

# 2015 NAPTP INVESTOR CONFERENCE

MAY 20-21, 2015



# Safe Harbor Statement

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This presentation contains forward-looking statements. Forward-looking statements reflect Western Refining Logistics, LP's ("WNRL") current expectations regarding future events, results or outcomes. The forward-looking statements contained herein include, but are not limited to, statements about: the attractiveness of the location of WNRL's assets in growing regions; crude oil production growth in the Permian/Delaware and San Juan (Four Corners) Basins and such growth to result in crude oil logistics opportunities; the ability of WNRL's long-term, fee-based contracts to provide stable and predictable cash flows; the performance of WNRL's wholesale business; growth opportunities, including organic growth opportunities and acquisitions from Western Refining, Inc. ("Western" or "WNR") or acquisitions from third parties that WNRL pursues independently or jointly with Western; the pool of acquisition opportunities at Western and Northern Tier Energy LP ("Northern Tier" or "NTI"); the source of funds to finance acquisitions, including targeted capital structure for acquisitions; financial goals and policies including the ability to achieve targeted financial statistics, the commitment to a conservative capital structure and the ability to ensure adequate liquidity through capital market transactions; WNRL's ability to increase throughput on its existing systems by connecting additional gathering pipelines and building additional storage and truck offloading facilities; increasing crude oil trucking operations; the reversal and Extension of the TexNew Mex pipeline, including the capacity of the pipeline, the pipeline's ability to transport crude oil from the Four Corners area and additional truck offloading stations and gathering opportunities along the Extension; development of the Bobcat Crude Oil Pipeline, including the capacity of the pipeline, its initial dedication to transport light crude oil and condensate, the timing for its completion and the development and timing for completion of additional crude oil terminals; WNRL's strategic relationship with Western, including the importance of its operations to Western, the alignment of their interests and Western's incentives to support WNRL's growth; Western's future operations, access to high quality, cost-advantaged crude oil, and financial strength; budgeted capital expenditures and discretionary growth and sustaining projects, including development of additional storage tanks, gathering lines and crude oil and product rack upgrades and expansions; and management's ability to position WNRL for long-term financial success. These statements are subject to the general risks inherent in WNRL's business and its expectations may or may not be realized. Some of WNRL's expectations may be based upon assumptions or judgments that prove to be incorrect. In addition, WNRL's business and operations involve numerous risks and uncertainties, many of which are beyond WNRL's control, which could materially affect WNRL's financial condition, results of operations and cash flows. The forward-looking statements are only as of the date made, and WNRL does not undertake any obligation to (and expressly disclaims any obligation to) update any forward looking statements.

# WNRL Investment Highlights

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## Well-Positioned Assets in Growing Regions

- Assets in, or near, growing Permian / Delaware and San Juan basins
- Shale-focused, crude oil-producing basins are experiencing continued production growth

## Long-Term, Fee-Based Contracts Provide Stable and Predictable Cash Flows

- 10-year, fee-based contracts with Western Refining supported by minimum volume commitments
- Traditional MLP assets provide substantially fee-based revenue stream
- Wholesale business has been a consistent performer

## Significant Growth Opportunities

- Robust organic growth
- Pool of potential acquisition assets at Western-controlled entities
- Selectively pursue third party acquisitions independently or jointly with WNR
- \$300 million revolver; no drawings at March 31, 2015

## Strategic Relationship with Strong Sponsor

- Two refineries (156,000 bpd of total crude oil capacity) in the southwest with access to high quality, cost-advantaged crude oil and historically strong product distribution areas
- Aligned interests through substantial LP ownership and IDRs

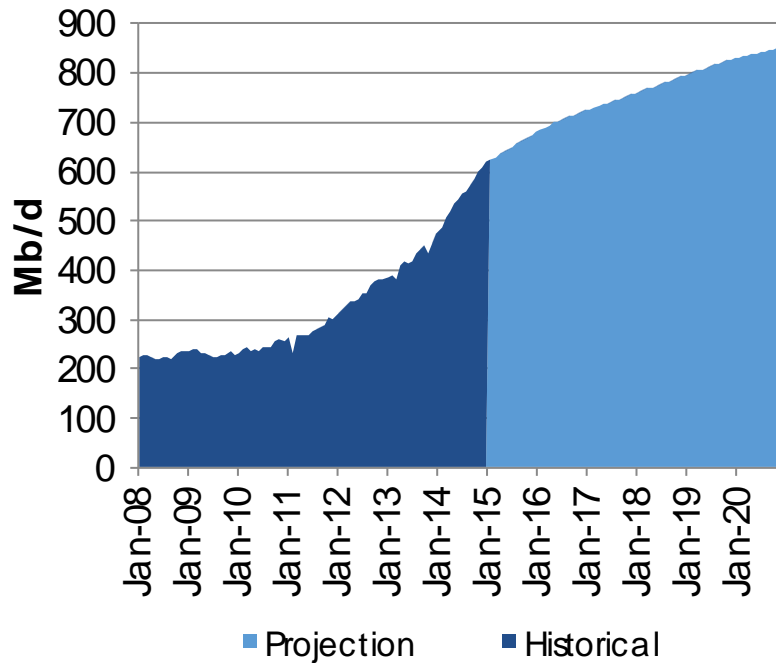
# Well-Positioned Assets in Growing Regions

- 300 miles of crude oil and refined product pipelines and gathering systems in the Southwestern U.S.
- 8.1 million barrels of active storage capacity for refined products, crude oil and other products
- Four refined products terminals
- Four fee-based asphalt terminalling facilities
- Wholesale fuel / lubricant distribution
- Crude oil / refined product trucking



