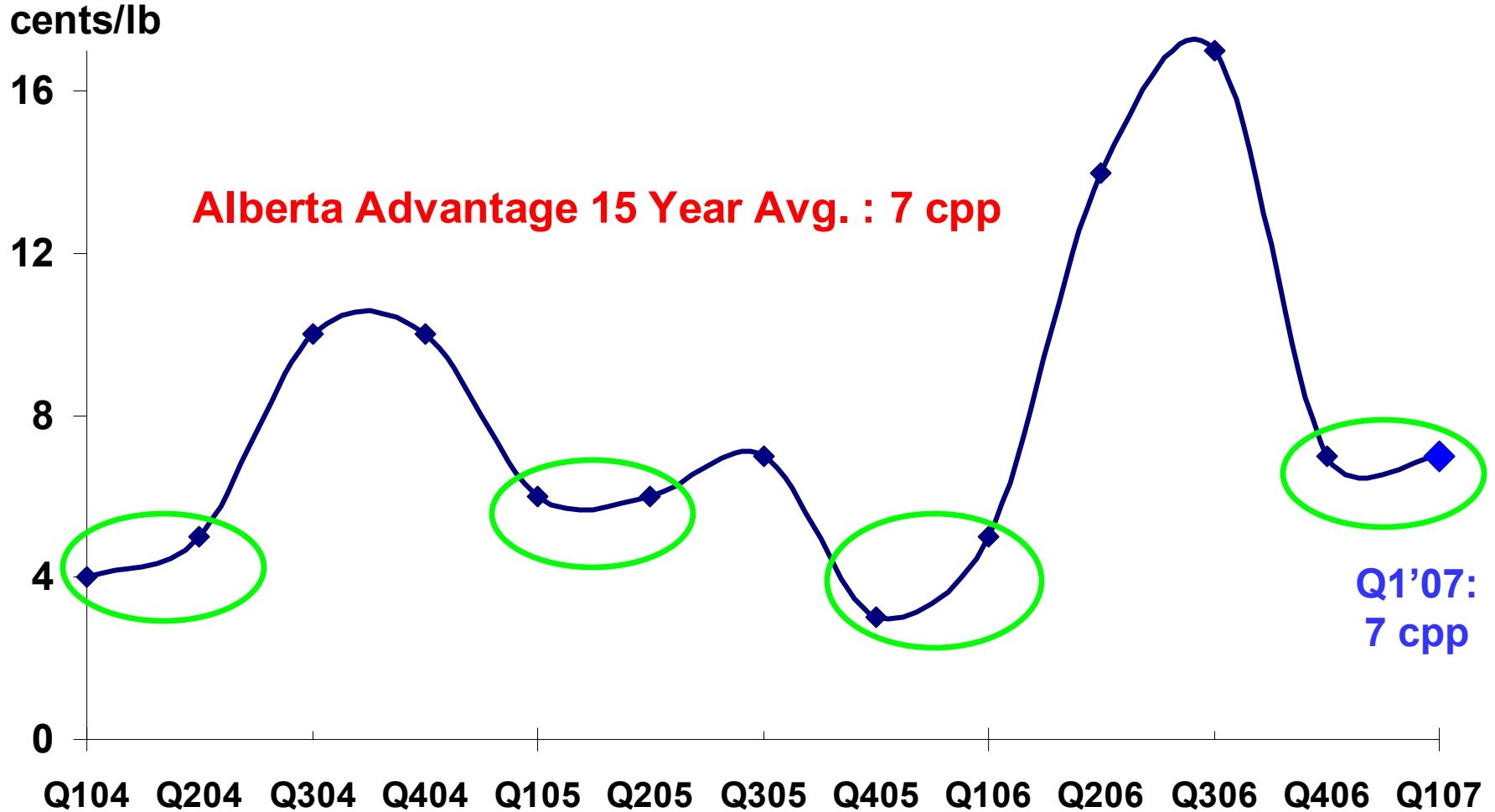
**PANEL 4**

# Regional Polyethylene Prices

## Asia vs. North America



# Alberta Advantage Strengthened in Recent Years

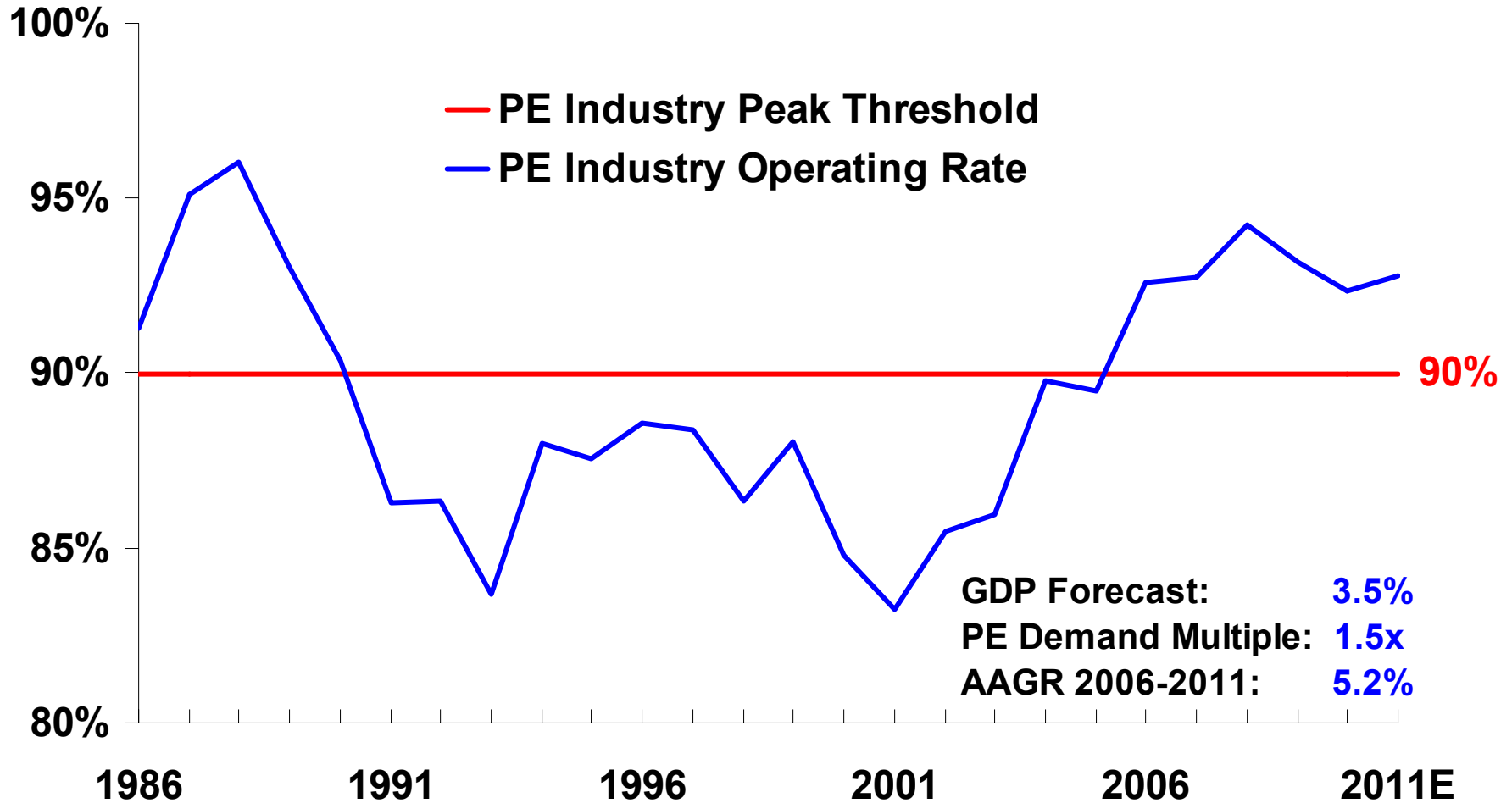


# Corporate Charges

Q1 2007

<i>\$Millions (before-tax)</i>	
<b>Corporate Operating Costs</b>	<b>\$(27)</b>
<b>Stock-based compensation/ profit sharing</b>	<b>(18)</b>
<b>Mark-to-market feedstock derivatives</b>	<b>26</b>
<b>Total</b>	<b>\$(19)</b>

