Huntsman CORP
Form PREM14A
August 10, 2007

Use these links to rapidly review the document
TABLE OF CONTENTS
TABLE OF CONTENTS

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

ý Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

o Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Pursuant to §240.14a-12

Huntsman Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

o No fee required.

ý Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:
Common Stock, par value $0.01 per share (the "Common Stock") of Huntsman Corporation.

(2) Aggregate number of securities to which transaction applies:
239,507,119 shares of Common Stock (including 976,284 shares of restricted Common Stock, 6,337,459 shares of Common Stock subject to issuance upon the exercise of outstanding options, 145,421 shares of Common Stock representing phantom stock grants and 26,952 shares of Common Stock subject to issuance upon exercise of outstanding restricted stock units, issued under the terms of Huntsman Corporation's stock plans, and 10,992,204, shares subject to issuance upon the conversion of the 5% Mandatory Convertible Preferred Stock of the Company,

in each case as of August 9, 2007).

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
$28.00 per share (the price per share negotiated in the transaction).

(4) Proposed maximum aggregate value of transaction:
$6,571,084,706 (equal to the sum of (A) 233,169,660 shares of Common Stock multiplied by $28.00 per share and (B) 6,337,459 shares of Common Stock subject to issuance upon the exercise of outstanding options multiplied by $6.68 per share (which is the difference between $28.00 and $21.32, the weighted average exercise price per share of the options)).

(5) Total fee paid:
$201,733 (calculated by multiplying the proposed maximum aggregate value of the transaction by 0.0000307, in accordance with Section 14(g) of the Exchange Act).

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

SPECIAL MEETING OF STOCKHOLDERS

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Common Stockholder of Huntsman Corporation:

The board of directors of Huntsman Corporation ("Huntsman") has approved a merger pursuant to which Huntsman will be acquired by Hexion Specialty Chemicals, Inc., an entity owned by an affiliate of Apollo Management, L.P.

If the merger is completed, holders of Huntsman common stock will receive $28.00 in cash per share of Huntsman common stock they own. In addition, if the merger is not completed by April 5, 2008 (the "Adjustment Date"), then for each day after the Adjustment Date, through and including the closing date of the merger, the merger consideration per share will increase by an amount in cash equal to the excess, if any, of $0.006137 per day over the amount of any dividends or distributions declared, made or paid from and after the Adjustment Date through and including the closing date of the merger (rounding to the nearest cent). The merger consideration will be paid without interest and reduced by any applicable tax withholding.

The board of directors of Huntsman has, based on the recommendation of a transaction committee comprised entirely of independent directors, unanimously determined that the merger agreement and the merger are in the best interests of the holders of Huntsman common stock and declared the merger agreement and the merger advisable. The board of directors of Huntsman unanimously recommends that holders of Huntsman's common stock vote FOR the adoption of the merger agreement.

Holders of Huntsman common stock will vote on the adoption of the merger agreement at a special meeting. The date, time and place of the special meeting to consider and vote upon the proposal to adopt the merger agreement is as follows:

, 2007
a.m., local time

The proxy statement attached to this letter provides you with information about the special meeting, the merger and the merger agreement. We encourage you to read the entire proxy statement carefully.

Your vote is very important. Whether or not you plan to attend the special meeting, if you are a holder of Huntsman common stock please take the time to vote by completing, signing, dating and mailing the enclosed proxy card to us. If your shares of Huntsman common stock are held in "street name," please instruct your broker or bank how to vote your shares.

Jon M. Huntsman
Chairman of the Board

The proxy statement is dated , 2007, and is first being mailed to holders of Huntsman common stock on or about , 2007.

HUNTSMAN CORPORATION
500 Huntsman Way
Salt Lake City, UT 84108

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON , 2007

To the Common Stockholders of Huntsman Corporation:

A special meeting of common stockholders of Huntsman Corporation, a Delaware corporation, will be held on , , 2007 at a.m., local time, at , for the following purposes:

1. To consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of July 12, 2007, among Hexion Specialty Chemicals, Inc., a New Jersey corporation, an entity owned by an affiliate of Apollo Management, L.P., Nimbus Merger Sub Inc., a Delaware corporation and a wholly-owned subsidiary of Hexion Specialty Chemicals, Inc., and Huntsman, pursuant to which each outstanding share of Huntsman common stock will be converted into the right to receive (a) $28.00 in cash plus (b) if the merger is not consummated by April 5, 2008 (the "Adjustment Date"), for each day after the Adjustment Date, through and including the closing date of the merger, an amount in cash equal to the excess, if any, of $0.006137 per day less any dividends or distributions declared, made or paid from and after the Adjustment Date through and including the closing date of the merger (rounding to the nearest cent), without interest, less any applicable tax withholding; and

2. To transact any other business that may properly come before the special meeting or any adjournment or postponement of the special meeting.

The board of directors of Huntsman has fixed the close of business on , 2007 as the record date for the determination of holders of common stock entitled to notice of, and to vote at, the special meeting and any adjournment or postponement thereof. At the close of business on the record date, Huntsman had shares of common stock outstanding and entitled to vote. Holders of Huntsman's common stock are entitled to appraisal rights under the General Corporation Law of the State of Delaware in connection with the merger if they meet certain conditions. See "The Merger Appraisal Rights."

YOUR VOTE IS IMPORTANT

If you fail to return your Huntsman proxy card, the effect will be that your shares will not be counted for purposes of determining whether a quorum is present at the Huntsman special meeting but will effectively be counted as a vote against adoption of the merger agreement. The affirmative vote of the holders of a majority of the outstanding shares of Huntsman common stock is required to adopt the merger agreement. Even if you plan to attend the special meeting in person, we request that you complete, sign, date and return the enclosed proxy and thus ensure that your shares will be represented at the special meeting if you are unable to attend. If you sign, date and mail your proxy card without indicating how you wish to vote, your proxy will be counted as a vote FOR adoption of the merger agreement. If you do attend the special meeting and wish to vote in person, you may withdraw your proxy and vote in person.

By order of the Board of Directors,

Samuel D. Scruggs
Secretary
Huntsman Corporation

, 2007

QUESTIONS AND ANSWERS ABOUT THE MERGER AND OUR SPECIAL MEETING

The following questions and answers address briefly some questions you may have regarding the special meeting and the proposed merger. These questions and answers may not address all questions that may be important to you as a holder of common stock of Huntsman Corporation. For important additional information please refer to the more detailed discussion contained elsewhere in this proxy statement, the appendices to this proxy statement and the documents referred to in this proxy statement. In this proxy statement, the terms "Huntsman," "Company," "we," "our," "ours," and "us" refer to Huntsman Corporation and its subsidiaries.

Q: What is the proposed transaction?

A:

The proposed transaction is the acquisition of Huntsman by Hexion Specialty Chemicals, Inc., a New Jersey corporation and an entity owned by an affiliate of Apollo Management, L.P. ("Hexion"), pursuant to an Agreement and Plan of Merger, dated as of July 12, 2007 (the "merger agreement"), among Huntsman, Hexion and Nimbus Merger Sub Inc., a Delaware corporation and wholly-owned subsidiary of Hexion ("Merger Sub"). Once the merger agreement has been adopted by Huntsman's common stockholders and the other closing conditions under the merger agreement have been satisfied or waived, Merger Sub will merge with and into Huntsman (the "merger"). Huntsman will be the surviving corporation in the merger (the "surviving corporation") and will become a wholly-owned subsidiary of Hexion.

Q: What will I receive in the merger for my Huntsman common stock?

A:

Upon consummation of the merger, for each share of Huntsman common stock you own you will receive (a) $28.00 in cash plus (b) if the merger is not consummated by April 5, 2008 (the "Adjustment Date"), for each day after the Adjustment Date, through and including the closing date of the merger, an amount in cash equal to the excess, if any, of $0.006137 per day (which amount represents an accrual of approximately 8% interest per annum from the Adjustment Date) less any dividends or distributions declared, made or paid from and after the Adjustment Date through and including the closing date of the merger (rounding to the nearest cent), without interest, less any required tax withholding. We refer to such amount in this proxy statement as the "merger consideration." After the merger is consummated, you will not own any shares or other equity interest in the surviving corporation or Hexion.

Q: What will happen in the merger to stock options, restricted stock and other stock-based awards that have been granted to employees, officers and directors of Huntsman?

A:

The merger agreement provides that all outstanding stock options issued pursuant to Huntsman's equity plans, whether or not vested or exercisable, will, as of the effective time of the merger, become fully exercisable and thereafter represent the right to receive an amount in cash, without interest, equal to the product of the number of shares of our common stock subject to each option as of the effective time of the merger multiplied by the excess of the merger consideration over the exercise price per share of common stock subject to such option. The merger agreement also provides that the restrictions applicable to each outstanding share of our restricted stock (including restricted stock units and phantom stock) will lapse and, at the effective time of the merger, each share of our restricted stock outstanding (including restricted stock units and phantom stock) will become fully vested and convert into the right to receive the merger consideration except for restrictions with respect to any awards granted after February 15, 2008, one half of which will lapse at the effective time of the merger and become fully vested and convert into the right to receive the merger consideration, and the remaining one half of which will convert into the right to receive the merger consideration six months following completion of the merger.

Q: What are the interests of the members of Huntsman's Board of Directors and executive officers in the merger?

A:

Members of our board of directors and our executive officers have interests in the merger that are different from yours, including the accelerated vesting of stock options and restricted stock, as well as other interests described in this proxy statement. We encourage you to review the section entitled "The Merger Interests of Certain Persons in the Merger" for a full discussion of their interests.

Q: When do you expect the merger to be completed?

A:

We are working to complete the merger as quickly as possible. The merger cannot be completed until each closing condition has been satisfied or waived. We cannot predict the exact timing of the effective time of the merger or whether the merger will be consummated because it is subject to conditions which are not within our control, such as expiration of waiting periods or grants of approvals under competition laws in the United States, Europe and certain other jurisdictions. The merger agreement may be terminated by either party if the merger is not consummated by April 5, 2008, subject to certain extensions for approximately six months or more under certain circumstances. Please see "The Merger Agreement and Voting Agreements Termination of the Merger Agreement." The entire time period may be required to satisfy all closing conditions.

Q: What conditions are required to be fulfilled to complete the merger?

A:

We and Hexion are required to complete the merger unless certain specified conditions are not satisfied or waived. These conditions include, among others (i) adoption of the merger agreement by the holders of our common stock at the special meeting, (ii) receipt of regulatory approvals or expiration of required waiting periods, (iii) no material adverse effect occurring with respect to us or our business and (iv) compliance by us with our obligations under the merger agreement, including certain covenants that restrict our ability to conduct our business. Consummation of the merger is not subject to a financing condition; however, if Hexion's financing commitments are terminated or not fulfilled and Hexion is unable to find alternative financing arrangements, Hexion may not be able to consummate the Merger. There can be no assurance that these or the other conditions to consummation of the merger will be satisfied or waived. For a more complete summary of conditions that must be satisfied or waived prior to the effective time of the merger, see "The Merger Agreement and Voting Agreements Conditions to the Merger."

Q: What if the proposed merger is not completed?

A:

It is possible that the proposed merger will not be completed. The merger will not be completed if each closing condition is not satisfied or waived. If the merger is not completed, we will remain an independent public company, and shares of our common stock will continue to be listed and traded on the NYSE. Under specified circumstances, if the merger is not completed we may be required to pay Hexion, or Hexion may be required to pay to us, a termination fee or the Reimbursement Amount, or both, as described under the caption "The Merger Agreement and Voting Agreements Termination Fees and Expenses."

Q: Where and when is the special meeting?

A:

The special meeting will take place at , on , , 2007, at a.m., local time.

Q: Who is eligible to vote?

A:

All holders of record of our common stock on the close of business on , 2007 will be eligible to vote.

Q: If my broker holds my shares in "street name," will my broker vote my shares for me?

A:

Your broker will not be able to vote your shares without instructions from you. You should instruct your broker to vote your shares, following the procedures provided by your broker. Without instructions, your shares will not be voted. Because adoption of the merger agreement requires the affirmative vote of holders representing a majority of our outstanding shares of common stock, failure to instruct your broker will have the same effect as a vote against adoption of the merger agreement.

Q: What do I need to do now?

A:

We urge you to read this proxy statement carefully, including its appendices, and to consider how the merger affects you. Then mail your completed, dated and signed proxy card in the enclosed return envelope as soon as possible so that your shares can be voted at the special meeting of our common stockholders.

Q: What vote is needed to adopt the merger agreement?

A:

The affirmative vote of holders representing at least a majority of the outstanding shares of our common stock is required to adopt the merger agreement. MatlinPatterson Global Opportunities Partners L.P., MatlinPatterson Global Opportunities Partners (Bermuda) L.P. and MatlinPatterson Global Opportunities Partners B, L.P., which are referred to herein as MatlinPatterson, the Huntsman family and the Fidelity Charitable Gift Fund have entered into voting agreements with Hexion, pursuant to which they have agreed to vote the shares of our common stock that they own on the record date for the special meeting in favor of approval of the merger and the adoption and approval of the merger agreement, and against any competing proposal. On the record date for the special meeting, these stockholders beneficially owned shares of our common stock representing in the aggregate approximately % of our outstanding common stock entitled to vote at the special meeting. The obligations under the voting agreements terminate in certain circumstances including in the event the merger agreement is terminated in accordance with its terms. See "The Merger Agreement and Voting Agreements."

Q: How does the Huntsman board of directors recommend that I vote?

A:

Our board of directors, based on the recommendation of a transaction committee comprised entirely of independent directors, has unanimously determined that the merger agreement and the merger are in the best interests of holders of our common stock, declared that the merger agreement and the merger are advisable and unanimously recommends that you vote FOR adoption of the merger agreement.

Q: What happens if I do not return a proxy card?

A:

If you fail to return your proxy card and do not vote in person at the special meeting, the effect will be that your shares will not be counted for purposes of determining whether a quorum is present at the special meeting. In addition, because adoption of the merger agreement requires the affirmative vote of holders representing a majority of our outstanding shares of common stock, the failure to return your proxy card or vote in person at the special meeting will have the same effect as voting against the adoption of the merger agreement.

Q: May I vote in person?

A:

Yes. If you are the record holder of your shares, you may attend the special meeting and vote your shares of common stock in person, rather than signing and returning your proxy card. If your shares are held in "street name," you must get a proxy from your broker or bank in order to attend the special meeting and vote your shares in person. Even if you plan to attend the special meeting, we encourage you to sign and deliver a proxy card, which will not prevent you from attending the meeting and voting your shares in person.

Q: Do I need to attend the special meeting in person?

A:

No. You do not have to attend the special common stockholders meeting in order to vote your Huntsman shares. You can have your shares voted at the special meeting of our stockholders without attending by mailing your completed, dated and signed proxy card in the enclosed return envelope.

Q: May I change my vote after I have submitted my signed proxy card?

A:

Yes. You may change your vote at any time before your proxy card is voted at the special meeting. You can do this in one of three ways. First, you can send a written, dated notice to the Secretary of Huntsman stating that you would like to revoke your proxy. Second, you can complete, date and submit a new proxy card. Third, you can attend the meeting and vote in person. Your attendance alone will not revoke your proxy. If you have instructed a broker to vote your shares, you must follow directions received from your broker to change your instructions.

Q: What does it mean if I get more than one proxy card or vote instruction card?

A:

If your shares are registered differently or are in more than one account, you will receive more than one card. Please complete and return all of the proxy cards or vote instruction cards you receive to ensure that all of your shares of our common stock are voted.

Q: What is a quorum?

A:

A quorum of the holders of the outstanding shares of our common stock must be present for the special meeting to be held. A quorum is present if the holders of a majority of the outstanding shares of our common stock entitled to vote are present at the meeting, either in person or represented by proxy. Abstentions and broker non-votes are counted as present for the purpose of determining whether a quorum is present. A broker non-vote occurs on an item when a broker is not permitted to vote on that item without instructions from the beneficial owner of the shares and no instructions are given.