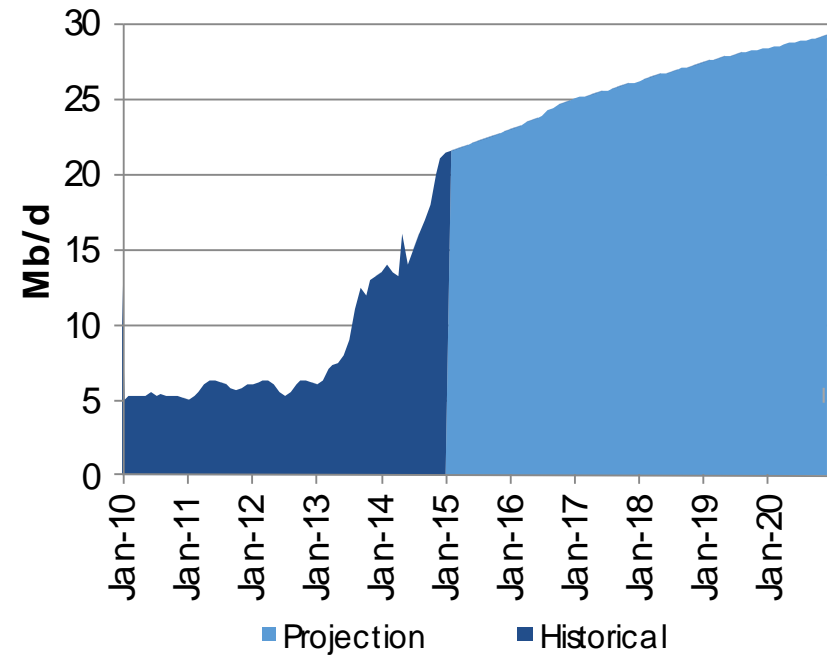
# Delaware and San Juan Basin Growth

## Permian / Delaware Crude Oil Projection



Source: BENTEK Energy, January 2015

## San Juan Crude Oil Projection



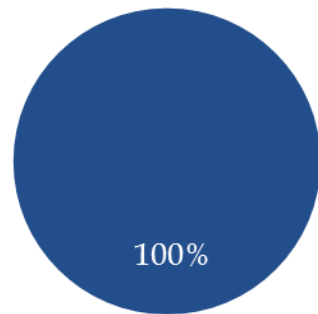
Source: BENTEK Energy, January 2015

***BENTEK projects ongoing growth in the Permian / Delaware and San Juan basins, resulting in continued crude oil logistics opportunities***

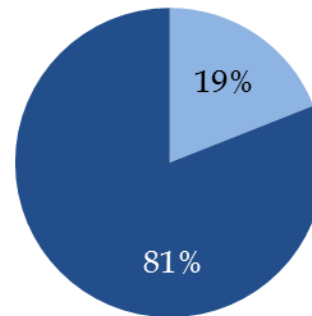
# Stable and Predictable Cash Flows

- Traditional logistics assets generating substantially all fee-based revenue
- Initial 10-year contracts with Western, containing minimum volume commitments
- Contracts include indexed-rate adjustments

