



## Shell Midstream Partners, L.P. (SHLX) MLPA Presentation

May 23, 2018

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*This presentation includes various “forward-looking statements” within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management’s current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning management’s expectations, beliefs, estimates, forecasts, projections and assumptions. You can identify our forward-looking statements by words such as “anticipate”, “believe”, “estimate”, “budget,” “continue,” “potential,” “guidance,” “effort,” “expect”, “forecast”, “goals”, “objectives”, “outlook”, “intend”, “plan”, “predict”, “project”, “seek”, “target”, “begin”, “could”, “may”, “should” or “would” or other similar expressions that convey the uncertainty of future events or outcomes. In accordance with “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, these statements are accompanied by cautionary language identifying important factors, though not necessarily all such factors, which could cause future outcomes to differ materially from those set forth in forward-looking statements. In particular, expressed or implied statements concerning future actions, future drop downs, volumes, capital requirements, conditions or events, future impact of prior acquisitions, future operating results or the ability to generate sales, the potential exposure of Shell Midstream Partners, L.P. (the “Partnership”) to market risks, and statements relating to expected EBITDA, future growth, income, cash flow and the amount of distributions are forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future actions, conditions or events and future results of operations may differ materially from those expressed in these forward-looking statements. Forward-looking statements speak only as of the date of this presentation, May 23, 2018, and we disclaim any obligation to update such statements for any reason, except as required by law. All forward-looking statements contained in this document are expressly qualified in their entirety by the cautionary statements contained or referred to in this paragraph. Many of the factors that will determine these results are beyond our ability to control or predict. More information on these risks and other potential factors that could affect the Partnership’s financial results is included in the Partnership’s filings with the U.S. Securities and Exchange Commission, including in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of the Partnership’s most recently filed periodic reports on Form 10-K and subsequent filings. If any of those risks occur, it could cause our actual results to differ materially from those contained in any forward-looking statement. Because of these risks and uncertainties, you should not place undue reliance on any forward-looking statement.*



# Agenda

- Strategy
  - Strong track record of delivery
  - The size and scale of our Sponsor is a key enabler
- Amberjack Acquisition
  - Largest acquisition since inception
  - Transportation volumes expected to grow 100,000 bbls/ day by end of 2019
- Gulf of Mexico: we remain bullish
  - Improved economics
  - Continued investment
  - Sustainable growth
- Long-term growth expectations



## Shell Midstream Partners: Same Strategy, Continued Delivery

### RESILIENT FRAMEWORK

- Strong support from Shell
- Financial flexibility to maximize unitholder returns
- Maintaining strength despite market volatility

### DIVERSIFIED PORTFOLIO

- High-quality assets complementing Shell's integrated footprint
- Building scale with drop downs, organic growth and 3rd party acquisitions

### SUSTAINABLE GROWTH

- Strong and ratable cash flows
- Reliable distribution growth
- Access to dynamic runway of Shell's strategic assets

The size and scale of our Sponsor is a key enabler to execute our strategy



# Amberjack: Unique asset, strategically positioned to capture value



## Sustainable Growth

- Growing from 300kbpd to 400kbpd
- Primary growth fueled by Stampede, Big Foot and Claiborne

## Connectivity

- Delivery options along Texas and Louisiana Gulf Coast
- Guarantees Producers flow assurance

## Optionality

- Options to transport 4 different grades of crude
- Provides Shippers ability to leverage arbitrage opportunities

# Gulf of Mexico: We Remain Bullish



## IMPROVING ECONOMICS...

**37%**

Drilling efficiency improved on average since 2014

**Example: Shell's Vito FID**  
\$35 Go-Forward BEP  
100,000 bbls/ d peak production



## SUSTAINABLE GROWTH...



**24 fields** Have come online in the last 4 years

**13%** year-over-year volume growth  
**1.9mboe** expected record production this year

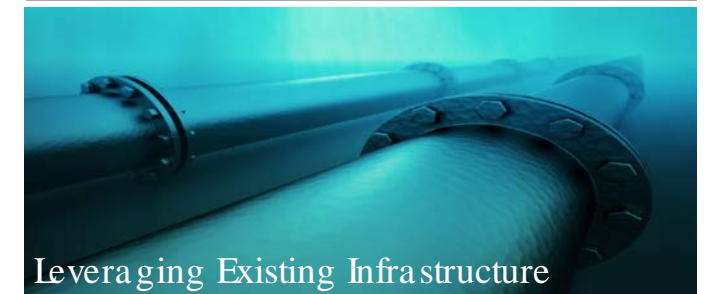
## CONTINUED INVESTMENT...