Q: How are votes counted?

A:

For the proposal relating to the adoption of the merger agreement, you may vote FOR, AGAINST or ABSTAIN. Abstentions and broker non-votes will count for the purpose of determining whether a quorum is present, but, because holders of Huntsman common stock holding at least a majority of Huntsman common stock outstanding on the record date must vote FOR the adoption of the merger agreement, an abstention or broker non-vote has the same effect as if you vote AGAINST the adoption of the merger agreement.

Q: Who will bear the cost of this solicitation?

A:

We will pay the cost of this solicitation, which will be made primarily by mail. Proxies also may be solicited in person, or by telephone, facsimile or similar means, by our directors, officers or

employees without additional compensation. In addition, D.F. King & Co., Inc. will provide solicitation services to us for a fee of approximately $10,000 plus out-of-pocket expenses. We will, on request, reimburse holders of common stock who are brokers, banks or other nominees for their reasonable expenses in sending proxy materials to the beneficial owners of the shares they hold of record.

Q: Should I send in my Huntsman stock certificates with my proxy card?

A:

No. After the merger is completed, you will receive written instructions for delivering your common stock certificates and exchanging your shares of our common stock for the merger consideration.

Q: Am I entitled to appraisal or dissenters' rights?

A:

Yes. If the merger is completed, holders of our common stock who do not vote in favor of adoption of the merger agreement and who otherwise comply with the requirements of Delaware law are entitled to appraisal rights under the General Corporation Law of the State of Delaware if they meet certain conditions. See "The Merger Appraisal Rights."

Q: Will I owe taxes as a result of the merger?

A:

The merger will be a taxable transaction for United States federal income tax purposes (and also may be taxed under applicable foreign, state and local tax laws). In general, for United States federal income tax purposes, U.S. holders will recognize gain or loss equal to the difference between (1) the amount of cash you receive in the merger for your shares of Huntsman common stock and (2) the tax basis of your shares of Huntsman common stock. Please refer to the section entitled "The Merger Material United States Federal Income Tax Consequences of the Merger" for a more detailed explanation of the tax consequences of the merger. You should consult your tax advisor on the specific tax consequences of the merger to you.

Q: What will happen to Huntsman's outstanding 5% Mandatory Convertible Preferred Stock?

A:

Unless Hexion has previously requested that we convert outstanding shares of 5% Mandatory Convertible Preferred Stock of Huntsman, and such conversion has occurred, any outstanding shares of 5% Mandatory Convertible Preferred Stock of Huntsman at the effective time of the merger will remain outstanding and after the merger, each share will, instead of being convertible into our common stock, become convertible into the merger consideration on terms set forth in the certificate of designations of such preferred stock.

Q: Who can help answer my questions?

A:

If you would like additional copies, without charge, of this proxy statement or if you have questions about the merger, including the procedures for voting your shares, you should contact D. F. King & Co., Inc., our proxy solicitation agent, at the address or telephone number below. If your broker or bank holds your shares, you should also call your broker or bank for additional information.

D. F. King & Co., Inc.
48 Wall Street, 22nd Floor
New York, New York 10005
1-800-578-5378 (toll free)
1-212-269-5550 (call collect)

TABLE OF CONTENTS

SUMMARY

This summary highlights selected information from this proxy statement and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the merger agreement and transactions contemplated by the merger agreement, you should read carefully this entire proxy statement and the documents we refer to herein. The merger agreement is attached as Appendix A to this proxy statement. We encourage you to read the merger agreement in its entirety as it is the legal document that governs the merger.

The Parties (see page 14)

Huntsman Corporation

Huntsman Corporation is among the world's largest global manufacturers of differentiated chemical products and also manufactures inorganic and commodity chemical products. Our products comprise a broad range of chemicals and formulations, which we market in more than 100 countries to a diversified group of consumer and industrial customers. Our products are used in a wide range of applications, including those in the adhesives, aerospace, automotive, construction products, durable and non-durable consumer products, electronics, medical, packaging, paints and coatings, power generation, refining, synthetic fiber, textile chemicals and dye industries. As of August 6, 2007, our facilities were located in 24 countries, and we employed approximately 13,000 associates worldwide. We had 2006 revenues of over $10.6 billion.

Hexion Specialty Chemicals, Inc.

Hexion, an entity owned by an affiliate of Apollo Management, L.P., is 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 had 2006 sales of approximately $5.2 billion and as of December 31, 2006 employed approximately 6,900 associates.

Nimbus Merger Sub Inc.

Merger Sub was formed on June 12, 2007 for the sole purpose of merging with and into Huntsman. Merger Sub has no operations and is a wholly-owned subsidiary of Hexion.

The Merger (see page 18)

Hexion and Huntsman have agreed to combine their businesses pursuant to the merger agreement described in this proxy statement. Under the terms of the merger agreement, Merger Sub will be merged with and into Huntsman, with Huntsman continuing its existence as the surviving corporation and a wholly-owned subsidiary of Hexion after the merger. The merger agreement is attached to this proxy statement as Appendix A and is incorporated herein by reference. We encourage you to read the merger agreement in its entirety because it is the legal document that governs the merger.

Merger Consideration (see page 63)

If the merger is completed, for each share of Huntsman common stock you own, you will receive (a) $28.00 in cash plus (b) if the merger is not consummated by April 5, 2008 (the "Adjustment Date"), for each day after the Adjustment Date, through and including the closing date of the merger, an amount in cash equal to the excess, if any, of $0.006137 per day (which amount represents an accrual of approximately 8% interest per annum from the Adjustment Date) less any dividends or distributions declared, made or paid from and after the Adjustment Date through and including the closing date of the merger (rounding to the nearest cent), without interest, less any applicable tax withholding. We refer to such amount in this proxy statement as the "merger consideration."

After the merger is completed, you will have the right to receive the merger consideration (unless you elect to exercise appraisal rights as described below) but you will no longer have any rights as a Huntsman stockholder. You will receive the merger consideration with respect to your shares of common stock after exchanging your Huntsman common stock certificates in accordance with the instructions contained in a letter of transmittal to be sent to you shortly after completion of the merger. Do not send your stock certificates with your proxy. You should retain them until the effective time of the merger after which you will receive a transmittal letter and instructions where to send your certificates.

Treatment of Stock Option, Restricted Stock and Other Stock-based Awards (see page 63)

We are permitted and intend to take such actions as are necessary to cause all options to purchase shares of Huntsman common stock under any benefit plan, program or arrangement that are outstanding and unexercised at the effective time of the merger, whether or not vested or exercisable, as of the effective time of the merger, to be cancelled and converted into the right to receive, upon delivery of an option surrender agreement, an amount in cash, without interest, equal to the product of the number of shares of our common stock subject to each option as of the effective time of the merger multiplied by the excess, if any, of the merger consideration over the exercise price per share of common stock under such option. In addition, pursuant to the merger agreement, the forfeiture restrictions applicable to any shares of restricted stock outstanding on July 12, 2007 (including restricted stock units and phantom stock) under any benefit plan or arrangement will lapse immediately prior to the effective time of the merger and, at the effective time of the merger, will be converted into the right to receive the merger consideration except for restrictions with respect to any awards granted after February 15, 2008, one half of which will lapse at the effective time of the merger and become fully vested and convert into the right to receive the merger consideration, and the remaining one half of which will convert into the right to receive the merger consideration six months following completion of the merger.

Market Price and Dividend Data (see page 85)

Our common stock is listed on the New York Stock Exchange under the symbol "HUN." On July 3, 2007, the last full trading day prior to the public announcement of the proposed offer by Hexion, our common stock closed at $24.40 per share. Effective June 26, 2007, we entered into a merger agreement with Basell AF ("Basell") and BI Acquisition Holdings for the purchase of Huntsman at a price of $25.25 per share of common stock. The merger agreement was subsequently terminated on July 12, 2007. On June 25, 2007, the last full trading day prior to the public announcement of the Basell transaction, our common stock closed at $18.90 per share. On , 2007, the last practicable trading day prior to the date of this proxy statement, our common stock closed at $.

Recommendation of the Transaction Committee and Board of Directors (see page 30)

Our board of directors has unanimously:

- determined, based on the recommendation of a transaction committee comprised entirely of independent directors (the "Transaction Committee"), that the merger agreement and the merger are fair to and in the best interests of the holders of Huntsman common stock;
- declared the merger agreement and the merger advisable;
- approved the merger agreement and merger; and
- recommended that holders of our common stock vote FOR the adoption of the merger agreement.

The Transaction Committee, acting with the advice and assistance of its independent legal and financial advisors, evaluated and assisted in the negotiation of the terms and conditions of the merger agreement with Hexion and Nimbus Merger Sub. The Transaction Committee unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable, fair to and in the best interests of our common stockholders and recommended to the board of directors that (i) the board of directors approve and declare advisable the merger agreement and the transactions contemplated thereby, including the merger and (ii) the board of directors recommend the adoption by the holders of Huntsman common stock of the merger agreement.

Opinions of Financial Advisors (see pages 36 and 44)

Opinion of Merrill Lynch, Pierce, Fenner and Smith Incorporated

Merrill Lynch, Pierce, Fenner and Smith Incorporated, which is referred to herein as Merrill Lynch, delivered its written opinion to the Huntsman board of directors that, as of July 12, 2007, and subject to the factors and assumptions set forth therein, the merger consideration to be received by the holders of Huntsman common stock, other than the entities and individuals that entered into voting agreements with Hexion and the HMP Equity Trust and their respective beneficiaries, controlling persons and affiliates, is fair from a financial point of view to such stockholders. **Merrill Lynch's opinion was provided for the information and assistance of the Huntsman board of directors in connection with its consideration of the merger and such opinion does not constitute a recommendation as to how any holder of Huntsman common stock should vote with respect to the merger.**

Pursuant to an engagement letter with Merrill Lynch, we agreed to pay Merrill Lynch a set transaction fee that is contingent upon consummation of the merger. **The full text of Merrill Lynch's written opinion, which sets forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered is attached as Appendix D and is incorporated into this proxy statement by reference. Holders of Huntsman common stock are encouraged to carefully read the opinion in its entirety.**

Opinion of Cowen and Company, LLC.

Cowen and Company, LLC, which is referred to herein as Cowen, delivered its written opinion to the Transaction Committee that, as of July 12, 2007, and subject to the factors and assumptions set forth therein, the merger consideration to be received by the holders of Huntsman common stock, other than the entities and individuals that entered into voting agreements with Hexion and the HMP Equity Trust and their respective beneficiaries, controlling persons and affiliates, is fair from a financial point of view to such stockholders. **Cowen's opinion was provided for the information and assistance of the Transaction Committee in connection with its consideration of the merger and such opinion does not constitute a recommendation as to how any holder of Huntsman common stock should vote with respect to the merger.**

Pursuant to an engagement letter with Cowen, we agreed to pay Cowen an opinion fee that is not contingent on the consummation of the merger or based on the merger consideration. **The full text of Cowen's written opinion, which sets forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered is attached as Appendix E and is incorporated into this proxy statement by reference. Holders of Huntsman common stock are encouraged to carefully read the opinion in its entirety.**

The Special Meeting of Huntsman Common Stockholders (see page 15)

Time, Date and Place. A special meeting of our common stockholders will be held on , , 2007, at at a.m., local time, which is referred to herein as the special meeting.

Purpose. You will be asked to consider and vote upon a proposal to adopt the merger agreement. The merger agreement provides that Merger Sub will be merged with and into Huntsman, and each outstanding share of our common stock (other than shares held by stockholders, if any, who properly exercise their appraisal rights under Delaware law) will be converted into the right to receive the merger consideration.

The persons named in the accompanying proxy card will also have discretionary authority to vote upon other business, if any, that properly comes before the special meeting and any adjournment of the special meeting.

Stockholders Entitled to Vote. You are entitled to vote at the special meeting if you owned shares of our common stock at the close of business on , 2007, the record date for the special meeting. You may cast one vote at the special meeting for each share of our common stock you owned at the close of business on the record date. On the record date, there were shares of our common stock outstanding and entitled to be voted at the special meeting.

Required Vote. The adoption of the merger agreement requires the affirmative vote of a majority of the shares of our common stock outstanding at the close of business on the record date. Abstaining will have the same effect as a vote against the proposal to adopt the merger agreement but will be counted in determining whether a quorum is present at the special meeting.

MatlinPatterson and the Huntsman family and the Fidelity Charitable Gift Fund have entered into voting agreements with Hexion, pursuant to which they have agreed to vote the shares of our common stock that they own on the record date in favor of approval of the merger and the adoption and approval of the merger agreement, and against any competing proposal. Stockholders who are parties to the voting agreements beneficially owned shares of common stock representing in the aggregate approximately % of our outstanding common stock entitled to vote at the special meeting on the record date. The obligations under the voting agreements terminate in certain circumstances including if the merger agreement is terminated in accordance with its terms.

Your vote is very important. You are encouraged to vote as soon as possible by returning the enclosed proxy card. If you do not indicate how your shares of Huntsman common stock should be voted, the shares represented by your properly completed proxy will be voted as the Huntsman board of directors recommends, which in the case of the proposal to adopt the merger agreement means FOR the proposal.

Share Ownership of Directors and Officers (see page 86)

On the record date for the special meeting, the directors and officers of Huntsman and their affiliates beneficially owned approximately shares of Huntsman common stock, collectively representing approximately % of the shares of common stock outstanding and entitled to vote at the special meeting. Of these shares, approximately (or % of the outstanding shares of Huntsman common stock) are subject to voting agreements requiring them to vote in favor of the adoption of the merger agreement. The directors and executive officers of Huntsman have each indicated that they expect to vote for the proposal to adopt the merger agreement.

Interests of Certain Persons in the Merger (see page 49)

When considering the unanimous recommendation by our board of directors in favor of the adoption of the merger agreement, you should be aware that members of our board of directors and our executive officers have interests in the merger that are different from, or in addition to, yours, including, among others:

- certain indemnification arrangements and insurance policies for our directors and officers will be continued for six years by Hexion if the merger is completed;

certain directors and executive officers hold restricted stock awards and other stock-based awards which will be accelerated and will vest immediately prior to consummation of the merger;

all stock options outstanding at the effective time of the merger, whether or not vested and including those held by our executive officers and directors, will be cancelled and converted into the right to receive cash equal to the excess, if any, of the merger consideration over the exercise price per share under such stock option (less any applicable withholding taxes);

certain of our current executive officers may be offered continued employment with Hexion or the surviving corporation after the effective time of the merger and may enter into or be provided new employment, retention and compensation arrangements;

our executive officers as well as certain other employees will participate in transaction bonus and retention plans;

any of our executive officers whose employment is terminated under certain circumstances will receive change of control and severance benefits;

an affiliate of our chairman and our chief executive officer, Huntsman Family Holdings, will be allocated upon the occurrence of the merger 1,783,701 shares of our common stock that are currently held in HMP Equity Trust, in settlement of a dispute among the beneficiaries of HMP Equity Trust over the allocation of such shares; and

an affiliate of two of our directors as of the date of the merger agreement, MatlinPatterson, which is also a significant beneficial owner of our stock, was granted additional registration rights by us with respect to its shares of common stock, and we agreed to reimburse up to $13 million of investment banking fees MatlinPatterson would have to pay UBS under its engagement terms entered into at the commencement of the sales process if Huntsman were to consummate the merger with Hexion instead of Basell.

