



2016 MLPA Investor Conference

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The Smart Move in Energy

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Forward-Looking Statements

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Partnership Overview

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- **Blueknight Energy Partners, L.P. (“BKEP”) is a publicly traded master limited partnership**
 - Headquartered in Oklahoma City, Oklahoma; established in 2007
 - General Partner owned equally by Vitol and Charlesbank Capital Partners
- **Our strategically located assets position us to be a leading provider of midstream services in the energy industry. We provide services to our customers by focusing on four operational areas:**
 - Asphalt Terminalling Services
 - Crude Oil Terminalling and Storage Services
 - Crude Oil Pipeline Services
 - Crude Oil Trucking and Producer Field Services



Common and Preferred Units

	Common Units	Preferred Units
Market	NASDAQ	NASDAQ
Symbol	BKEP	BKEPP
Outstanding	33,202,158	30,158,619
Yield at 5/27/16	11.3%	10.4%
Distribution	\$0.145/unit for quarter ended March 31, 2016	\$0.715/unit annual distribution
Comment	Increased the 2015 distribution 7.2% as compared to 2014	Convertible to common units on a 1-1 basis under certain conditions
Market Capital/Enterprise Value ⁽¹⁾ (combined for Common and Preferred Units)	\$378.8MM/\$653.8MM	

(1) Market value as of May 27, 2016. Enterprise value calculation utilizes balance sheet data as of March 31, 2016

