Hexion Inc.

First Quarter 2017 Results

May 4, 2017

Forward-Looking Statements
Hexion Inc.

Certain statements in this presentation are forward-looking statements within the meaning of and made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In addition, our management may from time to time make oral forward-looking statements. All statements, other than statements of historical facts, are forward-looking statements. Forward-looking statements may be identified by the words “believe,” “expect,” “anticipate,” “project,” “might,” “plan,” “estimate,” “may,” “will,” “could,” “should,” “seek,” “intend” or similar expressions. Forward-looking statements reflect our current expectations and assumptions regarding our business, the economy and other future events and conditions and are based on currently available financial, economic and competitive data and our current business plans. Actual results could vary materially depending on risks and uncertainties that may affect our operations, markets, services, prices and other factors as discussed in the Risk Factors section of our filings with the Securities and Exchange Commission (the “SEC”). While we believe our assumptions are reasonable, we caution you against relying on any forward-looking statements as it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, a weakening of global economic and financial conditions, interruptions in the supply of or increased cost of raw materials, the loss of, or difficulties with the further realization of, cost savings in connection with our strategic initiatives, including transactions with our affiliate, Momentive Performance Materials Inc., the impact of our substantial indebtedness, our failure to comply with financial covenants under our credit facilities or other debt, pricing actions by our competitors that could affect our operating margins, changes in governmental regulations and related compliance and litigation costs and the other factors listed in the Risk Factors section of our SEC filings. For a more detailed discussion of these and other risk factors, see the Risk Factors section in our most recent Annual Report on Form 10-K and our other filings made with the SEC. All forward-looking statements are expressly qualified in their entirety by this cautionary notice. The forward-looking statements made by us speak only as of the date on which they are made. Factors or events that could cause our actual results to differ may emerge from time to time. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

This presentation contains non-GAAP financial information. Reconciliation to GAAP is included at the end of the presentation.

Hexion Inc.

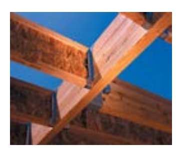
Overview of
First Quarter 2017 Results

Craig O. Morrison
Chairman, President and Chief Executive Officer

Hexion: First Quarter 2017 in Review

- Improving revenue and strong volume trends with increases of 6% and 8% year over year, respectively, adjusted for recent divestitures (1)
- First quarter 2017 Segment EBITDA (2) declined 11% versus prior year period driven primarily by temporary destocking and market volatility in the wind energy market impacting the specialty epoxy resins business
- Excluding specialty epoxy resins, first quarter segment EBITDA increased by 13% versus the prior year period, driven primarily by growth in our Versatic™ Acids and Derivatives and global forest product businesses (3)
- Successfully completed an amendment to our asset-based revolving credit facility (“ABL Facility”) and refinancing of our 8.875% Senior Secured Notes due 2018 (“1.5 Lien Notes”)
- Continued implementation of Chief Operating Officer structure as part of a broader corporate reorganization. As of March 31, 2017 had $20 million of in-process cost savings, the majority of which we expect to achieve in 2017
- Strategic growth capital investment program continues to drive earnings as plants and projects ramp up. Three recently completed new formaldehyde plants delivered $4 million in EBITDA in First Quarter 2017 and $12 million over the last twelve month
  - On track to deliver ~ $30 to $35mm in run-rate EBITDA over the next few years, representing significant upside opportunity
- Oilfield proppant and base epoxy resins EBITDA improved modestly on a year-over-year basis




(1) Includes revenue adjustments for dispositions, which is reflected in the table that reconciles revenue at the end of this presentation.
(2) Segment EBITDA is a non-GAAP financial measure. The closest GAAP financial measure is Net Income (Loss). A table that reconciles Segment EBITDA is at the end of this presentation. Segment EBITDA is defined as EBITDA (earnings before interest, income taxes, depreciation and amortization) adjusted for certain non-cash and other income and expenses. Segment EBITDA is the primary performance measure used by the Company's senior management, the chief operating decision-maker and the board of directors to evaluate operating results and allocate capital resources among segments.
(3) Includes additional adjustments for dispositions, which are reflected in the table that reconciles Adjusted Segment EBITDA at the end of this presentation.