Material United States Federal Income Tax Consequences (see page 58)

If you are a U.S. holder of our common stock, the merger will be a taxable transaction to you under U.S. federal income tax laws. For U.S. federal income tax purposes, your receipt of cash in exchange for your shares of our common stock generally will cause you to recognize a gain or loss measured by the difference, if any, between the cash you receive in the merger and your adjusted tax basis in your shares. Such gain or loss will be capital gain or loss if you held your shares as capital assets, and will be long term capital gain or loss if you have held your shares for more than one year as of the date of the merger. If you are a U.S. holder of compensatory stock options or unvested or unissued restricted stock awards (for which you did not make a timely election under section 83(b) of the Internal Revenue Code of 1986, as amended (the "Code")) with respect to Huntsman common stock, in each case granted in connection with the performance of services to Huntsman, you will recognize ordinary income equal to the amount of the cash payment, if any, that you receive upon cancellation of such compensatory stock options or restricted stock awards. If you are a non-U.S. holder of our common stock, the merger generally will not be a taxable transaction to you under U.S. federal income tax laws unless you have certain connections to the United States. Please refer to the section entitled "The Merger Material United States Federal Income Tax Consequences of the Merger" for a more detailed explanation of the tax consequences of the merger. You should consult your own tax advisor for a full understanding of how the merger will affect your taxes.

Tax matters can be complicated, and the tax consequences of the merger to you will depend on the facts of your own situation. You should consult your own tax advisor to fully understand the tax consequences of the merger to you.

Regulatory Approvals (see page 60)

United States

Under the Hart-Scott-Rodino Act (the "HSR Act"), the merger may not be completed until notifications have been given to the Antitrust Division of the United States Department of Justice and the Federal Trade Commission and the required waiting period has expired or been terminated. Huntsman and Hexion each made the required HSR Act filing on August 2, 2007.

European Commission

The merger also may not be completed until notification has been submitted to the European Commission in accordance with the European Community Merger Control Regulation (the "ECMR") and all required approvals by the European Commission have been obtained or deemed to be obtained under the ECMR.

Other Jurisdictions

Huntsman and Hexion each conducts operations in a number of foreign countries or jurisdictions where other regulatory approvals may be required or advisable in connection with the completion of the merger. As a condition to the completion of the merger all required approvals of the competent authority of Canada, South Korea, South Africa and Switzerland must be obtained or any applicable waiting period thereunder must be terminated or expired.

In connection with the merger we and Hexion have each agreed to:

cooperate fully with each other and furnish to the other necessary information and reasonable assistance in connection with its preparation of all antitrust filings;

keep each other reasonably informed of any communication received from, or given to, any antitrust authority, and of any communication received or given in connection with any proceeding by a private party, in each case regarding the merger and in a manner that protects attorney-client or attorney work product privilege; and

permit each other to review any filing or communication proposed to be made to any antitrust authority or in connection with any proceeding by a private party related to antitrust laws with any other person, in each case regarding the merger and in a manner that protects attorney-client or attorney work product privilege and to incorporate the other party's reasonable comments in any such communication.

In the merger agreement we and Hexion have also agreed to use our reasonable best efforts to ensure the prompt expiration of any applicable waiting period under any antitrust laws and approval by any relevant antitrust authority; and to respond to and comply with any request for information regarding the merger or filings under any antitrust laws from any antitrust authority.

Hexion has agreed to take any and all action necessary (i) to ensure that no governmental entity enters any order, decision, judgment, decree, ruling, injunction, or establishes any law, rule, regulation or other action preliminarily or permanently restraining, enjoining or prohibiting the consummation of the merger, and (ii) to ensure that no antitrust authority with the authority to clear, authorize or

otherwise approve the consummation of the merger, fails to do so by the termination date of the merger agreement. Such required action may include but is not limited to:

- selling or otherwise disposing of, or holding separate and agreeing to sell or otherwise dispose of, assets, categories of assets or businesses of Huntsman or Hexion or their respective subsidiaries;
- terminating existing relationships, contractual rights or obligations of the Huntsman or Hexion or their respective subsidiaries;
- terminating any venture or other arrangement;
- creating any relationship, contractual rights or obligations of Huntsman or Hexion or their respective subsidiaries;
- effectuating any other change or restructuring of Huntsman or Hexion or their respective subsidiaries; or

in the case of each of the above, Hexion has also agreed to enter into agreements or stipulate to the entry of an order or decree or file appropriate applications with any antitrust authority and in the case of actions by or with respect to Huntsman or its subsidiaries or its businesses or assets, to consent to such action by Huntsman. Any such action with respect to Huntsman, its subsidiaries, businesses or assets may, at the discretion of Huntsman, be conditioned upon consummation of the merger. We have agreed to use our reasonable best efforts to assist Hexion in resisting and reducing any of the foregoing actions.

Hexion is entitled to direct any proceedings or negotiations with any antitrust authority relating to the merger or filings under any antitrust laws, however it must allow Huntsman a reasonable opportunity to participate in such proceedings or negotiations. Neither party is permitted to initiate, or participate in any meeting or discussion with any governmental entity with respect to any filings, applications, investigation, or other inquiry regarding the merger or filings under any antitrust laws without giving the other party reasonable prior notice of the meeting or discussion and, to the extent permitted by the relevant governmental entity, the opportunity to attend and participate (which, at the request of either party, will be limited to outside antitrust counsel only).

Procedure for Receiving Merger Consideration (see page 64)

Immediately prior to the effective time of the merger, a paying agent will mail a letter of transmittal and instructions to you. The letter of transmittal and instructions will tell you how to surrender your common stock certificates or book-entry shares in exchange for the merger consideration. **Please do not return your stock certificates with the enclosed proxy card, and you should not forward your stock certificates to the paying agent without a letter of transmittal.**

No Solicitation of Transactions; Limitations on Changes in Recommendation (see page 72)

Immediately upon signing of the merger agreement, we were required to cease any discussions, negotiations or other activities with respect to any actual or potential competing proposals. In addition, under the merger agreement we are not permitted to, among other things, (i) initiate, solicit or knowingly encourage or facilitate any inquiries, proposals or offers that constitute, or could reasonably be expected to lead to, a competing proposal, (ii) enter into, participate or engage in discussions or negotiations with third parties regarding any inquiries, proposals or offers that constitute, or could reasonably be expected to lead to, a competing proposal, or (iii) furnish or provide any non-public information, or access, to any third parties with respect to any inquiries, proposals or offers that constitute, or could reasonably be expected to lead to, a competing proposal. Notwithstanding these restrictions, prior to the adoption of the merger agreement by holders of our common stock, our board

of directors or the transaction committee thereof may respond to an unsolicited written bona fide proposal for a competing proposal if our board of directors or the transaction committee thereof has concluded in good faith (a) after consultation with its financial advisors and outside legal counsel, that such competing proposal is, or could reasonably be expected to lead to, a superior proposal and (b) after consultation with its outside counsel, that the failure to take such action would be inconsistent with its fiduciary duties under applicable law. In addition, our board of directors or the transaction committee thereof may withdraw or change its recommendation of the merger, terminate the merger agreement, and, if applicable, enter into an agreement with respect to such superior proposal if prior to taking such action:

- in response to a competing proposal it determines in good faith after consultation with its financial advisors and outside legal counsel that such competing proposal is a superior proposal; provides notice and a copy of such proposal to Hexion and either Hexion does not propose revisions to the terms and conditions of the merger agreement by the third business day after such notice or if in the good faith determination of our board of directors or the transaction committee thereof, after consultation with its financial and legal advisors, that despite any changes proposed by Hexion the competing proposal remains a superior proposal; determines in good faith after consultation with its outside counsel that the failure to take such action would be inconsistent with its fiduciary duties under applicable law, and if it proposes to terminate the merger agreement concurrently pays to Hexion the termination fee and Reimbursement Amount (as defined below); and

- other than in connection with a competing proposal, it determines in good faith after consultation with its outside legal counsel that the failure to take such action would be inconsistent with its fiduciary duties under applicable law, provides 48 hours advance notice to Hexion that the Company intends to take such action, and if it proposes to terminate the merger agreement concurrently pays to Hexion the termination fee and Reimbursement Amount (as defined below).

Conditions to Completion of the Merger (see page 78)

Before we can complete the merger, a number of conditions must be satisfied or waived. These include:

- adoption of the merger agreement by our common stockholders;

- the waiting period applicable to the consummation of the merger under the HSR Act, having expired or been terminated;

- all required approvals by the European Commission applicable to the merger under applicable competition laws, including the ECMR, having been obtained or deemed to be obtained;

- the receipt of certain other authorizations, consents, approvals or expiration of waiting periods of governmental entities in certain additional jurisdictions that are required to be obtained prior to consummation of the merger;

- the absence of any governmental orders, rules, injunctions or laws that have the effect of making the merger illegal or that otherwise restrain or prohibit the consummation of the merger;

- performance by each of the parties of its covenants under the merger agreement in all material respects (subject to certain specified exceptions with respect to antitrust and competition approvals);

- no material adverse effect with respect to Huntsman having occurred after the date of the merger agreement;

the accuracy of Huntsman's representations and warranties in the merger agreement, except (subject to certain specified exceptions) to the extent the failure of such representations and warranties to be true and correct (without regard to qualifications or exemptions therein as to materiality or material adverse effect on Huntsman) would not be reasonably likely to have, individually or in the aggregate, a material adverse effect with respect to Huntsman;

the accuracy of Hexion's and Merger Sub's representations and warranties in the merger agreement, except (subject to certain specified exceptions) to the extent the failure of such representations and warranties to be true and correct (without regard to qualifications or exceptions therein as to materiality or material adverse effect on Hexion) would be reasonably likely, individually or in the aggregate, prevent or materially delay or impair the ability of Hexion or Merger Sub to consummate the merger or its related financing; and

the delivery of a solvency letter by Hexion to Huntsman and to the board of directors.

We can give no assurance when or if all of the conditions to the merger will be either satisfied or, to the extent possible, waived or that the merger will be consummated.

Termination of the Merger Agreement (see page 79)

We and Hexion may agree in writing to terminate the merger agreement and abandon the merger at any time prior to completing the merger, even after our common stockholders have adopted the merger agreement. The merger agreement may also be terminated at any time prior to the effective time of the merger in certain other circumstances, including:

by either Hexion or us if:

a final, non-appealable governmental order, ruling, injunction or law prohibits the merger;

holders of our common stock do not adopt the merger agreement at the special meeting or any postponement or adjournment thereof;

the merger has not been consummated on or before April 5, 2008 (or the date up to 180 days (or more in the event that the marketing period for Hexion's financing begins, but does not end by, such 180 day extension) later to which the termination date is extended pursuant to the merger agreement, which is referred to herein as the termination date); or

there is a breach by the non-terminating party of its representations, warranties, covenants or agreements in the merger agreement such that the conditions to closing of the merger relating to representations, warranties and performance of obligations would not be satisfied that has not or cannot be cured within 30 days of written notice thereof;

by Hexion, within 15 business days, if:

our board of directors or the transaction committee thereof withdraws, modifies or changes its recommendation of the merger in any manner that is adverse to Hexion;

a tender or exchange offer that would constitute a competing proposal is commenced and our board of directors or a committee thereof fails to recommend against acceptance of such tender or exchange offer within 10 business days after the commencement thereof; or

our board of directors or the transaction committee thereof approves or recommends any competing proposal or approves any agreement relating to any competing proposal (other than permitted confidentiality agreements);

9

by Huntsman if:

- our board of directors or the transaction committee thereof has withdrawn, amended or modified its recommendation, and recommended against adoption of the merger agreement and the merger in accordance with the terms of the merger agreement or our board of directors or the transaction committee thereof changes its recommendation (provided Huntsman has not materially breached the restrictions regarding the solicitation of competing proposals) and in either case we concurrently pay the termination fee and Reimbursement Amount in accordance with the merger agreement; or

- all the conditions to Hexion's obligation to complete the merger have been satisfied or waived (except such conditions that, by their nature, can only be satisfied at closing) and the merger is not consummated on or prior to the termination date, other than as a result of our refusal to close in violation of the merger agreement.

Fees and Expenses; Remedies (see page 81)

Under the merger agreement we have agreed to pay Hexion a fee of $225 million plus the Reimbursement Amount by wire transfer of immediately available funds if we or Hexion terminate the merger agreement in circumstances where our board of directors or the transaction committee thereof has withdrawn, modified or changed, in any manner that is adverse to Hexion, its approval or recommendation that holders of our common stock approve and adopt the merger agreement and the merger; has failed to recommend against acceptance of a tender or exchange offer that would constitute a competing proposal within 10 business days; or has approved or recommended any competing proposal or approves any agreement relating to any competing proposal (other than a permitted confidentiality agreement).

We have also agreed in the merger agreement that if either we or Hexion terminate the merger agreement after our common stockholders fail to adopt the merger agreement at a duly called meeting, and within 12 months after the date of the stockholders' meeting, we enter into a definitive agreement with respect to or consummate a competing proposal, then at the closing or other consummation of such competing proposal, we will pay Hexion:

- the Reimbursement Amount if at the time of the meeting less than 50.1% of the total issued and outstanding voting power of our common stock is contractually committed (whether pursuant to the voting agreements or another similar voting agreement with Hexion) to vote in favor of the adoption of the merger agreement; and

- a fee of $225 million plus the Reimbursement Amount if at the time of the meeting there existed a publicly announced bona fide competing proposal that has not been withdrawn at least five business days prior to the date of the meeting.

Hexion has agreed in the merger agreement to pay us a fee of $325 million if:

- (i) either we or Hexion terminate the merger agreement because a governmental agency has issued a final non-appealable order, decree, ruling or injunction or taken any other action permanently restraining, enjoining or otherwise prohibiting the consummation of the merger or any law or regulation is adopted that makes consummation of the merger illegal or otherwise prohibited and (ii) at the same time there exists an order, decision, judgment, decree, ruling, injunction (preliminary or permanent), or any law, rule, regulation or other action is established, preliminarily or permanently restraining, enjoining or prohibiting the consummation of the merger (each event in clause (ii) being an "Antitrust Prohibition");

either we or Hexion terminate the merger agreement when the merger has not been consummated by the termination date and the condition to consummation related to the receipt of regulatory approvals has not been met or there exists an Antitrust Prohibition;

we terminate the merger agreement due to a breach by Hexion or Merger Sub of their covenants related to making filings and seeking and obtaining approval of regulatory authorities or their covenants related to Hexion's financing; or

we terminate the merger agreement when Hexion fails to consummate the merger when all of the conditions to its obligations to close have been satisfied or waived (except those conditions that, by their nature, can only be satisfied at closing) and the merger has not been consummated on or prior to the termination date.

We and Hexion have agreed that the non-terminating party will pay to the terminating party the Reimbursement Amount if the merger agreement is terminated by either party as a result of a willful or intentional breach by the other party of its representations, warranties, covenants or agreements in the merger agreement such that the conditions to closing of the merger relating to representations, warranties and performance of obligations of the non-breaching party would not be satisfied.

The merger agreement provides that except for remedies of specific performance and except in the case of fraud or a knowing and intentional breach of a covenant in the merger agreement, the payment of the fees and Reimbursement Amount by a party in accordance with the merger agreement will be the sole and exclusive remedy against the other party for failure to consummate the merger. In the event of a knowing and intentional breach of covenants under the merger agreement, the non-breaching party, in addition to the fees and Reimbursement Amount provided for in the merger agreement and to seeking specific performance of the covenants, may seek damages, which in our case can be based upon the amount that would have been paid to our stockholders in the merger and in Hexion's case, can be based upon loss of economic benefits of the transaction. Each of the parties is specifically authorized to seek a decree or order of specific performance to enforce performance of any covenant or obligation under the merger agreement or injunctive relief to restrain any breach or threatened breach, provided that in a case where Hexion is obligated to close the merger, we may not specifically enforce its obligations to consummate the merger but only its obligations to cause its financing to be funded.

The "Reimbursement Amount" is equal to $100 million and represents the portion of the $200 million termination fee paid to Basell AF pursuant to that certain agreement and plan of merger, dated as of June 26, 2007, among Basell AF, BI Acquisition Holdings Limited and Huntsman that was funded by each of Huntsman and Hexion.