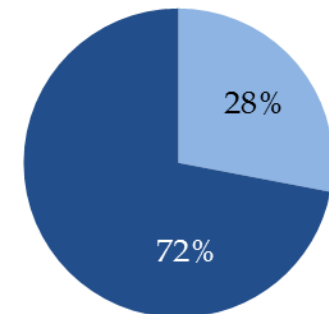
## Minimum Volume Commitments



Storage<sup>1</sup>  
8.0 mm bbls



Pipeline / Gathering / Terminalling<sup>1</sup>  
740 mbpd



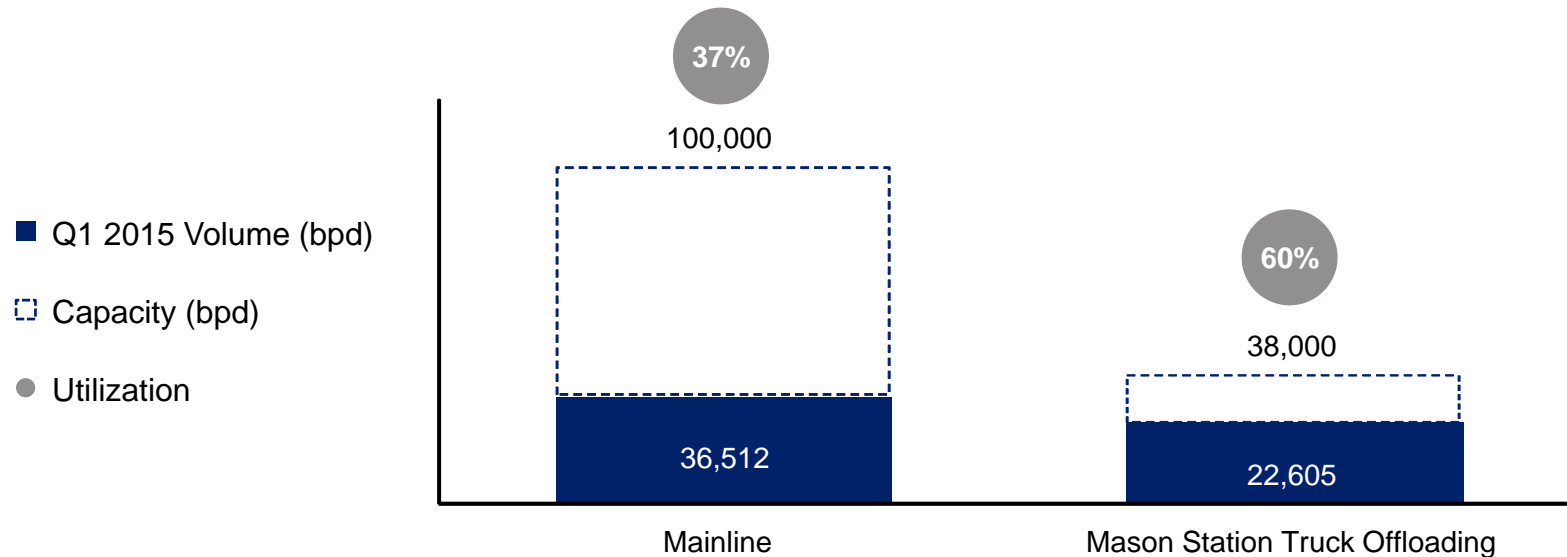
Wholesale  
130 mbpd

■ MVC ■ Non-MVC

<sup>1</sup> Source: WNRL Form S-1 Registration Statement dated October 10, 2013

# Significant Organic Growth Profile

- Increase throughput on existing systems
  - Delaware Basin System



- Connect additional production to systems
  - Additional gathering pipelines in both Delaware and San Juan basins
  - Build additional storage and truck offloading facilities
- Increase crude oil trucking operations

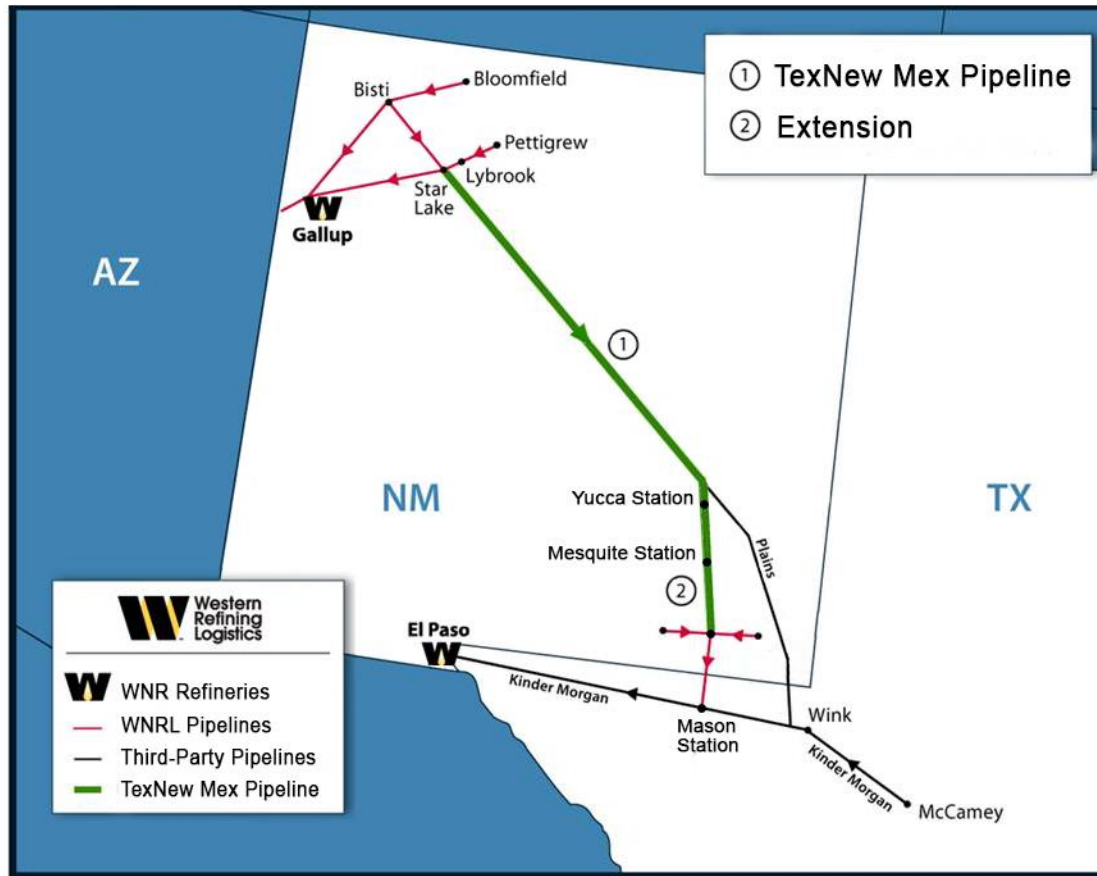
# Pool of Potential Acquisition Opportunities

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Project	Description
<b>TexNew Mex Pipeline Reversal &amp; Extension (WNR)</b>	~370 mile crude oil pipeline flowing from Four Corners to Delaware Basin
<b>Bobcat Crude Oil Pipeline (WNR)</b>	40 mile pipeline dedicated to light crude oil flowing from Mason Station, TX to Wink, TX
<b>Jal / Wingate / Other (WNR)</b>	Butane storage / crude oil and rail logistics
<b>Northern Tier (Traditional Logistics)</b>	Storage tanks / Terminals / Pipelines / Trucking

