Hexion Inc.

Third Quarter 2016 Results

November 14, 2016

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
Third Quarter 2016 Results

Craig O. Morrison
Chairman, President and Chief Executive Officer

Third Quarter 2016 Results

HEXION™

Quarter Ended September 30

($ in millions)	2015	2015 Adjusted for Dispositions (2)	2016	YoY Δ	YoY Δ Adjusted for Dispositions (2)
Revenue	**$1,065**	**$966**	**$819**	**(23)%**	**(15)%**
Segment EBITDA (1)	**133**	**118**	**112**	**(16)%**	**(5)%**

- Revenue decreased 15% to $819 million reflecting lower selling prices from the decline in raw material costs, softer volumes in oilfield proppants and specialty epoxy resins, as well as the negative impact of the strengthening U.S. Dollar

- Total Segment EBITDA (1) of $112 million, a decline of 5% year-over-year
  - On a pro forma basis for recent divestitures and non-recurring favorable impacts in the prior year period, total Segment EBITDA was flat year-over-year
  - Posted positive gains in all regions of our global Forest Products business
  - North American forest products trends supported by strategic investments in new formaldehyde facilities and modestly improved housing starts
  - In EPCD, improved results in our Versatic™ Acids and Derivatives business partially offset softer volumes in oilfield proppants and specialty epoxy resins
  - In addition, third quarter 2015 benefited from a $5 million positive lead lag impact that did not repeat in Q3'16

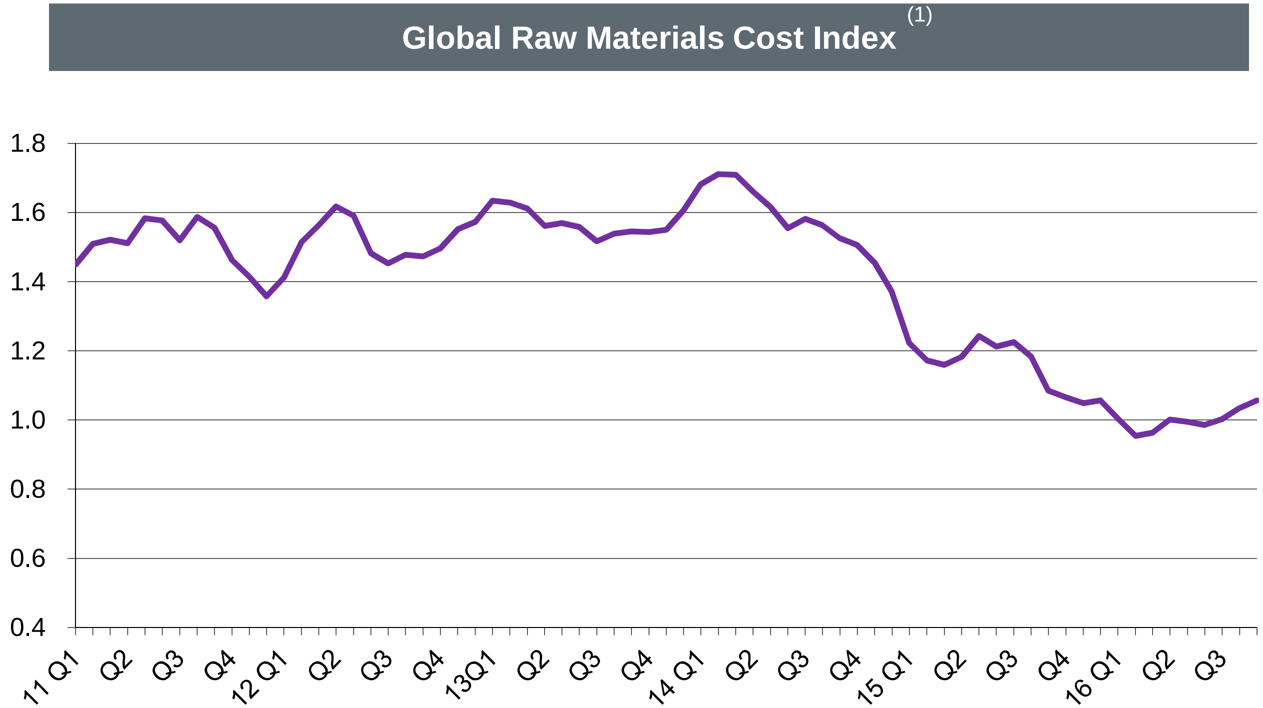
- Cash and available borrowings of $496 million as of September 30, 2016

(1) 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.

