



Hexion Specialty Chemicals, Inc.
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NEWS RELEASE

FOR IMMEDIATE RELEASE

Hexion Specialty Chemicals, Inc. Announces the Redemption today of all of its Outstanding Shares of Series A Preferred Stock (CUSIP: 428300-20-6).

COLUMBUS, OHIO (May 12, 2006) – Hexion Specialty Chemicals, Inc. (“Hexion” or the “Company”) today announced the redemption of all 14,781,959 outstanding shares of its Series A Preferred Stock (CUSIP: 428300-20-6) (the “Preferred Stock”). The total redemption price for the Preferred Stock was \$397,409,888.14, which represents 101% of the liquidation preference, plus an amount in cash equal to all accumulated and unpaid dividends, up to, but not including, the redemption date.

Forward Looking Statements

Certain statements in this press release are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Forward looking statements may be identified by the words “believe,” “expect,” “anticipate,” “project,” “plan,” “estimate,” “will” or “intend” and similar expressions. The forward-looking statements contained herein reflect our current views with respect to future events and are based on our currently available financial, economic and competitive data and on current business plans. Actual results could vary materially depending on risks and uncertainties that may affect the Company’s operations, markets, services, prices and other factors as discussed in our SEC filings. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: economic factors such as an interruption in the supply of or increased pricing of raw materials due to natural disasters, competitive factors such as pricing actions by our competitors that could affect our operating margins, and regulatory factors such as changes in governmental regulations involving our products that lead to environmental and legal matters as described in our SEC filings. Additional factors that could cause actual results to differ materially from those in the forward-looking statements are discussed in our Form 10-K for the period ended December 31, 2005 under the caption “Forward-Looking and Cautionary Statements” under Item 7: Management’s Discussion and Analysis of Financial Condition and Results of Operations. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as otherwise required by law.

About Hexion Specialty Chemicals

Based in Columbus, Ohio, Hexion Specialty Chemicals combines the former Borden Chemical, Bakelite, Resolution Performance Products and Resolution Specialty Materials companies into the global leader in thermoset resins. Hexion serves the global wood and industrial markets through a broad range of thermoset technologies, specialty products and technical support for customers in a diverse range of applications and industries. Hexion Specialty Chemicals is owned by an affiliate of Apollo Management, L.P. Additional information is available at www.hexion.com.

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