Except as described above, each party to the merger agreement will pay its own expenses incident to entering into and carrying out the merger agreement.

Voting Agreements (see page 82)

Simultaneously with the execution and delivery of the merger agreement, MatlinPatterson, Jon M. Huntsman, the Jon and Karen Huntsman Foundation, a charitable foundation managed by the Huntsman family (referred to herein as the J&K Foundation) and the Fidelity Charitable Gift Fund entered into voting agreements with Hexion, pursuant to which they agreed to vote the shares of our common stock that they own or have the right to vote on the record date in favor of approval of the merger and the adoption and approval of the merger agreement, and against any competing proposal. In addition, Jon M. Huntsman, the J&K Foundation and the Fidelity Charitable Trust have agreed to vote against any action or agreement that would result in a breach of any representation, warranty, covenant or obligation of Huntsman in the merger agreement or impair the ability of Huntsman to consummate the merger or that would otherwise be inconsistent with, prevent, impede or delay the

consummation of the transactions related to the merger. Stockholders who are parties to the voting agreements beneficially owned an aggregate of approximately % of our outstanding common stock as of the record date. The voting agreement with Jon M. Huntsman, the J&K Foundation and the Fidelity Charitable Trust prohibits such parties from transferring any shares of our common stock prior to the consummation of the merger, except under limited circumstances. The voting agreement with MatlinPatterson allows for the stockholders party thereto to freely sell all but 19,870,000 shares of our common stock held indirectly by such stockholders through the HMP Equity Trust without requiring the purchaser of such shares to enter into a similar voting agreement. The remaining 19,870,000 shares may also be sold if we agree that certain criteria are satisfied or if the new owner grants all voting rights with respect to the purchased shares to HMP Equity Trust or to Jon M. Huntsman. On August 6, 2007, MatlinPatterson sold all but 19,870,000 of the shares it is currently entitled to sell pursuant to a shelf registration statement. The obligations under the voting agreements terminate in certain circumstances including in the event the merger agreement is terminated in accordance with its terms. See "The Merger Agreement and Voting Agreements The Voting Agreements."

Appraisal Rights (see page 54)

Subject to compliance with the procedures set forth in Section 262 of the General Corporation Law of the State of Delaware ("DGCL"), holders of our common stock will be entitled to appraisal rights in connection with the merger, whereby such stockholders may receive the "fair value" of their shares in cash, exclusive of any element of value arising from the expectation or accomplishment of the merger. Shares of our common stock held of record by a holder who does not vote in favor of the adoption of the merger agreement and who has delivered a written demand for appraisal of such shares in accordance with the requirements of Section 262 of the DGCL will not be converted into the right to receive the merger consideration, unless and until the dissenting holder fails to perfect or effectively withdraws his or her right to appraisal and payment under Delaware law. Failure to take any of the steps required under Section 262 of the DGCL on a timely basis may result in a loss of appraisal rights. These procedures are described in this proxy statement. The provisions of Delaware law that grant appraisal rights and govern such procedures are attached as Appendix F.

FORWARD-LOOKING INFORMATION

Certain information set forth in this proxy statement contains "forward-looking statements" within the meaning of the federal securities laws. Forward-looking statements include statements concerning the expected consummation and timing of the merger and other information related to the merger, our plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions or dispositions and other information that is not historical information. In some cases, forward-looking statements can be identified by terminology such as "believes," "expects," "may," "will," "should," "anticipates" or "intends" or the negative of such terms or other comparable terminology, or by discussions of strategy. We may also make additional forward-looking statements from time to time. All such subsequent forward-looking statements, whether written or oral, by us or on our behalf, are also expressly qualified by these cautionary statements.

All forward-looking statements are based upon our current expectations and various assumptions. Our expectations, beliefs and projections are expressed in good faith and we believe there is a reasonable basis for them, but there can be no assurance that management's expectations, beliefs and projections will result or be achieved. All forward-looking statements apply only as of the date made. We undertake no obligation to publicly update or revise forward-looking statements which may be made to reflect events or circumstances after the date made or to reflect the occurrence of unanticipated events. We believe the following factors would cause actual results to differ materially from those discussed in the forward-looking statements:

- the failure to satisfy the conditions to consummate the merger, including the receipt of the required approval of holders of our common stock;
- the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement;
- the failure of the merger to close for any other reason;
- the outcome of legal proceedings that may be instituted against us and others in connection with the merger agreement; and
- the amount of the costs, fees, expenses and charges related to the merger.

For additional discussion of these and other factors, risks and uncertainties, see our reports and documents filed with the SEC (see "Where You Can Find Additional Information").

THE PARTIES TO THE MERGER

Huntsman Corporation

Huntsman Corporation is among the world's largest global manufacturers of differentiated chemical products and also manufactures inorganic and commodity chemical products. Our products comprise a broad range of chemicals and formulations, which we market in more than 100 countries to a diversified group of consumer and industrial customers. Our products are used in a wide range of applications, including those in the adhesives, aerospace, automotive, construction products, durable and non-durable consumer products, electronics, medical, packaging, paints and coatings, power generation, refining, synthetic fiber, textile chemicals and dye industries. As of August 6, 2007, our facilities were located in 24 countries, and we employed approximately 13,000 associates worldwide. We had 2006 revenues of over $10.6 billion.

We are a corporation incorporated under the laws of the State of Delaware. Our executive offices are located at, and our mailing address is, 500 Huntsman Way, Salt Lake City, Utah 81408, and our telephone number at that address is (801) 584-5700.

Hexion Specialty Chemicals, Inc.

Hexion, an entity owned by an affiliate of Apollo Management, L.P., is 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 had 2006 sales of approximately $5.2 billion and as of December 31, 2006 employed approximately 6,900 associates.

Hexion is a New Jersey corporation. Hexion's executive offices are located at, and its mailing address is, 180 East Broad Street, Columbus, OH 43215, and its telephone number at that address is (614) 225-2223.

Nimbus Merger Sub Inc.

Merger Sub is a Delaware corporation formed on June 12, 2007 for the sole purpose of engaging in the merger and related transactions. Merger Sub has no operations and is a wholly-owned subsidiary of Hexion.

Merger Sub is a corporation incorporated under the laws of the State of Delaware. Merger Sub's executive offices are located at, and its mailing address is, 180 East Broad Street, Columbus, OH 43215, and its telephone number at that address is (614) 225-2223.

THE SPECIAL MEETING

We are furnishing this proxy statement to holders of our common stock as part of the solicitation of proxies by our board of directors for use at the special meeting.

Date, Time and Place

We will hold the special meeting at at a.m., local time, on , , 2007 or any postponement or adjournment thereof.

Purpose of Special Meeting

At the special meeting, we will ask holders of our common stock to consider and vote upon the merger agreement. Our board of directors, based on the recommendation of a transaction committee comprised entirely of independent directors, has unanimously determined that the merger agreement and the merger are fair to and in the best interests of our common stockholders and declared the merger agreement advisable. Our board of directors unanimously recommends that our common stockholders vote FOR the adoption of the merger agreement.

Record Date; Shares Entitled to Vote

Only holders of record of our common stock at the close of business on , 2007, the record date, are entitled to notice of and to vote at the special meeting. On the record date, shares of our common stock were issued and outstanding. We had holders of record as of , 2007.

Votes Required for Approval; Quorum

The adoption of the merger agreement requires the affirmative vote of the holders representing a majority of the shares of our common stock outstanding on the record date. Therefore, if a holder of our common stock abstains from voting on this proposal or is not present, either in person or represented by proxy, at the special meeting, it will effectively count as a vote against the adoption of the merger agreement. In addition, broker non-votes will effectively count as a vote against the adoption of the merger agreement.

A quorum will be present at the special meeting if a majority of the shares of our common stock issued and outstanding and entitled to vote on the record date are present, either in person or represented by proxy. Any shares of our common stock held in treasury by Huntsman or by any of our subsidiaries are not considered to be outstanding for purposes of determining a quorum. Abstentions and broker non-votes are counted as present for the purpose of determining whether a quorum is present. Once a share is represented at the special meeting, it will be counted for the purpose of determining a quorum at the special meeting and any adjournment of the special meeting. However, if a new record date is set for the adjourned special meeting, then a new quorum will have to be established. In the event that a quorum is not present at the special meeting, it is expected that the meeting will be adjourned to solicit additional proxies. Holders of record of our common stock on the record date are entitled to one vote per share at the special meeting on the proposal to adopt the merger agreement.

Voting by Certain of Huntsman's Stockholders

Simultaneously with the execution and delivery of the merger agreement, MatlinPatterson and the Huntsman family as well as the Fidelity Charitable Gift Fund entered into voting agreements with Hexion, pursuant to which they have agreed to vote the shares of our common stock that they own on the record date in favor of approval of the merger and the adoption and approval of the merger

agreement, and against any competing proposal. In addition, the entities controlled by the Huntsman family and Fidelity Charitable Trust have agreed to vote against any action or agreement that would result in a breach of any representation, warranty, covenant or obligation of Huntsman in the merger agreement or impair the ability of Huntsman to consummate the merger or that would otherwise be inconsistent with, prevent, impede or delay the consummation of the transactions related to the merger. Stockholders who are parties to the voting agreements beneficially owned shares of common stock representing in the aggregate approximately % of our outstanding common stock entitled to vote at the special meeting. The voting agreement with entities controlled by the Huntsman family and the Fidelity Charitable Trust prohibits such parties from transferring any shares of our common stock prior to the consummation of the merger, except under limited circumstances. The voting agreement with MatlinPatterson allows for the stockholders party thereto to freely sell all but 19,870,000 shares of our common stock beneficially owned by such stockholders without requiring the purchaser of such shares to enter in to a similar voting agreement. The remaining 19,870,000 shares may also be sold if we agree that certain criteria are satisfied or if the new owner grants all voting rights with respect to the purchased shares to HMP Equity Trust or to Jon M. Huntsman. On August 6, 2007, MatlinPatterson sold all but 19,870,000 of the shares it is currently entitled to sell pursuant to a shelf registration statement. See "The Merger Agreement and Voting Agreements The Voting Agreements." The obligations under the voting agreements terminate in the event the merger agreement is terminated.

Voting of Proxies

All shares represented by properly executed proxies received in time for the special meeting will be voted at the special meeting in the manner specified by the holders. Properly executed proxies that do not contain voting instructions will be voted FOR the adoption of the merger agreement.

Only shares affirmatively voted for the adoption of the merger agreement, including properly executed proxies that do not contain voting instructions, will be counted as favorable votes for that proposal. If a holder of our common stock abstains from voting or does not properly execute a proxy, it will effectively count as a vote against the adoption of the merger agreement. Brokers who hold shares of our common stock in street name for customers who are the beneficial owners of such shares may not give a proxy to vote those customers' shares in the absence of specific instructions from those customers. These broker non-votes will effectively count as votes against the adoption of the merger agreement.

The persons named as proxies by a common stockholder may propose and vote for one or more adjournments of the special meeting, including adjournments to permit further solicitations of proxies.

We do not expect that any matter will be brought before the special meeting other than the proposals to adopt the merger agreement. If, however, our board of directors properly presents other matters, the persons named as proxies will vote in accordance with their judgment as to matters that they believe to be in the best interests of the stockholders.

You should not send any stock certificates with your proxy. A letter of transmittal with instructions for the surrender of common stock certificates will be mailed to you as soon as practicable after completion of the merger.

Revocability of Proxies

A holder of our common stock may revoke a proxy at any time prior to its exercise by:

filing with our secretary at our principal executive offices a duly executed revocation of proxy;

submitting a duly executed proxy to our secretary bearing a later date; or

appearing at the special meeting and voting in person; however, attendance at the special meeting will not in and of itself constitute revocation of a proxy.

If you have instructed your broker to vote your shares, you must follow directions received from your broker to change these instructions.

Shares Held in "Street Name"

If your shares of Huntsman common stock are held in an account at a bank, broker or other nominee and you wish to vote, you must return your voting instructions to the bank, broker or other nominee.

If you own shares of Huntsman common stock through a bank, broker or other nominee and attend the Huntsman special meeting, you should bring a letter from your bank, broker or other nominee identifying you as the beneficial owner of such shares of Huntsman common stock and authorizing you to vote.

Your broker will NOT vote your shares of Huntsman common stock held in "street name" unless you instruct your broker how to vote. Such failure to vote will have the same effect as a vote AGAINST adoption of the merger agreement. You should therefore provide your bank, broker or other nominee with instructions as to how to vote your shares of Huntsman common stock.

Adjournments

Although it is not currently expected, the special meeting may be adjourned for the purpose of soliciting additional proxies in favor of adoption of the merger agreement. Any adjournment may be made without notice by announcement at the special meeting of the new date, time and place of the special meeting; provided that, if the adjournment is for more than 30 days, or if after the adjournment our board of directors fixes a new record date for the meeting, a notice of the adjourned meeting must be given to each common stockholder entitled to vote at the meeting. Whether or not a quorum exists, holders of a majority of the shares of our common stock present, either in person or represented by proxy, at the special meeting and entitled to vote thereat may adjourn the special meeting. Any properly executed proxy received by Huntsman that is voted for the merger proposal or that has no voting instructions will be voted in favor of an adjournment in these circumstances. However, no proxy that is voted against the proposal to adopt the merger agreement will be voted in favor of adjournment of the special meeting for purposes of soliciting additional proxies. Any adjournment of the special meeting for the purpose of soliciting additional proxies will allow our stockholders who have already sent in their proxies to revoke them at any time prior to their use at the special meeting as adjourned.

Solicitation of Proxies

All costs of solicitation of proxies will be borne by us. The directors and officers and employees of Huntsman may, without additional compensation, solicit proxies for common stockholders by mail, telephone, facsimile or in person. However, you should be aware that certain members of our board of directors and our executive officers have interests in the merger that are different from, or in addition to, yours. See "Interests of Certain Persons in the Merger."

You should send in your proxy by mail without delay. We will also reimburse brokers and other custodians, nominees and fiduciaries for their expenses in sending these materials to you and getting your voting instructions. We have retained D.F. King & Co., Inc. to assist us in the solicitation of proxies for the special meeting and will pay D.F. King & Co., Inc. a fee of approximately $10,000, plus reimbursement of out-of-pocket expenses.

THE MERGER

The following discussion summarizes the material terms of the proposed merger. While we believe that the description covers the material terms of the merger and the related transactions, this summary may not contain all of the information that is important to you. You should read this entire proxy statement and the merger agreement attached hereto as Appendix A carefully for a more complete understanding of the merger.

Background of the Merger

At various times since Huntsman's initial public offering in February 2005, Huntsman's principal stockholders, board of directors and management have considered, formally and informally, a sale or combination of Huntsman and on several occasions held discussions with certain third parties regarding such a transaction. In early November 2005, Apollo Management, L.P., which is referred to as Apollo, approached Huntsman and made a preliminary acquisition proposal. In response to Apollo's proposal, Huntsman hired Merrill Lynch, Pierce, Fenner and Smith Incorporated, which is referred to as Merrill Lynch, to review and analyze value enhancement alternatives. In order to better assess the value potential of a sale of Huntsman as proposed by Apollo, Merrill Lynch was authorized by the Company to approach other parties to ascertain their potential interest in such a transaction, and, on a preliminary and non-binding basis, the value and structure which they would consider. Three parties, in addition to Apollo, were deemed to be the parties most likely to pay the highest value for Huntsman due to past expressions of interest or potential synergies arising from a combination, and it was not considered prudent to contact additional parties due to heightened risk of a leak and the negative consequences that could result from a leak. Two of these three parties, Access Industries, which is referred to as Access, and its affiliate Basell AF, which is referred to as Basell, and Company A, a publicly traded chemical company, submitted preliminary acquisition proposals.

