

Presentation

OHA Investment Corporation Q4 & 2015 Year-End Results

March 16, 2016

Disclaimer:

THIS PRESENTATION MAY CONTAIN FORWARD-LOOKING STATEMENTS. WE MAY USE WORDS SUCH AS "ANTICIPATES," "BELIEVES," "INTENDS," "PLANS," "EXPECTS," "PROJECTS," "ESTIMATES," "WILL," "SHOULD," "MAY" AND SIMILAR EXPRESSIONS TO IDENTIFY FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO VARIOUS RISKS AND UNCERTAINTIES. CERTAIN FACTORS COULD CAUSE ACTUAL RESULTS AND CONDITIONS TO DIFFER MATERIALLY FROM THOSE PROJECTED, INCLUDING THE UNCERTAINTIES ASSOCIATED WITH THE TIMING OR LIKELIHOOD OF TRANSACTION CLOSINGS, CHANGES IN INTEREST RATES, AVAILABILITY OF TRANSACTIONS, THE FUTURE OPERATING RESULTS OF OUR PORTFOLIO COMPANIES, REGULATORY FACTORS, CHANGES IN REGIONAL, NATIONAL, OR INTERNATIONAL ECONOMIC CONDITIONS AND THEIR IMPACT ON THE INDUSTRIES IN WHICH WE INVEST, OTHER CHANGES IN THE CONDITIONS OF THE INDUSTRIES IN WHICH WE INVEST AND OTHER FACTORS ENUMERATED IN OUR FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION. YOU SHOULD NOT PLACE UNDUE RELIANCE ON SUCH FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE THEY ARE MADE. WE UNDERTAKE NO OBLIGATION TO UPDATE OUR FORWARD-LOOKING STATEMENTS MADE HEREIN, UNLESS REQUIRED BY LAW.

All references herein to OHAI or the Company refer to OHA Investment Corporation



Contents

Section 1	Overview & Financial Results
Section 2	Investment Activity & Portfolio Review
Section 3	Distribution Discussion
	Additional Information
	Q&A

Section 1

Overview & Financial Results

Overview & Financial Results

2015 Highlights

- 2015 was first full fiscal year under Oak Hill Advisors, L.P. (“OHA”)
 - OHA assumed management of the Company on September 30, 2014
- NAV decreased \$1.99 per share during the year to \$5.49 per share
 - Significant decline in energy prices led to \$38.1 MM of write-downs in the legacy energy portfolio (\$1.88 per share)
 - Other portfolio investment write-downs of \$2.9 MM (\$0.14 per share)
- Eight new portfolio company investments totaling approximately \$73.7 MM
- Realizations of \$38.8 MM
 - Includes \$28.7 MM from full realization of two OHA investments
- Energy exposure declined from 64% to 41% of the investment portfolio
- Net investment income of \$10.0 MM, or \$0.49 per share
 - \$0.48 of distributions declared per share
- New management team
 - New finance team - CFO (Cory Gilbert), controller and senior accountant
 - New CCO – Lisa Price
 - Steven Wayne named President and CEO in January 2016

The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

Overview & Financial Results

Fourth Quarter Developments

- NAV of \$5.49 per share, a \$1.22 or 18% decline from Q3 primarily driven by write-downs of legacy energy investments
 - \$21.6 MM of write-downs on legacy energy investments (\$1.07 per share)
 - \$3.8 MM of write-downs on remainder of portfolio (\$0.19 per share)
- \$0.16 net investment income per share
 - \$0.12 distribution declared per share (paid in January 2016)
- Castex Energy 2005 L.P. (“Castex”), our largest investment, elected to pay us dividends in-kind, rather than in cash, pursuant to the terms of our agreement
- Deployed \$25.3 MM in three non-energy related investments
- Realized \$18.7 MM from Foundation Building Materials, a Q1 2015 investment, generating a 18.8% unlevered IRR
- Following year-end, finalized Phase I of ATP/Bennu litigation in our favor

The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

Overview & Financial Results

Q4 2015 Financial Summary

- Investment income of \$6.2 MM, or \$0.31 per share
- Net investment income of \$3.2 MM, or \$0.16 per share
- Base management fee of \$0.9 MM and \$0.8 MM incentive fee
- Lower G&A expenses
 - \$0.5 MM of favorable variance resulting from OHA expense credit related to the \$2.5 MM Cap
- Net realized and unrealized losses of (\$25.4) MM, or (\$1.26) per share
- Positive assurance on valuation of 100% of Level 3 assets provided by a leading independent valuation firm

The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

Overview & Financial Results

Statement of Operations

(in \$000's)	Q4 2015	Q3 2015	Q4 2014
Investment income	\$6,231	\$5,088	\$5,175
Management and incentive fees	1,713	758	696
Other G&A	337	1,276	1,304
Interest expense	946	967	522
Income taxes	<u>14</u>	<u>6</u>	<u>53</u>
Net investment income	<u>\$3,221</u>	<u>\$2,081</u>	<u>\$2,600</u>
<i>Net investment income per share</i>	<i>\$0.16</i>	<i>\$0.10</i>	<i>\$0.13</i>