(2) 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 dispositions is at the end of this presentation.

Overview of Raw Materials Environment

HEXION



Summary

- Raw material environment has remained favorable and is projected to continue through the remainder of 2016

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

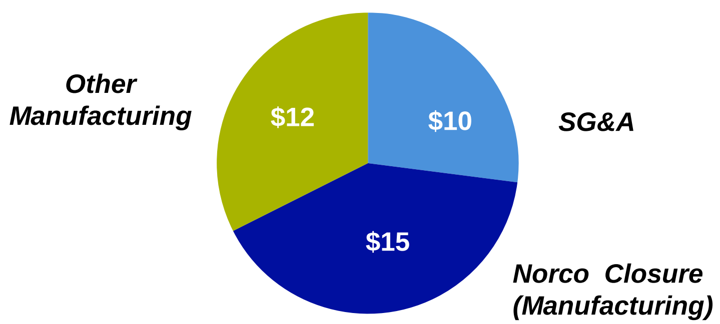
Driving Structural Cost Savings and Aligning Organization to Deliver Further Growth

Structural Cost Savings Program Remains on Track

- $37 million of structural cost savings remain in process as of September 30, 2016
  - Site closure at Norco occurred in the second quarter of 2016 as planned
  - Expected to add $20 million in Segment EBITDA on a run rate basis
  - Achieved $5 million in Norco-related savings as of September 30, 2016

In-Process Cost Savings

(US $ in millions)



$37 million in total in-process cost savings

Implementing Chief Operating Officer Structure

- In October 2016, Hexion announced that Jody Bevilaqua has been named Chief Operating Officer (COO) of the Company
- The COO appointment is part of a broader corporate reorganization focused on streamlining Hexion's organizational structure, which will increase the overall speed of decision making and deliver additional savings by reducing corporate overhead costs

Successfully Executing Against Strategic Growth Plan

HEXION

Strategic Formaldehyde Investments

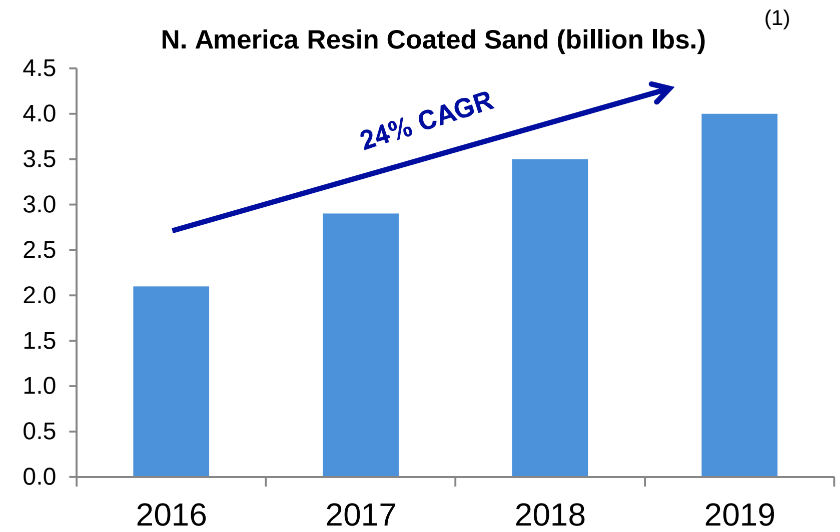
- New formaldehyde plants are part of our strategy of investing behind our leading specialty technologies
- Following successful start-up, new plants continue to ramp up production
- Expected to deliver ~$30 to $35 million in run-rate EBITDA and represents significant upside opportunity
  - Run-rate EBITDA potential not reflected in LTM Adjusted EBITDA

