

AMERICAN MIDSTREAM PARTNERS

**MLPA CONFERENCE
MAY 31 – JUNE 2, 2017
ORLANDO, FLORIDA**



This presentation includes forward-looking statements. These statements relate to, among other things, projections of operational volumetrics and improvements, growth projects, cash flows and capital expenditures. We have used the words "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "predict," "project," "should," "will," "potential," and similar terms and phrases to identify forward-looking statements in this presentation. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Our operations and future growth involve risks and uncertainties, many of which are outside our control, and any one of which, or a combination of which, could materially affect our results of operations and whether the forward-looking statements ultimately prove to be correct. Actual results and trends in the future may differ materially from those suggested or implied by the forward-looking statements depending on a variety of factors, which are described in greater detail in our filings with the SEC. Construction of projects described in this presentation is subject to risks beyond our control including cost overruns and delays resulting from numerous factors. In addition, we face risks associated with the integration of acquired businesses, decreased liquidity, increased interest and other expenses, assumption of potential liabilities, diversion of management's attention, and other risks associated with acquisitions and growth. Please see our Risk Factor disclosures included in our Annual Report on Form 10-K for the year ended December 31, 2015 filed on March 7, 2016 and on Form 10-Q for the quarter ended September 30, 2016 filed on November 08, 2016. All future written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the previous statements. This presentation speaks only as of the date on the cover page. We undertake no obligation to update any information contained herein or to publicly release the results of any revisions to any forward-looking statements that may be made to reflect events or circumstances that occur, or that we become aware of, after the date of this presentation.

American Midstream Partners, LP

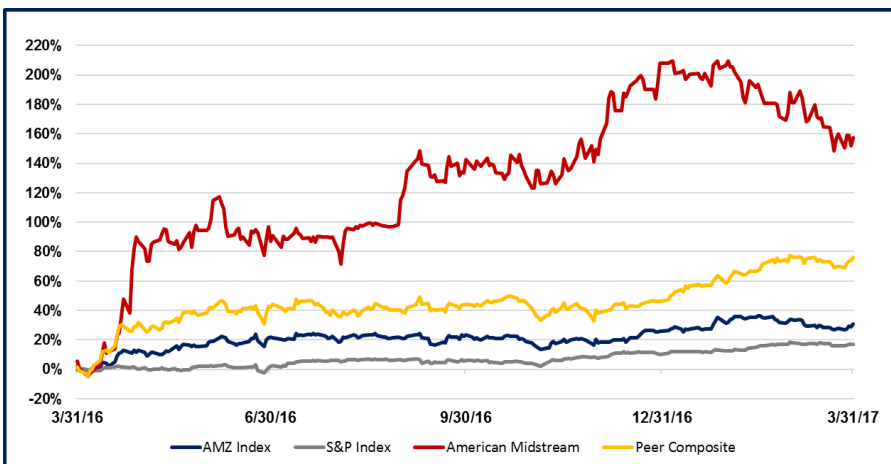
(\$ millions except unit)

Enterprise Value ¹	\$ 2,024
Distribution Coverage ²	1.1x
Equity Yield ¹	12.3%
8.5% 2021 Senior Unsecured Note YTW ¹	7.7%
Total Compliance Indebtedness ²	\$ 945
Compliance Leverage ²	4.6x
Total Outstanding Units ³	71.3

Strategic Objectives

- Create financial and operational focus in key basins
- Creatively repurpose capital and select assets for increased growth, greater asset scale and higher asset utilization

LTM Total Return



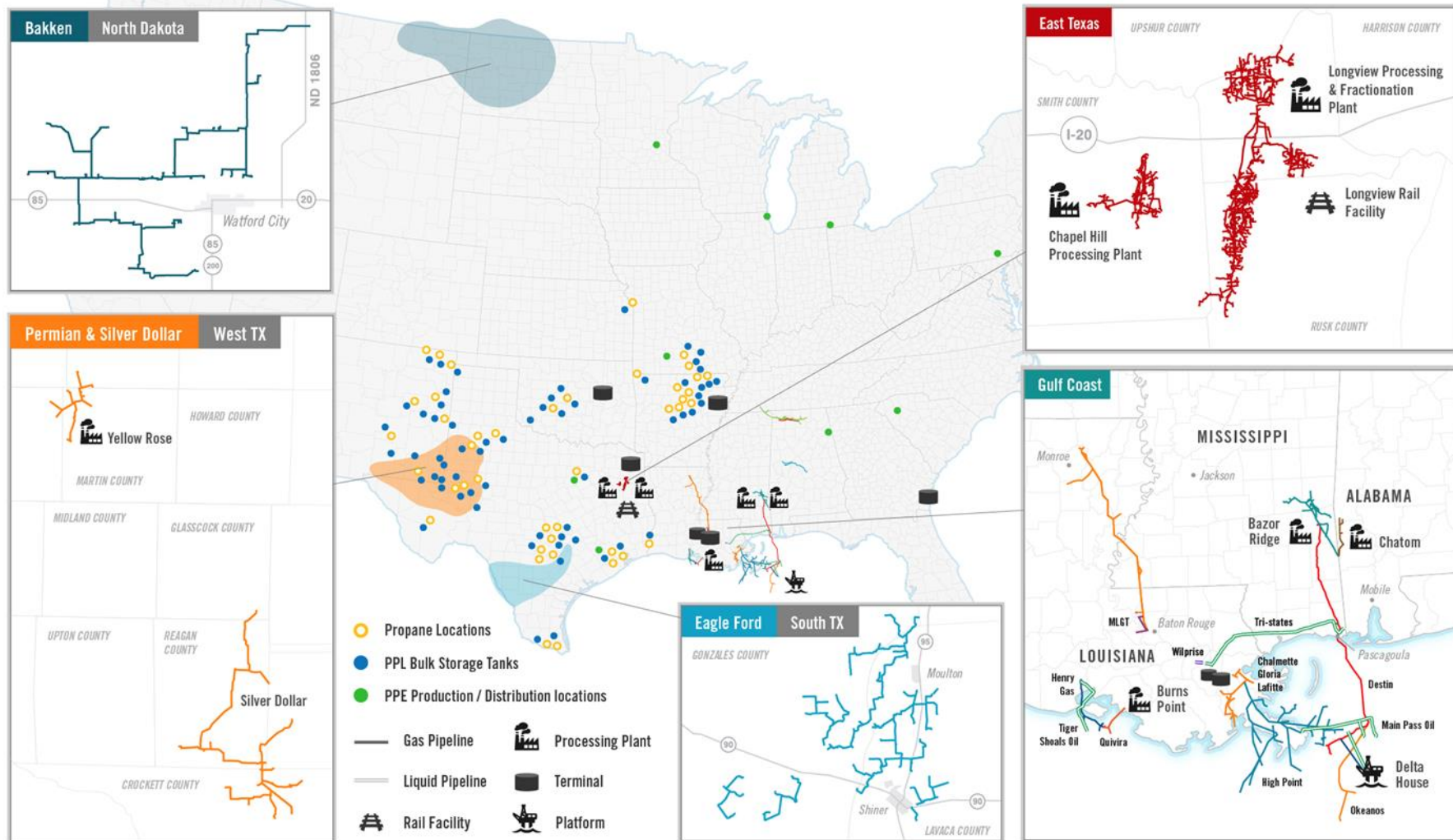
Key Financials

- Twelve month total return above 140%
- First quarter 2017 Results
 - Adjusted EBITDA of \$46.7 million
 - Distributable Cash Flow of \$23.1 million
- 2017 Adjusted EBITDA guidance in the range of \$190 million to \$205 million with the mid-point up approximately 52% from 2016
- Over \$220 million of available borrowings under revolving credit facility

¹ - as of 05/22/2017

STRATEGICALLY LOCATED ASSETS

Strong asset footprint in leading basins: Permian, Eagle, Ford, Bakken, East Texas and Gulf Coast



Diversification and integration midstream value chain maximizes molecular control

Offshore Pipelines and Services

- Deep-water and shallow-water Gulf of Mexico and Gulf Coast natural gas, crude oil, NGL and saltwater pipelines
- Fee-based, semi-submersible floating production system in prolific Mississippi Canyon

Gas Gathering and Processing

- 11 natural gas and crude oil gathering systems, 7 processing plants, 4 fractionation facilities and a fleet of crude oil gathering trucks
- Primarily located in the Permian, Cotton Valley / Haynesville, Eagle Ford and Bakken

Natural Gas Transportation Services

- 3 interstate and 7 intrastate natural gas transmission systems with 2.5 Bcf/d of capacity
- Located in Alabama, Louisiana, Mississippi and Tennessee

Terminals

- 6.7 MMBbls of above-ground liquids storage capacity across 3 marine terminals, 2 refined products terminals and one crude oil storage facility