After reviewing the preliminary acquisition proposals as well as other value enhancement alternatives at a meeting of the Huntsman board of directors on December 1, 2005, Huntsman management and Merrill Lynch were authorized by the Huntsman board of directors to pursue firm offers and to continue to analyze other value enhancement alternatives.

Merrill Lynch contacted Apollo, Access and Company A, inviting each to perform due diligence with a view towards submitting a firm offer in early January. Another party, Company B, a prominent private equity firm, expressed an interest in pursuing an acquisition of Huntsman, but, after further analysis, indicated an inability to reach a competitive valuation.

In late December 2005, Merrill Lynch sent instructions for firm bids and a bid form merger agreement prepared by Huntsman's regular outside counsel, Vinson & Elkins L.L.P., which is referred to as Vinson & Elkins, to three bidders: (i) Hexion Specialty Chemicals, Inc., an Apollo portfolio company, which is referred to as Hexion, (ii) Access and Basell, and (iii) Company A.

The proposals of Hexion and Company A were sufficient in the judgment of the board of directors to merit further discussions, which progressed through January 2006. In late January 2006 Company A indicated that it would not increase its proposal. On January 31, 2006, Huntsman publicly announced that it had received an indication of interest in, and that it was engaged in discussions regarding, a sale of the company. Thereafter, Huntsman continued discussions only with Apollo and Hexion, who had proposed an acquisition of Huntsman at a price of $25.00 cash per share. In early February 2006, Apollo and Hexion informed Huntsman that their proposal of $25.00 cash per share would need to be reduced in light of certain recent developments, and the parties failed to resolve certain critical terms of the proposed merger agreement. Therefore, Huntsman terminated all discussions regarding the proposal and announced that all discussions regarding a possible transaction with a third party had been terminated and that it would pursue other actions to enhance shareholder value.

Following the termination of the sale discussions in February 2006, Huntsman pursued its strategy of divesting its base chemicals and polymers businesses. In late 2006, Huntsman sold its European base chemicals and polymers businesses. In early 2007, Huntsman entered into a definitive agreement to sell its North American polymers and base chemicals businesses. The sale of our North American polymers business closed on August 1, 2007. Throughout this period, members of Huntsman management and Jon M. Huntsman, our Chairman, remained in contact with a number of the parties involved in the 2006 sales discussions, including representatives of Apollo and Access, and periodically discussed the possibility of a sale of Huntsman.

Jon M. Huntsman and Peter R. Huntsman, our chief executive officer, and other members of senior management and the board of directors also met from time to time with parties who had not participated in the 2006 sales discussions regarding their possible interest in acquiring Huntsman. This included in-person meetings in April 2006 with representatives of Company C, a significant Asian industrial company, in-person meetings in September 2006 with Company D, a major investment company, and in-person meetings in October 2006 with Company E, a significant Chinese industrial company.

In February of 2007, at an investor day conference of the Company held in New York City, Jon Huntsman commented publicly that Huntsman was open to considering opportunities to sell the company.

On or about March 30, 2007, Matlin Global Advisers LLC, an affiliate of two of our directors at that time, David Matlin and Chris Pechock, and MatlinPatterson, one of Huntsman's largest stockholders at the time, engaged UBS Securities LLC, which is referred to as UBS, as its financial advisor in connection with MatlinPatterson's investment in Huntsman including possible monetization options for MatlinPatterson's interest in Huntsman. On May 15, 2007, Jon Huntsman received a copy of a letter from Company B to UBS proposing an acquisition of Huntsman at a price of $24.00 per share of common stock, subject to further due diligence and obtaining committed financing, which he distributed to the board of directors on May 17, 2007. After discussions with several members of the board of directors in response to the letter proposal from Company B, Jon Huntsman and Peter Huntsman contacted various parties involved in the 2006 sale discussions, including Apollo and Access, in order to gauge the current interest of such parties in a potential acquisition of Huntsman.

On May 18, 2007, Huntsman received a letter from Apollo on behalf of Hexion setting forth its preliminary proposal for Hexion to acquire Huntsman at a price of $25.00 per share. The letter provided that if the merger did not close within nine months of signing due to the regulatory approval process, Hexion would have an additional six months to close during which time Hexion would compensate Huntsman's stockholders for their delay in the receipt of proceeds under a mechanism to be established between Hexion and the Huntsman board of directors.

On May 21, 2007, the Huntsman board of directors met telephonically and reviewed the proposals received from Apollo and Company B with input from Merrill Lynch. The board of directors resolved to reestablish sale discussions and authorized management to discretely gauge the interest of additional parties who might be interested in the acquisition of Huntsman. The board of directors also established a transaction committee comprised solely of independent directors, which is referred to as the Transaction Committee, to oversee such process. Further, the Transaction Committee was authorized to engage its own legal counsel and financial advisor. The board of directors determined that establishing a committee consisting of independent directors was in the best interest of Huntsman and its stockholders to ensure a deliberative process that would be fair to the stockholders and to avoid any appearance of conflict of interest. The Transaction Committee consisted of Nolan D. Archibald, Marsha J. Evans, H. William Lichtenberger, Richard Michaelson, Wayne E. Reaud and Alvin V. Shoemaker, who served as Chairman of the Transaction Committee.

Subsequently, in a brief telephonic meeting, the Transaction Committee determined to hire Merrill Lynch as its financial advisor to the Transaction Committee and Law Firm A as outside legal counsel to the Transaction Committee. Due to a conflict of interest, Law Firm A was not ultimately engaged as counsel to the Transaction Committee. Instead, the Transaction Committee engaged Shearman & Sterling LLP, which is referred to as Shearman & Sterling, as its legal advisor.

Shortly after its engagement, Merrill Lynch developed specific recommendations as to process that it discussed and refined with Mr. Shoemaker and contacted UBS to identify the parties that UBS had contacted regarding possible monetization options for MatlinPatterson's interest in Huntsman.

During the following two weeks, at the request of the Transaction Committee, Merrill Lynch contacted ten potential strategic or financial buyers regarding a potential sale of Huntsman, including Company A, Company B, Company C, Company E, Apollo and Access.

On May 30, 2007, a combined telephonic meeting of the Transaction Committee and the board of directors was held. At the meeting, representatives of Merrill Lynch provided the Transaction Committee and the board of directors with an overview of the sale process being undertaken and outlined the process for seeking proposals from potential bidders.

On June 1, 2007, Apollo and Basell each entered into a confidentiality agreement with Huntsman, and began to conduct their due diligence thereafter.

On June 4, 2007, Mr. Shoemaker met with representatives of Shearman & Sterling at their New York City office to discuss the status of the process and the roles the Transaction Committee, Shearman & Sterling and Merrill Lynch would undertake in the sale process.

On June 5, 2007, Company B entered into a confidentiality agreement with Huntsman, and Company B began to conduct its due diligence thereafter. Seven other third parties previously contacted by Merrill Lynch, including Company A, Company C and Company E, declined to participate in the process.

From June 5, 2007 through June 8, 2007, Jon Huntsman and members of Huntsman's senior management, including Peter Huntsman, Kimo Esplin, Samuel Scruggs and John Heskett, along with representatives of Merrill Lynch, Vinson & Elkins and Shearman & Sterling, met separately with members of management of Apollo and Hexion, Access and Basell, and Company B, as well as their respective financial and legal advisors, in The Woodlands, Texas to provide management presentations and other diligence presentations regarding Huntsman's operating units, including its financial results. Merrill Lynch advised each potential bidder that it would receive a draft merger agreement later in the week, would be granted access to an electronic data room created to assist in their understanding and investigation of Huntsman and would be expected to respond with firm offers, including their proposed changes to the draft merger agreement, no later than June 28, 2007. During the course of the week, Jon Huntsman and members of senior management of Huntsman as well as representatives of Merrill Lynch also met for dinner separately with members of management of Apollo and Hexion, Access and Basell and Company B and discussed a number of items, including possible synergies and structures of a transaction and next steps to be taken in the process. During this week Vinson & Elkins, with the assistance of Shearman & Sterling and management of Huntsman, prepared a draft merger agreement to be provided to potential bidders. Each of the potential bidders was given access to the electronic data room on June 7, 2007.

On June 7, 2007, a telephonic meeting of the board of directors was held at which representatives of Vinson & Elkins discussed the key provisions of the draft merger agreement proposed to be provided to the potential bidders, including the initial terms relating to transaction, structure, representations and warranties, treatment of stock options and restricted stock, various covenants, agreements and commitments of the parties, the go-shop provision that would permit Huntsman and its representatives to solicit a superior transaction for a specified period of time after signing and which

would be associated with a lower termination fee in the event that Huntsman were to terminate the merger agreement in order to enter into a go-shop transaction, the general prohibition on solicitation activities outside of the go-shop period, closing conditions, termination rights and related fees, as well as the likely request by bidders for a voting agreement with certain significant Huntsman stockholders, the potential need for a longer regulatory approval period in a Hexion transaction as compared to other bidders and the related fees (and other contractual terms) that Hexion was willing to offer to compensate Huntsman stockholders for this extended time period to close, which is referred to as a ticking fee. Representatives of Vinson & Elkins also outlined for the Transaction Committee the preliminary issues expected with various bidders, including the potential competition law analysis associated with a Hexion transaction.

Also on June 7, 2007, a telephonic meeting of the Transaction Committee attended by Merrill Lynch and Shearman & Sterling was held immediately following the meeting of the board of directors, at which the Transaction Committee members discussed further the key provisions of the draft merger agreement. Representatives of Shearman & Sterling and Merrill Lynch discussed with the Transaction Committee several key provisions of the draft merger agreement, and the treatment of such issues in other recent transactions, including the initial terms relating to the break-up fee, the reverse break-up fee, the go-shop provision, the termination date and the ticking fee. Representatives of Shearman & Sterling also outlined for the Transaction Committee the preliminary issues expected with various bidders, including the potential competition law analysis associated with a Hexion transaction. After discussion, the Transaction Committee determined that the merger agreement would need to account for the potentially longer regulatory approval period required with a Hexion transaction as compared to the other bidders and authorized the distribution of the draft merger agreement to potential bidders.

On June 8, 2007, Huntsman, through Vinson & Elkins, delivered the draft merger agreement to Apollo, Basell and Company B. In addition, Merrill Lynch, on behalf of the Transaction Committee, delivered to Apollo a memorandum acknowledging that, as stated in its May 18, 2007 letter, the Hexion proposal would seek to extend the termination date set forth in the draft merger agreement and responding that Huntsman would find such extensions acceptable if the final 90-day extension period were subject to a veto right in favor of Huntsman, the Hexion financing commitment letters remained effective for the extension and a ticking fee of eight percent per annum would be added to the merger consideration beginning after the expiration of the initial term of the merger agreement. Merrill Lynch followed up its prior verbal instructions regarding the sale process with a letter to each of the potential bidders dated June 13, 2007.

On June 12, 2007, Apollo, on behalf of Hexion, delivered to Huntsman through Merrill Lynch a revised written proposal for Hexion to purchase Huntsman, reaffirming a price of $25.00 per share of common stock, and including a revised merger agreement that retained a go-shop provision. The Hexion proposal was conditioned on agreements from the HMP Equity Trust and related stockholders, which collectively held a majority of the voting stock, to vote in favor of the merger, and a non-competition agreement from Jon Huntsman.

On June 15, 2007, Samuel Scruggs, Huntsman's Executive Vice President and General Counsel and representatives of Vinson & Elkins and Shearman & Sterling met in New York City with members of management of Apollo and Hexion, along with their legal advisors, Wachtell, Lipton, Rosen & Katz and O'Melveny and Myers LLP, which are referred to as Wachtell and O'Melveny, respectively, to discuss the terms of Hexion's proposal and negotiate the terms of a merger agreement.

On June 16, 2007, Hexion, through O'Melveny, delivered an initial draft of its financing commitments to Huntsman.

On June 18, 2007, a telephonic meeting of the board of directors was held at which members of senior management of Huntsman, along with representatives of Merrill Lynch, Vinson & Elkins and Shearman & Sterling discussed the terms of the Hexion proposal and answered questions posed by

members of the board of directors. At the meeting, representatives of Vinson & Elkins reviewed in detail the proposal received from Hexion, including the structure, the proposed financing terms, Hexion's covenants with respect to obtaining the necessary regulatory approval, the go-shop provision, the non-solicitation provision, the definition of material adverse effect, the conditions to closing, the termination dates, break-up fees, and covenants. During the meeting, the board of directors called a recess to allow for the Transaction Committee along with Merrill Lynch and Shearman & Sterling to meet telephonically to discuss the terms of the Hexion proposal.

The Transaction Committee immediately convened a separate telephonic meeting. At the meeting, representatives of Shearman & Sterling reviewed with the Transaction Committee its fiduciary duties in connection with its consideration of a possible transaction. Representatives of Shearman & Sterling and Merrill Lynch provided the Transaction Committee with an update regarding the potential proposals from Basell and Company B and discussed the proposal received from Hexion and answered questions of the Transaction Committee. The Transaction Committee discussed issues raised in connection with the Hexion proposal, including the timing and certainty of closing and the risks in connection therewith, such as those related to competition laws. Also at the June 18, 2007 Transaction Committee meeting, representatives of Shearman & Sterling confirmed its independence and briefly discussed the independence review that had been conducted by Shearman & Sterling with respect to the Transaction Committee's financial advisors. The Transaction Committee determined that, while Merrill Lynch was independent, it would be advisable for it to retain an additional financial advisor to provide a second fairness opinion in connection with any transaction. After due consideration and discussion, the Transaction Committee unanimously resolved to engage Cowen and Company, LLC, which is referred to as Cowen, and which had been engaged for a similar purpose in the 2006 sale discussions, to provide a second fairness opinion if and when there is a need for one.

Following adjournment of the meeting of the Transaction Committee, the board of directors reconvened telephonically to discuss the views of the Transaction Committee regarding the Hexion proposal and authorized management, with the assistance of its financial and legal advisors, to continue negotiations with Apollo and Hexion and to engage with Access and Basell and Company B.

Also on June 18, 2007, Peter Huntsman and Kimo Esplin, at the request of and in consultation with Alvin Shoemaker, the Chairman of the Transaction Committee, met with representatives of the management of Access and Basell in The Netherlands.

From June 19, 2007 through June 25, 2007, Vinson & Elkins and Shearman & Sterling, on behalf of Huntsman and the Transaction Committee, respectively, continued to meet telephonically with Wachtell and O'Melveny to negotiate the merger agreement. Separate discussions were held among MatlinPatterson, Whalen LLP, its legal advisor, Vinson & Elkins, Stoel Rives LLP, legal advisor to Jon Huntsman, Wachtell and O'Melveny regarding the voting agreement proposed by Apollo.

On June 20, 2007, Peter Huntsman, Samuel Scruggs and Kimo Esplin, at the request of and in consultation with Alvin Shoemaker, met with the board of directors of Access and Basell in The Netherlands. Later that day, representatives of Access indicated their intention to submit a bid to purchase Huntsman for $25.25 per share of common stock with no go-shop provision.

On June 22, 2007, a telephonic meeting of the Huntsman board of directors was held. At the meeting, representatives of Vinson & Elkins and Shearman & Sterling provided the board of directors with an update regarding the negotiations with Apollo with respect to the merger agreement. Representatives of Merrill Lynch noted that it expected to receive a draft merger agreement from Basell shortly. Representatives of Merrill Lynch communicated that Company B had stated that its current valuation for Huntsman was approximately $23.50 - $23.75 per share.

Later that day, a telephonic meeting of the Transaction Committee was held immediately following the meeting of the board of directors. At the meeting, representatives of Merrill Lynch discussed the

status of the process and representatives of Shearman & Sterling provided the Transaction Committee with an update regarding the negotiations with Apollo and Hexion with respect to the draft Hexion merger agreement.