The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

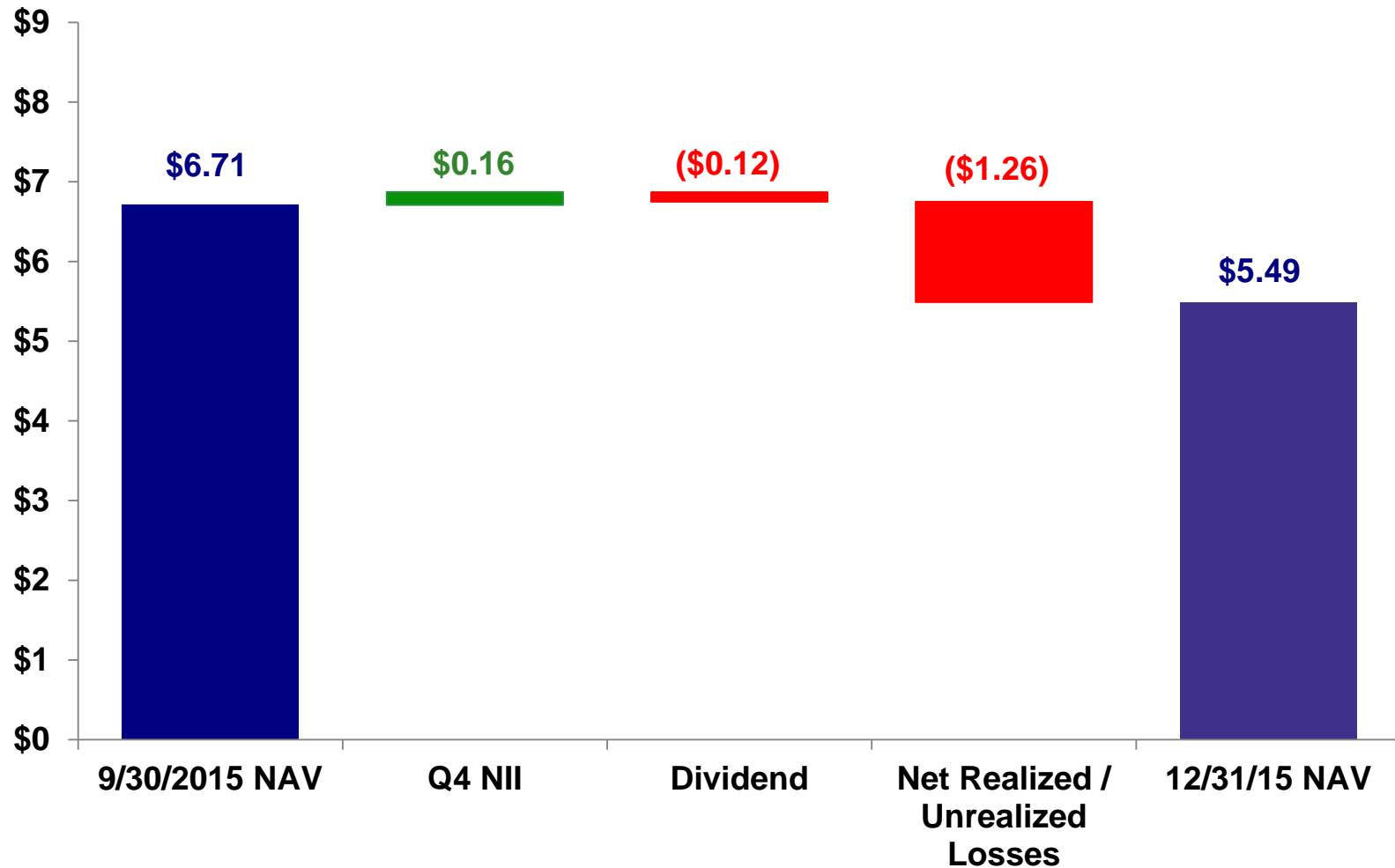
Overview & Financial Results

(in \$000's)	Q4 2015	Q3 2015	Q4 2014
Realized capital gains (losses):			
Myriant Shares	(\$417)	\$ --	\$ --
Huff ORRI and Warrants	--	16	--
Myriant Warrants	--	(49)	--
Chroma Preferred & Common Stock	--	--	(4,314)
Total realized capital gains (losses), net	(417)	(33)	(4,314)
Unrealized gains (losses):			
Castex	(10,310)	(3,077)	575
ATP / Bennu	(6,432)	(1,576)	(1,130)
Talos	(3,004)	(2,284)	(1,443)
TIBCO	(1,283)	21	--
Gramercy	(1,042)	(570)	96
Contour	(1,000)	(1,000)	(3,000)
Shoreline	(904)	(8)	(1,448)
Reversals due to realizations	251	18	3,846
Other unrealized gains (losses), net	(1,286)	(219)	(5,523)
Total unrealized gains (losses), net	(25,010)	(8,695)	(8,027)
Total realized and unrealized (losses), net	(\$25,427)	(\$8,728)	(\$12,341)

