

**FOURTH QUARTER AND FULL YEAR 2009 EARNINGS REPORT – TRANSCRIPT
MONDAY, MARCH 15, 2010**

Set forth below is a transcript of NOVA Chemicals' conference call on Monday, March 15, 2010, related to our fourth quarter and full year 2009 earnings. This transcript has been edited for the purpose of increasing clarity and readability. However, management does not believe any of these changes, individually or in the aggregate, represent a material change from the information presented during the conference call itself.

Pace Markowitz, Investor Relations Manager, NOVA Chemicals Corporation

Good morning. Welcome to the conference call for NOVA Chemicals' fourth quarter and full year 2009 results.

Today you will hear from:

- Randy Woelfel, our Chief Executive Officer; and
- Todd Karran, our Chief Financial Officer.

After these remarks, we will open the phone lines to debt analysts and investors for a question and answer session.

But first, a few comments about disclosure.

Be advised that this call is being recorded for replay through our conference call provider, and is being broadcast live through an internet web-cast system.

The answers to your questions may contain forward-looking information. However, since NOVA Chemicals no longer has equity investors, the discussion on our quarterly calls will be focused on reported business results and industry trends that are publically available.

Forward-looking information, by its nature, is subject to risks and uncertainties, as well as other factors, that could cause actual results to differ materially from those suggested today.

Certain material facts and assumptions were applied in drawing the conclusions, and making the forecasts or projections, contained in these forward-looking statements.

Please refer to the disclosure about forward-looking information on page 5 of our Form 20-F annual filing for more details.

Now I will turn the call over to Randy.

Randy Woelfel, Chief Executive Officer, NOVA Chemicals Corporation

Good Morning,

This is my first earnings call as the Chief Executive Officer of NOVA Chemicals, so I would like to take a few moments to talk about the recent changes at NOVA Chemicals, including our new executive team, the benefits of being a member of the IPIC family, and our path forward.

I was excited by the opportunity when I joined NOVA Chemicals last year. I am even more excited now that I have had the opportunity to meet our employees and many customers, visit our facilities, work with our owners, and talk with government leaders and our lenders. Every step of the way I am more impressed, and more energized, by the potential that we have as a company.

In November of last year I became CEO and Todd Karran became CFO. In December, we appointed three senior vice presidents as additional members of our executive team. Bill Greene heads Manufacturing, Marilyn Horner is our Chief Human Resources Officer, and Grant Thomson, is responsible for our Olefins and Feedstocks business. I am proud to be part of this capable, experienced and motivated leadership group.

Each of the other members of the management team has over 20 years of experience with NOVA Chemicals and predecessor companies and know the olefins and polyolefins business very well. My own experience spans over 30 years in petrochemicals, refining and marketing, and polymers in North America and worldwide.

I would like to say a few words about our new owners, International Petroleum Investment Company, IPIC, and what their support means to us. IPIC is committed to our industry and understands our core business. They are able to draw on the experience that they have gained from their ownership in large petrochemical and polymer businesses; such as Borealis, located in Europe, and Borouge, located in the Middle East, to support us and to progress toward their goal to become a leader in the global petrochemicals and polyolefins industry.

Their ownership clearly gives us access to opportunities that were not available to us as a stand-alone company, which will enable us to strengthen our business and to better serve our customers.

Although there has been a lot of change at NOVA Chemicals over the past few months, there are also important areas of continuity that remain at the core of NOVA Chemicals.

We have always been dedicated to leadership in Responsible Care and we continue to have safety as our number one priority. This leadership in ethics, health, safety and the environment is at the foundation of our company and makes us who we are. It also establishes the basis for excellence in other aspects of performance.

We will continue to take advantage of the fundamental strengths of our talented employees, our world class assets and feedstock position, and our technology to bring solutions to our customers' needs.

I believe that by focusing on our customers, understanding their needs and adding value to their businesses, NOVA Chemicals will be successful. Our goal is clear: sustainable leadership in the markets that we serve.

Now I would like to comment on market dynamics and events in 2009.

In the beginning of 2009, demand for our products was low as economic uncertainty caused our customers to continue to reduce their inventories to low levels. Pricing and margins remained depressed after the market collapse of late 2008.

According to the American Chemistry Council (ACC), polyethylene industry operating rates were about 85% in the first quarter of 2009; up from 55% in December, but well below the 92% average in the first quarter of 2008.