# Global Polyethylene Producer Operating Rates



# New Ethylene Capacity Feedstock

## Significant New Demand for Heavy Feeds

Capacity (Mlbs)	Project	Country	Assumed Timing	Feedstock
1,150	Amir Kabir (# 6)	Iran	05'Q4	Heavy
2,400	Marun (# 7)	Iran	06'Q3	Light
< 500	Samsung Total	Korea	07'Q1	Heavy
620	LG Daesan	Korea	07'Q1	Heavy
2,200	Arya Sasol (# 9)	Iran	07'Q2	Light
2,650	Formosa	Taiwan	07'Q2	Heavy
2,900	Jam (# 10)	Iran	07'Q3	Heavy
< 500	QAPCO	Qatar	07'Q3	Light
620	BASF	Belgium	07'Q4	Heavy
660	Jubail Chevron Phillips	S.Arabia	08'Q1	Heavy
2,870	Yansab	S.Arabia	08'Q3	Light
2,650	SHARQ (Mitsubishi JV)	S.Arabia	08'Q3	Light
1,900	TKOC (formerly Equate)	Kuwait	08'Q3**	Light
770	Lotte Daesan	Korea	08'Q3	Heavy
< 500	PQU	Brazil	08'Q4	Heavy

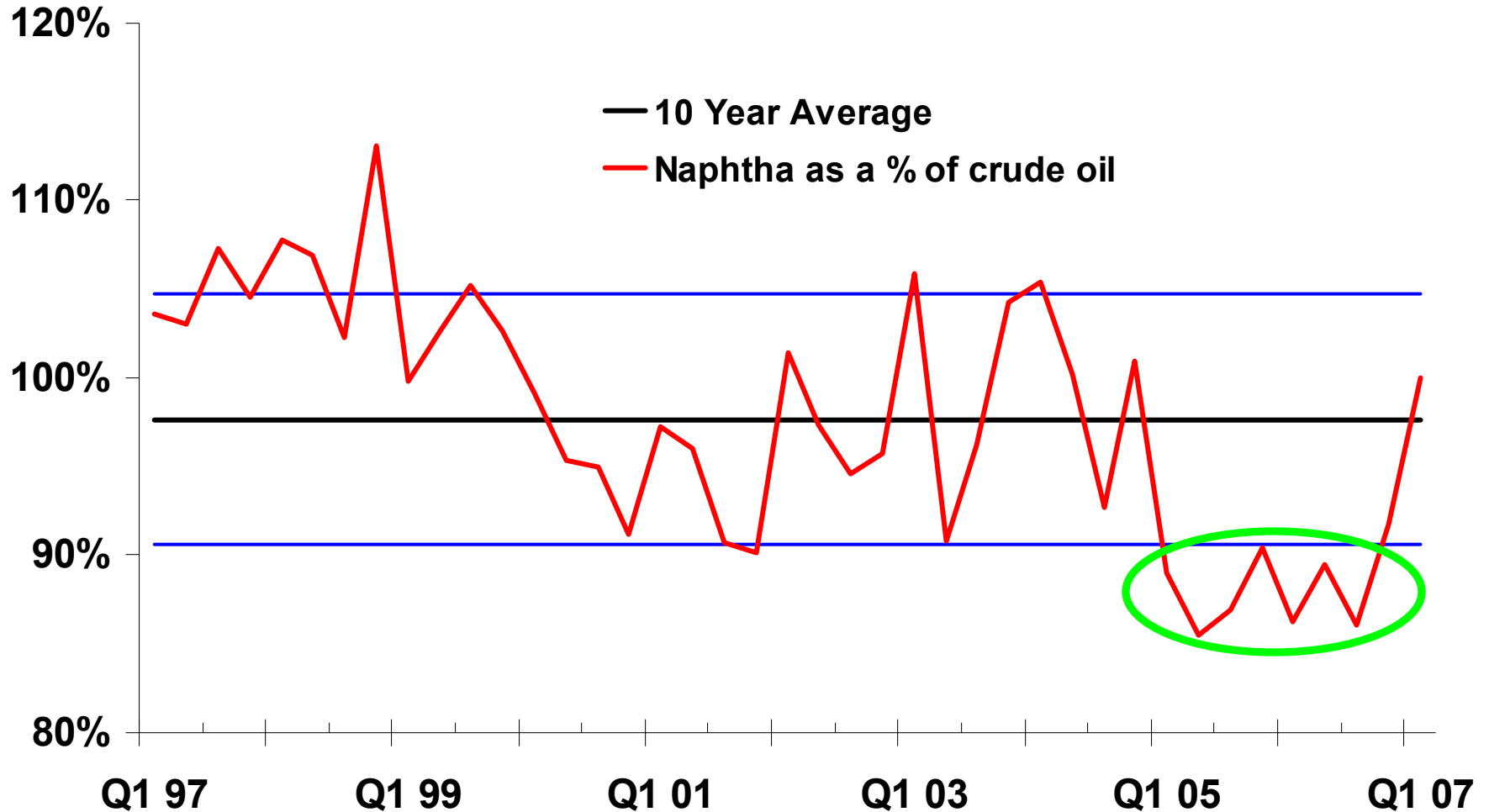
Source: NOVA Chemicals, with various industry sources.