Sponsorship Overview

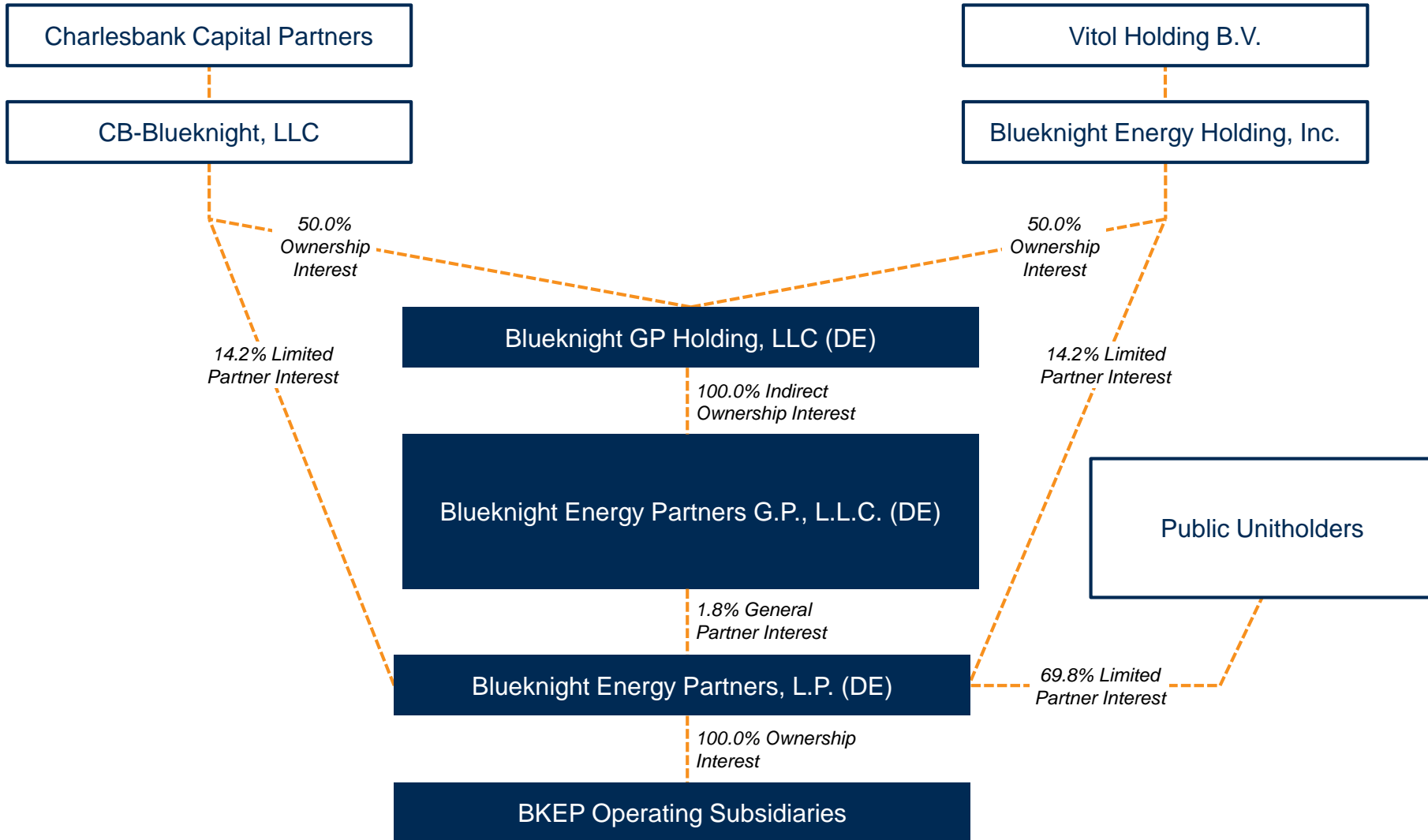


- World's largest independent oil trading company
- Moves equivalent of over 5 million barrels/day of physical oil and oil products
- Privately owned by principal employees
- Completed 50 consecutive years of profitable operations in 2016
- Over 50 million barrels of storage capacity on 5 continents
- Strong liquidity and equity capital



- Private equity firm with over \$2 billion of capital under management
- Long history of making middle-market investments, primarily in US companies
- Since 1991, \$2.9 billion of investments in 67 companies
- Proven ability to support and finance growth projects including:
 - Co-founded Regency Gas Services by buying assets from El Paso
 - Co-founded Southcross Energy by buying assets from Crosstex

Ownership



Business Segment Overview

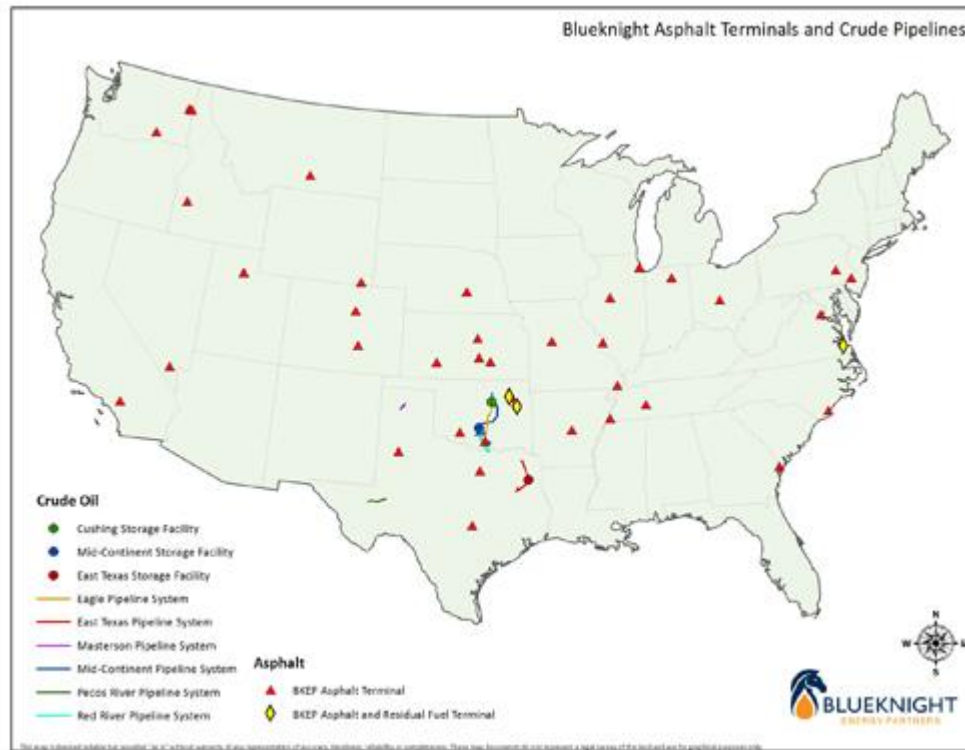
Diversified Operations

Asphalt Terminal Network (65.0%)