Overview of First Quarter 2017 Results

HEXION™

($ in millions)	2016	2016 (1) Adjusted for Divestitures	2017	YoY Δ	YoY Δ (1) Adjusted for Divestitures
	Quarter Ended March 31				
Revenue	**$909**	**$822**	**$870**	**(4)%**	**6%**
Segment EBITDA (1)	**122**	**107**	**95**	**(22)%**	**(11)%**

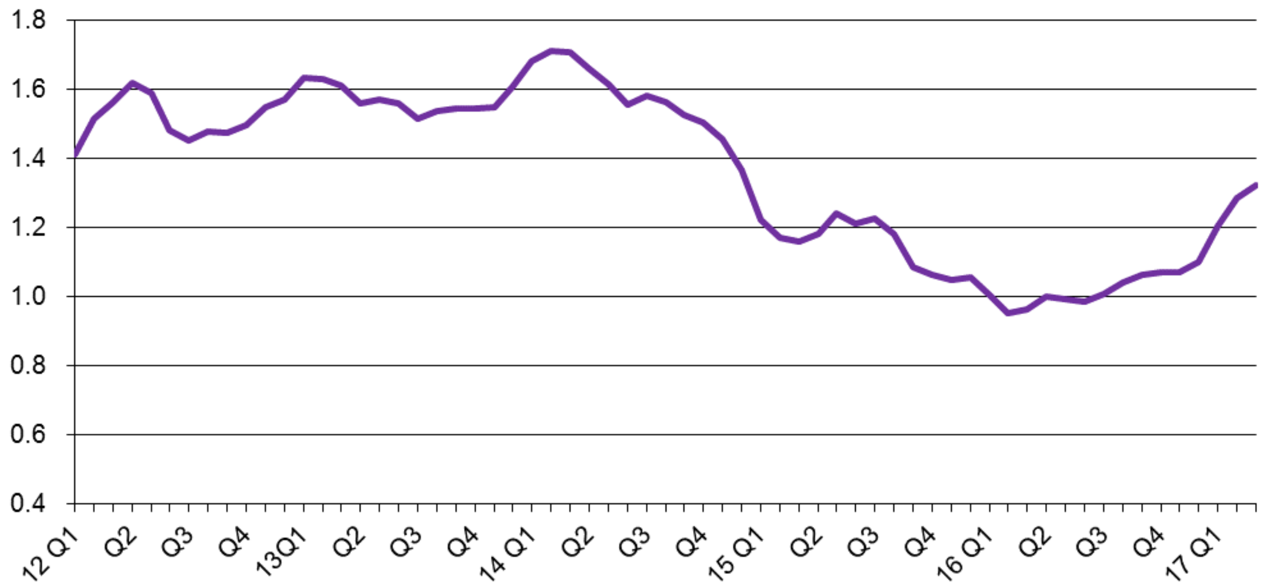
- Reported revenue decreased 4% year-over-year to $822 million primarily reflecting the impact of divestitures. Adjusted for the impact of recent divestitures, revenue increased 6% year-over-year driven primarily by 10% volume growth in the Forest Products Resins segment
- Net loss of $42 million compared to net loss of $44 million in the prior year period
- Reported Segment EBITDA decreased 22% year-over-year to $95 million primarily reflecting the impact of divestitures, partially offset by growth across Forest Product Divisions' global business portfolio, improvements in base epoxy resins and oilfield proppants
  - Adjusted for the impact of recent divestitures, Segment EBITDA decreased 11% year-over-year
  - Lead lag impact of higher raw materials negatively impacted the first quarter by $5 million
  - Continued strong growth in Versatic Acids™ and Derivatives

(1) Excludes the historical results of the Company's Performance Adhesives, Powder Coatings, Additives & Acrylic Coatings and Monomers ("PAC") businesses and its 50% interest in HA-International, LLC ("HAI"), both of which were sold during the second quarter of 2016. A table that reconciles revenue and Segment EBITDA as adjusted for divestitures is at the end of this presentation.