Starting in March, demand began to stabilize, inventory reduction diminished, and throughout the remainder of 2009 pricing slowly rose, while demand remained steady. Inventories remained low throughout the supply chain, as both producers and customers carefully managed their operations to meet underlying demand, and held back from stock rebuilding.

At the same time, costs for North America's ethane based ethylene producers were low relative to the naphtha based producers around the world, which reopened the window for polyethylene exports that had closed late in 2008. Export opportunities remained open all year resulting in record export sales for North American producers.

Polyethylene industry operating rates increased back to an average of 92% for the final three quarters of 2009, in large part due to the high export sales and some capacity rationalization.

Now I will turn the call over to Todd for a review of our fourth quarter and full year 2009 financial results, and an update on our successful refinancing that occurred in late 2009 and early 2010.

Todd Karran, Chief Financial Officer, NOVA Chemicals Corporation

Thank you, Randy.

Before I start I want to discuss the presentation of our financial results in the Form 20-F annual report.

As a result of the acquisition of NOVA Chemicals by IPIC, we elected to use push-down accounting and as a result predecessor/successor presentation was required in the Form 20-F. The net result of the push-down accounting was an increase in the fair value of our assets and liabilities of approximately \$1.3 billion on July 6, 2009.

Please see Note 1 in the Form 20-F, Basis of Presentation in the notes to the consolidated financial statements for a description of the presentation and Note 3, IPIC Acquisition, for a full description of the impact of the push-down accounting change.

During this call I will be combining the predecessor and successor periods to give full year results for 2009.

NOVA Chemicals' financial results mirrored the trends in our industry with sequential improvement quarter over quarter from net losses in the beginning of 2009 to a quarterly net profit by the end of the year.

For the full year, we had a net loss of \$241 million compared to a net loss of \$40 million in 2008. The trend built from a loss of \$123 million in the first quarter, a loss of \$83 million in the second quarter, a loss of \$52 million in the third quarter, and finally a net profit of \$17 million in the fourth quarter.

The gain in the fourth quarter compares to a net loss of \$212 million in the fourth quarter of 2008, after the precipitous drop in feedstock and product prices we experienced at the end of 2008.

We recorded additional costs in the first half of 2009 associated with our acquisition and expenses related to amendments to our existing financings and some additional financings.

With these one-time expenses related to financing and deal costs behind us, the fourth quarter results begin to reflect the improvement we have seen in the underlying business and the impact of the improvements that we have implemented throughout the year.

In our olefins and polyolefins business operating income for 2009 was \$266 million compared to operating income of \$371 million in 2008.

For the fourth quarter of 2009, olefins and polyolefins operating income was \$111 million compared to an operating loss of \$262 million during the fourth quarter of 2008.

The olefins and polyolefins business results improved throughout the first half of the year and then were relatively stable with steady demand and pricing during the second half.

Operating costs were lower for the full year 2009 and the fourth quarter 2009 versus their comparative periods primarily due to lower utility costs.

Margins improved throughout the year as demand recovered and pricing increased. Both ethylene and polyethylene average prices were lower for the year compared to 2008 by as much as 40%. However, 2009 average prices for ethylene and polyethylene rose 28% and 16%, respectively, from the first quarter to the fourth quarter.

Our 50% share of 2009 operating income for the INEOS NOVA joint venture was \$4 million versus an operating loss of \$103 million in 2008. The fourth quarter operating loss was \$7 million compared to an operating loss of \$84 million in the fourth quarter of 2008. The improvement was due to cost cutting efforts and improved margins in the North American styrene and solid polystyrene businesses.

In Performance Styrenics, our operating loss for 2009 was \$29 million versus an operating loss of \$69 million in 2008. In the fourth quarter the operating loss was \$2 million versus an operating loss of \$41 million in the fourth quarter of 2008. The improvement was primarily due to reductions in fixed costs resulting from restructuring.

Overall, our operating activities used \$277 million of cash in 2009, but we generated \$18 million of cash in the fourth quarter.

Now moving on to our financing: starting with the equity contribution from IPIC.

Prior to the close of our transaction with IPIC, they provided us with two facilities. For the first one, called the Backstop Facility, we drew \$150 million that was used to repay our \$250 million, 7.4% notes due on April 1, 2009.

On July 3, 2009, IPIC provided us the second facility for an additional \$200 million. We drew the full \$200 million available under this credit facility.

Upon closing of the acquisition by IPIC they forgave the debt and converted the amounts of the facilities to equity and forgave the accrued interest and fees.