Summary of New Formaldehyde Plants

Location	Initial Production	Comments
Curitiba, Brazil	3Q'15	• Direct pipeline to customer site • Contracted volumes • Investment Grade Customers
Geismar, La. (BASF)	4Q'15	
Luling, La. (Monsanto)	1Q'16	

Strategically Invested ~ $125 million in Three New Formaldehyde Sites to Enhance Global Footprint

Oilfield Proppants Business Poised for Recovery



- While oilfield proppant business is at a cyclical low, there remains a strong long-term growth outlook for the sector as drilling activity increases
- Resin coated sand demand in N. America is forecast to grow at ~24% CAGR from 2016 to 2019
- Significant embedded upside opportunity despite ongoing volatility
- Oilfield business remains well positioned through a manufacturing grid that serves all major shale regions

(1) Source: *Includes content supplied by IHS, IHS Frac DB / FracFocus.org, IHS WellIQ, Copyright © IHS Chemical 2016; All rights reserved.*

Hexion Inc.
Financial Review

George Knight
Executive Vice President
and Chief Financial Officer

Forest Products Resins
Third Quarter 2016 Segment Results

($ in millions)	Quarter Ended September 30		
	2015	**2016**	**Δ**
Revenue	$ 396	$ 343	(13)%
Segment EBITDA	59	65	10%
Segment EBITDA Margin	14.9%	19.0%	410bps

3Q'16 Sales Comparison YoY				
Volume	**Price/Mix**	**Currency Translation**	**Impact of Dispositions**	**Total**
1%	(14)%	--	--	(13)%

Summary

- Sales decreased primarily due to raw material price decreases passed through to customers
- EBITDA margins rose significantly reflecting higher segment volumes, cost efficiencies from the new North America formaldehyde facilities and increased raw material productivity

Epoxy, Phenolic and Coating Resins
Third Quarter 2016 Segment Results

HEXION

($ in millions)	Quarter Ended September 30				
	2015	**2015 Adjusted for Dispositions**	**2016**	**YoY Δ**	**YoY Δ Adj. for Dispositions**
Revenue	$ 669	$ 570	$ 476	(29)%	(17)%
Segment EBITDA [(1)]	92	77	64	(30)%	(17)%
Segment EBITDA Margin	13.8%	13.5%	13.4%	(40)bps	(10)bps

3Q'16 Sales Comparison YoY				
Volume	**Price/Mix**	**Currency Translation**	**Impact of Dispositions**	**Total**
(4)%	(9)%	(1)%	(15)%	(29)%

Summary

- Sales declined primarily due to lower volumes from oilfield proppants and specialty epoxy resins, pass through of lower raw material prices
- Increased Segment EBITDA in our Versatic™ Acids and Derivatives business partially offsetting softer base epoxy resins and lower volumes noted above

(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

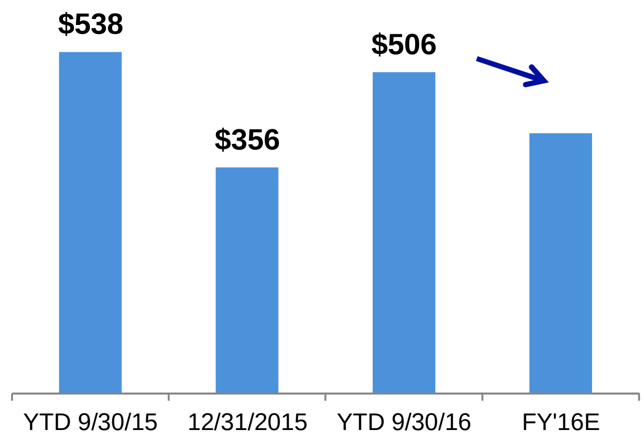
Balance Sheet Update & Financial Summary