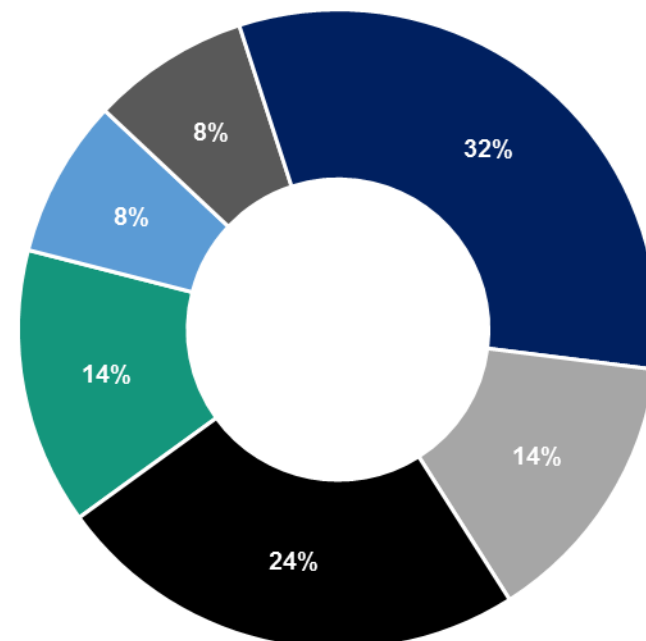
Liquid Pipelines and Services

- Liquid Pipelines and Services segment provides transportation, purchase and sales of crude oil from various receipt points including lease automatic customer transfer ("LACT") facilities and deliveries to various markets

Propane Marketing and Services

- Distribution network of 43 customer service locations and 28 regulated central distribution systems
- 3rd largest cylinder exchange business in the U.S.
- One of the largest regional retail propane providers

2017 Q1 Gross Margin by Segment¹



¹ Based on 2017 Q1 Gross Margin before G&A

1 Increase Operating Scale:

- Acquire or build assets that support scale in Permian, East Texas and Gulf of Mexico
- Create operational density to lower costs and grow EBITDA

2 Create Organic Growth Potential:

- Acquire or develop higher growth assets that result in higher IRRs

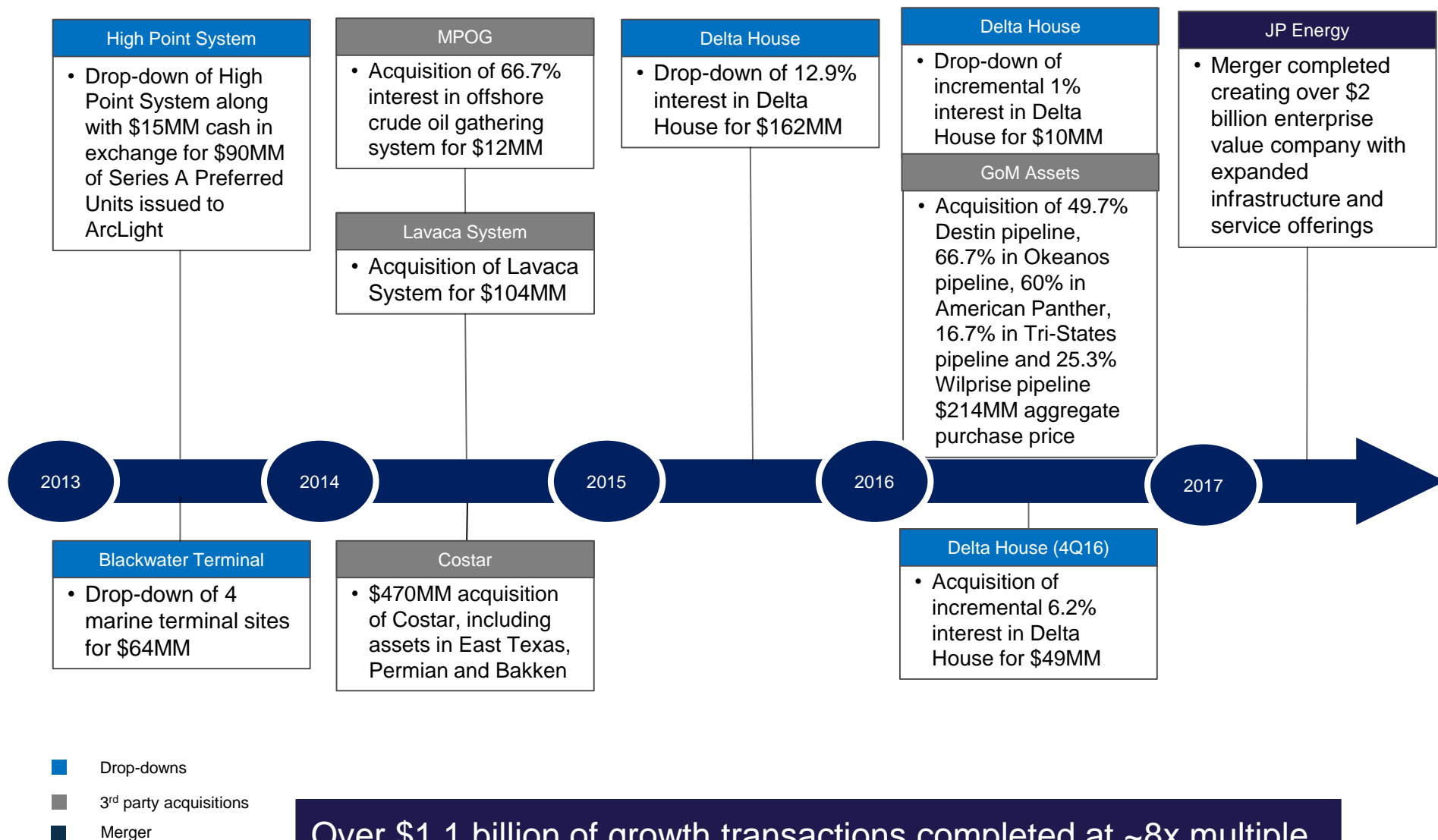
3 Capital Repurposing:

- Focuses on key operating basins and evaluate potential asset monetization
- Self-fund growth areas with equity from non-core assets

4 Internal Effectiveness

- Focus commercial development efforts for maximum effectiveness and success
- Continue efforts to reduce operating costs and increase asset efficiency

TRACK RECORD OF TACTICAL GROWTH AT ATTRACTIVE MULTIPLES

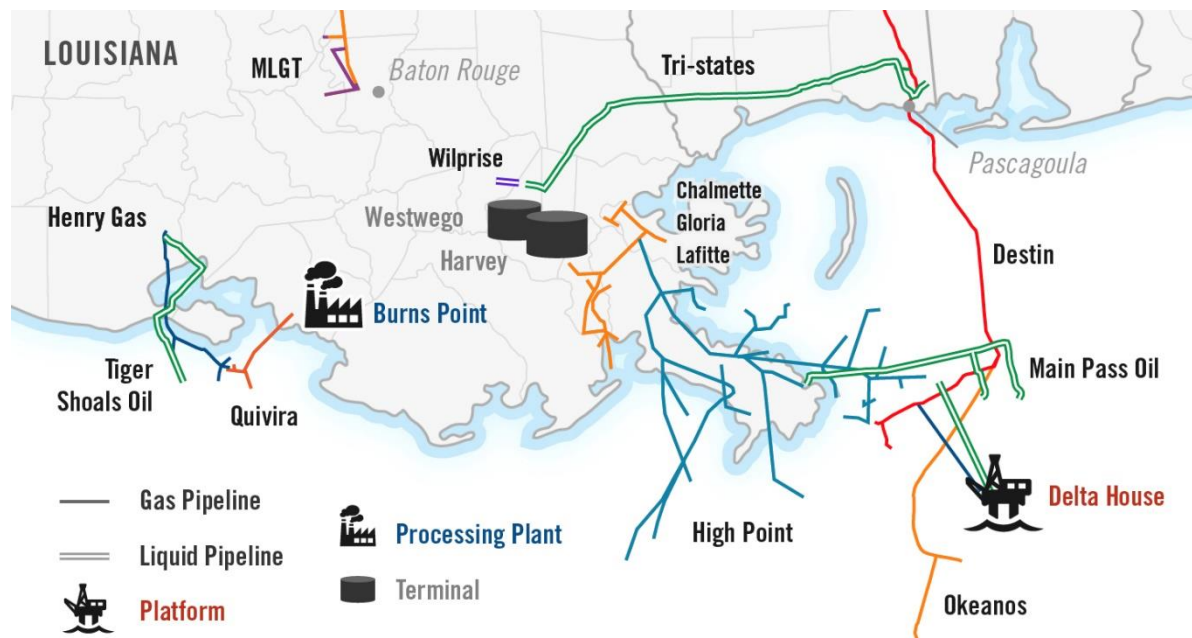


STRATEGIC ASSET PORTFOLIO



AMID'S INTEGRATED GULF OF MEXICO PLATFORM

- Integrated midstream platform focused on the Deepwater Gulf of Mexico (Mississippi Canyon, Viosca Knoll and Main Pass)
 - Ability to interconnect with various AMID systems located in the shallow water and Gulf coast regions
- AMID's pipeline assets cover 10,000 square miles of offshore production, with a focus on the Mississippi Canyon region:
 - Most prolific development area, accounting for 31% of GoM reserves and 31% of GoM production 1
 - Most active development area, with 8 out of 22 GoM drilling rigs currently operating in the region 2
- AMID's integrated offshore assets provide deepwater producers with downstream optionality, with ability to access natural gas processing markets at Destin/Pascagoula (via Destin Pipeline) as well as Venice and Toca (both via High Point)