\*\* TKOC likely further delayed to at least Q2'09.

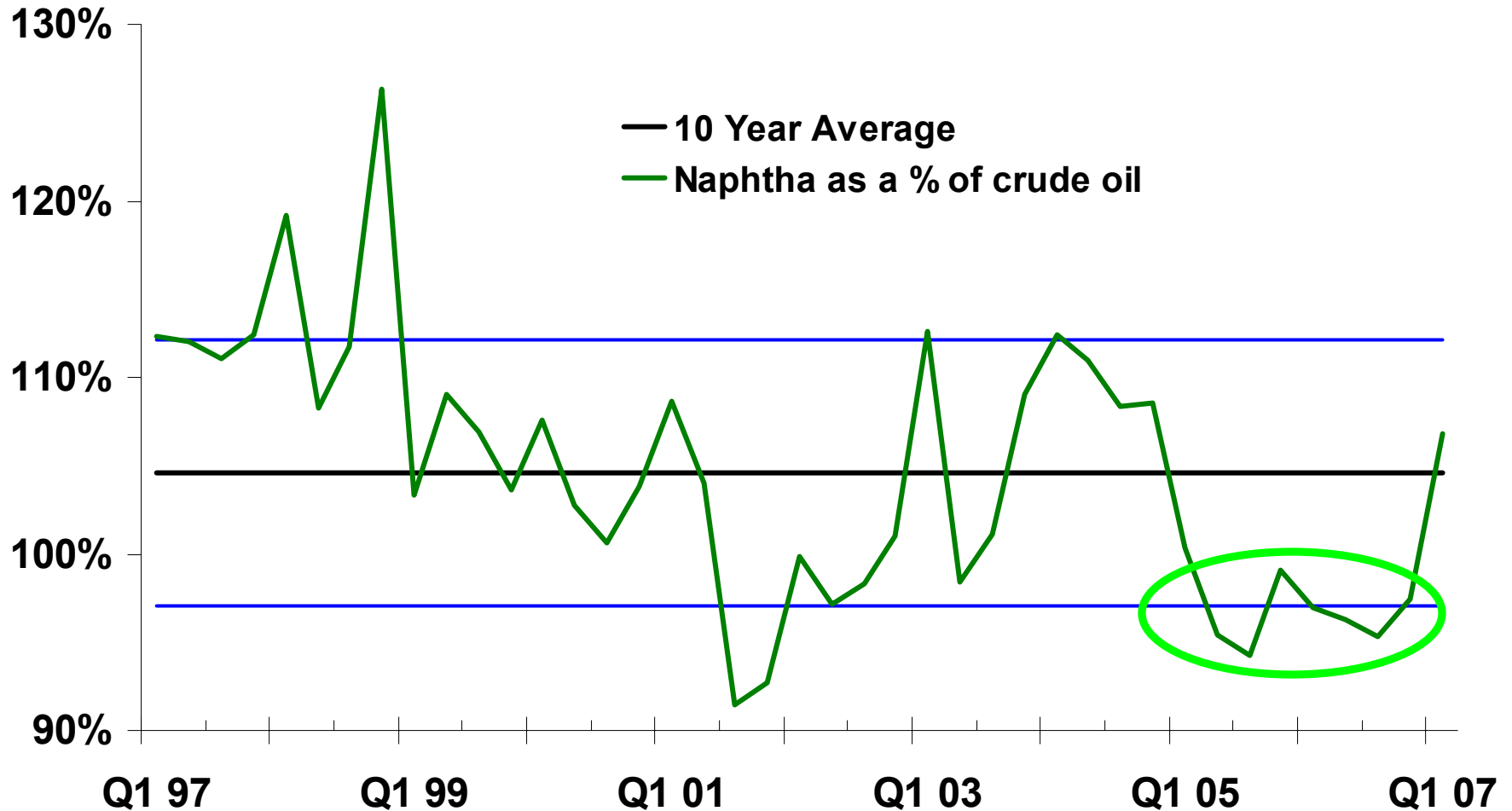
# New Ethylene Capacity Feedstock

Capacity (Mlbs)	Project	Country	Assumed Timing	Feedstock
2,870	Petro-Rabigh	S. Arabia	09'Q1	Light
2,204	Saudi Ethylene and PE	S. Arabia	09'Q1	Light
1,100	Kharg PC	Iran	09'Q1	Light
2,870	Ras Laffan Ethylene Co	Qatar	09'Q2	Light
2,200	Dushanzi PC	China	09'Q3	Heavy
1,760	Fujian PC (JV)	China	09'Q3	Heavy
2,200	PTT Chemical	Thailand	09'Q4	Light
1,980	Indian Oil	India	09'Q4	Heavy
2,200	Tianjin PC	China	09'Q4	Heavy
2,200	Zhenhai Refining	China	09'Q4	Heavy
2,200	Shell	Singapore	10'Q2	Heavy
3,090	Borouge	UAE	10'Q2	Light
450	Pemex	Mexico	10'Q3	Light
1,146	Guangzhou Ethylene	China	10'Q3	Heavy
1,760	Fushun	China	10'Q3	Heavy
2,630	Dow-Siam Cement	Thailand	10'Q3	Heavy
2,860	Sipchem	Saudi Arabia	10'Q4	Light
2,430	Arvand PC (#8)	Iran	2011	Light
450	Pemex	Mexico	2011	Light
700	Ilam PC (#13)	Iran	2011	Heavy
1,760	Chengdu Petrochemical	China	2011	Heavy
2,200	OPIC (Dow JV)	Oman	2011	Light
2,600	Q-JV	Qatar	2011	Light