Summary

- Substantial liquidity: cash plus borrowing availability of $496 million at September 30, 2016
- YTD’16 capital expenditures of $91 million
  - Projected 2016 capital expenditures to be approximately $120 million to $125 million
- Continued focus on appropriately managing working capital
  - Net working capital (NWC) increase primarily reflects increased volumes in the first nine months of 2016 compared to year-end 2015 largely due to seasonality
  - NWC remains a modest 15% of sales
  - NWC will be a source of cash in Q4’16 consistent with historical trends; for the full year, Hexion expects a slight increase in net working capital in 2016

Net Working Capital [1]

($ in millions)



Continued Focus on Prudent Management of Balance Sheet

(1) Net working capital adjusted for the sale of Hexion’s Performance Adhesives, Powder Coatings, Additives & Acrylic Coatings and Monomers businesses.

Hexion Inc.

Closing Remarks

Third Quarter 2016 Closing Remarks

- Total Segment EBITDA of $112 million, a decline of 5% year-over-year
  - On a pro forma basis for recent divestitures and non-recurring favorable impacts in the prior year period, total Segment EBITDA was flat year-over-year
- Global Forest Products and Versatic™ Acids and Derivatives businesses demonstrated strong financial performance
- New formaldehyde plants had successful startups and are driving incremental volumes
- $37 million of structural cost savings remain in process as of September 30, 2016
- Strong liquidity of $496 million as of September 30, 2016




Hexion Remains Well Positioned Due to Lean Cost Structure, Global Manufacturing Footprint, Innovative Technology and Diversified Portfolio

Appendices

Reconciliation of Non-GAAP Financial Measures

HEXION™

(In millions)	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
Segment EBITDA:				
Epoxy, Phenolic and Coating Resins	$ 64	$ 92	$ 230	$ 265
Forest Products Resins	65	59	184	182
Corporate and Other	(17)	(18)	(50)	(54)
Total	$ 112	$ 133	$ 364	$ 393
Reconciliation:				
Items not included in Segment EBITDA:				
Business realignment income (costs)	$ 3	$ (3)	$ (42)	$ (11)
Gain on dispositions	—	—	240	—
Gain on extinguishment of debt	3	14	47	14
Realized and unrealized foreign currency (losses) gains	(6)	(14)	3	(17)
Other	(16)	(4)	(50)	(33)
Total adjustments	(16)	(7)	198	(47)
Interest expense, net	(76)	(84)	(235)	(245)
Income tax expense	(16)	(1)	(40)	(28)
Depreciation and amortization	(30)	(34)	(101)	(102)
Accelerated depreciation	(21)	—	(127)	—
Net (loss) income	$ (47)	$ 7	$ 59	$ (29)

(In millions)	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
Segment EBITDA	$ 112	$ 133	$ 364	$ 393
Adjustment for dispositions [1]	—	(15)	(30)	(42)
Pro Forma Segment EBITDA	$ 112	$ 118	$ 334	$ 351

(1) Adjustments for dispositions impact the Epoxy, Phenolic and Coating Resins segment.

Debt at September 30, 2016

($ in millions)

	September 30, 2016		December 31, 2015	
	Long-Term	Due Within One Year	Long-Term	Due Within One Year
ABL Facility	$ —	$ —	$ —	$ —
Senior Secured Notes:				
6.625% First-Priority Senior Secured Notes due 2020 (includes $4 of unamortized debt premium)	1,554	—	1,554	—
10.00% First-Priority Senior Secured Notes due 2020	315	—	315	—
8.875% Senior Secured Notes due 2018 (includes $1 and $2 of unamortized debt discount at September 30, 2016 and December 31, 2015, respectively)	760	—	995	—
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	27	4	29	3
Brazilian bank loans	15	30	5	42
Capital leases	8	1	9	1
Other	—	34	5	34
Unamortized debt issuance costs	(41)	—	(51)	—
Total	$ 3,475	$ 69	$ 3,698	$ 80

HEXION™