Deepwater Systems

Asset	Ownership	Asset Type	Division
Delta House	20.1%	FPS	Offshore
Destin	49.7%	Gas Pipeline	Offshore
Okeanos	66.7%	Gas Pipeline	Offshore
Main Pass Oil Gathering	66.7%	Oil Pipeline	Offshore

Shallow Water Systems

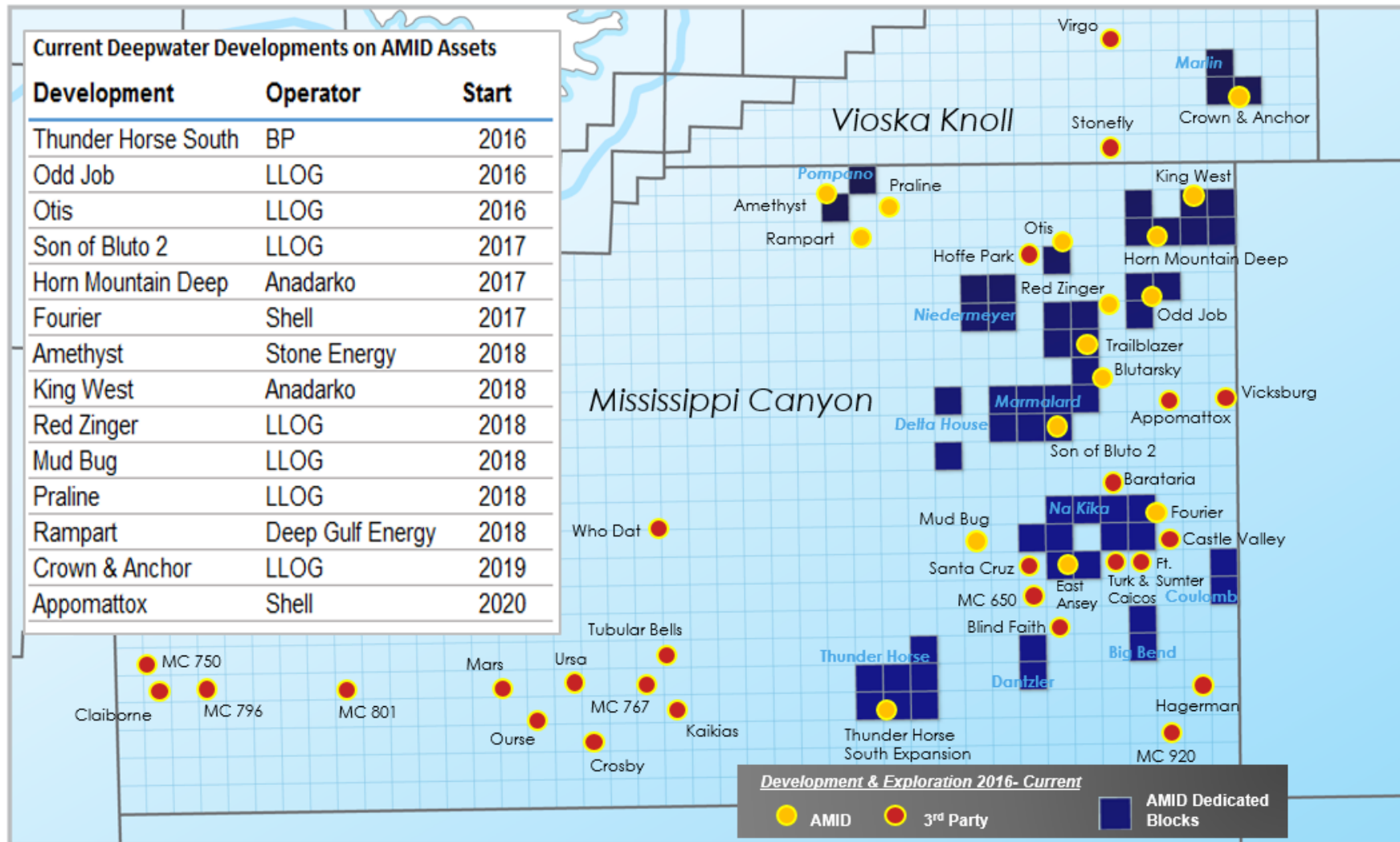
Asset	Ownership	Asset Type	Division
High Point	100.0%	Gas Pipeline	Transmission
Quivira	100.0%	Gas Pipeline	Onshore G&P
American Panther	60.0%	Gas / Oil Pipelines	Offshore
Burns Point	50.0%	Processing Plant	Onshore G&P

Gulf Coast Systems

Asset	Ownership	Asset Type	Division
Tri-States	16.7%	NGL Pipeline	Offshore
Wilprise	25.3%	NGL Pipeline	Offshore
Chalmette	100.0%	Gas Pipeline	Transmission
Gloria & Lafitte	100.0%	Gas Pipeline	Onshore G&P

GULF OF MEXICO DEVELOPMENT ACTIVITY

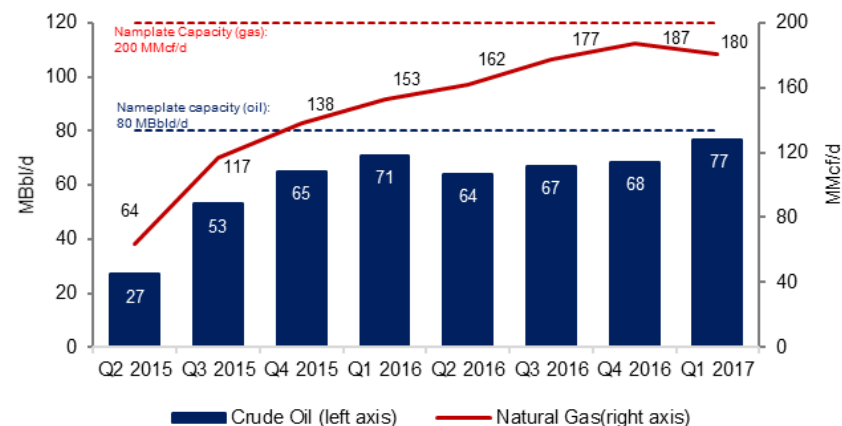
- In January 2017, Gulf of Mexico crude oil production increased for the fourth consecutive month, reaching a record 1.7MM Bpd
- The Mississippi Canyon area accounted for 35% of the production at 600,000 Bpd
- BP, LLOG, Shell, and Anadarko accounted for 50% of the Deepwater drilling in 2016; Mississippi Canyon being the most active area
- Companies are citing break-even economics of less than \$40/Bbl for tie-backs opportunities



- Fee-based, semi-submersible floating production system and associated oil and gas export pipelines located in the highly prolific Mississippi Canyon region (MC254) of the deepwater Gulf of Mexico
 - Operated by LLOG, one of the leading producers in the Gulf of Mexico
 - AMID owns a 20.1% interest
 - Nameplate capacity: 80 MBbl/d oil and 200 MMcf/d gas
 - Peak capacity: 100 MBbl/d oil and 240 MMcf/d gas
- Commenced operations in April 2015
 - 11th tie-back completed mid-October 2016, bringing Delta House to peak capacity
 - Additional tie-backs currently back-logged, which will keep Delta House operating at peak capacity for the foreseeable future
- Supported by long-term, volumetric-tiered, fee-based tariffs with ship-or-pay components and life-of-lease dedications with investment grade, well positioned counterparties
- Directly connected to the Destin Pipeline, providing AMID additional fee-based revenue streams



Historical Volume Throughput (Gross)

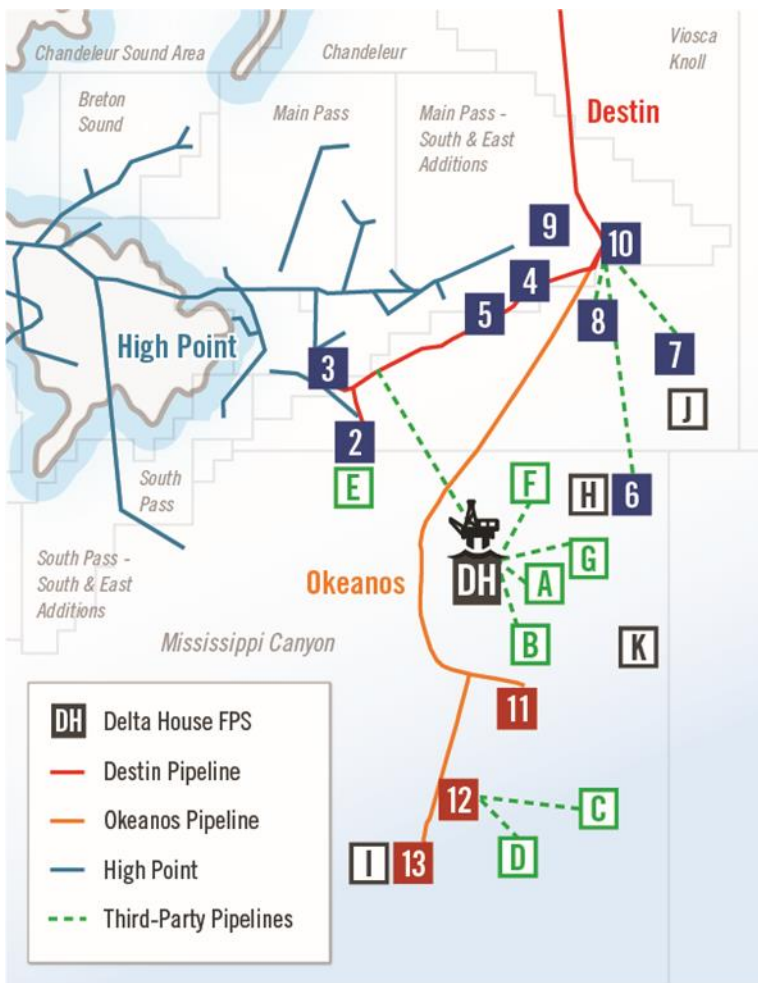


Operating at peak capacity and underpinned by some of the leading Gulf of Mexico producers