- 8.2 million barrels of asphalt and residual fuel oil storage
- 45 terminals across 23 states
- Largest independently owned asphalt terminal network

Crude Oil Trucking & Producer Field Services (1.3%)

- Approximately 240 crude transports and service trucks that complement the pipeline gathering and transportation business
- Producer services include gas gathering pipeline maintenance and water services.
- Primary geographic locations include Kansas, Oklahoma and Texas



Note: This map is deemed reliable but provided "as is" without any representation of accuracy, timeliness, reliability or completeness. These map documents do not represent a legal survey of the land and are for graphical purposes only.

Crude Oil Terminalling and Storage (30.0%)

- 6.6 million barrels of Cushing, OK storage
- 0.2 million barrels of Longview, TX storage
- Operate 1.0 million barrel Cushing, OK terminal for TransMontaigne

Crude Oil Pipeline Services (3.7%)

- 3 primary gathering and transportation pipelines
- Operate and own 30% of West Texas Pecos River Pipeline (Advantage Pipeline)
- Total length of 985 miles
- Recently announced Oklahoma condensate project
- Acquired the 75 mile Red River pipeline system and related crude oil marketing business in southern Oklahoma

Note: Percentages above represent segment share of 3 months ended 3/31/16 operating margin (excluding D&A)

Asphalt Services

- Largest independently owned asphalt terminal network
- 8.2 million barrels of asphalt and residual fuel oil storage capacity in 45 terminals across 23 states
- Generate revenues by charging fees for the lease of asphalt storage and processing terminals, as well as for processing and marketing activities
- Facilities are both operated and non-operated
- Minimal direct exposure to commodity prices
- Many terminals include multiple loading/unloading options including truck, marine and rail capabilities
- Contracts are typically long-term in nature
- Recently acquired terminal facilities in Dumfries, VA and Wilmington, NC – closed February 1, 2016



Crude Oil Terminalling & Storage Services

Customer Value Creation

- Provides our customers the ability to effectively manage their crude oil inventories and add significant flexibility in their marketing and operating activities

Cushing Interchange

- 34 crude oil storage tanks with approximately 6.6 million barrels of storage capacity with access and connectivity to all the terminals located within the Cushing Interchange
- Capable of receiving and/or delivering 350,000 bpd of crude oil

Longview Terminal

- 238,000 barrels of storage capacity in Longview, Texas. This terminal is connected to our Longview gathering and transportation pipeline

Third Party Terminal Operations

- Operate 1.0 million barrel Cushing, OK terminal for TransMontaigne



Note: Remaining 761,000 barrels of storage capacity consists of miscellaneous storage tanks located at various points along our pipeline and gathering system