The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

Overview & Financial Results

NAV Per Share Declined 18% in Q4, Primarily Due to Lower Valuations on Legacy Energy Assets



The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

Section 2

Investment Activity & Portfolio Review

Investment Activity & Portfolio Review

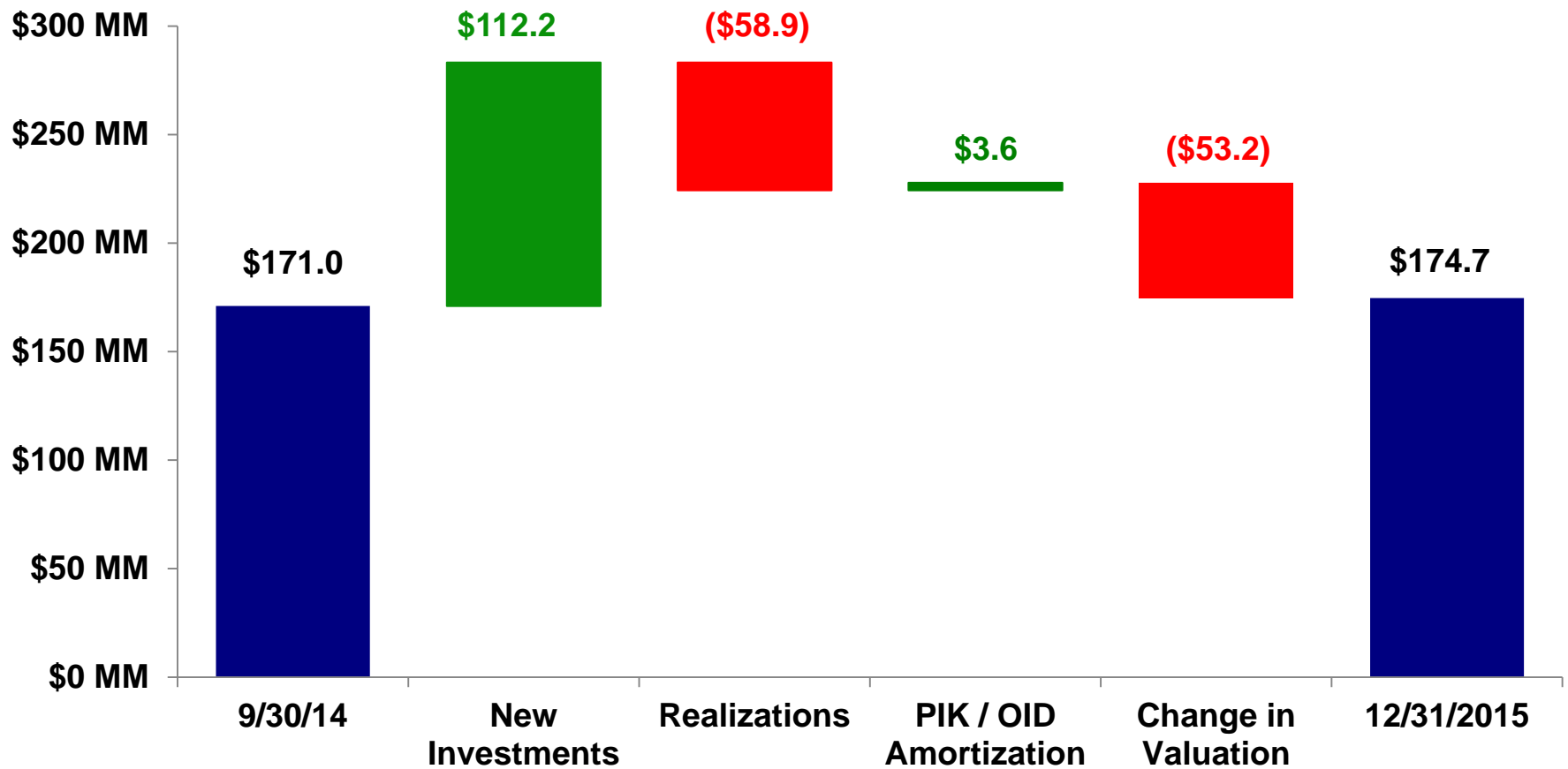
\$110.5 MM of Investments in New Portfolio Companies under OHA Management

- Q4 2014 – \$36.8 MM (four portfolio companies)
- Q1 2015 – \$20.8 MM (two portfolio companies)
- Q2 2015 – \$18.7 MM (three portfolio companies)
- Q3 2015 – \$8.9 MM (three portfolio companies)
- Q4 2015 – \$25.3 MM (three portfolio companies)
 - Kronos, Inc - \$12.2 MM
 - TIBCO Software (add-on) - \$7.9 MM
 - Berlin Packaging - \$5.2 MM
- Realizations of \$58.9 MM
 - 2015 includes full realization of two OHA investments, Citadel and Foundation Building Materials
- \$174.7 MM of portfolio investments at December 31, 2015
 - 51% floating rate, 49% fixed rate, by market value