On June 22, 2007, Basell, through its legal advisors, Skadden, Arps, Meagher & Flom LLP, which is referred to as Skadden, submitted a revised merger agreement setting forth the terms of its proposal to acquire Huntsman. The Basell proposal required agreements from HMP Equity Trust and related stockholders, who collectively held more than a majority of the voting stock to vote in favor of the merger.

From June 23, 2007 through June 25, 2007, members of management of Huntsman and representatives of Vinson & Elkins, Merrill Lynch and Shearman & Sterling met with members of management of Basell and Skadden in New York City to negotiate a merger agreement. Separate discussions were held among representatives of MatlinPatterson, Whalen LLP, Vinson & Elkins, Stoel Rives LLP and Skadden regarding the Basell voting agreement. These discussions were focused on putting Basell in a position to submit a final proposal on June 25, 2007.

During this same time period, members of Huntsman's management team, representatives of Vinson & Elkins, Shearman & Sterling and Merrill Lynch continued to conduct separate negotiations with Wachtell, O'Melveny and Apollo and Hexion concerning the proposed merger agreement with Hexion. In addition, representatives of MatlinPatterson, Whalen LLP, Vinson & Elkins, Stoel Rives, Wachtell and O'Melveny continued to negotiate the proposed Hexion voting agreement. These discussions were focused on putting Hexion in a position to submit a final proposal on June 25, 2007.

Throughout the weekend, members of management and representatives of Merrill Lynch consulted with Alvin Shoemaker and Shearman & Sterling periodically advised the various members of the Transaction Committee on the status of the various negotiations.

On the afternoon of June 24, 2007, representatives of Merrill Lynch contacted a representative of Apollo and informed him that the board of directors and the Transaction Committee would meet on the afternoon of June 25, 2007 with a view towards concluding the process following its deliberations. Merrill Lynch requested that Apollo, on behalf of Hexion, submit its best and final offer for consideration by the Transaction Committee and advised Apollo that Huntsman would be willing to forego a go-shop provision in exchange for an increase in the per share consideration. Merrill Lynch further advised Apollo and Hexion that Huntsman planned to sign up a definitive transaction following the meeting of the Transaction Committee and the board of directors and that, in the view of Merrill Lynch the current offer of $25.00 per share would not be taken.

During the morning of June 25, 2007, representatives of Shearman & Sterling contacted a representative of Wachtell and reiterated the communication from Merrill Lynch to Apollo. Shearman & Sterling further advised Wachtell that Apollo and Hexion should include all documentation with its best and final offer as it was expected that Huntsman would seek to enter into a definitive agreement shortly following the meetings of the board of directors and the Transaction Committee.

On the afternoon of June 25, 2007, Apollo submitted a revised proposal on behalf of Hexion to purchase Huntsman at a price of $26.00 per share including a final proposed merger agreement and financing commitments. The Hexion proposal did not include a go-shop provision. Apollo also communicated to Merrill Lynch that it had done everything possible to maximize the price contained in its revised proposal and that it considered $26.00 to be its final offer. On the same afternoon, Basell submitted a final proposed merger agreement and financing commitment to purchase Huntsman at a price of $25.25 per share.

That same afternoon, shortly following the receipt of the final proposals from Apollo, on behalf of Hexion, and Basell, the board of directors held a telephonic meeting to review the terms of the Hexion

and Basell proposals. During the meeting, representatives of Vinson & Elkins reviewed again for the board of directors the terms and conditions of each of the proposed merger agreements, including the terms, financings, regulatory covenants, non-solicitation provisions, closing certainty, break-up fees, reverse break-up fees, other remedies, stockholder matters and risks associated with each of the Hexion and Basell transactions. Representatives of Huntsman's management then presented to the board of directors their views on the each of the proposed transactions. The board of directors also inquired as to the views of principal stockholders with respect to each of the proposed transactions. In these statements, management and the principal stockholders expressed the view that the Basell transaction, although nominally at a lower price, represented the better alternative of the two proposals in light of the perception that the Basell proposal could be consummated more quickly and with greater certainty. Also during the meeting, Merrill Lynch discussed its financial analyses of Huntsman in relation to the consideration offered in each of the proposed transactions. Merrill Lynch then indicated to the board of directors that, if requested, it would be prepared to render an opinion to the board of directors with respect to the fairness, from a financial point of view, of the merger consideration to be received by the holders of Huntsman common stock, other than the HMP Equity Trust, certain beneficiaries of the HMP Equity Trust and certain other stockholders of Huntsman, in connection with either proposed transaction. Following these presentations and deliberation, the board of directors recessed so that the Transaction Committee could hold a meeting to determine its recommendation.

The Transaction Committee immediately convened a separate telephonic meeting. At the meeting, representatives of Shearman & Sterling discussed with the Transaction Committee the significant differences between the proposed Hexion and Basell merger agreements and discussed at length the timing, closing certainty and risks associated with each of the proposed transactions. In connection with the closing certainty and risks discussion, representatives of Merrill Lynch discussed with the Transaction Committee the price per share difference in the Hexion proposal and potential time value implications of a delayed closing. At this meeting representatives of Shearman & Sterling again reviewed with the Transaction Committee its fiduciary duties in connection with a possible transaction. Shearman & Sterling also advised the members of the Transaction Committee of the interests of senior management and other persons involved in the merger, as well as the fees to be received by each of Merrill Lynch and Cowen.

Also at the June 25, 2007 Transaction Committee meeting, representatives of each of Merrill Lynch and Cowen reviewed with the Transaction Committee their financial analyses of Huntsman in relation to the $26.00 per share merger consideration proposed by Hexion and the $25.25 per share merger consideration proposed by Basell. Representatives of Merrill Lynch then rendered to the Transaction Committee an oral opinion, which opinion was subsequently confirmed in writing, to the effect that, as of that date and based upon and subject to the assumptions, limitations, qualifications and other matters described in its opinion, the Basell merger consideration was fair, from a financial point of view, to the stockholders (other than the HMP Equity Trust). Representatives of Cowen then rendered to the Transaction Committee an oral opinion, which opinion was subsequently confirmed in writing, to the effect that, as of that date and based upon and subject to the assumptions, limitations, qualifications and other matters described in its opinion, the Basell merger consideration was fair, from a financial point of view, to the stockholders (other than the HMP Equity Trust and the beneficial owners of the interest therein). After considering the proposed terms of the merger agreement, including the price per share weighed against the shorter time to close and lower regulatory risk associated with the Basell transaction as compared with the Hexion proposal, and the other transaction agreements and the various presentations of its legal and financial advisors, the Transaction Committee unanimously resolved to recommend that the board of directors approve and declare advisable the Basell merger agreement and the Basell merger and that the board of directors resolve to recommend that Huntsman's stockholders adopt the Basell merger agreement.

Immediately following the meeting of the Transaction Committee, the board of directors reconvened its telephonic meeting where representatives of Shearman & Sterling reviewed the recommendation of the Transaction Committee. The board of directors then unanimously approved the Basell merger agreement, declared such merger advisable, fair to, and in the best interests of Huntsman and its stockholders and resolved to recommend that Huntsman's stockholders adopt the Basell merger agreement.

A merger agreement was executed by representatives of Basell, its merger subsidiary and Huntsman at approximately 8:45 p.m. New York City time on June 25, 2007, which is referred to as the Basell merger agreement. HMP Equity Trust and certain other stockholders also executed voting agreements with Basell at that time.

On the evening of June 25, 2007, representatives of Shearman & Sterling notified Wachtell that Huntsman had accepted a merger proposal from Basell. Later that night, representatives of Wachtell informed representatives of Shearman & Sterling that Hexion was increasing its proposal to pay a per share price of $27.00. Representatives of Shearman & Sterling notified Wachtell that the Company had already entered into the Basell merger agreement, the details of which would be released to the public in the morning. Representatives of Apollo subsequently confirmed to representatives of Merrill Lynch that Hexion was increasing its proposal to $27.00 per share. On June 26, 2007 and June 27, 2007, representatives of Shearman & Sterling advised the members of the Transaction Committee that, after execution of the Basell merger agreement, Hexion had indicated it had increased its previous proposal to acquire all of the outstanding stock of the Company.

On June 26, 2007, before the opening of business in New York City, Basell and Huntsman issued a joint press release announcing that they had entered into a definitive merger agreement and setting forth the principal terms thereof.

On June 29, 2007, Apollo delivered a letter to the board of directors setting forth the terms of a revised proposal for Hexion to purchase Huntsman at a price of $27.25 per share, and reconfirmed the 8% ticking fee and its antitrust covenant and financing commitments.

On June 29, 2007, representatives of Vinson & Elkins telephonically communicated the revised Hexion proposal to Skadden and provided Access, Basell and Skadden with written notification via facsimile of the same, including the letter from Apollo.

On July 1, 2007, the Huntsman board of directors held a telephonic meeting to discuss the terms of the revised Hexion proposal. During the meeting, representatives of Vinson & Elkins reviewed for the board of directors the terms and conditions of the revised Hexion proposal. Also during the meeting, Merrill Lynch discussed with the board of directors its financial analysis of Huntsman in relation to the consideration reflected in the revised Hexion proposal. Following deliberation, the board of directors recessed to allow the Transaction Committee to meet to discuss the revised Apollo and Hexion proposal.

The Transaction Committee immediately convened a separate telephonic meeting. During the meeting, representatives of Shearman & Sterling and Merrill Lynch discussed with the Transaction Committee the revised Hexion proposal. Additionally, representatives of Shearman & Sterling discussed with the Transaction Committee Huntsman's rights and obligations under the terms of the Basell merger agreement. After due consideration and discussion, the Transaction Committee determined, in consultation with its financial advisors and outside counsel that the Hexion proposal, constituted, or could reasonably be expected to lead to a superior proposal (as defined in the Basell merger agreement). As a result, as permitted by the Basell merger agreement, the Transaction Committee unanimously agreed to authorize the management of Huntsman, with the assistance of its financial advisors and outside legal counsel, to participate in discussions and negotiations with Apollo, Hexion and their representatives.

The board of directors then immediately reconvened and a representative of Shearman & Sterling informed the board of directors of the recommendation of the Transaction Committee. Following deliberation, the board of directors determined that the Hexion proposal could reasonably be expected to lead to a superior proposal (as defined in the Basell merger agreement) and authorized the management of Huntsman and its advisors to engage in discussions with Apollo, Hexion and their representatives. Representatives of Vinson & Elkins communicated this decision to Basell and Skadden.

Immediately following the July 1, 2007 meetings, representatives of Shearman & Sterling and Vinson & Elkins began discussions and negotiations with Wachtell and O'Melveny regarding the open issues with respect to the Hexion proposal and draft merger agreement.

On July 2, 2007, the Company received a definitive proposal from Apollo, on behalf of Hexion, pursuant to which Hexion proposed a per share merger consideration of $27.25, reaffirming the 8% ticking fee and including the following improvements to its previous $26.00 offer: a second 90-day extension of the termination date which could only occur if the Huntsman board of directors concluded that the transaction is likely to close during such 90-day period, and an increased $325 million reverse break-up fee. The proposal also indicated that Hexion was prepared to fund $100 million, or one-half, of the break-up fee payable by Huntsman to Basell, in connection with the termination of the Basell merger agreement.

Throughout the day on July 2, 2007, representatives of Vinson & Elkins and Shearman & Sterling continued to negotiate and discuss with Wachtell and O'Melveny the open issues with respect to the proposed Hexion merger agreement, including the break-up fee payable to Basell in connection with the termination of the Basell merger agreement, the antitrust covenants, the non-solicitation covenants, the requirement that the HMP Equity Trust enter into a voting agreement, the amount of the reverse break-up fee and the financing covenants and commitments.

Also on July 2, 2007, a telephonic meeting of the board of directors was held. During the meeting, representatives of Vinson & Elkins provided the board of directors with an update regarding the terms and conditions of the Hexion proposal. Also during the meeting, Merrill Lynch presented its financial analysis regarding the Hexion proposal. During this meeting, David Matlin, a Huntsman director at the time and a principal of MatlinPatterson, stated that MatlinPatterson was in the process of evaluating the Hexion proposal and was not yet prepared to execute a voting agreement with respect to its shares held by the HMP Equity Trust. Following deliberation, the board of directors recessed to allow the Transaction Committee to meet to discuss the Hexion proposal.

The Transaction Committee immediately convened a separate telephonic meeting. At this meeting representatives of Shearman & Sterling and Merrill Lynch provided an update with respect to the Hexion proposal and outlined the material terms of such proposal. After due consideration and discussion, the Transaction Committee determined, in consultation with its financial advisors and outside counsel that the Hexion proposal, with the exception of the outstanding issues regarding the voting agreement, would constitute a superior proposal (as defined in the Basell Merger agreement).

The board of directors then immediately reconvened and Shearman & Sterling informed the board of directors of the recommendation of the Transaction Committee. Following deliberation, the board of directors determined that the Hexion proposal, with the exception of the outstanding issues regarding the voting agreement, would constitute a superior proposal.

Throughout the day on July 3, 2007, at the direction of the Transaction Committee, representatives of Shearman & Sterling and Vinson & Elkins continued to negotiate and discuss with Wachtell the open issues with respect to the proposed Hexion merger agreement.

On July 3, 2007, the Company received an amended definitive proposal from Apollo, on behalf of Hexion, pursuant to which Hexion stated that it would not require a voting agreement with respect to MatlinPatterson's shares. The amended proposal also provided that in the event that fewer than 50.1%

of the shares are committed to vote in favor of the transaction at the time of the stockholder meeting and Huntsman's stockholders do not approve the transaction, Huntsman would pay Hexion $100 million, the same amount of the Basell break-up fee that was funded by Hexion, if Huntsman entered into another transaction within the subsequent 12 months. Additionally, Apollo, on behalf of Hexion, indicated that amended firm financing commitment papers would soon be delivered to Huntsman which would contemplate sufficient funds to pay the merger consideration at the revised price.

On July 3, 2007, representatives of Vinson & Elkins notified Access, Basell and Skadden of the revised Hexion proposal both orally and via facsimile and provided an advance copy of a press release announcing the receipt of the Hexion proposal and summarizing its terms. The press release also indicated that the Huntsman board of directors, with the unanimous agreement of the Transaction Committee, had concluded that the Hexion proposal could reasonably be expected to lead to a superior proposal (as defined in the Basell merger agreement). Huntsman issued this press release later that evening.

On July 4, 2007, Vinson & Elkins provided a copy of the definitive Hexion proposal and a copy of the proposed Hexion merger agreement to Access, Basell and Skadden.

On July 5, 2007, Basell, through Skadden, delivered a written communication to the Transaction Committee arguing that the Basell merger agreement was superior to the Hexion proposal because, in their view, (i) it delivered value to Huntsman stockholders sooner, without extended regulatory or financing delays, (ii) the quicker time to close reduced the risk that Huntsman would incur a material adverse effect, which would provide the buyer with the ability to terminate the agreement, and (iii) the Basell merger agreement had less completion risk than the Hexion proposal. Basell argued that although the Hexion proposal offered a higher price per share, they believed the Hexion price should be discounted to reflect the delay and completion risks inherent in the Hexion proposal.

On July 5, 2007, the Huntsman board of directors held a telephonic meeting to discuss the terms of the Hexion proposal. During the meeting, representatives of Vinson & Elkins reviewed for the board of directors the terms and conditions of the Hexion proposal and the letter from Basell. Merrill Lynch then presented to the board of directors its view of the arguments made by Basell in its letter to the board of directors. Merrill Lynch agreed with the basic premise of the Basell letter, that the Hexion proposal would likely take more time and had more risk of completion, and highlighted that these were the same principal issues that the board of directors and its advisors had been considering during the last several meetings. However, Merrill Lynch disagreed with Basell's view as to how deeply the Hexion price needed to be discounted to account for these factors. Merrill Lynch also advised that the projected debt levels of a merged Hexion-Huntsman entity were within a range that were then being financed in the market and that the commitment letters backing up the Hexion proposal were firm commitments, thereby minimizing the risk of the transaction not being financed. Following deliberation, the board of directors recessed to allow the Transaction Committee to meet to discuss the Hexion proposal.

