



NL INDUSTRIES, INC.

*THREE LINCOLN CENTRE
5430 LBJ FREEWAY
SUITE 1700
DALLAS, TEXAS 75240-2697*

December 31, 2009

Dear Shareholder:

In 2009, NL Industries, Inc. (NYSE: NL; CUSIP: 629156 40 7) declared and paid quarterly dividends on its common stock of \$0.125 per share in cash on each of March 26, June 25, September 24 and December 24, 2009.

Based on a 2009 forecast and preliminary calculation, NL has made a determination that for federal income tax purposes all of these 2009 quarterly cash dividends should be treated as a non-taxable *return of capital* to the extent of your tax basis in your NL shares and to the extent that these dividends exceed your tax basis in your NL shares, such excess should be generally taxable to you as capital gain income.

This preliminary determination as to the treatment of the 2009 cash dividends is subject to change. You should receive a Form 1099 reporting the appropriate tax treatment for these dividends.

PLEASE CONSULT YOUR TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES TO YOU OF THE DISTRIBUTION.

Sincerely

NL INDUSTRIES, INC.