Moving on to other aspects of our refinancing:

As a result of the transaction with IPIC, many of our then existing financings triggered their change of control clauses. Prior to the close of the IPIC transaction, we negotiated a nine month bridge until March of this year, but we wanted to deal with each of the financings prior to expiration. I'll run through a quick summary of the major components of the refinancing.

On October 15, 2009, we terminated our undrawn \$150 million facility with Export Development Canada and a syndicate of three Canadian banks that was entered into in February 2009.

On October 16, 2009, we successfully issued \$350 million of 8.375% senior notes due in 2016 and \$350 million of 8.625% senior notes due in 2019. Net proceeds from the offering were \$681 million after deducting discounts and fees.

The net proceeds were used to repay \$242 million outstanding under our \$350 million secured revolving credit facility and \$254 million outstanding under our bilateral credit facilities. The remaining cash balance of \$185 million will be used to repay the total return swap when it terminates later this month and for general corporate purposes.

Once the notes offering was completed, in November 2009, we entered into a new \$350 million three year senior secured revolving credit facility to replace the prior one that was due to expire in March of this year. In addition, we amended two of our senior unsecured bilateral credit facilities, which had been amended to shorten their maturity dates to March 2010, to revert back to their original maturity dates in 2011 and 2013.

Given these changes and the performance of the business, our liquidity increased from \$308 million at the end of the third quarter to \$831 million as of December 31, 2009.

In 2010, we have continued to make changes to our financing and will take additional steps throughout this year.

Last month, we entered into two new accounts receivable securitization programs, one in the U.S. and one in Canada, to replace prior programs before they expired. The new programs each allow for maximum funding of \$100 million, which represents an increase of \$70 million. The new programs each have an initial term of two years.

Later this month we intend to pay off the \$75 million remaining in total return swap using cash on hand and allow the undrawn \$95 million of bilateral credit facilities to expire in accordance with their terms.

In August of this year we intend to pay off the Canadian \$250 million 7.85% senior notes. Earlier this year we entered into a series of foreign currency forwards to hedge these notes at a U.S. dollar value of \$237 million.

With the replacement of the prior senior secured revolving credit facility, and the accounts receivable securitization programs and the maturing of the total return swap, our previously amended financial covenants no longer apply.

The new senior secured revolving credit facility and the new accounts receivable securitization programs have two new covenants: a maximum senior debt to cash flow ratio of 3 to 1 and a debt to capitalization ratio not to exceed 60%. You can read more about each of the new covenants in the annual disclosure.

Thank you and now I will turn the call back over to Randy.

Randy Woelfel, Chief Executive Officer, NOVA Chemicals Corporation:

Thank you, Todd.

To summarize our report:

- Business results improved steadily throughout 2009 and we ended the year with a quarterly net profit in sharp contrast to the large loss we experienced in the fourth quarter of 2008;
- We have successfully raised \$700 million in senior notes and have refinanced or have plans in place for the remainder due in 2010;
- We are sharpening our focus on meeting our customers' needs; and
- We are now part of a larger family of IPIC companies which gives us opportunities that we did not have as a stand-alone company.

On behalf of our leadership team I want to thank you for your support and interest in NOVA Chemicals.

Todd and I would be happy to take your questions for a few minutes.

Question and Answer Session

Laurence Jollon, Barclays Capital

Good morning. In the 20-F that was filed earlier today there was some language, or commentary I should say, regarding natural gas flows across the border and potentially less ethane availability as it relates to Joffre feedstock, so I was just hoping you could expand on that a little bit more.

Randy Woelfel, Chief Executive Officer, NOVA Chemicals Corporation:

Thanks, Laurence. Yes, regarding the ethane situation in Alberta, clearly what we've seen in recent years is a decline in the gas flows from Alberta southeast into the United States or southwest into the western part of the United States. Clearly these flow levels are related to a variety of factors, including the overall gas pricing situation, the availability of drilling and incremental production in Alberta; weather systems and also the development of natural gas plays in both the western and eastern United States. So we are clearly seeing some degree of decline in the west, and as a result of that, overall ethane supply in Alberta is down and that is certainly something that we've factored into this year's planning.

However, we are pursuing a variety of options to try to improve upon that picture in the short to medium term, but we would expect to see in the short term some continuing constraint on ethane supply, but we're quite hopeful that through the activities that we have underway with business partners and with the support of the Alberta government that we'll be able to turn that situation around as we move into the medium term.