The Transaction Committee then convened a separate telephonic meeting. During the meeting, representatives of Shearman & Sterling and Merrill Lynch provided an update with respect to the amended Hexion proposal and discussed the letter from Basell. After due consideration and discussion, the Transaction Committee determined, in consultation with its financial advisors and outside counsel, that the Hexion merger would, if consummated in accordance with its terms, result in a transaction more favorable to Huntsman's stockholders than the Basell merger agreement (after taking into account the relevant legal, financial, regulatory, estimated timing of consummation and other aspects of the proposed Hexion merger, including Hexion rather than Apollo being the acquiror), and accordingly constituted a superior proposal (as defined in the Basell merger agreement). The Transaction Committee recommended that the board of directors authorize Huntsman to provide notice to Access and Basell of its intent to make an adverse recommendation change (as contemplated by the Basell merger agreement) based upon the determination that the Hexion proposal constituted a superior proposal.

The board of directors then immediately reconvened and Shearman & Sterling informed the board of directors of the recommendation of the Transaction Committee. Following deliberation, the board of directors determined that the Hexion proposal constituted a superior proposal (as defined in the Basell merger agreement) and empowered the management of Huntsman to provide Access and Basell with notice of its intent to change its recommendation concerning the Basell merger following the expiration of the required notice period.

On that same day, the management of Huntsman provided Access, Basell and Skadden with a notice of adverse recommendation change (as defined in the Basell merger agreement).

Merrill Lynch then informed Access that the Huntsman board of directors had carefully considered the Hexion proposal in comparison to the Basell transaction, and, while they differed in certain respects other than price, that all things considered, including the $2.00 difference in the merger price, the Huntsman board of directors viewed the Hexion proposal as superior.

On July 6, 2007, prior to the opening of trading on the New York Stock Exchange, Hexion issued a press release announcing that the Huntsman board of directors and its Transaction Committee had determined that the amended Hexion proposal was a superior proposal (as defined in the Basell merger agreement).

From July 6, 2007 through July 8, 2007, members of management of Huntsman, Vinson & Elkins and Shearman & Sterling continued to meet telephonically with members of management of Apollo and Hexion, Wachtell and O'Melveny to finalize open points on the merger agreement, as well as separate voting agreements with the Huntsman family and related entities and MatlinPatterson. Members of management of Huntsman, representatives of Merrill Lynch and members of management of Access and Basell also had discussions during this time frame regarding improving Basell's existing agreement.

On the evening of July 8, 2007, Jon M. Huntsman, Alvin Shoemaker, the Chairman of the Transaction Committee, and a representative of Shearman & Sterling met telephonically with Apollo to discuss their revised proposal. During such meeting, representatives of Apollo emphasized their commitment to close the transaction on the terms indicated in their revised proposal, including a commitment to take all necessary steps to secure the required financing and necessary regulatory approvals. In addition, a representative of Apollo indicated its intention to increase the Hexion proposal to $28.00 per share. Later that evening, Apollo, on behalf of Hexion, delivered a letter to the Huntsman board of directors confirming its revised proposal for Hexion to purchase Huntsman at a price of $28.00 per share, to fund $100 million of the $200 million break fee due upon termination of the Basell merger agreement, to eliminate any reference in its debt financing commitments to the material adverse effect condition in the merger agreement and to add a covenant on Hexion's part to commence litigation against their financing sources in the event the financing sources fail to fund their commitments when required and to use such funds to either close the merger or deliver the net proceeds to Huntsman.

On that same day, management of Huntsman notified Access, Basell and Skadden of the amendment to the material financial terms of the Hexion proposal and delivered to Basell a new notice of adverse recommendation change (as defined in the Basell merger agreement).

From July 8, 2007 through July 11, 2007, members of management of Huntsman, representatives of Vinson & Elkins, Shearman & Sterling and Merrill Lynch engaged in discussions with members of management of each of Apollo and Hexion, and Access and Basell, and their respective advisors. MatlinPatterson and Whalen LLP engaged, indirectly through Vinson & Elkins, in negotiations with Wachtell and O'Melveny concerning a voting arrangement between MatlinPatterson and Hexion. MatlinPatterson indicated a willingness to enter into such a voting agreement if it were permitted to sell its shares, if Huntsman agreed to reimburse it for the $13 million in fees it would have to pay UBS

under its engagement terms entered into at the commencement of the sales process initiated by MatlinPatterson in March 2007 if Huntsman were to consummate the merger with Hexion instead of Basell, and if Huntsman agreed to amend its existing registration rights agreement with MatlinPatterson to allow it to cause an immediate registration of the shares of Huntsman common stock held by MatlinPatterson.

On July 11, 2007, the Transaction Committee met in person at Shearman & Sterling's New York City office and by telephonic conference. At this meeting representatives of Shearman & Sterling discussed a presentation prepared for the Transaction Committee that highlighted the significant differences between the Hexion proposal and the Basell merger agreement. Representatives of MatlinPatterson, in their capacity as stockholders, Huntsman and Vinson & Elkins were also permitted to join the meeting, and present to the Transaction Committee their views on the Hexion proposal and the status of MatlinPatterson's indirect negotiations through Vinson & Elkins with Hexion with respect to the Hexion proposal. Representatives of Merrill Lynch also reviewed with the Transaction Committee their financial analyses of Huntsman in relation to the $28.00 per share merger consideration proposed by Hexion and certain significant issues raised in the valuation of the Hexion proposal and the Basell merger agreement.

Later on July 11, 2007, Basell notified Huntsman that it was reaffirming its $25.25 per share merger consideration and would not be submitting a revised offer in response to the notice of adverse recommendation change.

On July 12, 2007, the Huntsman board of directors held a telephonic meeting to discuss the terms of the revised Hexion proposal. During the meeting, representatives of Vinson & Elkins reviewed for the board of directors the directors' fiduciary duties in connection with the transaction as well as the terms and conditions of the Hexion proposal. Representatives of Vinson & Elkins also reviewed the terms and conditions of certain agreements between Huntsman and MatlinPatterson, including and amended registration rights agreement between Huntsman and MatlinPatterson as well as an agreement by Huntsman to reimburse MatlinPatterson for up to $13 million in investment banking fees and expenses that would be owed by MatlinPatterson to UBS upon consummation of the Hexion merger. Also during the meeting, Merrill Lynch presented its financial analysis regarding the Hexion proposal. Merrill Lynch then provided an oral opinion, confirmed by its subsequent written opinion dated July 12, 2007, to the board of directors with respect to the fairness, from a financial point of view, of the merger consideration to be received by the holders of Huntsman common stock, other than the entities and individuals that are parties to the voting agreements and HMP Equity Trust and their respective beneficiaries, controlling persons and affiliates in the proposed merger with Hexion. Following deliberation, the board of directors (i) delegated to the Transaction Committee its authority to review, consider and approve the amended registration rights agreement (including a waiver of any policies restricting MatlinPatterson from selling shares of Huntsman common stock) and the reimbursement by Huntsman to MatlinPatterson of the additional $13 million that MatlinPatterson would owe to UBS if Huntsman were to consummate the merger with Hexion instead of Basell and (ii) recessed to allow the Transaction Committee to meet to discuss the Hexion proposal.

The Transaction Committee immediately convened a separate telephonic meeting. During the meeting, representatives of Shearman & Sterling reviewed for the Transaction Committee the terms and conditions of the Hexion proposal. The Transaction Committee also discussed the agreements with MatlinPatterson, including Huntsman's agreement to amend its current registration rights agreement with MatlinPatterson, the reimbursement by Huntsman to MatlinPatterson of the investment banking fees that would be owed by MatlinPatterson upon consummation of the Hexion merger to UBS and the terms and conditions of the voting agreement between Hexion and MatlinPatterson. Also during the meeting, Cowen presented its financial analysis regarding the Hexion proposal. Cowen then provided an oral opinion, confirmed by its subsequent written opinion dated July 12, 2007, to the Transaction Committee with respect to the fairness, from a financial point of view, of the merger consideration to

be received by the holders of Huntsman common stock, other than the entities and individuals that are parties to the voting agreements and HMP Equity Trust and their respective beneficiaries, controlling persona and affiliates in the proposed merger with Hexion. Following deliberation, the Transaction Committee recommended that the board of directors approve the termination the Basell merger agreement and approve the Hexion proposal and declare the Hexion merger advisable, fair to, and in the best interests of Huntsman and its stockholders. The Transaction Committee also approved the execution and delivery of an amended registration rights agreement with MatlinPatterson and the reimbursement by Huntsman of the additional $13 million fee that would be owed by MatlinPatterson to UBS if Huntsman were to consummate the merger with Hexion instead of Basell.

The board of directors then reconvened and Shearman & Sterling informed the board of directors of the recommendation of the Transaction Committee. Following deliberation, the board of directors unanimously approved the termination of the Basell merger agreement and approved the Hexion proposal, declared such merger advisable, fair to, and in the best interests of Huntsman and its stockholders and recommended that the Huntsman stockholders approve the Hexion merger.

Immediately following the meeting of the board of directors, the management of Huntsman provided notice to Access, Basell and Skadden of termination of the Basell merger agreement and delivered the $200 million termination fee ($100 million of which was funded by Hexion) to an account designated by Basell.

The definitive merger agreement with Hexion was executed by representatives of Huntsman, Hexion and Merger Sub on July 12, 2007. In addition, Hexion entered into separate voting agreements with certain stockholders, including MatlinPatterson, the Huntsman family and Fidelity Charitable Gift Fund. Huntsman also entered into an amended and restated registration rights agreement with MatlinPatterson.

On July 12, 2007, Hexion and Huntsman issued a joint press release announcing that they had entered into a definitive merger agreement and setting forth the principal terms thereof.

Recommendation of the Transaction Committee and Board of Directors and Their Reasons for the Merger

After careful consideration, our board of directors has unanimously determined, based on the recommendation of the Transaction Committee, that the merger and the merger agreement are fair to and in the best interests of our stockholders and declared the merger agreement advisable. **ACCORDINGLY, THE BOARD OF DIRECTORS OF HUNTSMAN UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" ADOPTION OF THE MERGER AGREEMENT**.

In reaching this decision, the Huntsman board of directors consulted with Huntsman's management and its financial and legal advisors and considered a variety of factors, including the recommendation of the Transaction Committee and the material factors described below that the Transaction Committee considered in reaching its recommendation. In light of the number and wide variety of factors considered in connection with its evaluation of the transaction, the Huntsman board of directors did not consider it practicable to, and did not attempt to, quantify or otherwise assign relative weights to the specific factors that it considered in reaching its determination. The Huntsman board of directors viewed its position as being based on all of the information available and the factors presented to and considered by it. In addition, individual directors may have given different weight to different factors. This explanation of the reasons for the proposed merger and all other information presented in this section is forward-looking in nature, and therefor, should be read in light of the factors discussed under "Cautionary Statement Concerning Forward-Looking Statements."

The Transaction Committee, acting with the advice and assistance of its independent legal and financial advisors, evaluated and assisted in the negotiation of the merger proposal, including the terms

and conditions of the merger agreement with Hexion and Merger Sub. The Transaction Committee unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable, fair to and in the best interests of our stockholders and recommended to the board of directors that (i) the board of directors approve and declare advisable the merger agreement and the transactions contemplated thereby, including the merger and (ii) the board of directors recommend the adoption by our stockholders of the merger agreement. In making its determination and recommendation, the Transaction Committee also determined that the Hexion proposal was a "superior proposal" under the Basell merger agreement and recommended that the board of directors terminate the Basell merger agreement in order to accept the Hexion proposal.

In the course of reaching its determination, the Transaction Committee considered the following substantive factors and potential benefits of the merger, each of which the Transaction Committee believed supported its decision:

the value to our stockholders of the consideration to be received in the merger is greater than the value they would have received in the Basell merger;

its belief, after a thorough, independent review, that the merger was more favorable to our stockholders than the potential value that might result from other alternatives available, including remaining an independent company and pursuing the current strategic plan or pursuing a significant acquisition;

the Transaction Committee's belief that $28.00 per share was above the high end of the range that could be expected to be payable in a merger transaction involving us, as reviewed by each of Merrill Lynch and Cowen with the Transaction Committee in connection with their financial analyses described in " Opinions of Financial Advisors";

the current and historical market prices of our common stock, including the market price of our common stock relative to those of other industry participants and general market indices, the fact that the cash merger price of $28.00 per share represented a premium of approximately 48.2% to the closing share price on June 25, 2007, the last day of trading prior to the press release announcing the Basell merger, approximately 41.2% to the average closing price of our common stock for the 30 trading days prior to and including June 25, 2007 and approximately 27.7% to the highest closing price for our common stock during the 12-month period prior to June 25, 2007 and the fact that, during the period from February 2, 2005 to June 26, 2007, our common stock closed at or above $28.00 only eight times and never closed at or above $29.00;

the fact that following public announcement of the Basell merger on June 26, 2007, we received two proposals from Hexion, each at a successively higher price, which resulted in a 10.9% premium over the $25.25 per share consideration provided for in the Basell merger agreement;

the fact that the process resulted in Hexion's proposal being superior to the Basell merger agreement and that, after Basell was notified of the Hexion proposal, Basell failed to increase its $25.25 per share merger consideration despite the opportunity provided to Basell to do so;

the information contained in the financial presentation of Merrill Lynch, including the opinion of Merrill Lynch as to the fairness, from a financial point of view, to the stockholders (other than the entities and individuals that are entering into the voting agreements and the HMP Equity Trust and their respective beneficiaries, controlling persons and affiliates), of the merger consideration to be received by such holders in the merger (see "Opinions of Financial Advisors Opinion of Merrill, Lynch, Pierce, Fenner and Smith Incorporated");

the information contained in the financial presentation of Cowen, including the opinion of Cowen as to the fairness, from a financial point of view, to the stockholders (other than the entities and individuals that are entering into the voting agreements and the HMP Equity Trust

and their respective beneficiaries, controlling persons and affiliates), of the merger consideration to be received by such holders in the merger (see "Opinions of Financial Advisors Opinion of Cowen and Company, LLC");

the efforts made by the Transaction Committee and its advisors to negotiate and execute a favorable merger agreement;

the financial and other terms and conditions of the merger agreement as reviewed by the transaction committee, including the fact that the merger would not be subject to a financing condition, and the fact that they were the product of arm's-length negotiation between the parties;

the fact that the merger consideration is all cash, so that the transaction allows our stockholders to realize a fair value upon closing, in cash, for their investment and provides such stockholders certainty of value for their shares;

the fact that, subject to compliance with the terms and conditions of the merger agreement, the board of directors (or the transaction committee) is permitted to change its recommendation or terminate the merger agreement, prior to the adoption of the merger agreement by our stockholders, in order to approve an alternative transaction proposed by a third party that is a "superior proposal" as defined in the merger agreement, upon the payment to Hexion of a $225 million termination fee (representing approximately 3.6% of the total equity value of the transaction) and pay $100 million to Hexion, which is the same amount provided to fund one-half of the fee required in connection with terminating the Basell merger agreement;

the availability of appraisal rights to holders of our common stock who comply with all of the required procedures under Delaware law, which allows such holders to seek appraisal of the fair value of their shares as determined by the Delaware Court of Chancery;

the level of effort that Hexion must use under the merger agreement to obtain the proceeds of the financing on the terms and conditions described in the commitment letters;

the nature of Hexion's financing commitments received with respect to the merger, including the identity of the institutions providing such commitments, the limited conditions to the obligations of such institutions to fund such commitments, including the absence of a material adverse effect provision and the duration of such commitments;

the fact that, in the merger agreement, Hexion has agreed to take any and all actions necessary to ensure that no governmental entity enters any order or injunction to preliminarily or permanently restrain, enjoin or prohibit the consummation of the merger, including but not limited to any divestiture actions to avoid or resolve such governmental action, and the transaction committee's belief, after review with its legal advisors, in the likelihood of the merger being approved by the appropriate regulatory authorities in light of Hexion's obligations under this provision;

the fact that the merger agreement provides that the cash price per share to be paid by Hexion in the merger will increase at the rate of 8% per annum (inclusive of any dividends paid) beginning 270 days after the date of the merger agreement if the merger is not consummated prior to that date;

the commitment (and subsequent payment) by Hexion to fund $100 million of the fee payable to Basell in connection with the termination of the Basell merger agreement;

the commitment made by Hexion and Nimbus Merger Sub to provide (for one year from the effective date of the merger) base salary, base wages and annual and incentive compensation opportunities and employee benefits plans and programs (excluding equity-based compensation

arrangements) which, in the aggregate, are no less favorable than those made available by us to our employees immediately prior to the merger; and

the fact that we would not have to establish damages in the event of a failure of the merger to be consummated under certain circumstances to obtain the $325 million termination fee payable by Hexion.