Overview of Raw Materials Environment

HEXION

Global Raw Materials Cost Index (1)



Summary

- Q1’17 global raw material pricing is up ~ 18% on a sequential basis from Q4’16
- Total raw material pricing in Q1’17 increased versus 2016:
  - Phenol ↑ 30%; Methanol ↑ 65%; Urea: ↑ 8%

(1) Source: *Includes content supplied by IHS Chemical, Copyright © IHS Chemical 2013; ICIS, Copyright © ICIS 2013. All rights reserved*

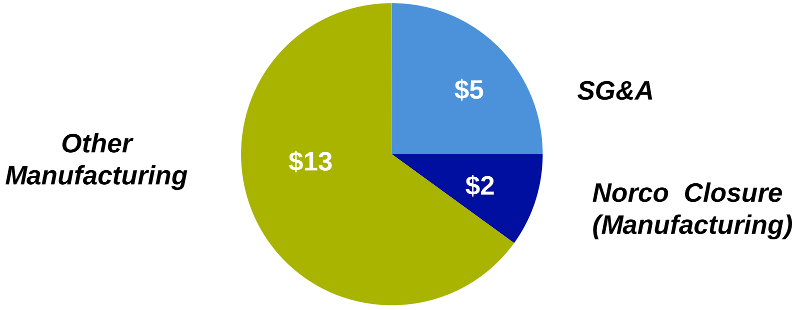
Driving Structural Cost Savings and Leveraging Strategic Capital Investments

Structural Cost Savings Program Remains on Track

- $20 million of structural cost savings remain in process as of March 31, 2017
  - Site closure at Norco occurred in the second quarter of 2016 as planned and achieved $18 million in savings as of March 31, 2017
  - Continued progress with German grid optimization for phenolic specialty resins process
  - COO structure enabling SG&A savings
  - Majority of in-process cost savings expected to be achieved in FY'17

In-Process Cost Savings

(US $ in millions)



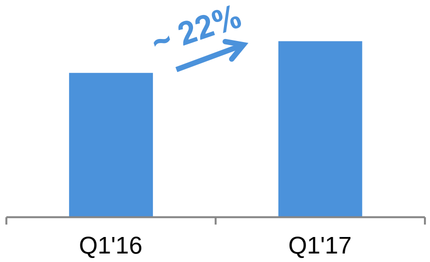
$20 million in total in-process cost savings

Strategic Investments Driving Forest Products Gains

- Recently-completed formaldehyde plants are part of Hexion's ongoing strategy of investing behind its leading specialty technologies
- Following successful start-up, new plants continue to ramp up production with $4 million impact in Q1'17

Global Formaldehyde Volumes

(Volume kMT)



Summary of New Formaldehyde Plants

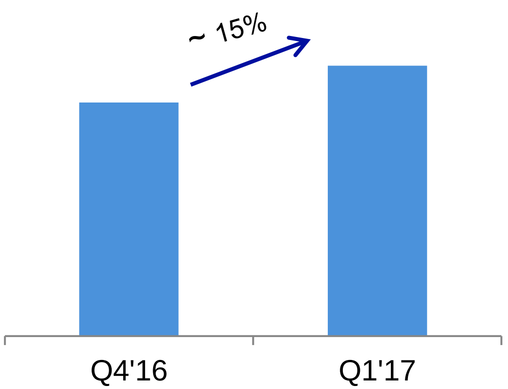
Location	Initial Production	Comments
Curitiba, Brazil	Q3'15	▪ Direct pipeline to customer site
Geismar, La. (BASF)	Q4'15	▪ Contracted volumes
Luling, La. (Monsanto)	Q1'16	▪ Investment Grade Customers

Ongoing Cyclical Recovery

Base Epoxy Resins

- Expected improvements in epoxy resin industry fundamentals over next several years drives positive outlook for profitability
- Structural savings from Norco closure supports continued earnings improvement in FY’17 and beyond
- Significant year-over-year improvement in base epoxy resins profitability in Q1’17

Volume

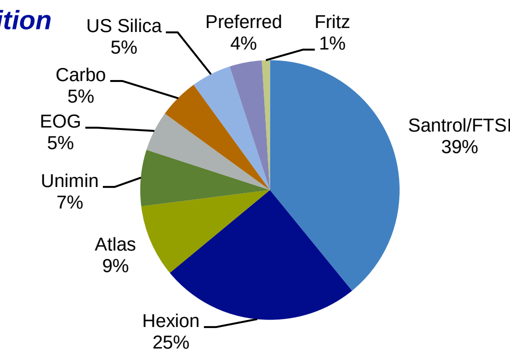


Oilfield Proppants Leading Market Position [1]