Laurence Jollon, Barclays Capital

How concerning an issue is this? Is it potentially a situation, as you get towards the back half of the year, that there isn't enough supply if demand remains firm, or is this something that you're kind of just monitoring over the next couple of years, depending on global demand?

Randy Woelfel, Chief Executive Officer, NOVA Chemicals Corporation

It's certainly a concern to us and it's definitely over the short to medium term a structural concern for both producers and consumers in Alberta as a whole. This is of course a very strong viewpoint that we've expressed to the government in Alberta in recent meetings, so I think we're all focused on ways and means in which we can improve the outlook over the medium term.

Specifically regarding NOVA Chemicals' short-term position in 2010, we certainly are following and are very finely attuned to what's happening with border flows and subsequent ethane availability. We went into this year with an expectation that we would see some additional constraints on supply availability to us relative to what we enjoyed in 2009. I would say so far this year we've actually seen ethane availability at a slightly better rate than what we put into this year's planning, but of course there are a lot of factors that we'll have to monitor on a regular basis throughout the rest of the year.

Roger Spitz, Merrill Lynch

Could you say what your Alberta advantage was in the fourth quarter 2009 and what it's been so far in the first quarter 2010?

Randy Woelfel, Chief Executive Officer, NOVA Chemicals Corporation

Let me just touch on the Alberta Advantage for you. Clearly the structural cost differential between ethane in Alberta relative to the U.S. Gulf Coast is important, and certainly as someone who observed NOVA Chemicals in the past, it was clearly a keynote figure and statistic that we provided, particularly for

the equity community. From my standpoint today, I would comment that it's only one component in what NOVA Chemicals has to do well going forward; we're really focused on creating value across the entire supply chain from feedstocks to customer and that means competitively sourcing feedstocks, highly efficient productive operations and how well we execute our business, and frankly, a tremendous focus, as you heard in our comments, on value creation with our customers.

So in the future we don't intend to specifically comment on a particular number for the Alberta advantage. I would say however that as this year has unfolded, you're seeing very, very high oil-to-gas ratios and I think you can clearly infer that at least this component of NOVA Chemicals' overall value chain certainly is at a very healthy level.

Roger Spitz, Merrill Lynch

Have you been able to take advantage of increasing your Asian polyethylene exports as some of your U.S. Gulf Coast peers have, or have you been logistically and/or contractually constrained in increasing those exports to Asia?

Randy Woelfel, Chief Executive Officer, NOVA Chemicals Corporation

Maybe besides touching on exports I'll step back and make a few other wider comments about NOVA Chemicals' position relative to the industry and relative to the marketplace, at present. One of the important positional advantages that we have in Alberta, of course, is our accessibility to export markets, particularly in Asia Pacific, and that remains an important part of our go-to-market emphasis. I would comment, though, that NOVA Chemicals' relative export position is somewhat lower in terms of volume than the balance of our peers in the North American polyethylene industry, and that's certainly by design. Clearly what we have seen as 2009 progressed, and particularly in 2010 as it's unfolded, is significant supply issues for both ethylene and polyethylene for a number of our competitors.

You may be familiar with various announcements of the industry operating issues, both planned and unplanned. There are a number of *force majeure* events or customer allocation announcements that are out in the marketplace at present. We've been able to operate at or above our targeted plans for the beginning of this year and clearly we look to optimize across our portfolio by concentrating on our domestic North American customers as well as opportunistically participating in exports.

Roger Spitz, Merrill Lynch

I would have thought that would have meant you were able to export more. I thought I just heard you say that you're not exporting as much as your U.S. Gulf Coast peers. Did I mishear that?

Randy Woelfel, Chief Executive Officer, NOVA Chemicals Corporation

What I said is we don't export as much as a percentage of our overall output as the balance of the industry. Clearly 2009 for the industry as a whole was a record year for exports, but again, I would say NOVA Chemicals was somewhat more subdued in terms of our approach to exports relative to other producers within the industry, and clearly it's a conscious choice on our part to pay particular attention to our customer needs and opportunities here in North America.

Kristen McDuffy, Goldman Sachs

Hello. First, could you give us the new rates that you're paying on your revolvers?

Todd Karran, Chief Financial Officer, NOVA Chemicals Corporation

Hello, Kristen. The revolvers are available online, they've been posted. I'll give you some average numbers in terms of the revolving and floating facilities. They range anywhere from Libor plus 350 bps to about 700 bps. The floating rates are weighted heavily by the eight-year notes out there which are at Libor plus 350 bps, so that averages somewhere around 4 ½ percent overall.