In addition, the Transaction Committee believed that sufficient procedural safeguards were and are present to ensure the fairness of the merger and to permit the Transaction Committee to represent effectively the interests of the company's stockholders. The Transaction Committee considered a number of factors relating to these procedural safeguards, including those discussed below, each of which it believed supported its decision and provided assurance of the fairness of the merger to our stockholders. Specifically the Transaction Committee considered the fact that:

negotiations were conducted under the oversight of a transaction committee comprised solely of independent directors who are not our employees and who have no financial interest in the merger that is different from that of the other stockholders of the company (other than customary fees payable to members of the Transaction Committee that have not yet been set but will not be based or contingent on the Transactions Committee's recommendation of a transaction or the consummation of a transaction and the acceleration of the restricted stock units and restricted stock awards and our stock options granted in 2006 and 2007);

the Transaction Committee retained and received advice and assistance from its own independent financial and legal advisors in evaluating, negotiating and recommending the terms of the merger agreement;

the Transaction Committee had ultimate authority to decide whether or not to proceed with a transaction or any alternative thereto, subject to our board of directors' approval of the merger agreement;

the financial and other terms and conditions of the merger agreement were the product of negotiations between the Transaction Committee and its independent advisors, on one hand, and Hexion and its advisors, on the other hand;

the opinion of Merrill Lynch addresses the fairness, from a financial point of view, to the stockholders (other than the entities and individuals that are entering into the voting agreements and the HMP Equity Trust and their respective beneficiaries, controlling persons and affiliates) of the merger consideration to be received by such holders in the merger;

the opinion of Cowen addresses the fairness, from a financial point of view, to the stockholders (other than the entities and individuals that are entering into the voting agreements and the HMP Equity Trust and their respective beneficiaries, controlling persons and affiliates) of the merger consideration to be received by such holders in the merger;

we are permitted, under certain circumstances, to respond to unsolicited inquiries regarding acquisition proposals and, upon payment of a termination fee and the Reimbursement Amount, to terminate the merger agreement in order to complete a superior transaction; and

under Delaware law, our common stockholders have the right to demand appraisal of their shares.

The Transaction Committee also considered a variety of risks and other potentially negative factors concerning the merger agreement and the merger, including the following:

that there are competitive overlaps in the businesses of Huntsman and Hexion and the relevant regulatory authorities may require divestitures prior to granting regulatory approval, and that

33

obtaining such regulatory approvals may delay, perhaps significantly, the consummation of the merger;

that the likely extended duration of the regulatory approval process as compared to the Basell merger would subject us and our stockholders to risks that we could be subject to an event that could be deemed a material adverse effect or inadvertently fail to comply with our covenants, including those that restrict our conduct of business, either of which would allow Hexion to refuse to consummate the merger;

the risk of deterioration of our business in the interim period, whether or not the merger closes, and the possibility that we would find it difficult to continue as a stand-alone entity if the merger does not close;

the risks and costs to us if the merger does not close, including the diversion of management and employee attention, potential employee attrition and the potential effect on our business and our relationships with customers;

the risk of a deterioration in the financial markets over the period of time necessary to obtain the required regulatory approvals and the possibility that Hexion will be unable to obtain the necessary financing proceeds, including obtaining the debt financing proceeds from its lenders;

we were required to pay a $200 million break-up fee to Basell (one half of which was paid by Hexion) and that, under certain circumstances, we are obligated to pay $100 million to Hexion, which is the same amount provided to fund one-half of the break-up fee to Basell;

our stockholders will not participate in any future earnings or growth of the company and will not benefit from any appreciation in value of the company, including any appreciation in value that could be realized as a result of improvements to our operations;

the restrictions on the conduct of our business prior to the completion of the merger, requiring us to conduct our business generally only in the ordinary course, subject to specific limitations, which may delay or prevent us from undertaking business opportunities that may arise pending completion of the merger; and

the fact that an all cash transaction would be taxable to our stockholders that are U.S. persons for U.S. federal income tax purposes.

The foregoing discussion summarizes the material factors considered by the transaction committee in its consideration of the merger. After considering these factors, the transaction committee concluded that the positive factors relating to the merger agreement and the merger outweighed the potential negative factors. In view of the wide variety of factors considered by the transaction committee, and the complexity of these matters, the transaction committee did not find it practicable to quantify or otherwise assign relative weights to the foregoing factors. In addition, individual members of the transaction committee may have assigned different weights to various factors. The transaction committee recommended the merger agreement and the merger based upon the totality of the information presented to and considered by it.

Certain Financial Projections

In connection with the due diligence process during negotiations with the bidders, including Basell and Hexion, we provided a set of projections to Hexion, Basell and Company B for fiscal years 2007, 2008, 2009, 2010 and 2011. The projections were also provided to Merrill Lynch and Cowen for use in the preparation of their respective fairness opinions. The projections do not include results related to

our North American base chemicals and polymers business because of the pending sale of this business. The projections are summarized below.

	2007	2008	2009	2010	2011
			(in millions)		
Sales	9,722	9,942	10,240	10,863	11,182
Operating Income	655	908	1,009	1,201	1,255
Adjusted EBITDA(1)	1,027	1,289	1,414	1,609	1,661
Capital Expenditures	509	483	298	205	215

(1) Adjusted EBITDA is computed by eliminating the following from net income: interest; income taxes; depreciation and amortization; restructuring, impairment and plant closing costs; losses on the sale of accounts receivable to our securitization program; legal and contract settlements; losses from early extinguishment of debt; extraordinary gain on the acquisition of a business; and gain (loss) on dispositions of assets.

We make public only very limited information as to future performance and do not as a matter of course provide specific or detailed information as to earnings or performance over an extended period. The foregoing projections are included in this proxy statement only because this information was provided to the bidders during negotiations and to Merrill Lynch and Cowen for use in the preparation of their respective fairness opinions. The projections were not prepared with a view to public disclosure or compliance with the published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants regarding projections or forecasts. The projections do not purport to present operations in accordance with generally accepted accounting principles ("GAAP"), and our independent auditors have not examined or compiled the projections and accordingly assume no responsibility for them. The internal financial forecasts (upon which these projections were based in part) are, in general, prepared solely for internal use and capital budgeting and other management decisions and are subjective in many respects and thus susceptible to interpretations and periodic revision based on actual experience and business developments. In addition, the projections were prepared prior to the board of directors' approval of the merger and, accordingly, do not reflect the effect of such transactions.

The projections also reflect numerous assumptions made by management including assumptions with respect to general business, economic, market and financial conditions and other matters including effective tax rates and interest rates and the anticipated amount of borrowings, all of which are difficult to predict and many of which are beyond our control. Accordingly, there can be no assurance that the assumptions made in preparing the projections will prove accurate. There will be differences between actual and projected results, and actual results may be materially greater or less than those contained in the projections. The inclusion of the projections in this proxy statement should not be regarded as an indication that we or our representatives considered or consider the projections to be a reliable prediction of future events, and the projections should not be relied upon as such.

We believe that the projections prepared were prepared in good faith at the time they were made; however, you should not assume that the projections continue to be accurate or reflective of management's current view. The projections were disclosed to the bidders and their representatives at their request as a matter of due diligence and to Merrill Lynch and Cowen for use in preparation of their respective fairness opinions, and are included in this proxy statement on that basis. None of Huntsman or any of its representatives has made or makes any representation to any person regarding the ultimate performance of Huntsman compared to the information contained in the projections, and none of them intends to update or otherwise revise the projections to reflect circumstances existing after the date when made or to reflect the occurrence of future events in the event that any or all of the assumptions underlying the projections are shown to be in error.

WE DO NOT INTEND TO UPDATE OR OTHERWISE REVISE THESE PROJECTIONS TO REFLECT CIRCUMSTANCES EXISTING SINCE THEIR PREPARATION OR TO REFLECT THE OCCURRENCE OF SUBSEQUENT EVENTS EVEN IN THE EVENT THAT ANY OR ALL OF THE UNDERLYING ASSUMPTIONS ARE NO LONGER APPROPRIATE.

Opinions of Financial Advisors

Opinion of Merrill Lynch, Pierce, Fenner and Smith Incorporated

The Transaction Committee retained Merrill Lynch to act as its financial advisor in connection with the merger. Merrill Lynch delivered its oral opinion to the Transaction Committee, which was subsequently confirmed in writing, that, as of July 12, 2007, and based upon and subject to the assumptions, qualifications and limitations set forth in its written opinion (which are described below), the merger consideration of $28.00 in cash per share, to be increased by the excess of (i) an amount equal to $0.006137 per day after April 15, 2008, through and including the closing date of the merger over (ii) any dividends or distributions (valued at the closing date of the merger using 8% simple interest per annum from the applicable date of payment) paid from and after April 15, 2008 through and including the closing date of the merger, to be received by holders of the Company's common stock pursuant to the merger agreement was fair, from a financial point of view, to those holders, other than certain beneficiaries and controlling persons of the HMP Equity Trust and those other stockholders who have entered into voting agreements with Hexion (the "Voting Stockholders"), the HMP Equity Trust and their respective beneficiaries and controlling persons, who are collectively referred to as the "HMP Stockholders", Hexion and their respective affiliates.

The full text of the written opinion of Merrill Lynch, dated July 12, 2007, which sets forth the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Merrill Lynch, is attached to this proxy statement as Appendix D. The following summary of Merrill Lynch's opinion is qualified in its entirety by reference to the full text of the opinion.

The Merrill Lynch opinion was addressed to the Transaction Committee and the board of directors of the Company for the use and benefit of the Transaction Committee and the board of directors of the Company and only addresses the fairness, from a financial point of view, as of the date of the opinion, of the per share merger consideration to be received by holders of the Company's common stock other than the HMP Stockholders, Hexion and their respective affiliates pursuant to the merger agreement. The opinion does not address the merits of the underlying decision by the Company to engage in the merger and does not constitute, nor should it be construed as, a recommendation to any holder of the Company's common stock as to how the holder should vote with respect to the proposed merger or any other matter. In addition, Merrill Lynch was not asked to address nor does its opinion address the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of the Company, other than the holders of the Company's common stock (excluding the HMP Stockholders, Hexion and their respective affiliates).

In arriving at its opinion, Merrill Lynch, among other things:

- reviewed certain publicly available business and financial information relating to the Company that Merrill Lynch deemed to be relevant;
- reviewed certain information, including financial forecasts, relating to the business, earnings, cash flow, assets, liabilities and prospects of the Company furnished to Merrill Lynch by the Company;
- Conducted discussions with members of senior management of the Company concerning the matters described in the preceding two bullet points;

reviewed the market prices and valuation multiples for the Company's common stock and compared them with those of certain publicly traded companies that Merrill Lynch deemed to be relevant;

reviewed the results of operations of the Company and compared them with those of certain publicly traded companies that Merrill Lynch deemed to be relevant;

compared the proposed financial terms of the merger with the financial terms of certain other transactions that Merrill Lynch deemed to be relevant;

participated in certain discussions and negotiations among representatives of the Transaction Committee, the Company and Hexion and their financial and legal advisors;

reviewed drafts as of July 11, 2007 of the merger agreement, the voting agreements and various related documents (collectively, the "transaction documents") and a debt financing commitment letter from affiliates of Credit Suisse and Deutsche Bank AG to Hexion dated July 7, 2007; and

reviewed such other financial studies and analyses and took into account such other matters as Merrill Lynch deemed necessary, including its assessment of general economic, market and monetary conditions.

In preparing its opinion, Merrill Lynch assumed and relied on the accuracy and completeness of all information supplied or otherwise made available to it, discussed with or reviewed by or for it, or that was publicly available. Merrill Lynch did not assume any responsibility for independently verifying such information and did not undertake any independent evaluation or appraisal of any of the assets or liabilities of the Company and it was not furnished with any such evaluation or appraisal, nor did it evaluate the solvency or fair value of the Company under any state or federal laws relating to bankruptcy, insolvency or similar matters. In addition, Merrill Lynch did not assume any obligation to conduct any physical inspection of the properties or facilities of the Company. With respect to the financial forecast information furnished to or discussed with Merrill Lynch by the Company, Merrill Lynch assumed that this information had been reasonably prepared and reflected the best currently available estimates and judgment of the Company's management as to the expected future financial performance of the Company. Merrill Lynch expresses no opinion as to such financial forecast information or the assumptions on which it was based. Merrill Lynch assumed that the final form of the merger agreement and related transaction documents would be substantially similar to the last drafts reviewed by it.

The opinion of Merrill Lynch is necessarily based upon market, economic and other conditions as they existed and could be evaluated on, and on the information made available to Merrill Lynch as of, July 12, 2007, the date of its written opinion. Merrill Lynch has no obligation to update its opinion to take into account events occurring after the date that its opinion was delivered to the Transaction Committee and the board of directors. Circumstances could develop prior to consummation of the proposed transaction that, if known at the time Merrill Lynch rendered its opinion, would have altered its opinion.

At the meetings of the Transaction Committee and the board of directors held on July 12, 2007, Merrill Lynch presented financial analyses accompanied by written materials in connection with the delivery of its opinion. The following is a summary of the material financial analyses performed by Merrill Lynch in arriving at its opinion. Some of the summaries of financial analyses include information presented in tabular format. In order to understand fully the financial analyses performed by Merrill Lynch, the tables must be read together with the accompanying text of each summary. The tables alone do not constitute a complete description of the financial analyses, including the methodologies and assumptions underlying the analyses, and if viewed in isolation could create a misleading or incomplete view of the financial analyses performed by Merrill Lynch.

The estimates of future performance of the Company in or underlying Merrill Lynch's analyses are not necessarily indicative of future results or values, which may be significantly more or less favorable than those estimates. In performing its analyses, Merrill Lynch considered industry performance, general business and economic conditions and other matters, many of which are beyond the Company's control. Estimates of the financial values of companies do not purport to be appraisals or reflect the prices at which such companies actually may be sold.

Merger Consideration to be received by Holders of Company Common Stock

Implied Premiums Analysis. Merrill Lynch reviewed the 52-week intraday high and low and the average trading price of the Company's common stock based on closing prices for the one-month, three-month, six-month and one-year periods ended June 25, 2007, the last trading day before the Company's agreement with Basell was announced. The following table reflects the implied percentage premium that the $28.00 per share merger consideration represents to these various prices and to the $18.90 closing price for the Company's shares on June 25, 2007:

	Market Price	Implied Premium of $28.00 Per Share Merger Consideration
Closing Price on June 25, 2007	$ 18.90	48.1%
1 Month Average	$ 19.78	41.6%
3 Month Average	$ 19.65	42.5%
6 Month Average	$ 19.88	40.8%
1 Year Average	$ 18.73	49.5%
52-Week Intraday High (2/21/07)	$ 21.92	27.7%
52-Week Intraday Low (8/6/06)	$ 15.62	79.3%

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