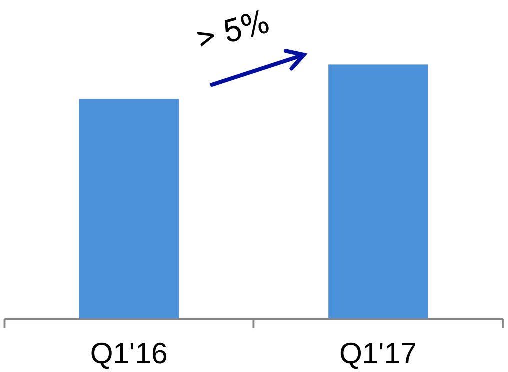
Hexion Market Position

#1 **Canada**

#2 **United States**



Volume



Base Epoxy Resins and Oilfield Proppants Businesses Continue to Gradually Recover From Cyclical Lows

(1) Management estimates.

Hexion Inc.

Financial Review

George Knight
Executive Vice President
and Chief Financial Officer

Forest Product Resins
First Quarter 2017 Segment Results

	Quarter Ended March 31		
($ in millions)	**2016**	**2017**	**Δ**
Revenue	$ 334	$ 378	13%
Segment EBITDA [(1)]	56	61	9%
Segment EBITDA Margin	16.8%	16.1%	(70)bps

Q1'17 Revenue Comparison YoY

Volume	Price/Mix	Currency Translation	Impact of Divestitures	Total
8%	2%	3%	--	13%

Summary

- Revenue increased primarily due to strong volume gains in all global regions
- EBITDA increased by 9% year-over-year reflecting higher segment volumes, cost efficiencies from the new North America formaldehyde facilities and improved performance in Latin America partially offset by lead lag impact of raw materials

(1) Segment EBITDA excludes in-process synergies. Segment EBITDA is defined as EBITDA adjusted to exclude certain non-cash and non-recurring expenses. Segment EBITDA is an important measure used by the Company's senior management and board of directors to evaluate operating results and allocate capital resources among segments. Segment EBITDA is also the profitability measure used to set management and executive incentive compensation goals. Corporate and Other primarily represents certain corporate, general and administrative expenses that are not allocated to the segments. Segment EBITDA is defined and reconciled to Net Income later in this presentation

Epoxy, Phenolic and Coating Resins
First Quarter 2017 Segment Results

HEXION™

	Quarter Ended March 31				
($ in millions)	**2016**	**2016 Adjusted for Divestitures**	**2017**	**YoY Δ**	**YoY Δ Adj. for Divestitures**
Revenue	$ 575	$ 488	$ 492	(14)%	1%
Segment EBITDA	83	68	52	(37)%	(24)%
Segment EBITDA Margin	14.4%	13.9%	10.6%	(380)bps	(330)bps

Q1'17 Revenue Comparison YoY

Volume	**Price/Mix**	**Currency Translation**	**Impact of Divestitures**	**Total**
1%	1%	(1)%	(15)%	(14)%

Summary

- Revenue increased 1% adjusted for divestitures
- Segment EBITDA was driven by the same factors that impacted revenue and negative lead lag impact
  - Specialty epoxy reflects temporary destocking and negative lead lag
  - Oilfield proppant and base epoxy resins EBITDA improved year over year

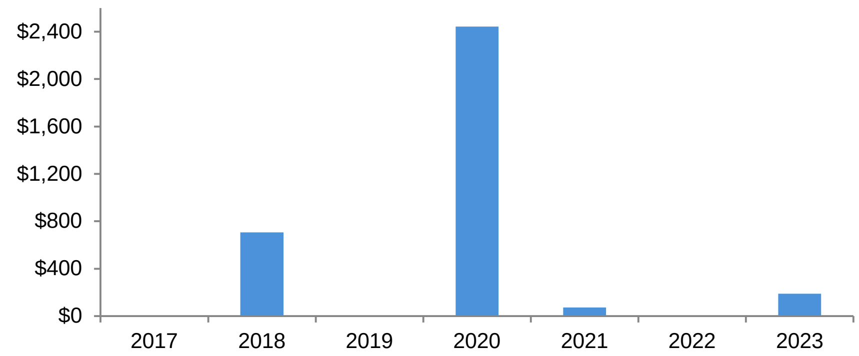
Balance Sheet Update & Financial Summary