INTEGRATED DEEPWATER GULF OF MEXICO PLATFORM

Deepwater Systems

Asset	Ownership	Asset Type	Mileage	Capacity
Delta House	20.1%	FPS	NA	100 MBbl/d / 240 MMcf/d
Destin	49.7%	Gas Pipeline	255	1.2 Bcf/d
Okeanos	66.7%	Gas Pipeline	100	1.0 Bcf/d
Main Pass Oil Gathering	66.7%	Oil Pipeline	100	160 MBbl/d



AMID Receipt Points

Destin Pipeline		
Platform / Interconnect	Operator	Block
DH Delta House	LLOG	MC 254
2 Pompano	Stone Energy	VK 989
3 Gemini	Cox Operating	VK 900
4 Main Pass 281	EnVen Energy	MP 281
5 Main Pass 283	W & T Offshore	MP 283
6 Horn Mountain	Freeport McMoRan ¹	MC 127
7 Marlin	Freeport McMoRan ¹	VK 915
8 Spirit	Fieldwood Energy	VK 780
9 Canyon Station (Transco)	Williams Partners	MP 261
10 Viosca Knoll Gathering	Genesis Energy	MP 260

Okeanos Pipeline		
Platform / Interconnect	Operator	Block
11 Na Kika	BP	MC 474
12 Thunder Hawk	Noble Energy	MC 736
13 Thunder Horse	BP	MC 777/778

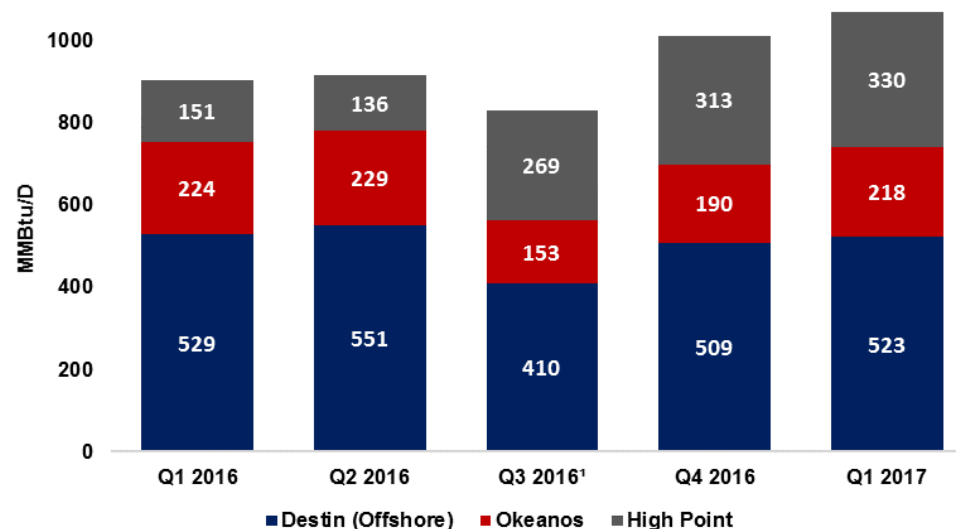
¹ Acquisition by Anadarko Petroleum pending

Development Activity

Recently Completed			
Field	Onstream	Operator	Block
A Marmalard	2Q 2015	LLOG	MC 300
B Son of Bluto 2	2Q 2015	LLOG	MC 431
C Big Bend	4Q 2015	Noble Energy	MC 698
D Dantzler	4Q 2015	Noble Energy	MC 782
E Amethyst	4Q 2015	Stone Energy	MC 26
F Otis	2Q 2016	LLOG	MC 79
G Odd Job	4Q 2016	Deep Gulf Energy	MC 214/215

Ongoing			
Field	Onstream	Operator	Block
H Horn Mountain Deep	2016E	Freeport McMoRan ¹	MC 126/127
I Thunder Horse South	2017E	BP	MC 777/778
J Crown and Anchor	2017/18E	LLOG	VK 959
K Appomattox	2020E	Shell	MC 392

Historical Natural Gas Volume Throughput



¹ - Impacted by outage of Pascagoula Processing Plant

Business Overview

- Assets located in some of the most prolific producing basins including the Permian, Cotton Valley / Haynesville, Eagle Ford and Bakken
- Over 1,565 miles of high- and low-pressure natural gas and crude oil gathering systems
- 7 processing plants with ~325 MMcf/d of capacity
- 4 fractionation facilities with 17 MBbl/d of capacity
- Fleet of 62 crude oil gathering trucks
- Significant acreage dedications in the Permian, Eagle Ford and Bakken
- Connectivity to production fields, processing and fractionation facilities and end-users via pipelines, truck and rail
- Diversified customer base across the value chain