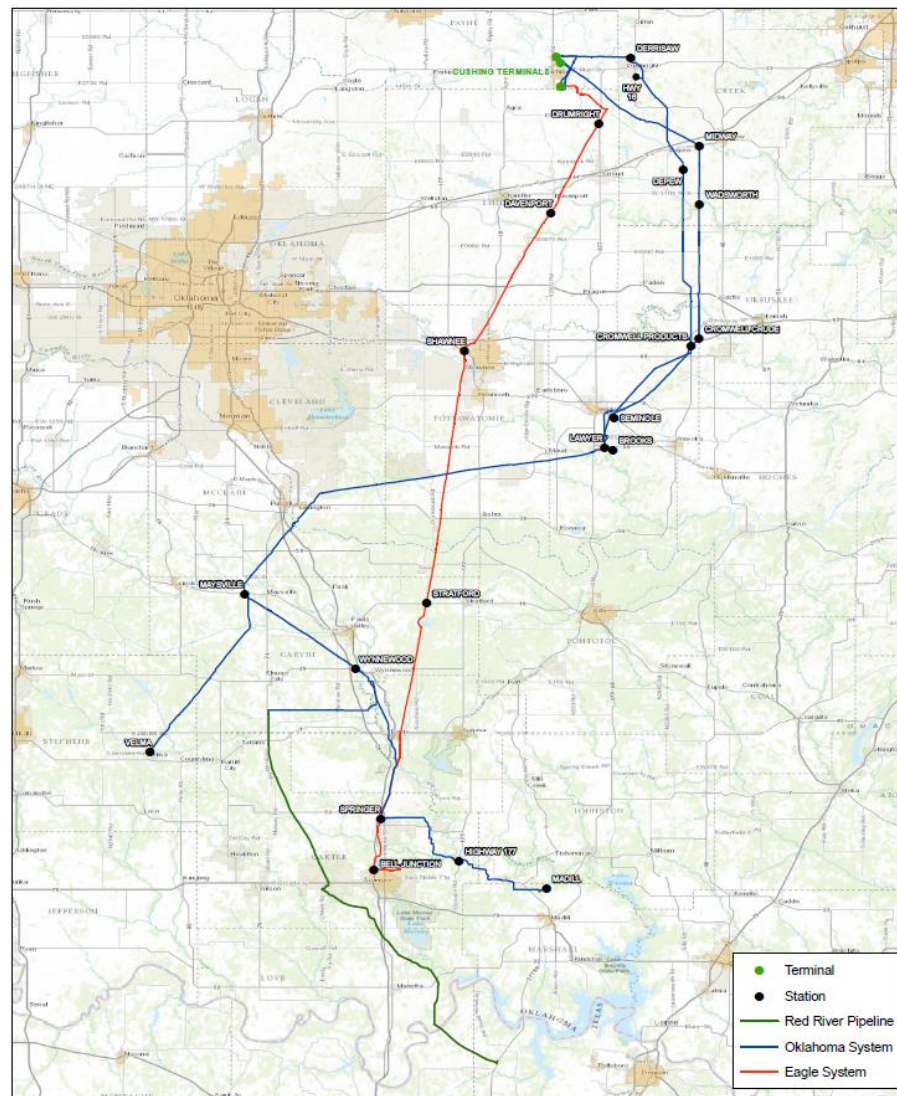
Crude Oil Pipeline Services: Oklahoma Systems

Mid-Continent Mainline System

- 515-mile gathering and transportation network that gathers wellhead crude oil at a capacity of 20,000 bpd
- Transports crude oil to our Cushing terminal, other storage facilities and area refiners
- Newly constructed 60-mile Arbuckle pipeline commenced operations in September 2013. Pipeline constructed as part of a long-term transportation agreement with XTO Energy, Inc., a subsidiary of Exxon Mobil Corporation
- Acquired the 75 mile Red River pipeline system and related crude oil marketing business in southern Oklahoma in November 2015