Summary

- Cash plus borrowing availability of $362 million at March 31, 2017 reflecting normal seasonal working capital build
- FY'17 capital expenditures expected to be $100 million to $110 million
- Continued focus on appropriately managing working capital
  – NWC remains a modest 13% of sales
- In February 2017, Hexion issued $485 million aggregate principal amount of 10.375% First-Priority Senior Secured Notes due 2022 and $225 million in aggregate principal amount of 13.75% Senior Secured Notes due 2022
  – Net proceeds used to redeem 8.875% Senior Secured Notes due 2018
  – No material debt maturities before 2020 and weighted average maturity of 4.0 years(1)

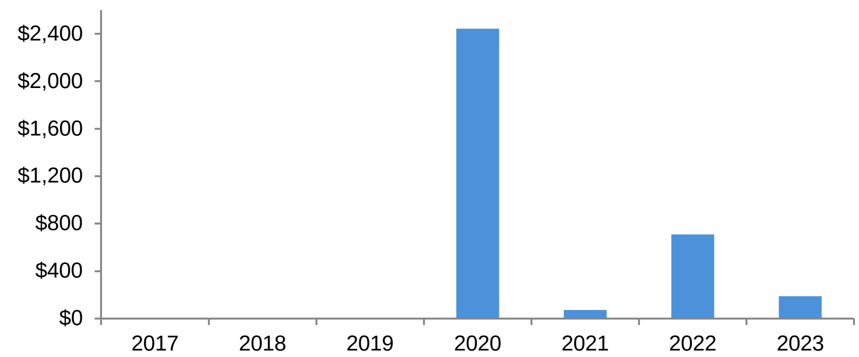
Debt Maturities (12/31/16)

(US $ in millions)



Debt Maturities (3/31/17)

(US $ in millions)



Continued Focus on Prudent Management of Balance Sheet

(1) Excludes foreign local debt and capitalized leases.

Appendices

Reconciliation of Non-GAAP Financial Measures

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Reconciliation:		
Net loss	$ (42)	$ (44)
Income tax expense	8	7
Interest expense, net	83	79
Depreciation and amortization	28	35
Accelerated depreciation	—	46
EBITDA	$ 77	$ 123
Items not included in Segment EBITDA:		
Business realignment costs	7	3
Realized and unrealized foreign currency (gains) losses	(1)	2
Loss (gain) on extinguishment of debt	3	(23)
Other	9	17
Total adjustments	18	(1)
Segment EBITDA	$ 95	$ 122
Segment EBITDA:		
Epoxy, Phenolic and Coating Resins	$ 52	$ 83
Forest Products Resins	61	56
Corporate and Other	(18)	(17)
Total	$ 95	$ 122
Adjustment for dispositions [1]	—	(15)
Adjusted Segment EBITDA	$ 95	$ 107

Debt at March 31, 2017

($ in millions)

	March 31, 2017		December 31, 2016	
	Long-Term	Due Within One Year	Long-Term	Due Within One Year
ABL Facility	$ 81	$ —	$ —	$ —
Senior Secured Notes:				
6.625% First-Priority Senior Secured Notes due 2020 (includes $3 of unamortized debt premium)	1,553	—	1,553	—
10.00% First-Priority Senior Secured Notes due 2020	315	—	315	—
10.375% First-Priority Senior Secured Notes due 2022	485	—	—	—
8.875% Senior Secured Notes due 2018 (includes $1 of unamortized debt discount at December 31, 2016)	—	—	706	—
13.75% Senior Secured Notes due 2022	225	—	—	—
9.00% Second-Priority Senior Secured Notes due 2020	574	—	574	—
Debentures:				
9.2% debentures due 2021	74	—	74	—
7.875% debentures due 2023	189	—	189	—
Other Borrowings:				
Australia Facility due 2017	—	53	—	51
Brazilian bank loans	13	31	14	26
Capital leases	7	1	7	2
Other	2	33	3	28
Unamortized debt issuance costs	(48)	—	(38)	—
Total	$ 3,470	$ 118	$ 3,397	$ 107

HEXION™