The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

Investment Activity & Portfolio Review

Added \$112.2 MM of New Investments Since OHA Assumed Management on 9/30/14⁽¹⁾



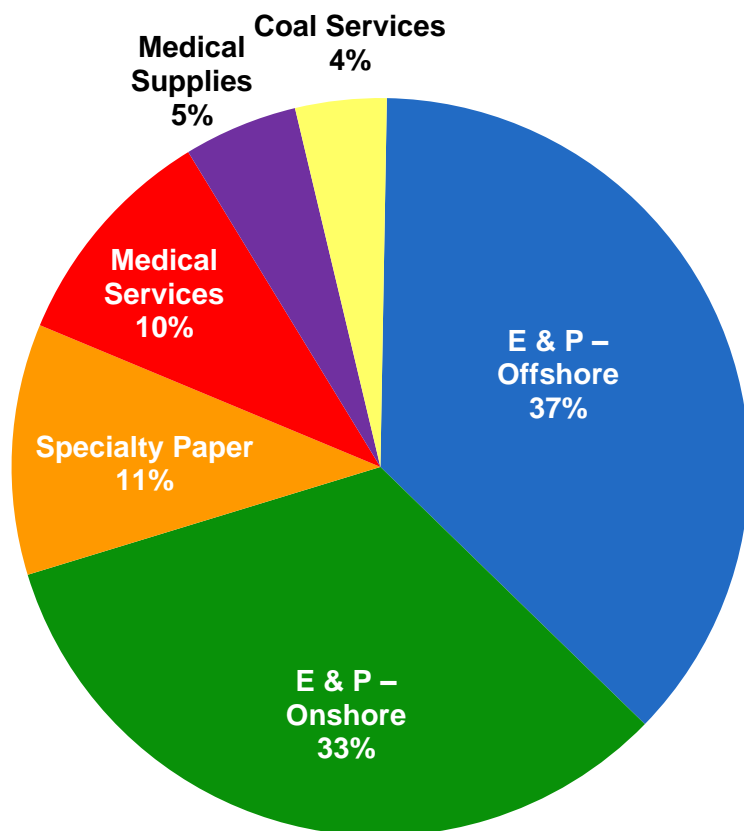
The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

⁽¹⁾ New investments include \$1.6 MM of additional capital invested in legacy assets.

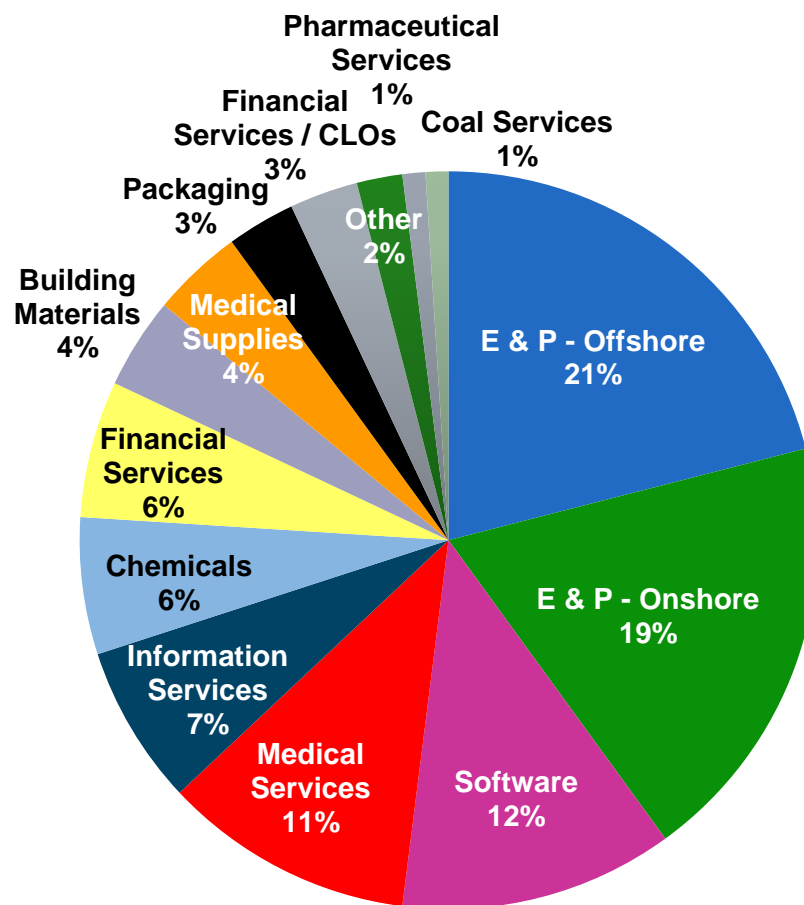
Investment Activity & Portfolio Review

Energy Exposure Declined from 74% at 9/30/14 to 41% at 12/31/15⁽¹⁾

September 30, 2014



December 31, 2015



The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

(1) As a percentage of total fair value.