Eagle North Pipeline System

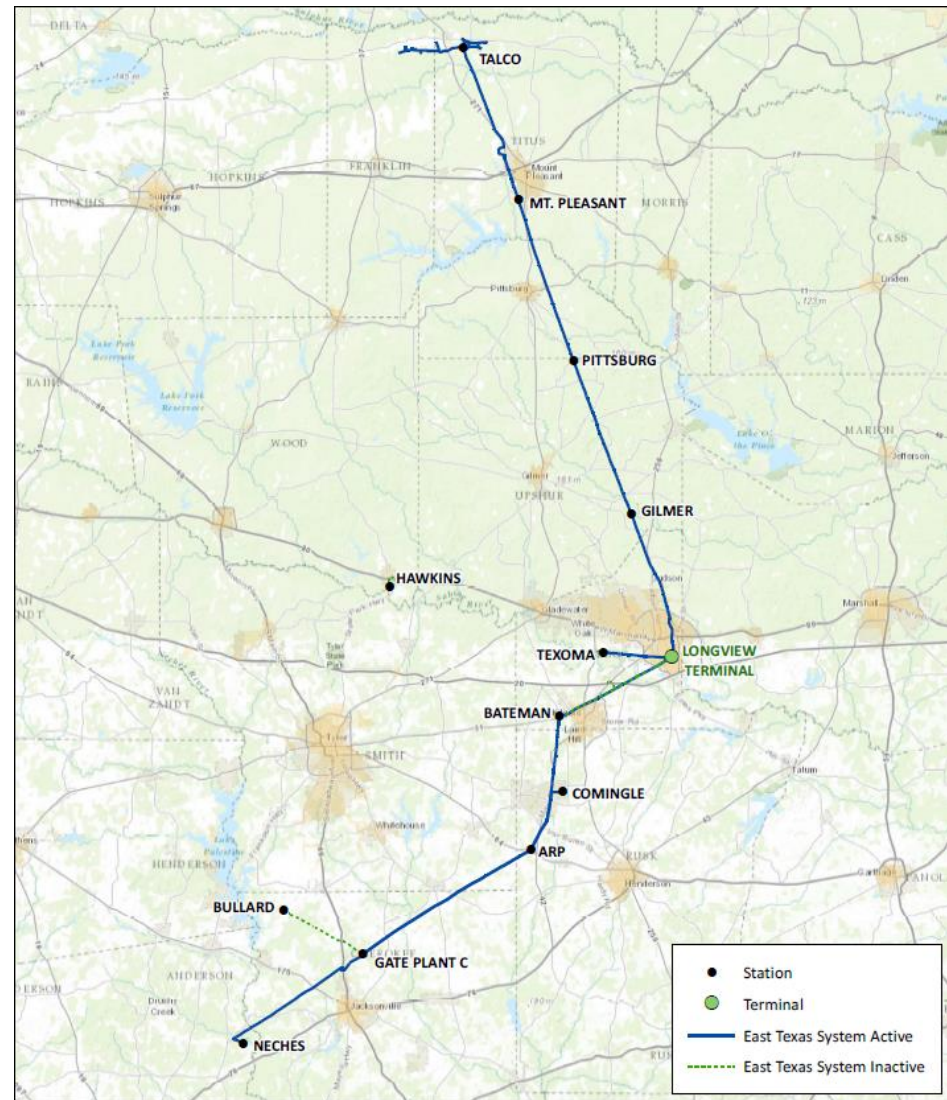
- 195-mile system originating in Cushing and currently supplying Valero's Ardmore, Oklahoma refinery with a capacity of approximately 20,000 bpd
- Expect to reverse the flow of this line and expected to serve as a condensate pipeline delivering product to Cushing, Oklahoma



