



Hexion Inc.  
180 East Broad Street  
Columbus, OH 43215  
hexion.com

## NEWS RELEASE

### FOR IMMEDIATE RELEASE

#### **Hexion Inc. Announces Proposed \$315 Million Debt Offering**

COLUMBUS, Ohio – (March 31, 2015) — Hexion Inc. (the “Company”) announced today that it is proposing to issue \$315 million aggregate principal amount of new First-Priority Senior Secured Notes due 2020 (the “Notes”) in a private offering that is exempt from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”).

The Notes will be senior obligations of the Company and will be guaranteed on a senior secured basis by the Company’s existing domestic subsidiaries that guarantee obligations under its senior secured asset-based revolving credit facility (the “ABL Facility”) and its future domestic subsidiaries that guarantee any debt of the Company or the guarantors. The Notes and guarantees will be secured by first-priority liens on the notes priority collateral (which generally includes most of the Company’s and the Company’s domestic subsidiaries’ assets other than the ABL priority collateral) and by second-priority liens on the ABL priority collateral (which generally includes most of the Company’s and the Company’s domestic subsidiaries’ inventory and accounts receivable and related assets), in each case subject to certain exceptions and permitted liens.

The Company intends to use approximately \$40 million of the net proceeds from the offering of the Notes to repay or redeem all of its outstanding 8<sup>3</sup>/<sub>8</sub>% Sinking Fund Debentures due 2016 and to use the remaining net proceeds to repay in full all amounts outstanding under the ABL Facility and for general corporate purposes. The proposed offering of the Notes is subject to market and other conditions, and may not occur as described or at all.

The Company also announced that it had received commitments from the necessary lenders to amend the ABL Facility in order to (i) add one of its German subsidiaries as a borrower and certain of its German subsidiaries as guarantors and (ii) expand its borrowing base to include a specified percentage of eligible foreign machinery, equipment and real property, subject to certain limitations. While the valuation of the machinery, equipment and real property will be subject to appraisals, the Company estimates that, with the addition of the German borrower and guarantors and the foreign machinery, equipment and real property, the borrowing base would have increased at December 31, 2014 from \$363 million to an amount that would permit access to the entire \$400 million size of the ABL Facility. Completion of the amendment is subject to execution of definitive documentation and customary closing conditions, including completion of the proposed offering. Closing of the proposed offering is not conditioned upon closing of the amendment, and there can be no assurance that the Company will complete such amendment or that, if it does, the appraised value of the machinery, equipment and real property will be sufficient to increase the Company’s borrowing base as contemplated.

The Notes are being offered only to qualified institutional buyers in reliance on Rule 144A under the Securities Act, and outside the United States, only to non-U.S. investors in reliance on Regulation S under the Securities Act. The Notes will not be initially registered under the Securities Act or any state securities laws and may not be offered or sold in the United States absent an effective registration statement or an applicable exemption from registration requirements or a transaction not subject to the registration requirements of the Securities Act or any state securities laws.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any security and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offering, solicitation or sale would be unlawful.

### **Forward-Looking Statements**

Certain statements in this press release 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,” “plan,” “estimate,” “may,” “will,” “could,” “should,” “seek” or “intend” and 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 most recent Annual Report on Form 10-K and our other 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 most recent Annual Report on Form 10-K and in our other SEC filings, including our quarterly reports on Form 10-Q. 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.

### **About the Company**

Based in Columbus, Ohio, Hexion Inc. (formerly known as Momentive Specialty Chemicals Inc.) is a global leader in thermoset resins. Hexion Inc. 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 Inc. is controlled by investment funds affiliated with Apollo Global Management, LLC. Additional information about Hexion Inc. and its products is available at [www.hexion.com](http://www.hexion.com).

### **Contacts**

#### **Investors and Media:**

John Kompa  
614-225-2223  
[john.kompa@hexion.com](mailto:john.kompa@hexion.com)