Investment Activity & Portfolio Review

85% of Total Net Write-Downs Driven By Legacy Energy Related Investments

(in \$000's)	Principal/ Total Sum	Value at 9/30/15	Net New Investments (Realizations)	Write-up / (Write-down)	Value at 12/31/2015	% of Principal/Total Sum at 12/31/15	% of Portfolio Value
Energy:							
Castex redeemable preferred units	\$ 51,265	\$ 52,987	\$ 1,261	(10,309)	\$ 43,939	86%	25%
Shoreline second lien term loan	12,918	9,862	82	(904)	9,040	70%	5%
Talos senior unsecured notes	12,000	8,160	4	(3,004)	5,160	43%	3%
Subtotal	76,183	71,009	1,347	(14,217)	58,139	76%	33%
Energy Non-accruals:							
ATP/Bennu limited term royalty interest ⁽¹⁾	28,610	17,734	543	(6,432)	11,845	41%	7%
Contour senior secured term loan and unsecured note	11,557	2,000	-	(1,000)	1,000	9%	1%
Spirit senior secured term loans and preferred equity	9,066	-	-	-	-	0%	0%
Subtotal	49,233	19,734	543	(7,432)	12,845	26%	8%
Energy total	125,416	90,743	1,890	(21,649)	70,984	57%	41%
Other Sectors:							
OCI subordinated note	16,310	16,062	262	(14)	16,310	100%	9%
Appriss second lien term loan	13,100	12,904	6	(596)	12,314	94%	7%
Kronos second lien term loan	12,000	-	12,145	(160)	11,985	100%	7%
EFS second lien term loan	10,000	9,650	5	383	10,038	100%	6%
Royal Holdings second lien term loan	10,000	10,000	1	(151)	9,850	99%	6%
TIBCO senior unsecured notes	10,100	1,796	7,933	(1,283)	8,446	84%	5%
KOVA senior subordinated notes	9,000	7,830	8	82	7,920	88%	5%
Hanson second lien term loan	7,500	7,453	8	(223)	7,238	97%	4%
Gramercy Park CLO residual interest	n/a	6,822	(121)	(1,042)	5,659	n/a	3%
Berlin second lien term loan	5,500	-	5,226	27	5,253	96%	3%
WASH second lien term loan	4,000	3,980	1	(191)	3,790	95%	2%
OCI equity units	n/a	3,025	-	(442)	2,583	n/a	1%
Bioclinica first lien secured notes	2,400	4,095	(1,753)	(2)	2,340	98%	1%
Foundation second lien term loan	-	18,700	(18,533)	(167)	-	n/a	0%
Other	n/a	-	1	(1)	-	n/a	0%
Subtotal	99,910	102,317	5,189	(3,780)	103,726	96%	59%
Grand Total	\$ 225,326	\$ 193,060	\$ 7,079	\$ (25,429)	\$ 174,710	74%	100%

Since "principal" does not apply to instruments other than debt, "N/A" is shown in the "Principal" column for investments other than debt securities.

The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance. New Investments (Realizations) are shown net of \$1.9 MM PIK/OID.

⁽¹⁾ In July 2015, ATP was placed on non-accrual status based on estimated future production payments and income is recognized to the extent cash is received.

Investment Activity & Portfolio Review

Current Weighted Average Yield of 13.0% on Fair Value Basis as of December 31, 2015

(in \$000's)	Principal/ Total Sum	Cost	Fair Value	Current Yield at Cost	Current Yield at Fair Value	% of Portfolio Value
< 10% Current Yield at Fair Value						
Kronos second lien term loan	12,000	12,145	11,985	9.4%	9.5%	7%
Royal Holdings second lien term loan	10,000	9,926	9,850	8.6%	8.7%	6%
EFS second lien term loan	10,000	9,843	10,038	8.8%	8.7%	6%
WASH second lien term loan	4,000	3,972	3,790	8.0%	8.3%	2%
Bioclinica first lien secured notes	2,400	2,342	2,340	8.3%	8.3%	1%
Berlin second lien term loan	5,500	5,226	5,253	8.3%	8.3%	3%
Total > 10% Current Yield at Fair Value	<u>43,900</u>	<u>43,454</u>	<u>43,256</u>	<u>8.8%</u>	<u>8.8%</u>	<u>25%</u>
10-15% Current Yield at Fair Value:						
KOVA senior subordinated notes	9,000	8,898	7,920	13.3%	14.9%	5%
Gramercy Park CLO residual interest	n/a	6,327	5,659	13.3%	14.8%	3%
TIBCO senior unsecured notes	10,100	9,707	8,446	12.3%	14.1%	5%
Castex redeemable preferred units	51,265	51,273	43,939	10.0%	11.7%	25%
Hanson second lien term loan	7,500	7,114	7,238	11.6%	11.4%	4%
Appriss second lien term loan	13,100	12,925	12,314	9.6%	10.0%	7%
Total 10-15% Current Yield at Fair Value	<u>90,965</u>	<u>96,244</u>	<u>85,516</u>	<u>10.8%</u>	<u>12.2%</u>	<u>49%</u>
> 15% Current Yield at Fair Value:						
ATP/Bennu limited term royalty interest ⁽¹⁾	28,610	27,709	11,845	11.8%	27.5%	7%
Talos senior unsecured notes	12,000	11,965	5,160	9.9%	23.0%	3%
Shoreline second lien term loan	12,918	12,640	9,040	13.3%	18.7%	5%
OCI subordinated note	16,310	16,147	16,310	16.5%	16.3%	9%
Total > 15% at Current Yield at Fair Value	<u>69,838</u>	<u>68,461</u>	<u>42,355</u>	<u>12.8%</u>	<u>20.8%</u>	<u>24%</u>
Current Yielding Investments	<u>204,703</u>	<u>208,159</u>	<u>171,127</u>	<u>11.0%</u>	<u>13.3%</u>	<u>98%</u>
Other Investments:						
Contour senior secured term loan and unsecured note	11,557	11,578	1,000	N/A	N/A	1%
Spirit senior secured term loans and preferred equity	9,066	17,030	--	N/A	N/A	0%
OCI equity units	n/a	2,500	2,583	N/A	N/A	1%
Total non-yielding investments	<u>20,623</u>	<u>31,108</u>	<u>3,583</u>	<u>N/A</u>	<u>N/A</u>	<u>2%</u>
Grand Total	<u>225,326</u>	<u>239,267</u>	<u>174,710</u>	<u>9.6%</u>	<u>13.0%</u>	<u>100%</u>