Top Onshore G&P Customers

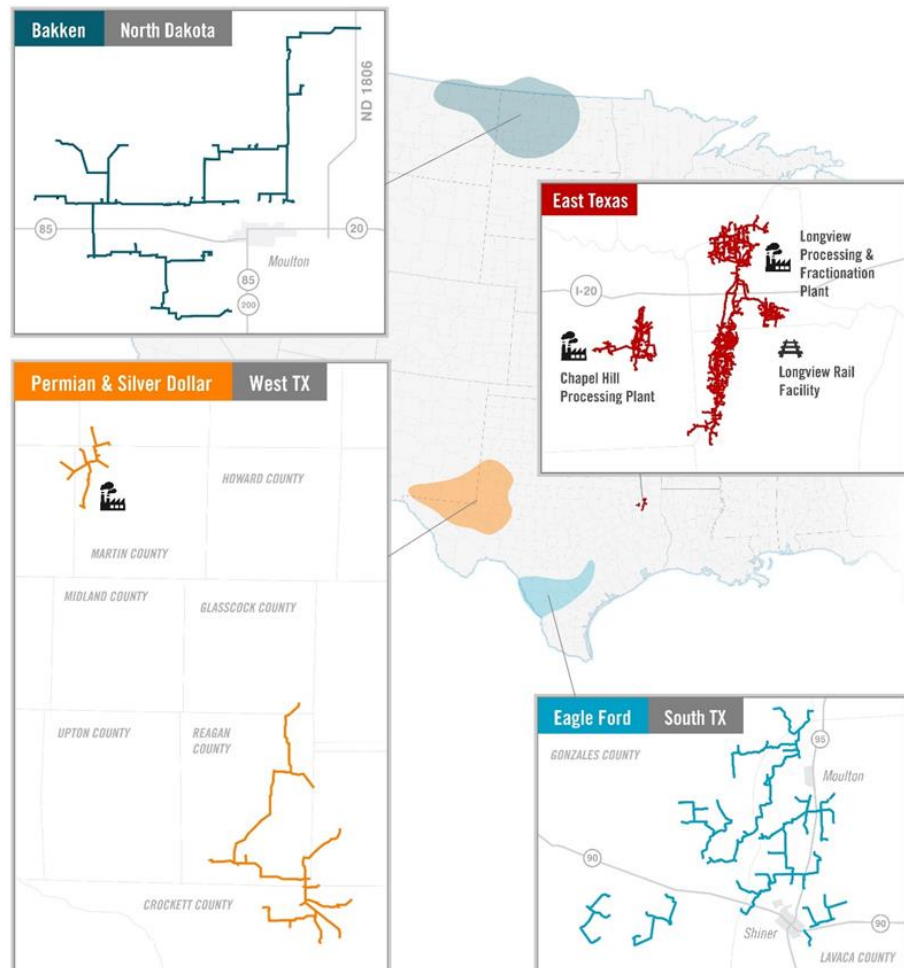
G&P



NGL Supply



Liquid Sales

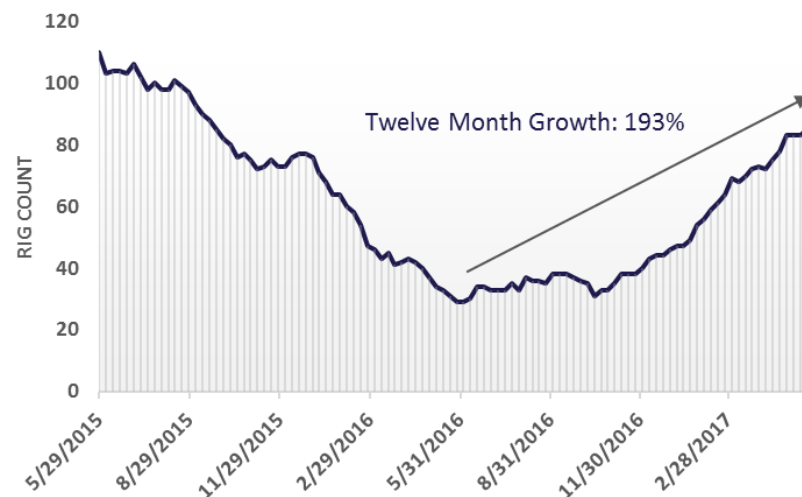


RESURGENCE OF RIG ACTIVITY THROUGHOUT AMID'S FOOTPRINT

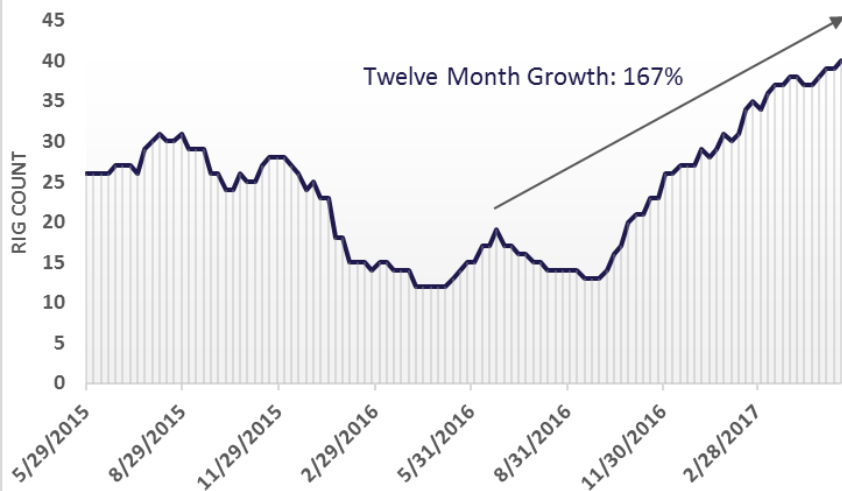


- Rig count has increased over 160% in all three of AMID's key operating basins in the previous twelve months
- Continuing to see substantial improvement in well efficiency and production per rig
- New producers entering the space adding to takeaway and processing demand

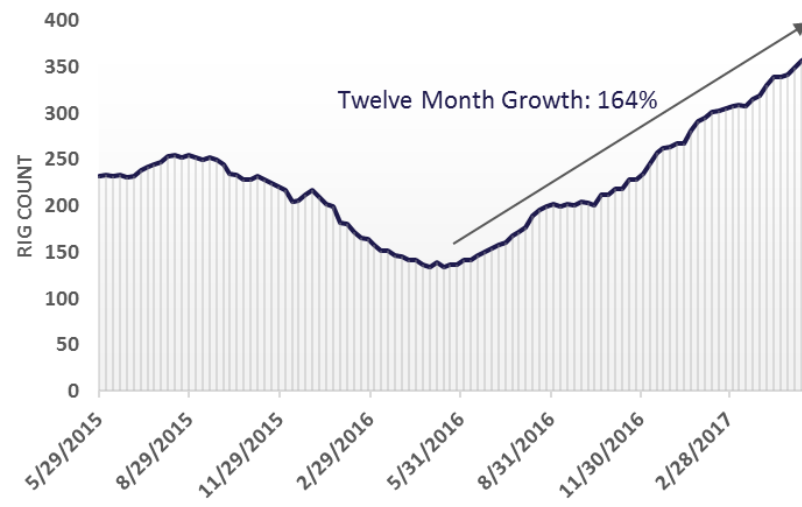
Eagle Ford



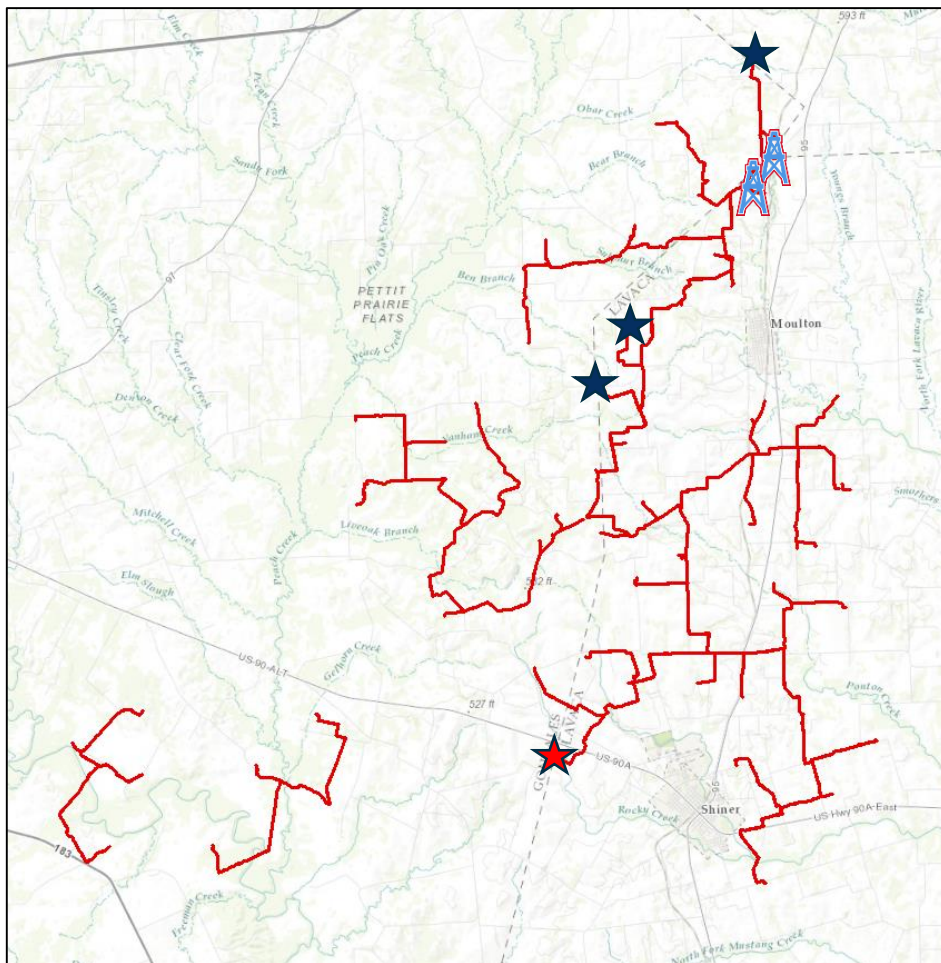
East Texas



Permian



RESURGENCE OF DRILLING ON EAGLE FORD SYSTEM



- Penn Virginia currently running two rigs
- Over 525 drilling locations identified:
 - 360 in Area 1 and 165 in Area 2
 - 10 year drilling inventory with current program
- New completion designs showing strong success:

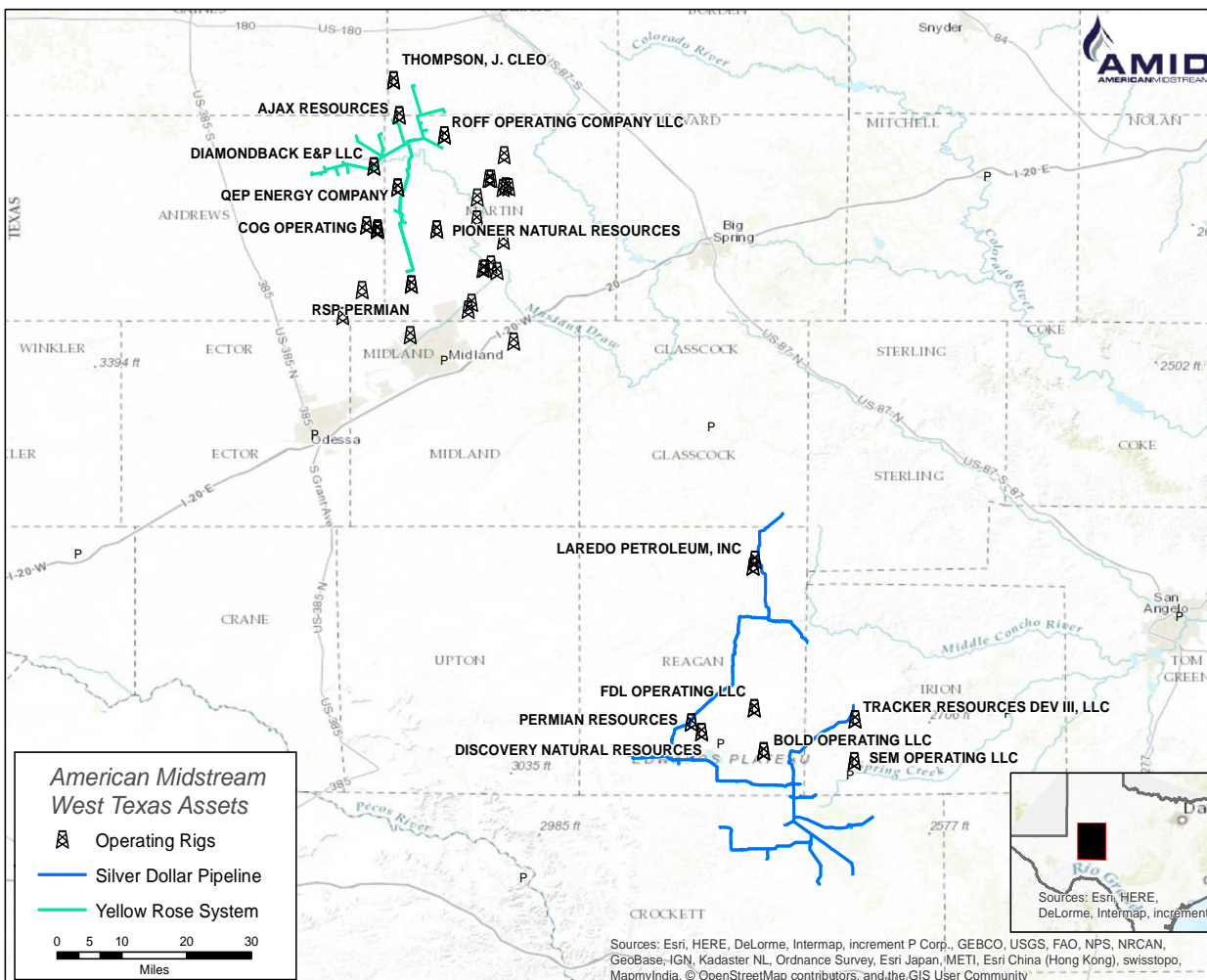
Location	Wells	Average 30 day IP BOE/D
Area 1	10	3,367
Area 2	1	1,500*