Crude Oil Pipeline Services: East Texas System

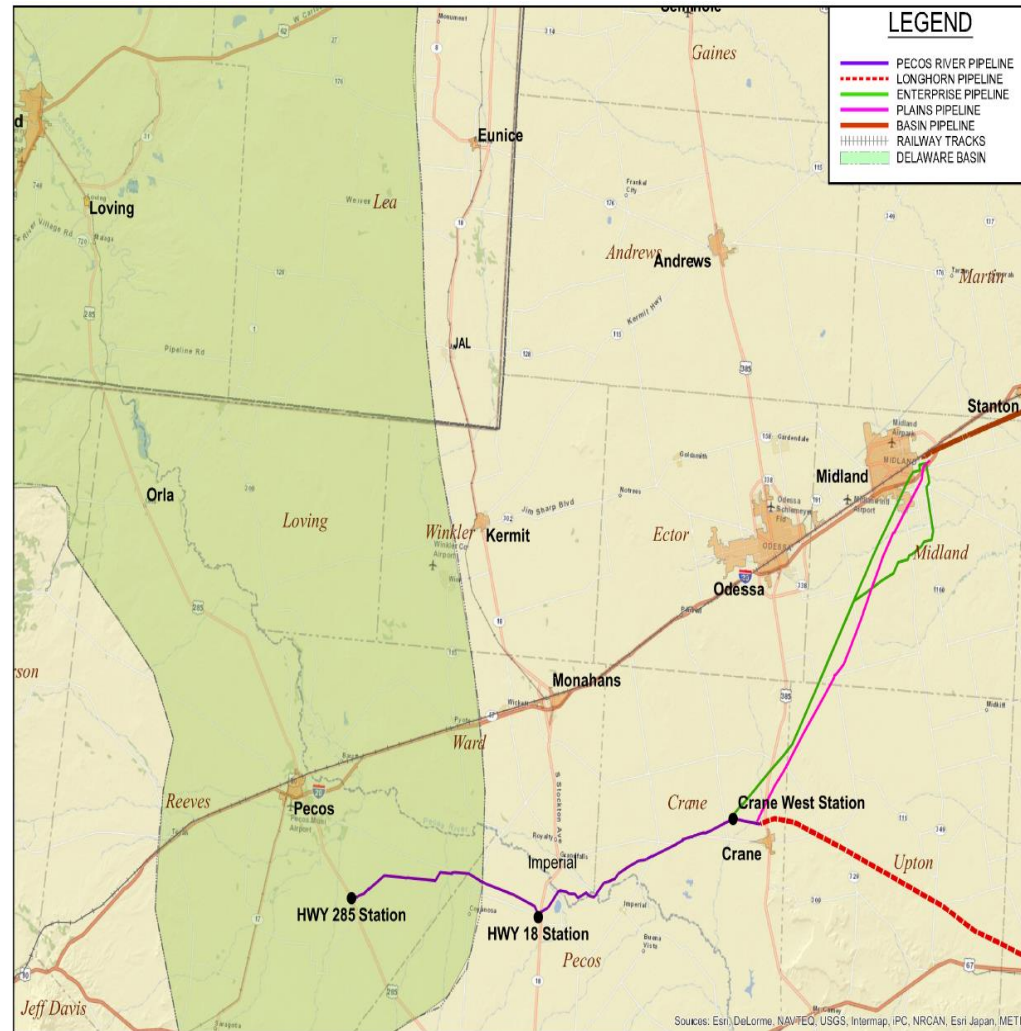
East Texas System

- 210 miles of mostly intrastate crude oil pipelines near Longview, Texas
- Connected to Mid-Valley pipeline systems delivering crude oil to the Midwest and local markets
- Talco mainline system recently upgraded
- Feeds Longview terminal
- Longview terminal allows blending of local heavy crudes with condensates from the area



Crude Oil Pipeline Services: West Texas

- BKEP has 30% ownership and operates the 16" Pecos River Pipeline under a long-term service agreement with Advantage Pipeline, L.L.C.
- Provides crude transportation from west Texas to the Gulf Coast markets
- In September 2013, commercial service began from Grandfalls, Texas to the Longhorn Pipeline in Crane, TX
- Phase II was completed in October 2014 and extends the pipeline an additional 29 miles to the west to provide service for customers in Reeves, Culberson, Pecos and Ward counties
- Exploring options to add gathering systems, truck stations and further extensions of the Pecos River Pipeline system into additional Delaware Basin / West Texas markets



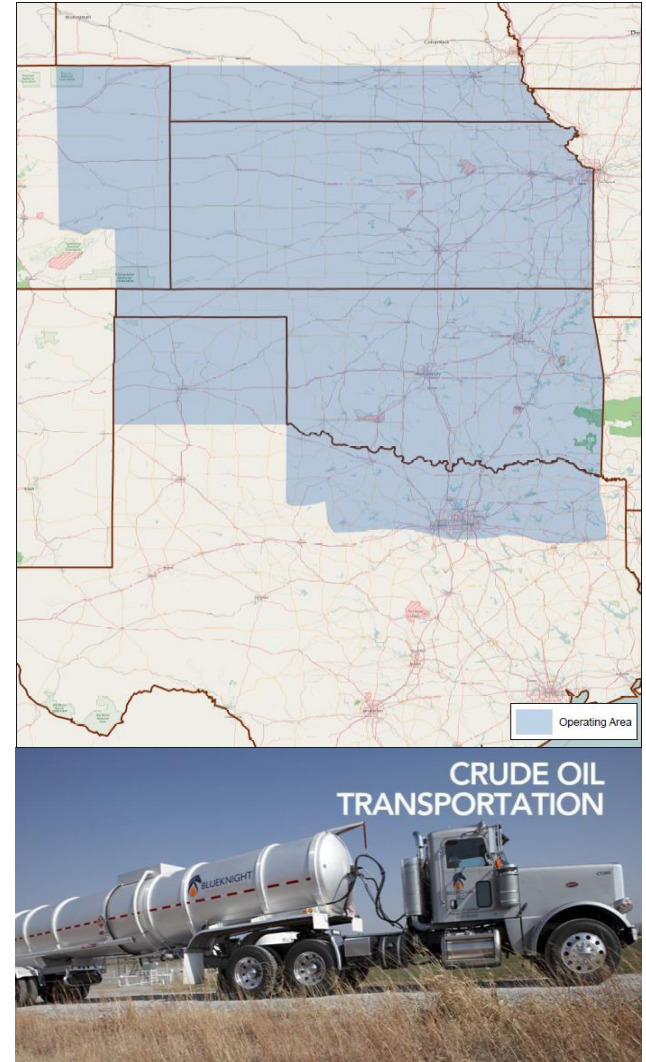
Crude Oil Trucking & Producer Field Services