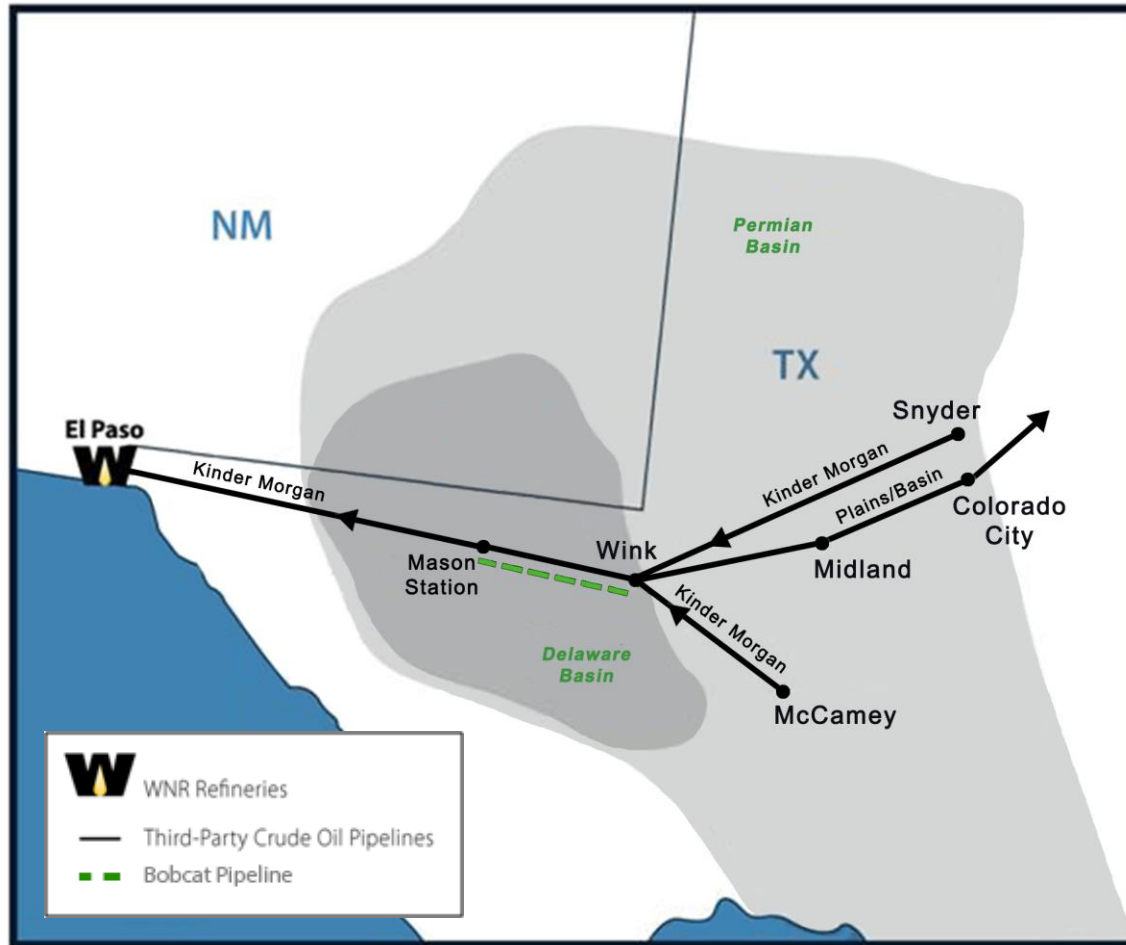


# TexNew Mex Pipeline/Extension



- Capacity of 75,000 bpd
- Capable of delivering Four Corners crude oil to Mason Station
- Joint tariff with WNR of \$6.50 from Bisti/Lybrook to Mason Station
- Linefill completed in Mid-April
- Two planned truck offloading stations along 70 mile Extension
- Additional gathering opportunities along Extension

