



Hexion's Oilfield Technology Group Expanding Canadian Proppant Manufacturing Plant

June 9, 2016

HOUSTON, Texas - (June 9, 2016) - The Oilfield Technology Group (OTG) of Hexion Inc. (Hexion) today announced the expansion of its resin coated proppant manufacturing facility in Canada to provide a more efficient supply of proppants to fracturing service companies and operators in the oil and gas industry.

Hexion's proppant plant located in Sturgeon County, north of Fort Saskatchewan, Alberta, Canada is in the process of a phased expansion project, which will significantly increase capacity and logistics capability to efficiently service the Canadian market. These improvements will provide significant additional manufacturing capacity to support the future growth in the Canadian proppant market. The internal plant capacity is expected to be completed by the fourth quarter of 2016.

The expansion project includes the purchase of additional land for the installation of track that will accommodate over 100 railcars. New storage silos will ensure ample sand supplies, especially during peak seasons. Production capacity improvements will allow for quicker response to market demand and on-time delivery of product through Hexion's industry-leading transloading network that services the Western Canadian Sedimentary Basin.

"Hexion is a leading supplier of resin coated proppants to the oil and gas industry and this expansion will increase our manufacturing and delivery capabilities to meet the needs of our customers," said Jerry Kurinsky, Senior Vice President and General Manager, OTG. "These investments demonstrate our continued commitment to our customers in Canada. Hexion will be ready to meet the demands of the industry when the market recovers."

This plant is currently the only proppant manufacturing facility in Canada within the industry and produces a variety of products such as Hexion's Yukon Black™ proppants, which are a next-generation resin coated sand that bonds at low temperatures. These proppants are ideal for fracture treatments in the low temperature reservoirs in Canada where flowback control is necessary. Low temperature bonding down to 70°F (21°C) bottom-hole static temperature is achieved without the use of a consolidation aid.

Resin coated proppants are used in the hydraulic fracturing process to help optimize production from oil and gas wells by maximizing fracture flow capacity from the reservoir to the wellbore.

Technological innovations and Hexion's introduction of enhanced materials have expanded the use of resin coated proppants into unconventional reservoirs that feature complex and challenging geological formations. Hexion's experienced personnel, with their years of hydraulic fracturing knowledge and expertise, continue to bring advanced proppants to the industry.

About Hexion's Oilfield Technology Group

Hexion's Oilfield Technology Group is a leading provider of innovative technologies for the oil and gas industry. We offer well stimulation solutions with our advanced resin coated proppants and a variety of performance additives for oilfield applications. Our products also include production chemicals such as hydrogen sulfide scavengers for crude oil and natural gas production. Hexion is committed to enhancing its industry leadership and meeting its customers' specific application needs with a total solutions approach of quality products and services. Additional information is available at www.hexion.com/oilfield.

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.

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