Crude Trucking

- Crude oil trucking operations extend our ability to gather and aggregate crude oil on our systems and deliver product for third parties to their facilities
- Approximately 152 tanker trucks serving production in primarily in Kansas, Oklahoma and Texas
- Transport more than 31,000 bpd of crude oil as of March 31, 2016

Producer Field Services

- Approximately 90 service trucks providing tailored field services to producers in the Texas and Oklahoma panhandles and in southwest Kansas. Services include:
 - Gas gathering pipeline maintenance
 - Water transport
 - Deep well disposal



Strategy/Growth

Strategic Focus

- Successful renegotiation of contract expirations
 - In process of renegotiating certain expiring terminalling and storage agreements
 - Optimistic that rates will remain consistent or improve slightly
- Maintain solid balance sheet
 - Minimal amount of 2016 required capital
 - Maintain distribution coverage above 1.0x
 - Reduce leverage over the next several quarters
- Continue cost control
 - Particular attention to costs in our more volume sensitive trucking and pipeline transportation businesses
- Seek strategic growth projects or acquisitions
 - Completed 3 acquisitions during the previous twelve months
 - Continue to identify smaller bolt on opportunities
 - Remain terminal-centric
 - Repurpose Oklahoma mainline/Eagle crude oil pipeline systems to better meet customer needs

Fee-Based Business Model

Segment	Operating Margin	
	Contracted Take-or-Pay Fixed Fee (Non-Commodity Price Sensitive)	Fixed Fee Not Fixed Volumes (Non-Commodity Price Sensitive)
Asphalt Services	95.3%	4.7%
Crude oil terminalling and storage	87.0%	13.0%
Crude oil pipeline services	31.7%	68.3%
Crude oil trucking and producer field services	0.0%	100.0%

- BKEP’s operating margin is highly fixed and includes:
 - Cents/bbl. contracts for specified volumes in the Crude oil terminalling and storage segment
 - Minimum take or pay agreements in the Pipeline Services segment
 - Minimum cents/ton for specified volumes or lease fees in the Asphalt Terminalling segment
- Overall, more than 85.2% of overall margin is highly fixed and/or contracted

Percentages are based on 2015 Operating Margin

Growth Opportunities

- Asphalt Projects
 - Re-Contracting Upside with Existing BKEP Plants
 - Additional Synergistic Acquisitions
- Crude Oil Pipeline Projects
 - Oklahoma SCOOP Condensate Pipeline Project
 - Additional Volumes on Existing BKEP Pipelines as Producer Activity Returns to Previous Activity Levels
 - Additional Synergistic Acquisitions
- Other Growth Opportunities
 - Growth Via Acquisition in Other Terminalling Areas (Refined Products, NGL's etc.)
 - Development of Internal Growth Projects Across BKEP's Platform of Assets (Additional Tankage, Additional Product Categories, etc.)

Key Investment Highlights

Attractive Core Base of Energy Midstream Infrastructure

- Cushing Interchange: Resident player at core location for crude oil distribution and marketing
- Asphalt Facilities: Geographic diversification in key domestic markets with multiple potential counterparties at most locations
- Gathering / Transportation: 985 miles of strategically positioned gathering and transportation pipelines in Oklahoma and Texas

Significant Growth Potential

- Recently announced Oklahoma condensate project
- Additional organic growth and acquisition opportunities under consideration and being evaluated. Completed Dumfries, Virginia and Wilmington, Delaware asphalt terminal acquisitions in February of 2016
- Prudent and conservative approach to growing our business through acquisitions

Solid and Stable Financial Profile

- Consistent profitability and earnings
- Adequate ability to fund current maintenance and near-term expansion capital expenditures
- Minimal commodity price exposure and high quality customer base