# Bobcat Crude Oil Pipeline

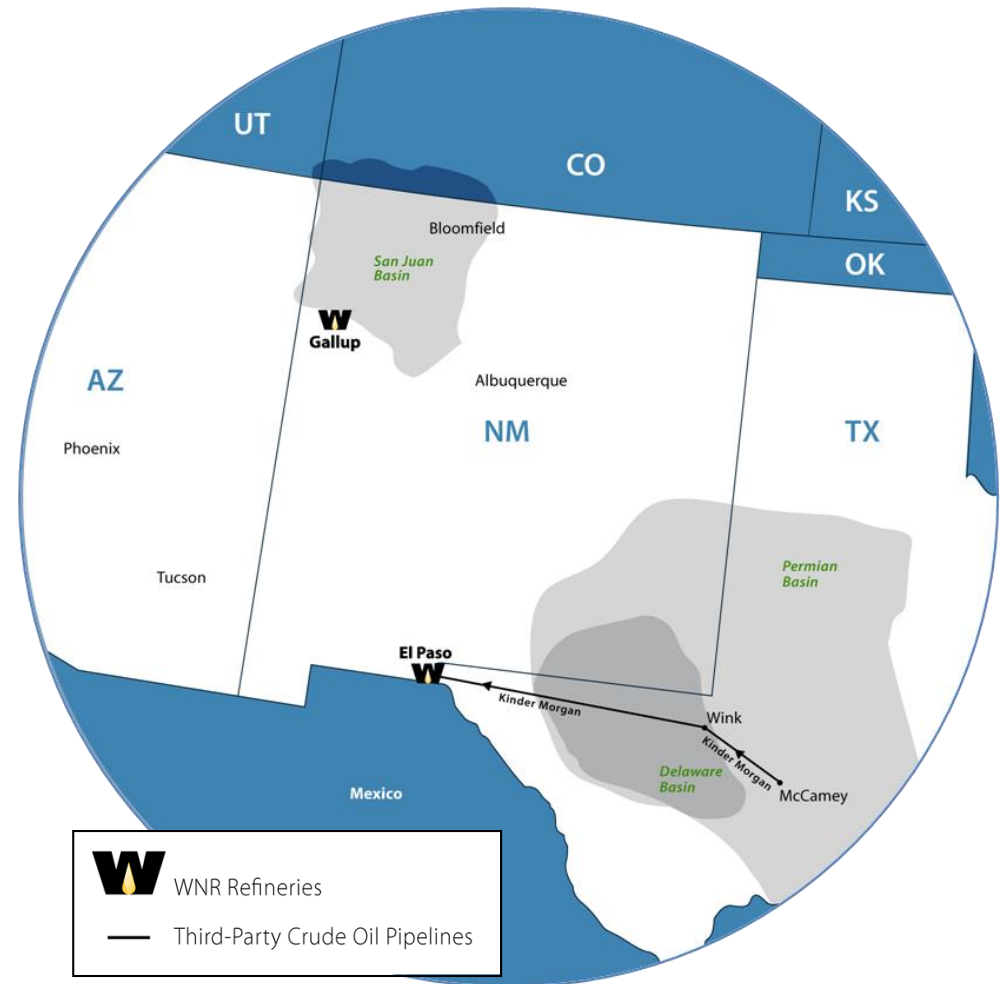


- Capacity of 125,000 bpd
- Service for light crude oil and condensate
- Provides transportation east out of Delaware Basin
- Estimated pipeline completion in Q4 2015
- Crude oil terminals anticipated completion in 1H 2016

# Strategic Relationship with Strong Sponsor

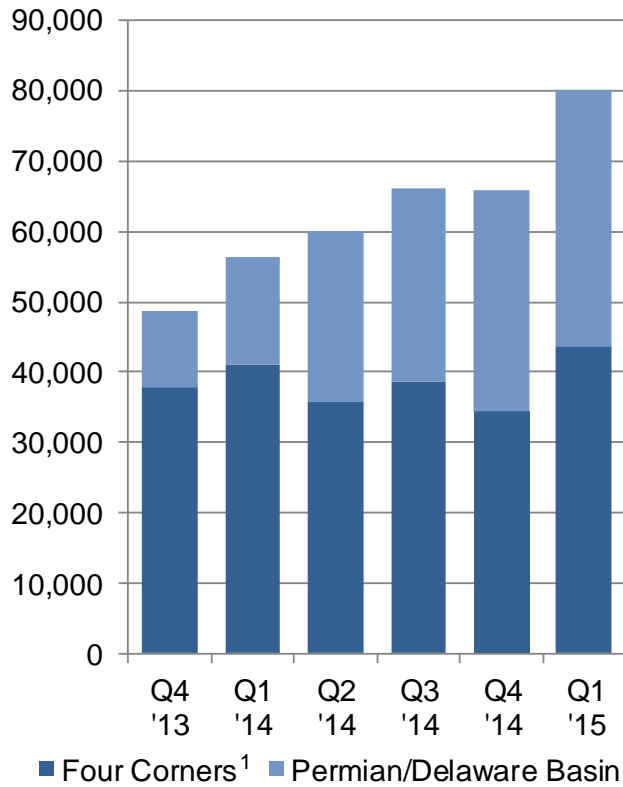
<h2>Southwest Refineries</h2>	<ul style="list-style-type: none"> <li>• Access to high quality, cost-advantaged crude oil from Permian/Delaware and San Juan basins</li> <li>• El Paso: product distribution areas include El Paso, Albuquerque, Phoenix, Tucson and Mexico</li> <li>• Gallup: product distribution areas include AZ, NM, CO and UT</li> </ul>
<h2>Integrated Cardlock &amp; Retail</h2>	<ul style="list-style-type: none"> <li>• Includes 50 cardlocks and 261 retail stores, most with major fuel branding</li> <li>• Provides access to end users</li> </ul>
<h2>Financial Strength</h2>	<ul style="list-style-type: none"> <li>• Strong balance sheet</li> <li>• Significant liquidity</li> </ul>
<h2>Strategic Relationship</h2>	<ul style="list-style-type: none"> <li>• WNRL's operations are important to Western</li> <li>• Incentivized to support WNRL's growth</li> <li>• Source for significant acquisition opportunities</li> </ul>

