



May 10, 2016

OHA Investment Corporation Announces First Quarter 2016 Results and Extension of Existing Investment Facility

NEW YORK, May 10, 2016 (GLOBE NEWSWIRE) -- OHA Investment Corporation (NASDAQ:OHA) (the "Company") today announced its financial results for the quarter ended March 31, 2016 and the extension of its existing investment facility (the "Investment Facility"). Management will discuss the Company's results summarized below on a conference call on Thursday, May 12, 2016, at 10:00 a.m. Eastern Time.

Summary results for the quarter ended March 31, 2016:

Total investment income: \$5.2 million, or \$0.26 per share

Net investment income: \$1.8 million, or \$0.09 per share

Net realized and unrealized losses: \$13.5 million, or \$0.67 per share

Net asset value: \$97.9 million, or \$4.85 per share

New portfolio investments during the quarter: \$1.6 million⁽¹⁾

Fair value of portfolio investments: \$163.8 million

Portfolio Activity

The fair value of our investment portfolio was \$163.8 million at March 31, 2016, decreasing 6.2% compared to December 31, 2015. During the first quarter of 2016, the Company made a \$1.6 million new investment outside the energy industry. The concentration of our investment portfolio in the energy sector decreased to 36% at March 31, 2016, compared to 41% at December 31, 2015 as a result of write-downs of our energy related investments. The current weighted average yield of our portfolio based on the cost and fair value of our yielding investments was 10.3% and 12.9%, respectively, as of March 31, 2016.

Our only new investment added in the first quarter was a \$1.6 million addition to our investment in the second lien term loan to Berlin Packaging, a hybrid packaging supplier of custom and stock packaging and related services for the food, beverage, household and personal care, and healthcare markets. During the quarter, we placed our Shoreline Energy, LLC ("Shoreline") investment on non-accrual. Shoreline is a second lien term loan in our legacy energy portfolio.

Operating Results

Investment income totaled \$5.2 million for the first quarter of 2016, increasing 7.1% compared to \$4.8 million in the corresponding quarter of 2015. The increase in investment income during the first quarter of 2016 was primarily as a result of an increase in average portfolio investment balance of \$35.2 million, partially offset by lower weighted average investment income yield.

Operating expenses for the first quarter of 2016 were \$3.3 million, an increase of \$0.7 million, or 25.9%, compared to operating expenses for the first quarter of 2015. The increase in operating expenses related to an increase in interest expense, management and incentive fees, and professional fees, partially offset by a decrease in other general and administrative expenses. Interest expense increased due to an increase in weighted average debt outstanding on our investment facility of \$38.0 million and higher interest rates in the 2016 period compared to 2015. Management fees were higher in the current period primarily as a result of higher total assets subject to base management fee under the Investment Advisory Agreement with OHA and expiration of the 0.25% reduction in the base management fee rate through September 30, 2015. Professional fees increased during the 2016 period compared to the same period in 2015, primarily due to higher legal and audit fees. Other general and administrative expenses decreased during the 2016 period as compared to the same period in 2015, primarily due to a decrease in employee related expenses.

The resulting net investment income was \$1.8 million, or \$0.09 per share, for the first quarter of 2016, compared to \$2.2 million, or \$0.11 per share, for the first quarter of 2015.

We recorded net realized and unrealized losses on investments totaling \$13.5 million, or \$0.67 per share, during the first quarter of 2016, compared to \$4.1 million, or \$0.20 per share, during the first quarter of 2015. Losses recorded in the first quarter of 2016 totaled \$15.0 million. Major components of the losses include the Castex Energy 2005 redeemable

preferred units, the Shoreline Energy, LLC second lien term loan, the Talos Production senior unsecured notes, and the subordinated notes in Gramercy Park CLO Ltd.

Overall, we experienced a net decrease in net assets resulting from operations of \$11.7 million, or \$0.58 per share, for the first quarter of 2016. After declaring a quarterly dividend during the period of \$0.06 per share, our net asset value decreased 11.7%, from \$5.49 per share as of December 31, 2015 to \$4.85 per share as of March 31, 2016.

Extension of Investment Facility

On May 9, 2016, we amended our existing Investment Facility to extend its maturity date from May 23, 2016 to July 29, 2016 (the "Extension"). Additionally the Extension reduced the size of the Investment Facility from \$72.0 million to \$54.0 million, reflecting the outstanding principal balance on May 9, 2016.

The Extension requires that we use cash proceeds from any returns of capital on our portfolio investments (net of commissions and other transaction costs, fees and expenses and taxes) to prepay our debt obligations under the Investment Facility (excluding returns of capital in an amount that we determine to be necessary for us to distribute in order to maintain our status as a regulated investment company under the Internal Revenue Code), and those amounts cannot be re-borrowed under the Investment Facility. Under the Extension, we are permitted to accrue but are prohibited from paying management or incentive fees (excluding reimbursements to OHA for costs and expenses, or indemnification payments owed to OHA) to OHA under our Investment Advisory Agreement or Administration Agreement.

We are currently in the process of negotiating a new investment facility, which we expect to have in place prior to July 29, 2016. Further information is available in our Form 10-Q for the quarter ended March 31, 2016 which was filed on May 10, 2016.

Webcast / Conference Call at 10:00 a.m. Eastern Time on May 12, 2016

We invite all interested persons to participate in our conference call on Thursday, May 12, 2016, at 10:00 a.m. Eastern Time. The dial-in number for the call is (877) 303-7617. International callers can access the conference by dialing (760) 666-3609. Callers are encouraged to dial in at least 5-10 minutes prior to the call. The presentation materials for the call will be accessible on the Investor Relations page of the Company's website at www.ohainvestmentcorporation.com.