General Partner Sponsorship

- Strong alignment with Vitol and Charlesbank
- Vitol and Charlesbank potential sources of growth opportunities
- Access to capital through Vitol / Charlesbank Development Company

Deep and Experienced Management Team

- Tenured management team with many years of industry experience
- Proven ability to manage through cycles and generate executable growth opportunities

Financial Summary

Selected Historical Financial Data

(\$s in thousands)

Twelve Months Ended December 31,			Three Months Ended March 31,	
2013	2014	2015	2015	2016

Selected Consolidated Statement of Operations Data

Total revenue:

Asphalt Services	\$ 65,747	\$ 67,392	\$ 73,430	\$ 14,765	\$ 17,608
Crude Oil Terminalling and Storage Services	31,058	22,782	24,598	5,630	6,322
Crude Oil Pipeline Services	24,676	26,405	29,346	6,658	8,314
Crude Oil Trucking and Producer Field Services	73,190	70,047	52,914	15,303	8,765
Total revenue	\$ 194,671	\$ 186,626	\$ 180,288	\$ 42,356	\$ 41,009

Expenses:

Operating (excluding depreciation and amortization)	\$ 109,648	\$ 108,200	\$ 104,236	\$ 32,386	\$ 27,760
Cost of product sales	-	-	-	-	3,187
General and administrative	17,482	17,498	18,976	4,977	4,745
Asset impairment expense	-	-	-	-	271
Total expenses	\$ 127,130	\$ 125,698	\$ 123,212	\$ 37,363	\$ 35,963
Gain (loss) on sale of assets	\$ 1,073	\$ 2,464	\$ 6,137	\$ 304	\$ (33)
Operating income	\$ 68,614	\$ 63,392	\$ 63,213	\$ 5,297	\$ 5,013

Selected Consolidated Statement of Cash Flows Data

Net cash provided by operating activities	\$ 60,551	\$ 58,240	\$ 60,532	\$ 4,082	\$ 4,647
Net cash used in investing activities	\$ (80,698)	\$ (34,305)	\$ (44,605)	\$ (1,744)	\$ (22,374)
Net cash provided by (used in) financing activities	\$ 20,152	\$ (24,456)	\$ (15,550)	\$ (2,616)	\$ 16,705

Reconciliation of Adjusted EBITDA and Distributable Cash Flow to Net Income

Adjusted EBITDA

The following table presents a reconciliation of adjusted EBITDA to net income for the periods shown:

(\$s in thousands)	Twelve Months Ended			Three Months Ended	
	December 31			March 31,	
	2013	2014	2015	2015	2016
Net income	\$ 28,035	\$ 27,572	\$ 6,396	\$ 1,579	\$ 726
Interest expense	11,615	12,268	11,202	4,283	4,870
Income taxes	593	469	323	91	41
Depreciation and amortization	24,241	26,045	27,228	6,646	7,135
Asset impairment expense	6,256	-	22,404	-	271
Non-cash equity-based compensation	2,347	2,322	2,825	553	545
Other	621	(2,079)	(267)	(267)	-
Adjusted EBITDA	\$ 73,708	\$ 66,597	\$ 70,111	\$ 12,885	\$ 13,588
Cash proceeds from sale of investments	-	-	2,346	2,346	-
Cash interest expense	(9,644)	(9,085)	(9,915)	(2,295)	(2,738)
Cash tax expense	(419)	(508)	(412)	-	(12)
Maintenance capital expenditures, net of reimbursable expenditures	(13,472)	(5,916)	(7,882)	(1,906)	(2,225)
Eagle North loan amortization	(521)				
Distributable Cash Flow	\$ 49,652	\$ 51,088	\$ 54,248	\$ 11,030	\$ 8,613
Distribution declared (1)	\$ 33,661	\$ 37,678	\$ 42,019	\$ 10,344	\$ 10,657
Distribution coverage ratio	1.5	1.4	1.3	1.1	0.8

(1) inclusive of preferred and common unit declared cash distributions

Key Credit Statistics

Leverage Ratio	3.6x	3.1x	3.8x	3.4x	4.2x
Interest coverage ratio	7.8x	7.7x	6.5x	7.1x	6.2x