## Western's Areas of Operations

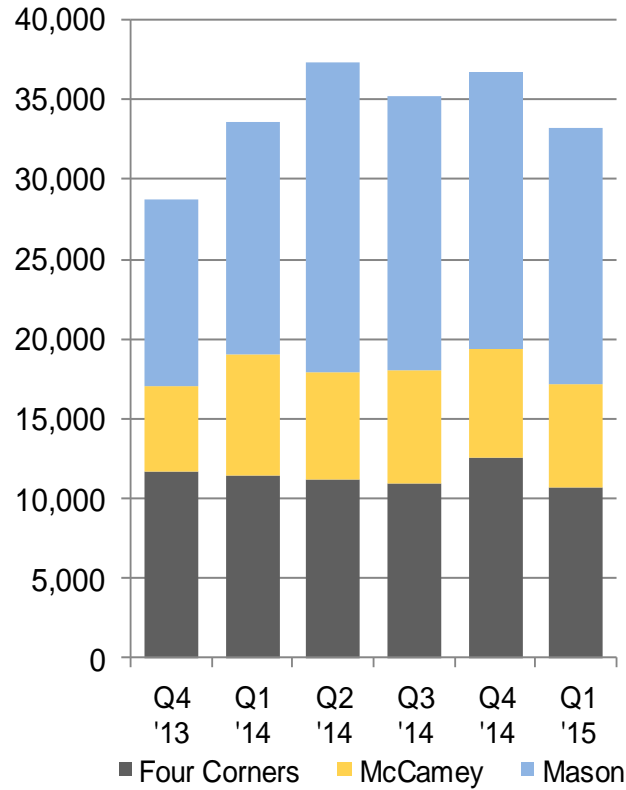


# Volumes

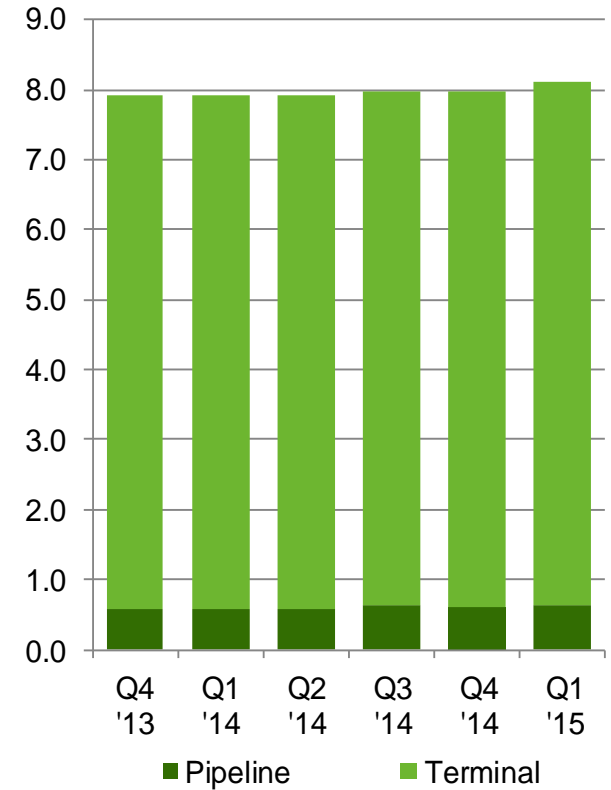
### Mainline Movements (bpd)



### Gathering (bpd)



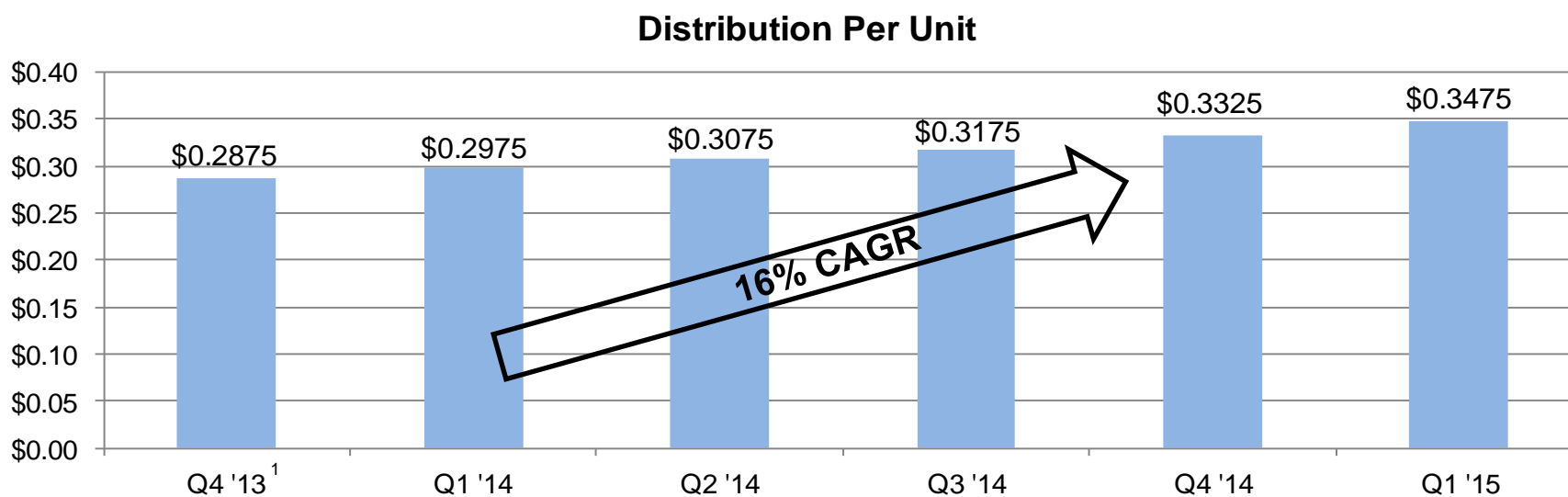
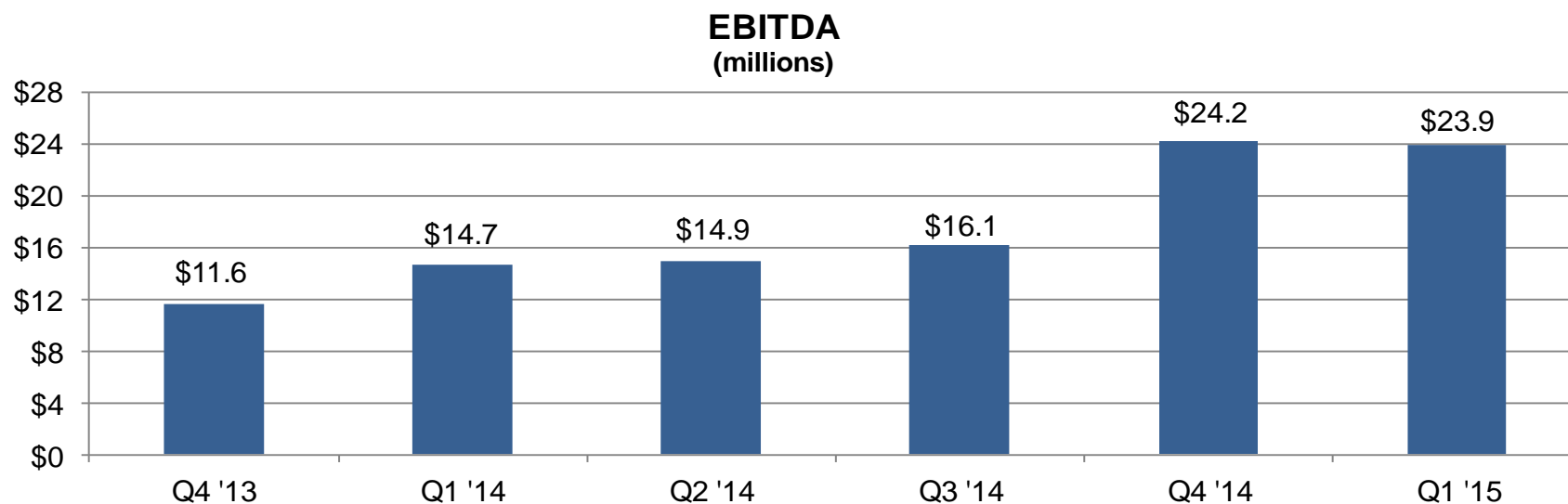
### Storage (millions bbl)<sup>2</sup>