★ Area 1 Completions

★ Area 2 Completions

*Based on initial flows and still increasing

PERMIAN DEVELOPMENT ON AMID'S SYSTEM CONTINUING TO EXPAND



Yellow Rose System:

- QEP Resources targeting growth in Spraberry and has drilled two wells with 1,500 boe/d 24-hr IP
- Diamondback is dedicated to Yellow Rose and is targeting the Spraberry formation

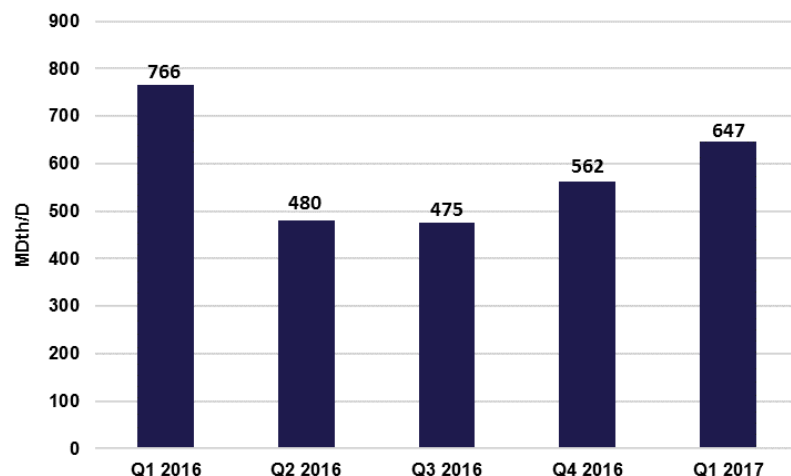
Silver Dollar Pipeline:

- EURs increased ~90% in the last three years to 750 Mboe from 400 Mboe
- Numerous operators achieving break-even at less than \$40/bbl

Business Overview

- Transmission assets supply natural gas to industrial end-users, local distribution companies, municipalities, power plants and other interstate pipelines throughout Alabama, Louisiana, Mississippi and Tennessee
- FERC-regulated interstate and unregulated intrastate pipelines with 2.5 Bcf/d of capacity
- 100% fixed-fee revenue with investment-grade counterparties
- 1.1 Bcf/d contracted under long-term firm transportation agreements with weighted-average remaining life of 3 years

Quarterly Average Transmission Throughput

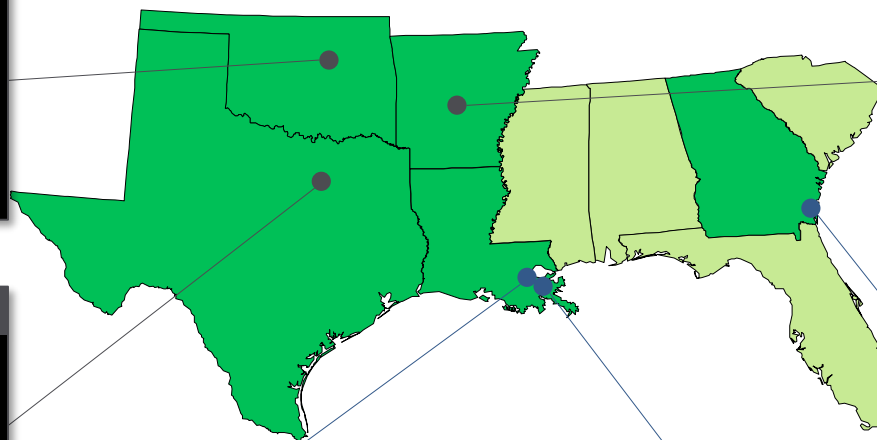
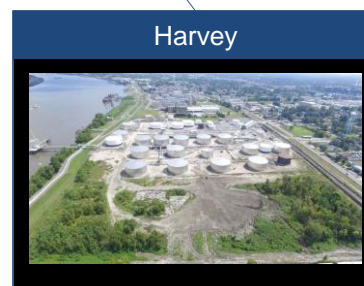
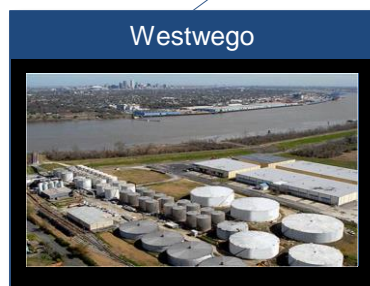
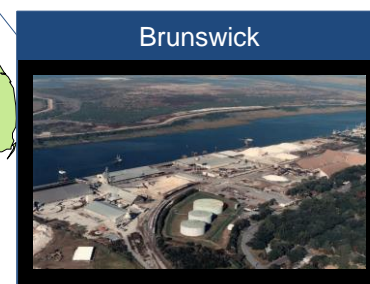


Note: Quarterly average transmission throughput excludes Magnolia system



Business Overview

- Strategically located storage terminals in key demand markets, primarily serving local refiners and chemical manufacturers
- 6.7 MMBbls of above-ground liquids storage capacity across 6 terminal sites
 - Additional fee-based cash flow generated via receipt and disbursement throughput and ancillary services such as blending, steam heating, truck weighing, etc.



● AMID legacy terminals

● JPEP legacy terminals

Harvey Terminal Summary

- Currently 1.1 MMBbbls of storage capacity, with a utilization rate of greater than 98%
 - Steady demand for storage capacity in the Port of New Orleans
- Well-positioned on the Mississippi River to serve a diverse customer base, including local refiners, chemical manufacturers and product distributors
- Flexibility to store a wide variety of products including distillates, fuel oil, petroleum feedstocks, commodity, agricultural and specialty chemicals
- Full modal access for ships, barges, railcars and tank trucks to serve both the domestic and import/export markets

Expansion Project

- Management is evaluating the development of 1.35 MMBbbls of additional tank storage
 - (8) 100 MBbl tanks
 - (11) 50 MBbl tanks
- Additional rail capacity and second deep water ship berth that will have a draft of greater than 50 feet
- Site plan approval received from Jefferson Parish in mid-October 2016
- \$50 to \$60 million capital cost over the next 3 years could bring total site capacity to ~2.5 MMBbbls

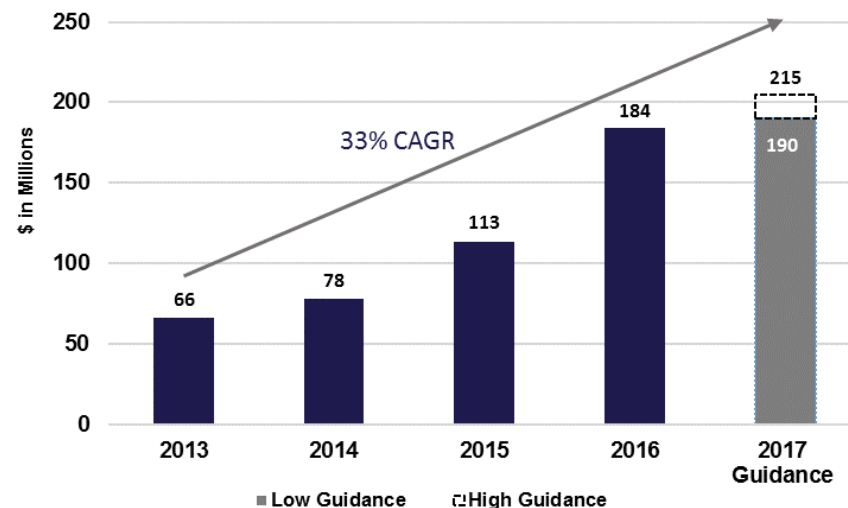


FINANCIAL STRENGTH



- Target long-term leverage of 3.5x and liquidity of \$250+ million
- Potential non-core asset sales further enhance liquidity
- Target ~1.1-1.2x average distribution coverage in 2017 and 2018
- Continue to finance growth opportunities with a conservative mix of debt and equity
- Upsize of secured revolving credit facility from \$750 million to \$900 million – a maximum borrowing capacity of \$1.1 billion
- Evaluating the monetization of certain assets to serve as a source of capital to help fund the Partnership's pipeline of growth projects and acquisitions