# Asian Heavy Feedstock Naphtha as % of Crude Oil

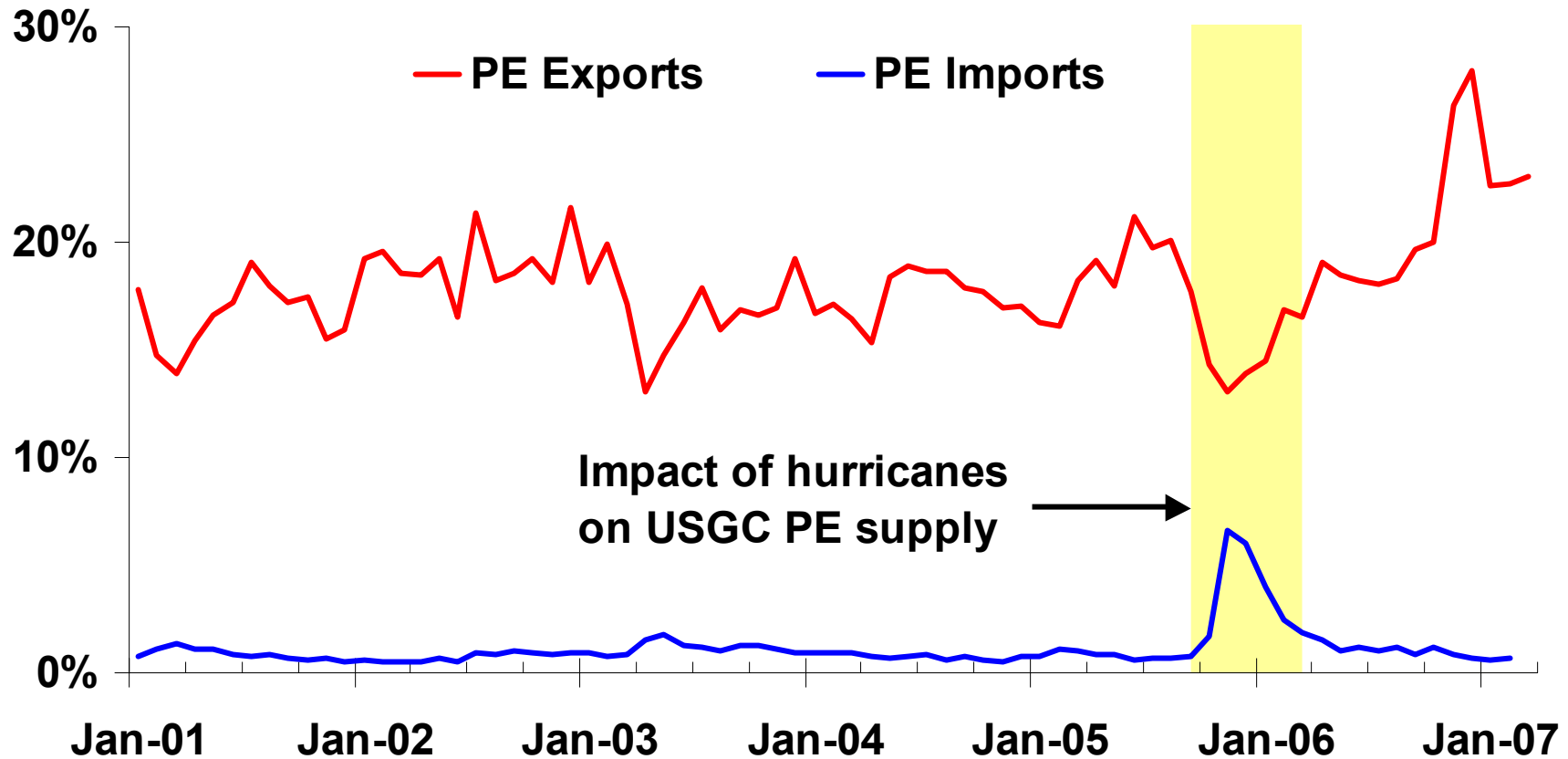


# European Heavy Feedstock Naphtha as % of Crude Oil



# Polyethylene Resin Trade North America

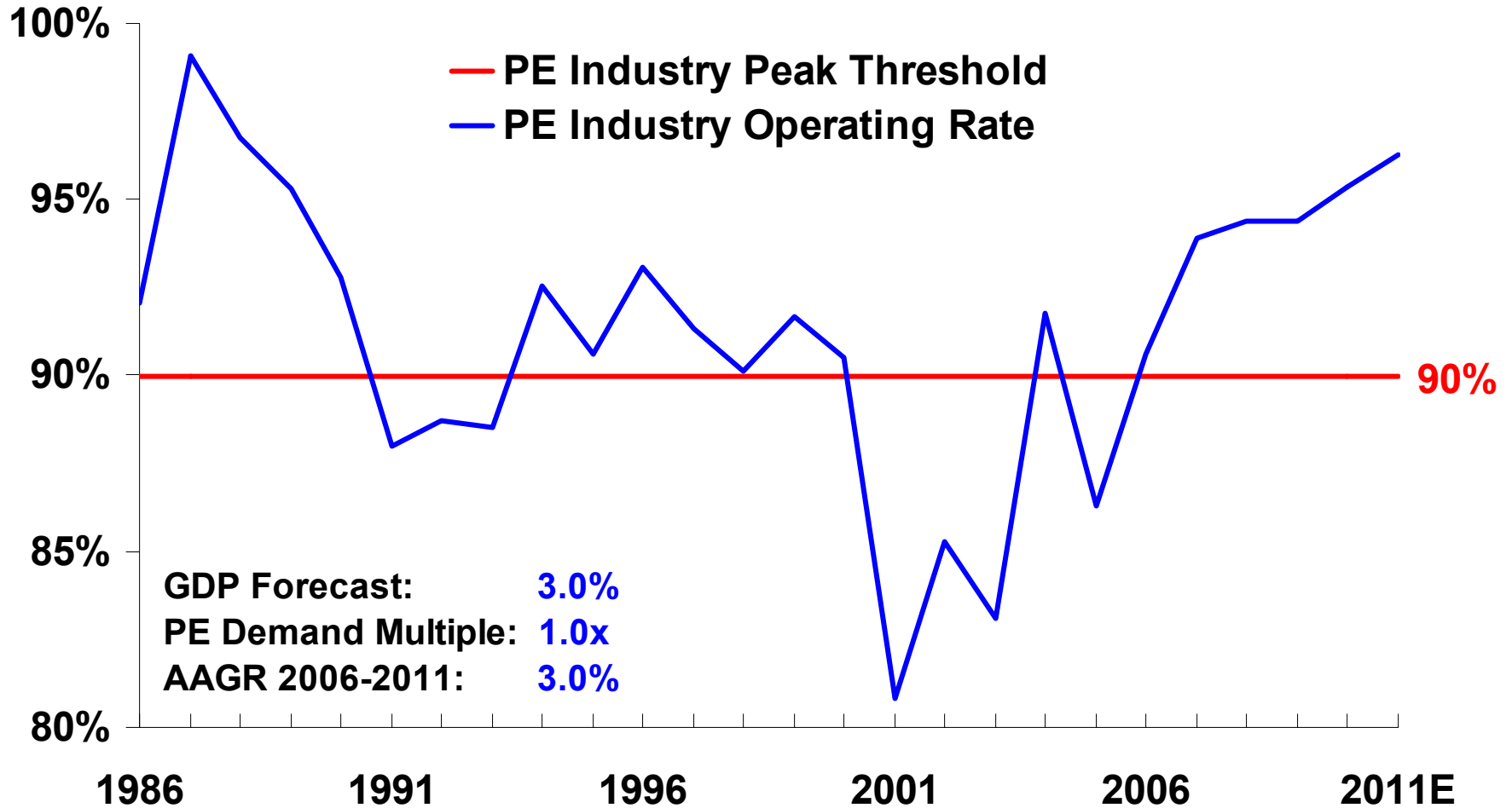
% of Domestic  
Sales





**NCX**

# North American Polyethylene Producer Operating Rates



# PE Supply/Demand Summary

## Balanced over Six Years

<i>(in Blbs)</i>	Supply Growth	Demand Growth	<b>Shortfall/ Surplus</b>	<b>Op. Rate Impact</b>
<b>2006</b>	6.4	8.1	<b>-1.7</b>	<b>+</b>
<b>2007e</b>	6.5	7.3	<b>-0.8</b>	<b>+</b>
<b>2008e</b>	5.9	8.0	<b>-2.1</b>	<b>+</b>
<b>2009e</b>	11.2	8.6	<b>+2.6</b>	<b>-</b>
<b>2010e</b>	11.1	8.8	<b>+2.3</b>	<b>-</b>
<b>2011e</b>	8.5	8.8	<b>-0.1</b>	<b>+</b>
<b>Total</b>	<b>49.7</b>	<b>49.6</b>	<b>0</b>	<b>neutral</b>