Kristen McDuffy, Goldman Sachs

Okay, thanks. Then you had some disclosures in your 20-F about joint ventures, first with Buckeye Partners and then second with Reliance. Can you talk a little bit about whether there would be a cash outlay associated with those joint ventures in 2010?

Randy Woelfel, Chief Executive Officer, NOVA Chemicals Corporation

Yes, Kristen. First of all on the Buckeye pipeline announcement, we're pretty excited by the collaboration with Buckeye and their plans for a new "Union" natural gas liquids pipeline. That pipeline would carry natural gas liquids coming from the development of the Marcellus Shale Gas play here in the northeastern United States. That's particularly promising to us because that gas contains significant levels of natural gas liquids and for us that can represent a really outstanding feedstock opportunity in the future, as well as, the overall petrochemical industry in the Sarnia Valley which is so attractively located relative to those feedstocks. Buckeye has now announced an open season to gauge producer interest and volume availabilities associated with the development of that project.

To your question about cash or capital requirements for that, we would not see requirements specifically related to the development of that project in the course of 2010. Your second question I think related to the development of our efforts together with Reliance to further the opportunities for building styrenic-based building components to meet demand in the Indian economy. Again, that's an activity that's been underway for several years now, and based on the outlook for 2010, we would not expect to see substantial cash devoted to pursuing that opportunity.

Kristen McDuffy, Goldman Sachs

Great, thanks. Then just lastly, you guys mentioned that, in your outlook for the styrenics business, you may look to explore strategic options for industry consolidation there. Does that mean you guys are looking to acquire more styrenics assets or possibly looking to divest the joint venture?

Randy Woelfel, Chief Executive Officer, NOVA Chemicals Corporation

I don't think I'd comment specifically on either one of those possible outcomes; simply to say that we're very pleased with the tremendous progress that we've made both in our own Performance Styrenics business restructuring as well as the very important work that's been done within the INEOS NOVA joint venture. I would say we're looking at a wide variety of options as we go forward into 2010 and beyond for what could be the best further development opportunities for that business in the future.

Laurence Jollon, Barclays Capital

Just a follow-up question: Your disclosure in your 20-F around dealing with the total return swap and the August maturity was very helpful. I just wanted to also ask if you were receptive to or also exploring tapping the bond markets as well in order to put in place some longer-term debt as opposed to drawing down on the revolver.

Todd Karran, Chief Financial Officer, NOVA Chemicals Corporation

Thanks, Laurence. Indeed, as we were out in the bond markets in the fourth quarter, we did say that we were going to keep our eye on the markets and how they developed and possibly approach them in an opportunistic fashion, so we're aware the markets are open now, and are looking as we said then and continue to do so, to look for opportunities that might make sense between now and in particular our January 2012 \$400 million maturity. So that was a long-winded answer, but the answer is yes, in summary.

Roger Spitz, Merrill Lynch

Thank you. What synergies do you expect to obtain from the combination with Borealis? How much time might it take to achieve those synergies, and what might be the cash cost to achieve them, please?

Randy Woelfel, Chief Executive Officer, NOVA Chemicals Corporation

Thanks. At this point we and Borealis, as well as the other members of the IPIC family, are working in a very careful and deliberate way to look at and identify opportunities for collaboration that can be win/win for both parties. We certainly have worked together now in the early days in a number of areas, including health and safety and Responsible Care, sharing best practices as one example, and in manufacturing optimization and planning as another.

I would say that our approach here is very careful, very deliberate, very step-by-step. I think we have a view, fully supported by IPIC, that NOVA Chemicals has a lot on its plate and a lot of opportunities and things that are job one for us, but clearly as the year progresses, we'll be adding on additional incremental activities with Borealis.

In terms of funding related to that work, nothing that we see at this stage that's substantive in terms of cost. We're really looking at the most readily available, relatively modest resource opportunities early on.

And I think that represents the last question in the queue for today. I'd like to thank everyone for your questions. If there are other areas where you would like some more background color and information, please contact Pace Markowitz who manages our investor relations activity; and also as a coming attraction, NOVA Chemicals will be presenting at the Barclays Capital High Yield Bond and Syndicated Loan Conference next Thursday, March 25, 2010. If you have an interest in that, we have more details on the website.

Thanks for your participation today.