Adjusted EBITDA ¹



2017 Guidance

	Low	High
Adjusted EBITDA	\$190	\$205
Growth Capital	65	85
Maintenance Capital	12	16
Distribution Coverage	1.1x	1.2x

¹ As of May 9, 2017

AMERICAN MIDSTREAM ASSET APPENDIX



	High Point	Quivira/Burns Point	Destin & Okeanos	Delta House	Main Pass Oil	American Panther
Product	Gas	Gas	Gas	Oil & Gas	Oil	Oil & Gas
Ownership	100%	Quivira 100% Burns Point 50%	Destin 49.7% Okeanos 66.7%	20%	67%	60%
Operator	AMID	AMID (Quivira) EPD (Burns Point)	AMID	LLOG	Panther Midstream	Panther (Oil) AMID (Gas)
Capacity	1.1 Bcf/d	160 MMcf/d	1.2 Bcf/d	80,000 Bbl/d 200 MMcf/d	160,000 Bbl/d	Various
Location	SE Louisiana, Main Pass, Mississippi Canyon, Viosca Knoll, West Delta	SE Louisiana	Mississippi, Viosca Knoll, Main Pass, Mississippi Canyon	Mississippi Canyon	Mississippi Canyon, Main Pass, Viosca Knoll	SE Louisiana and GOM Shelf
Facilities	800 miles of FERC-regulated & unregulated gathering pipelines	35 miles of gathering pipelines, cryogenic processing plant	360 miles of FERC-regulated & unregulated gathering pipelines	Semi-submersible floating production system; 60 miles of oil and gas gathering pipelines, 11 wells online with life-of-lease dedication	100 miles of oil gathering pipelines	200 miles of oil and gas pipelines AMID operates ≈110 miles of natural gas and saltwater pipelines, including HGGS
Key Customers	Phillips 66, W&T, Energy XXI, Fieldwood, Stone, Cox Operating, Enven, Upstream	Contago Oil & Gas, PetroQuest, Cox Operating	BP, Exxon, Anadarko, LLOG, Eni, Stone, Shell, FPL, Duke, Chevron	LLOF, Ridgewood, Deep Gulf	Anadarko, LLOF, Noble	Cox Operating
Contract	>75% long-term, life-of-lease dedication	90% life-of-lease dedication	90% long-term; life-of-lease dedication	100% long-term; life-of-lease dedication	100% life-of-lease dedication	100% long-term

Delta House



Lake Washington South Facility



Gate 6 Facility



GATHERING AND PROCESSING ASSETS

	Eagle Ford	East Texas	Bakken	Permian	Gulf Coast
Product	Gas	Gas, NGLs, Condensate	Oil	Gas, NGLs, Condensate	Gas, NGLs, Condensate
Capacity	220 MMcf/d	70 MMcf/d gas processing, 10 MBbl/d NGL fractionation	40 MBbl/d	40 MMcf/d gas processing, 8 MBbl/d NGL processing	25 MMcf/d gas processing, 2 MBbl/d NGL fractionation
Location	Lavaca County, TX	Gregg, Rusk, Smith Counties, TX	McKenzie County, ND	Martin, Andrews, Dawson, Gaines Counties, TX	Chatom, AL Bazor, MS South LA and MS
Facilities	200 mile gathering system, 30,00 HP compression	710 mile low & high pressure gathering system, gas well & oil processing, depropanizer	50 mile gathering system, truck rack, H ₂ S removal, refinery & pipe connectivity	50 mile gathering system, 5,000 HP compression, off- spec NGL processing, pipeline connectivity, H ₂ S treating	100 mile gathering system, sour gas processing, depropanizer and debutanizer, 90 MBbl/d NGL pipeline, 191-mile FERC-regulated NGL pipelines
Key Customers	Penn Virginia, Devon	XTO, Linn, Targa, Eastman	Newfield, Trafigura	AJAX, Energy Transfer	Venture, Enterprise
Acreage Dedication	70,000 acres	--	24,000 acres	30,000 acres	--

Longview



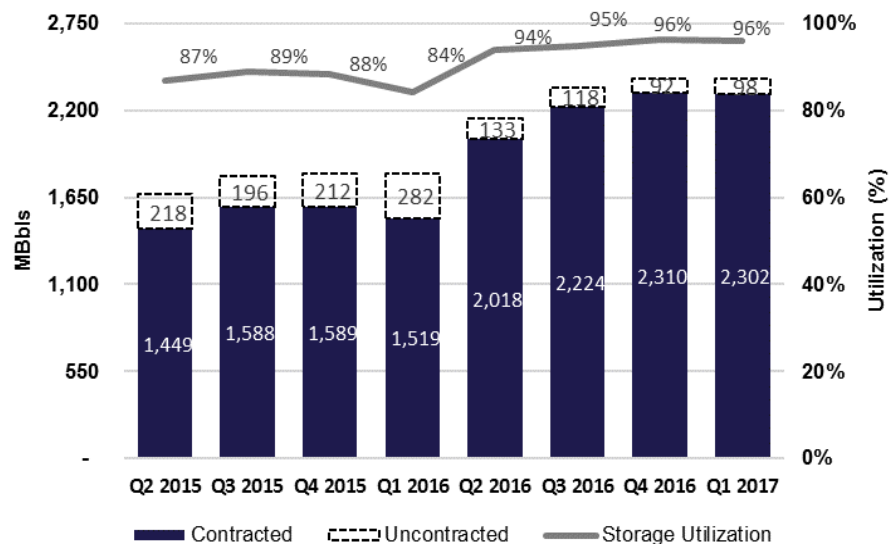
Longview Rail



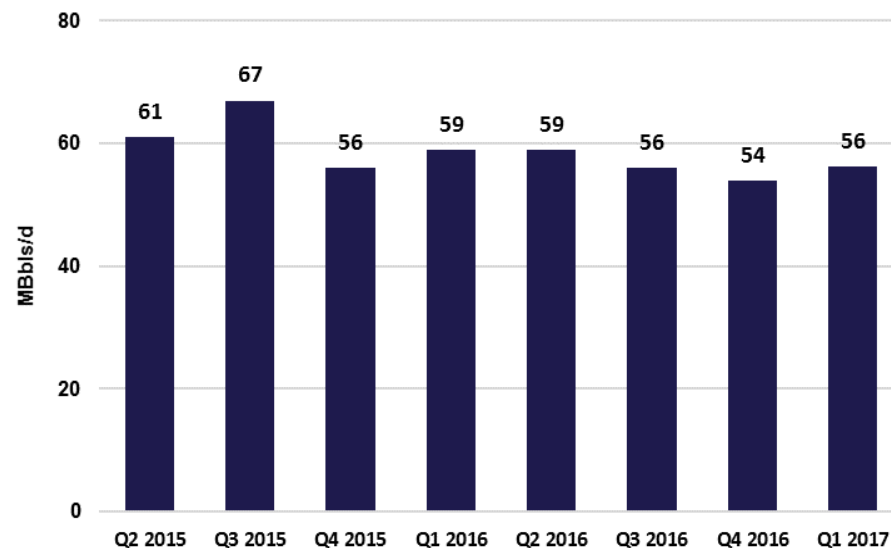
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AMID Quarterly Terminal Utilization



JPEP Quarterly Terminal Storage Throughput



	Harvey	Westwego	Brunswick	Caddo Mills	North Little Rock	Cushing
Location	Harvey, LA (Port of New Orleans)	Westwego, LA (Port of New Orleans)	Brunswick, GA (Port of Brunswick)	Caddo Mills, TX (Dallas/Ft. Worth Area)	North Little Rock, AR	Cushing, OK
Product	Petroleum/Chemical	Chemical/Agricultural	Chemical/Agricultural	Refined Products	Refined Products	Crude Oil
Current Capacity	1,110 Mbbls	1,045 Mbbls	221 Mbbls	770 Mbbls	550 Mbbls	3,000 Mbbls
Facilities	33 above-ground storage tanks	48 above-ground storage tanks	5 above-ground storage tanks	10 above-ground storage tanks	11 above-ground storage tanks	5 above-ground storage tanks
Transportation Modes	Truck, railcar, water vessel	Truck, railcar, water vessel	Truck, railcar, water vessel	Truck and pipeline	Truck, railcar, pipeline	Pipeline
Key Customers	Commodity brokers, refiners and chemical manufacturers	Commodity brokers, refiners and chemical manufacturers	Commodity brokers, refiners and chemical manufacturers	Retail fuel distributors, refiners and marketers	Retail fuel distributors, refiners and marketers	Crude marketer and trader