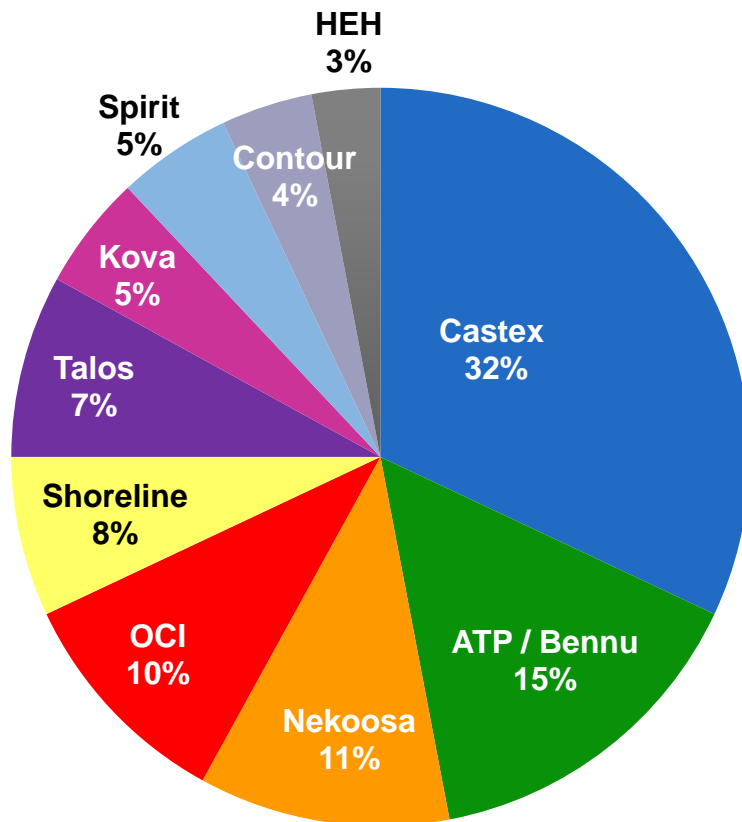
The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance. Since "Principal/Total Sum" does not apply to certain investments, "N/A" or "--" is shown where applicable. Current yields are computed using interest rates, including PIK, as of the balance sheet date and include amortization of OID and market premium or discount, royalty income and other similar investment income divided by cost and fair value, respectively.

⁽¹⁾ Yield computed by annualizing the most recent quarter's income, which is recognized to the extent cash is received.