<sup>1</sup> Represents the sum of volumes transported through each separate pipeline segment

<sup>2</sup> Represents a weighted-average shell capacity for the periods indicated

# Financial Results

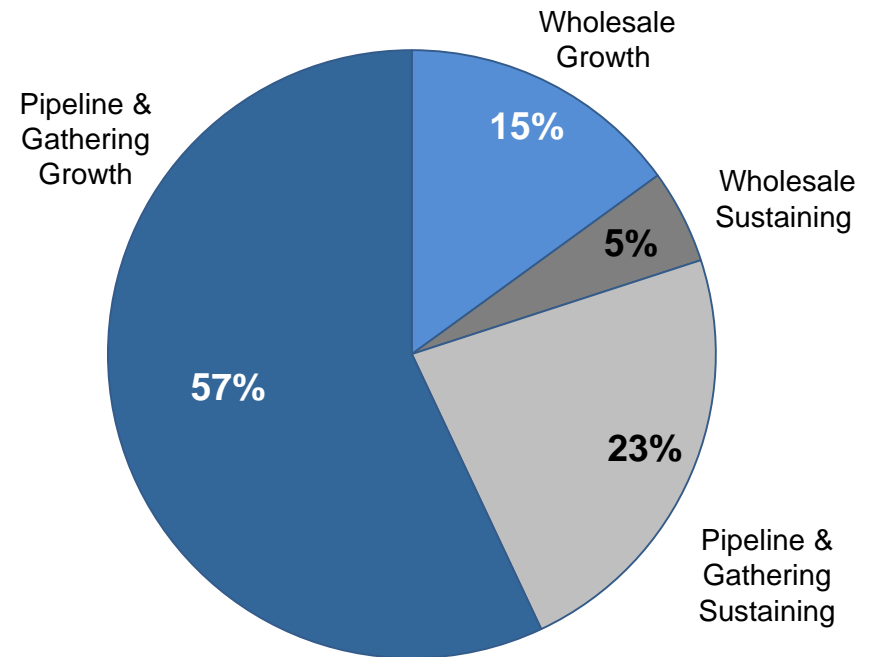


<sup>1</sup> Q4 '13 distribution of \$0.2407 was prorated for the 77 day period to be equivalent to the full quarter MQD of \$0.2875

# Capital Expenditures

- 2015 budget of \$44 million
- \$32 million in discretionary growth projects
  - Storage tanks along pipeline systems and terminals
  - Gathering lines for the Delaware Basin
  - Crude oil and product rack upgrades and expansions

## 2015 CAPEX Budget



Total = \$44 million

# Financial Goals and Policies

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- Position WNRL for Long-Term Financial Success
  - Debt / EBITDA Target of 2.5x – 3.0x
  - Target Distribution Coverage of 1.1x
- Commitment to Conservative Capital Structure
  - Target ~50% equity / 50% debt for acquisitions
  - Ensure adequate liquidity through opportunistic capital markets transactions