OHA INVESTMENT CORPORATION
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

| | March 31, 2016 | December 31, 2015 |
|--|-------------------|----------------------|
| | (unaudited) | |
| Assets | | |
| Investments in portfolio securities at fair value | | |
| Control investments (cost: \$28,608 and \$28,608, respectively) | \$ 1,000 | \$ 1,000 |
| Affiliate investments (cost: \$18,784 and \$18,647, respectively) | 18,995 | 18,893 |
| Non-affiliate investments (cost: \$194,531 and \$192,012, respectively) | 143,851 | 154,817 |
| Total portfolio investments (cost: \$241,923 and \$239,267, respectively) | 163,846 | 174,710 |
| Investments in U.S. Treasury Bills at fair value (cost: \$35,000 and \$34,997, respectively) | 35,000 | 34,997 |
| Total investments | 198,846 | 209,707 |
| Cash and cash equivalents | 2,276 | 15,554 |
| Accounts receivable and other current assets | 10 | 517 |
| Interest receivable | 1,909 | 2,248 |
| Due from broker | 437 | — |
| Deferred loan costs and other prepaid assets | 259 | 451 |
| Total current assets | 4,891 | 18,770 |
| Total assets | \$ 203,737 | \$ 228,477 |
| Liabilities | | |
| Current liabilities | | |
| Due to broker | \$ — | \$ 5,226 |
| Distributions payable | 1,210 | 2,421 |
| Accounts payable and accrued expenses | 1,799 | 1,962 |
| Management and incentive fees payable | 930 | 1,713 |
| Income taxes payable | 92 | 75 |
| Repurchase agreement | 34,300 | 34,300 |

| | | |
|--|------------|------------|
| Short-term debt | 67,500 | 72,000 |
| Total current liabilities | 105,831 | 117,697 |
| Long-term debt | — | — |
| Total liabilities | 105,831 | 117,697 |
| Commitments and contingencies | | |
| Net assets | | |
| Common stock, \$.001 par value, 250,000,000 shares authorized; 20,172,392 shares issued and outstanding for both periods | 20 | 20 |
| Paid-in capital in excess of par | 241,985 | 241,985 |
| Undistributed net investment loss | (5,322) | (5,947) |
| Undistributed net realized capital loss | (63,814) | (63,838) |
| Net unrealized depreciation on investments | (74,963) | (61,440) |
| Total net assets | 97,906 | 110,780 |
| Total liabilities and net assets | \$ 203,737 | \$ 228,477 |
| Net asset value per share | \$ 4.85 | \$ 5.49 |

OHA INVESTMENT CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

| | <u>For the three months ended March 31,</u> | |
|--|---|-------------------|
| | <u>2016</u> | <u>2015</u> |
| Investment income: | | |
| Interest income: | | |
| Interest income | \$ 3,813 | \$ 3,777 |
| Dividend income | 1,313 | 988 |
| Royalty income, net of amortization | — | 13 |
| Other income | 31 | 38 |
| Total investment income | <u>5,157</u> | <u>4,816</u> |
| Operating expenses: | | |
| Interest expense and bank fees | 1,088 | 663 |
| Management and incentive fees | 930 | 678 |
| Professional fees | 720 | 563 |
| Other general and administrative expenses | 567 | 721 |
| Total operating expenses | <u>3,305</u> | <u>2,625</u> |
| Income tax provision, net | 17 | 22 |
| Net investment income | <u>1,835</u> | <u>2,169</u> |
| Net realized capital gain (loss) on investments | 24 | (21) |
| Benefit (provision) for taxes | — | — |
| Total net realized capital gain (loss) on investments | <u>24</u> | <u>(21)</u> |
| Net unrealized appreciation (depreciation) on investments | (13,523) | (4,033) |
| Benefit (provision) for taxes | — | — |
| Total net unrealized appreciation (depreciation) on investments | <u>(13,523)</u> | <u>(4,033)</u> |
| Net decrease in net assets resulting from operations | <u>\$ (11,664)</u> | <u>\$ (1,885)</u> |
| Net decrease in net assets resulting from operations per common share | <u>\$ (0.58)</u> | <u>\$ (0.09)</u> |
| Distributions declared per common share | \$ 0.06 | \$ 0.12 |
| Weighted average shares outstanding - basic and diluted | 20,172 | 20,612 |
| Per Share Data ⁽¹⁾ | | |
| Net asset value, beginning of period | \$ 5.49 | \$ 7.48 |
| Net investment income | 0.09 | 0.11 |
| Net realized and unrealized loss on investments | <u>(0.67)</u> | <u>(0.20)</u> |

| | | |
|--|----------------|----------------|
| Net decrease in net assets resulting from operations | (0.58) | (0.09) |
| Distributions to common stockholders | | |
| Distributions from net investment income | (0.06) | (0.12) |
| Net decrease in net assets from distributions | <u>(0.06)</u> | <u>(0.12)</u> |
| Net asset value, end of period | <u>\$ 4.85</u> | <u>\$ 7.27</u> |

(1) Per share data is based on weighted average number of common shares outstanding for the period.

About OHA Investment Corporation

OHA Investment Corporation (NASDAQ:OHA) is a specialty finance company designed to provide its investors with current income and capital appreciation. OHA focuses primarily on providing creative direct lending solutions to middle market private companies across industry sectors. OHA is externally managed by Oak Hill Advisors, L.P., a leading independent investment firm (www.oakhilladvisors.com). Oak Hill Advisors has deep experience in direct lending, having invested approximately \$3.7 billion in over 120 direct lending investments over the past 13 years.

Forward-Looking Statements

This press release 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 or national 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 (the "SEC"). 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.

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Source: OHA Investment Corporation

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