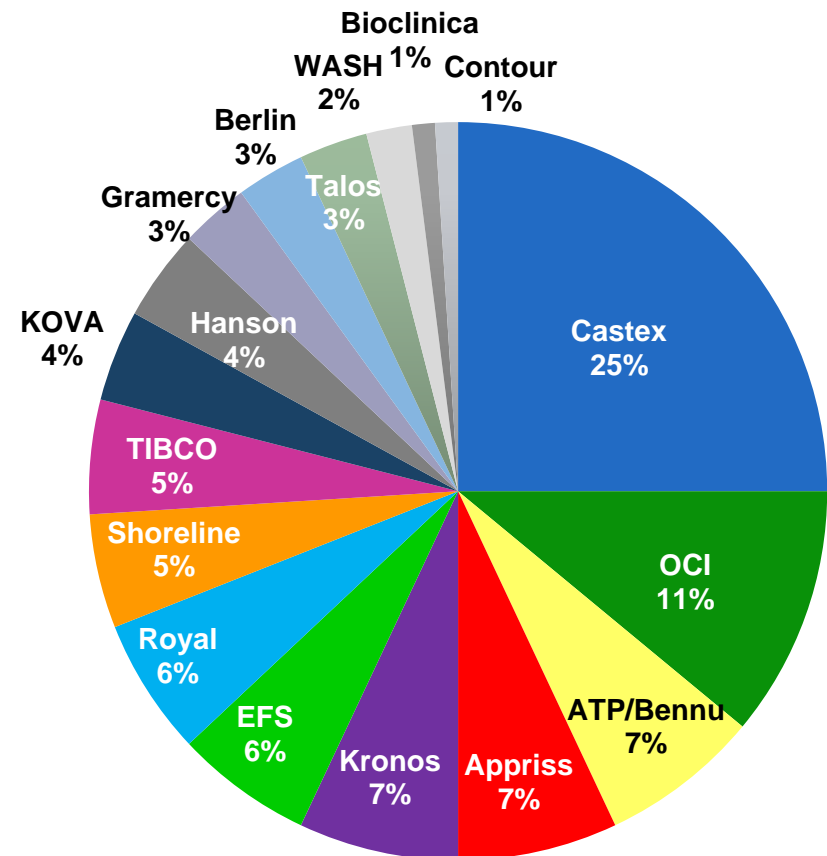
Investment Activity & Portfolio Review

Portfolio Value is Derived From 17 Active Investments at 12/31/15 vs. 10 at 9/30/14⁽¹⁾

September 30, 2014



December 31, 2015



The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

⁽¹⁾ As a percentage of total fair value.