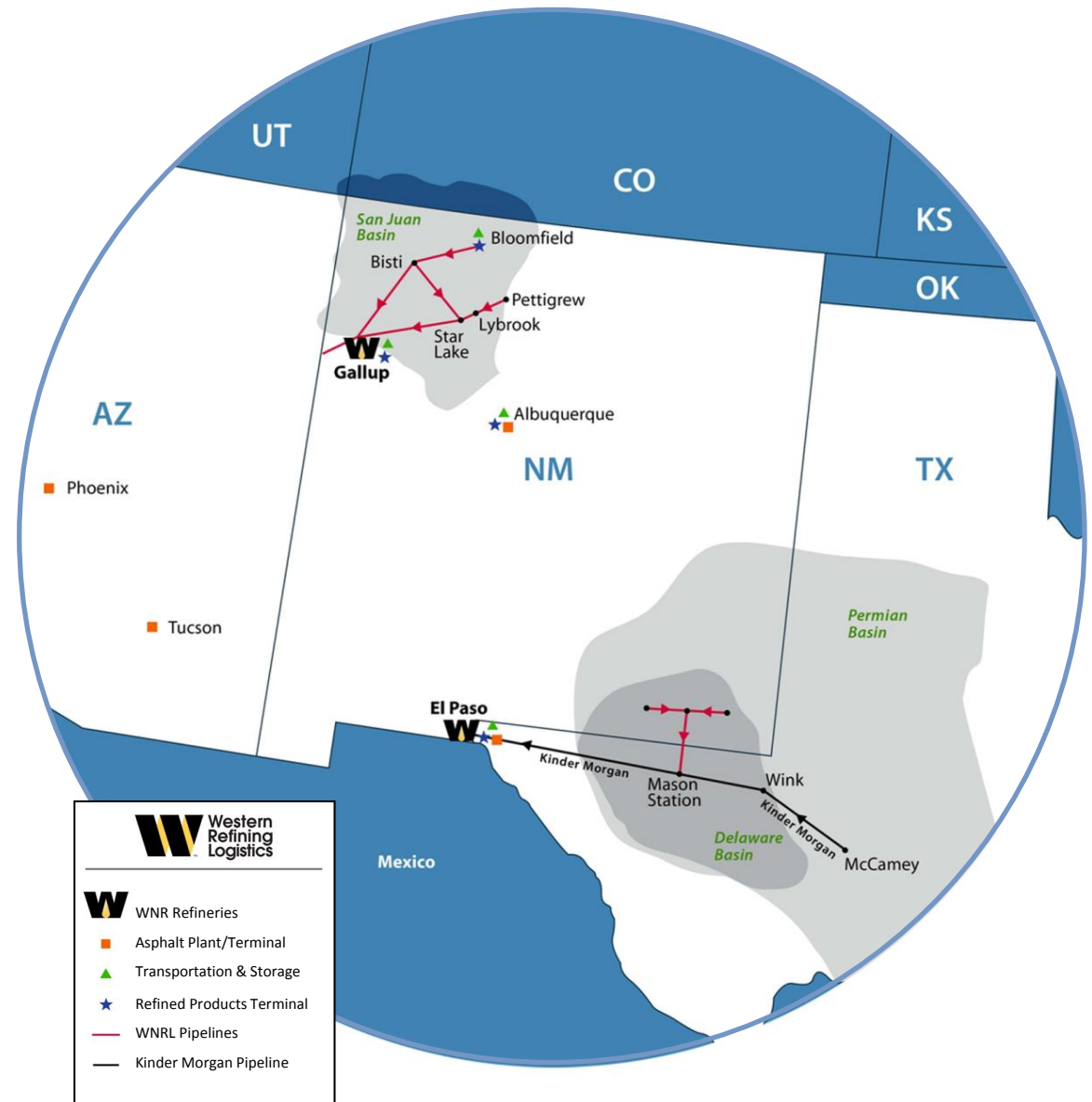
# WNRL Investment Highlights

Well-Positioned Assets in High Growth Regions

Long-Term, Fee-Based Contracts Provide Stable and Predictable Cash Flows

Significant Growth Opportunities

Strategic Relationship with Strong Sponsor





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# Appendix

# Reconciliation of EBITDA

## Estimated Cash Available for Distribution

	Three Months Ending					
	December 31, 2013	March 31, 2014	June 30, 2014	September 30, 2014	December 31, 2014 <sup>1</sup>	March 31, 2015
<b>Net income attributable to partners</b>	8,528	10,933	10,974	12,265	18,819	15,323
Plus:						
Interest expense and other financing costs, net	299	354	358	362	1,285	3,964
Provision for income taxes	95	119	85	135	120	203
Depreciation and amortization expense	<u>2,676</u>	<u>3,244</u>	<u>3,467</u>	<u>3,331</u>	<u>4,479</u>	<u>4,738</u>
<b>EBITDA<sup>2</sup></b>	11,598	14,650	14,884	16,093	24,703	24,228
Less:						
Change in deferred revenue	2,589	1,937	637	848	768	1,232
Cash interest paid	(190)	(225)	(228)	(230)	(1,154)	(725)
Income taxes paid	-	-	-	(1)	-	(1)
Maintenance capital expenditures	<u>(851)</u>	<u>(1,259)</u>	<u>(932)</u>	<u>(1,341)</u>	<u>(3,023)</u>	<u>(2,965)</u>
<b>Cash available for distribution</b>	\$13,146	\$15,103	\$14,361	\$15,369	\$21,294	21,769

(1) Wholesale operations added October 16, 2014

(2) For definition of EBITDA, see page 20

# Partnership Information

## Unit Information

Number of Units (000):	Public	15,858	Unit Price (5-13-2015):	\$28.62
	WNR Common	8,159	Yield:	4.9% <sup>1</sup>
	WNR Subordinated	22,811		
	WNR GP	-		
	Total	<u>46,828</u>		

## IDR Structure

	Total Quarterly Distribution Per Unit Target Amount	Marginal Percentage Interest in Distributions	
		Unitholders	General Partner
Minimum Quarterly Distribution	\$0.2875	100%	--
First Target Distribution	above \$0.2875 up to \$0.3306	100%	--
Second Target Distribution	above \$0.3306 up to \$0.3594	85%	15%
Third Target Distribution	above \$0.3594 up to \$0.4313	75%	25%
Thereafter	above \$0.4313	50%	50%

<sup>1</sup> Based on annualized Q1 2015 distribution of \$0.3475

# EBITDA Definition

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We define EBITDA as net income (loss) before net interest expense, income taxes, and depreciation and amortization. We define Distributable Cash Flow as EBITDA less net cash interest paid, income taxes paid and maintenance capital expenditures. EBITDA and Distributable Cash Flow are used as supplemental financial measures by management and by external users of our financial statements, such as investors and commercial banks, to assess:

- our operating performance as compared to those of other companies in the midstream energy industry, without regard to financing methods, historical cost basis, or capital structure;
- the ability of our assets to generate sufficient cash to make distributions to our unitholders;
- our ability to incur and service debt and fund capital expenditures; and
- the viability of acquisitions and other capital expenditure projects and the returns on investment of various investment opportunities.

We believe that the presentation of EBITDA provides useful information to investors in assessing our financial condition and results of operations. The GAAP measure most directly comparable to EBITDA is net income (loss). EBITDA should not be considered as an alternative to net income (loss) or any other measure of financial performance presented in accordance with GAAP. EBITDA excludes some, but not all, items that affect net income (loss), and these measures may vary from those of other companies. As a result, EBITDA as presented herein may not be comparable to similarly titled measures of other companies.