NATURAL GAS TRANSPORTATION & ORGANIC GROWTH PROJECTS



	High Point	Midla/MLGT	AlaTenn/Bamagas/Trigas	Magnolia
Location	Onshore and Offshore Southeast Louisiana	Louisiana and Mississippi	North Alabama	South Alabama
Product	Natural Gas	Natural gas	Natural gas	Natural gas
Capacity	1,120 MMcf/d	518 MMcf/d	710 MMcf/d	120 MMcf/d
Facilities	574 miles of FERC-regulated interstate pipelines and non-jurisdictional gathering pipelines that primarily serve Gulf of Mexico producers	432 miles of FERC-regulated interstate and intrastate pipelines that serve various power plants, local distribution companies and industrial end-users	383 miles of FERC-regulated interstate and intrastate pipelines that serve various power plants, local distribution companies and industrial end-users	116 miles of intrastate pipelines that provides FERC jurisdictional interstate service, transports gas from central Alabama to SE markets
Key Customers	BP, Cox, Fieldwood, Noble, Shell, Stone, W&T	Exonn, Etergy, Atmos, Georgia Pacific, Sequent	Huntsville, Athens, NAGD, Ascend Chemical, BP, TVA, Calpine, LS Power	Tenaska, Interconn, Spotlight, PGP, Infinite, Rainbow, Saga Petroleum

Interconnects

- Leverage existing interconnects with Texas Eastern, Tennessee Gas, Columbia Gas, and Transco to supply cheaper North East natural gas supply to other large long-haul pipelines serving Southeast markets
- AlaTenn interconnects will increase overall firm transportation agreements by 35%

Repurpose Assets

- Midla-Natchez Lateral – FERC approved retirement and replacement of 12", 50-mile Midla pipeline underpinned by multiple long-term firm transportation agreements
- High Point – filed FERC application to repurpose an underutilized gas pipeline and convert to NGL service

Note: Chart excludes the Chalmette System, a 39-mile intrastate pipeline with 125 MMcf/d of capacity

Interest Overview

Delta House

- Floating production system located in the Mississippi Canyon region in deepwater Gulf of Mexico; operated by LLOG exploration
- 10 wells online with life-of-lease dedication for production handling and a fixed fee-based structure on oil and gas export pipelines
- Nameplate capacity of 80,000 Bbl/d oil and 200 MMcf/d of gas and peak processing capacity of 100,000 Bbl/d oil and 240 MMcf/d of gas

Destin

- FERC-regulated gas pipeline
- 120-mile offshore portion moves gas from producing platforms, including Delta House to MP260 and continuing to Pascagoula processing plant
- 135-mile onshore portion transports gas to multiple pipelines and storage facilities in Mississippi

Okeanos

- Gas gathering system that connects multiple producer platforms to MP260

Tri-States and Wilprise

- FERC-regulated NGL pipelines
- Tri-States receives gas from three plants and terminates at Kenner Junction, feeding one fractionation facility and two NGL pipelines
- Tri-States connects to Wilprise pipeline at Kenner Junction and terminates in Sorrento, Louisiana

Other

- Joint venture with Panther of natural gas, oil, and saltwater pipelines; acquired from Chevron
- AMID to operate ~110 miles of natural gas and saltwater pipelines, including Henry Gas Gathering System

Main Pass Oil Gathering

- Joint venture with Panther
- Crude gathering system located offshore southeast Louisiana

System	Interest Held	Pipeline (miles)	Product	Design Capacity
Delta House	20.1%	-	-	-
Destin	49.7%	255	Natural Gas	1.2 Bcf/d
Okeanos	66.7%	100	Natural Gas	1.0 Bcf/d
Wilprise	25.3%	30	Liquids	60,000 Bbls/d
Tri-States	16.7%	161	Liquids	80,000 Bbls/d
Other	60.0%	200	Natural Gas / Saltwater	n/a
Main Pass Oil Gathering	66.7%	98	Oil	160,000 Bbls/d



APPENDIX: NON-GAAP FINANCIAL MEASURES



ADJUSTED EBITDA RECONCILIATION

	Three months ended March 31,	
	2017	2016
Reconciliation of Net income (loss) attributable to the Partnership to Adjusted EBITDA:		
Net income (loss) attributable to the Partnership	\$ (30,184)	\$ (10,600)
Add:		
Depreciation, amortization and accretion expense	29,071	25,041
Interest expense	14,935	7,600
Debt issuance costs	1,402	323
Unrealized (gain) loss on derivatives, net	1,273	1,382
Non-cash equity compensation expense	4,038	1,643
Transaction expenses	8,618	1,073
Income tax expense	1,123	735
Discontinued operations	—	176
Distributions from unconsolidated affiliates	22,494	13,515
General Partner contribution	9,614	1,500
Deduct:		
Earnings in unconsolidated affiliates	15,402	7,343
Other, net	28	(23)
Gain (loss) on sale of assets, net	228	(1,122)
Adjusted EBITDA	\$ 46,726	\$ 36,190
Deduct:		
Interest expense	14,898	3,260
Maintenance capital	2,008	1,550
Series A , C and D Convertible Preferred Cash Payment	6,707	—
Distributable Cash Flow	\$ 23,113	\$ 31,380
Limited Partner Distributions	\$ 21,339	\$ 24,716
Distribution Coverage	1.1x	1.3x

This presentation includes forecasted and historical non-GAAP financial measures, including “Gross Margin,” “Adjusted EBITDA” and “Distributable Cash Flow.” Each has important limitations as an analytical tool because it excludes some, but not all, items that affect the most directly comparable GAAP financial measures. Management compensates for the limitations of these non-GAAP financial measures as analytical tools by reviewing the nearest comparable GAAP financial measures, understanding the differences between the measures and incorporating these data points into management’s decision-making process.

You should not consider any of gross margin, Adjusted EBITDA or DCF in isolation or as a substitute for or more meaningful than our results as reported under GAAP. Gross margin, Adjusted EBITDA and DCF may be defined differently by other companies in our industry. Our definitions of these non-GAAP financial measures may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.

We define Adjusted EBITDA as net income (loss) attributable to the Partnership, plus interest expense, income tax expense, depreciation, amortization and accretion expense, certain non-cash charges such as non-cash equity compensation expense, unrealized losses on commodity derivative contracts, debt issuance costs, return of capital from unconsolidated affiliates, transaction expenses and selected charges that are unusual or nonrecurring, less interest income, income tax benefit, unrealized gains on commodity derivative contracts, and selected gains that are unusual or nonrecurring. The GAAP measure most directly comparable to our performance measure Adjusted EBITDA is Net income (loss) attributable to the Partnership.

DCF is a significant performance metric used by us and by external users of the Partnership’s financial statements, such as investors, commercial banks and research analysts, to compare basic cash flows generated by us to the cash distributions we expect to pay the Partnership’s unitholders. Using this metric, management and external users of the Partnership’s financial statements can compute the coverage ratio of estimated cash flows to planned cash distributions. DCF is also an important financial measure for the Partnership’s unitholders since it serves as an indicator of the Partnership’s success in providing a cash return on investment. Specifically, this financial measure may indicate to investors whether we are generating cash flow at a level that can sustain or support an increase in the Partnership’s quarterly distribution rates. DCF is also a quantitative standard used throughout the investment community with respect to publicly traded partnerships and limited liability companies because the value of a unit of such an entity is generally determined by the unit’s yield (which in turn is based on the amount of cash distributions the entity pays to a unitholder). DCF will not reflect changes in working capital balances.

We define DCF as Adjusted EBITDA plus interest income, less cash paid for interest expense, normalized maintenance capital expenditures, and dividends related to the Series A and Series C convertible preferred units. The GAAP financial measure most comparable to DCF is Net income (loss) attributable to the Partnership.

Segment gross margin and gross margin are metrics that we use to evaluate our performance. We define segment gross margin in our Gathering and Processing segment as revenue generated from gathering and processing operations and realized gains or (losses) on commodity derivatives, less the cost of natural gas, crude oil, NGLs and condensate purchased and revenue from construction, operating and maintenance agreements (“COMA”). Revenue includes revenue generated from fixed fees associated with the gathering and treatment of natural gas and crude oil and from the sale of natural gas, crude oil, NGLs and condensate resulting from gathering and processing activities under fixed-margin and percent-of-proceeds arrangements. The cost of natural gas, NGLs and condensate includes volumes of natural gas, NGLs and condensate remitted back to producers pursuant to percent-of-proceeds arrangements and the cost of natural gas purchased for our own account, including pursuant to fixed-margin arrangements.

We define segment gross margin in our Transmission segment as revenue generated from firm and interruptible transportation agreements and fixed-margin arrangements, plus other related fees, less the cost of natural gas purchased in connection with fixed-margin arrangements. Substantially all of our gross margin in this segment is fee-based or fixed-margin, with little to no direct commodity price risk.

We define segment gross margin in our Terminals segment as revenue generated from fee-based compensation on guaranteed firm storage contracts and throughput fees charged to our customers less direct operating expense which includes direct labor, general materials and supplies and direct overhead.

We define gross margin as the sum of our segment gross margin for our Gathering and Processing, Transmission and Terminals segments. The GAAP measure most directly comparable to gross margin is net income (loss) attributable to the Partnership.