Section 3

Distribution Update

Distribution Update

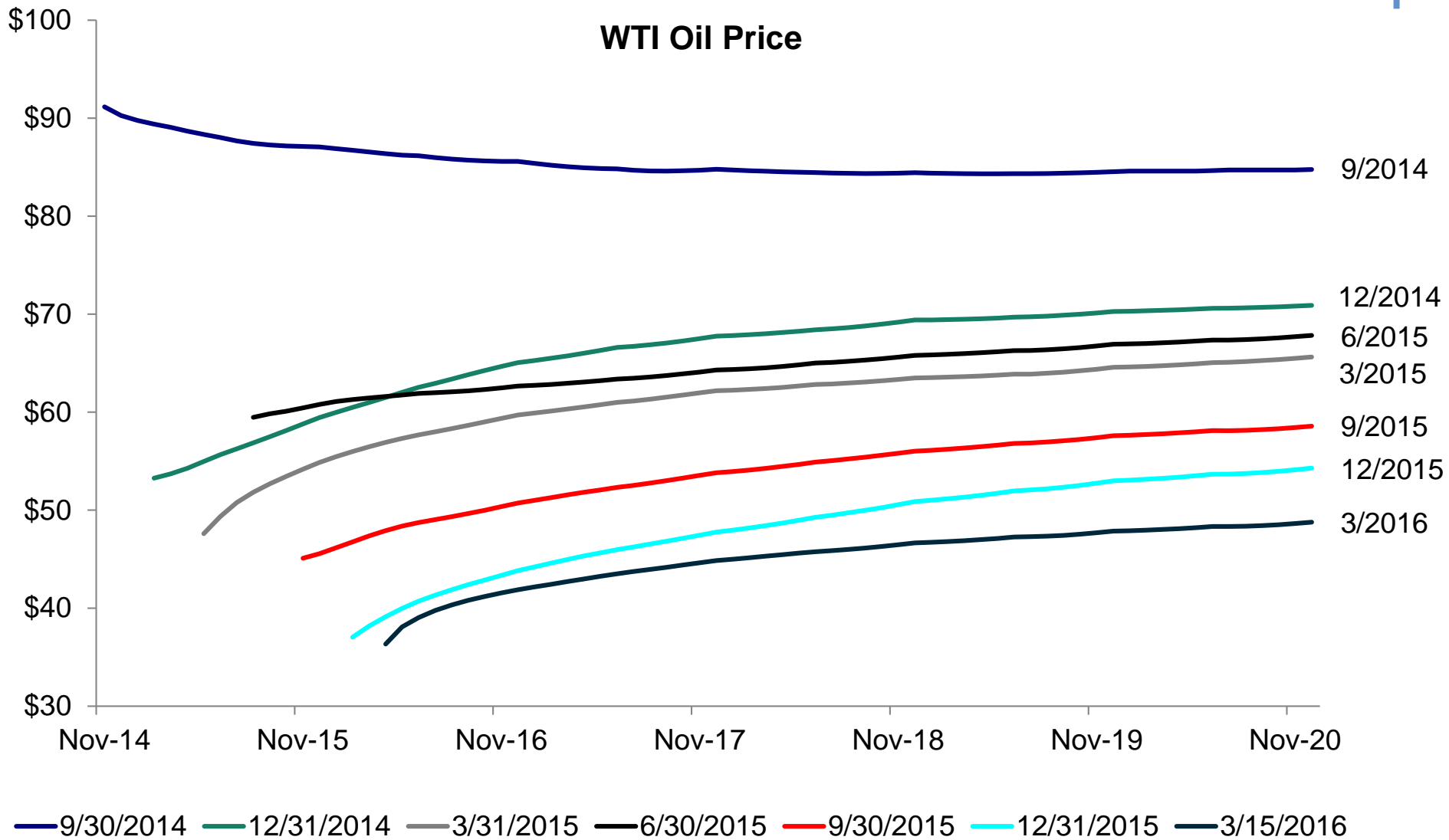
Distribution Commentary

- OHAI's general policy is that distributions should reflect the Company's net investment income over time and maintain RIC tax status
- In 2015, the Company had net investment income of \$0.49 per share and declared distributions of \$0.48 per share
- Although Q4 2015 net investment income was \$0.16 per share (including \$0.03 per share from prepayment penalties and modification fees), the Board declared a distribution for the first quarter 2016 of \$0.06 per share
- Factors considered included:
 - Expected earnings and cash flow of the business and differences between GAAP, tax and cash earnings
 - Significant write-downs of legacy energy assets and continued decline in energy prices
 - Payment in PIK from Castex, our largest investment, over the past 2 quarters, which is expected to continue if oil and natural gas prices remain at current levels or decline
 - Distribution payment declared in December 2015 and paid January 2016, 85% of which will be applied to 2016 taxable distribution requirement
 - Ongoing process to refinance our credit facility, which matures on May 23, 2016

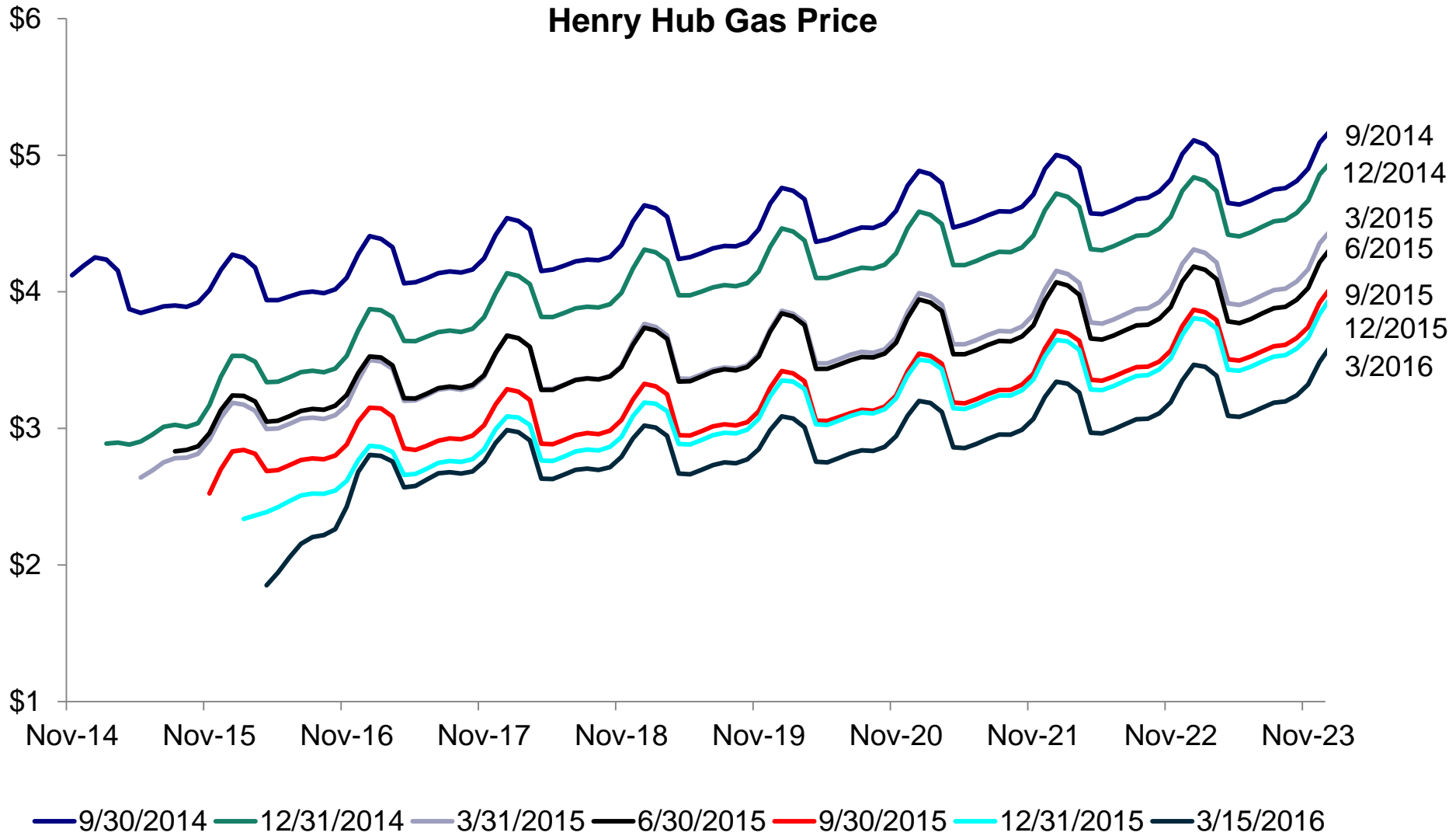
The information is unaudited and provided for informational purposes only. There is no representation being made that an individual investor will achieve returns similar to those shown. Past results are not necessarily indicative of future performance.

Additional Information

Oil Price Strip



Natural Gas Price Strip



Q&A