Key FIDs in last 12 months:

- Shell's Kaikias
- BP's Mad Dog 2
- ILOG's Buckskin
- Shell's Vito

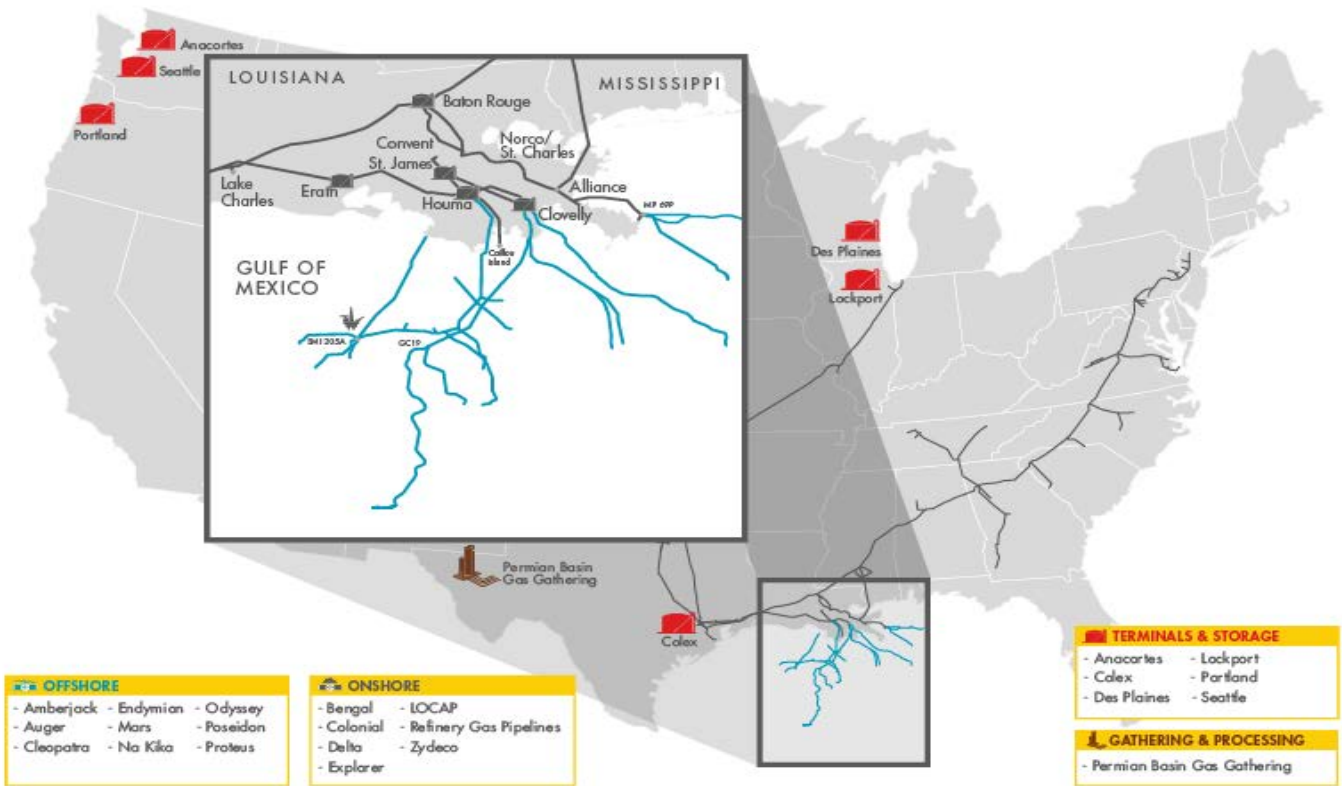
New platforms online or expected to come online in 2018-2020:

- Hess' Stampede
- Chevron's Big Foot
- Shell's Appomattox

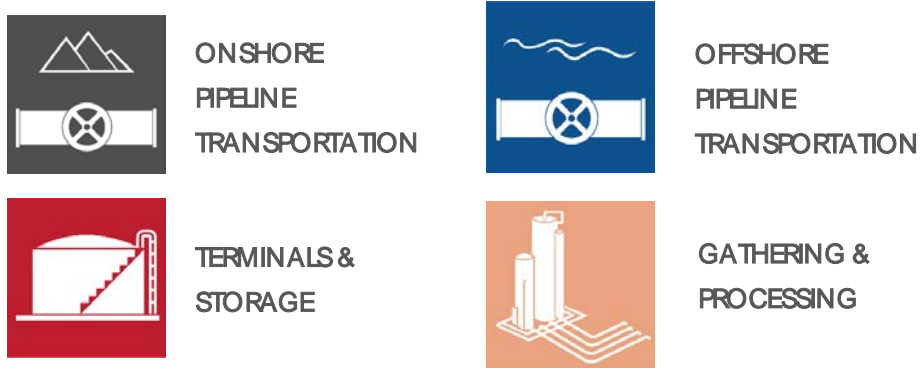


# Building Scale with High Quality Midstream Assets

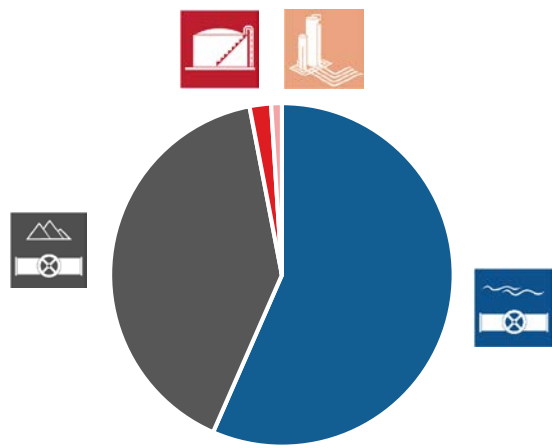
## SHELL MIDSTREAM PARTNERS



## Hydrocarbon Transport and Storage

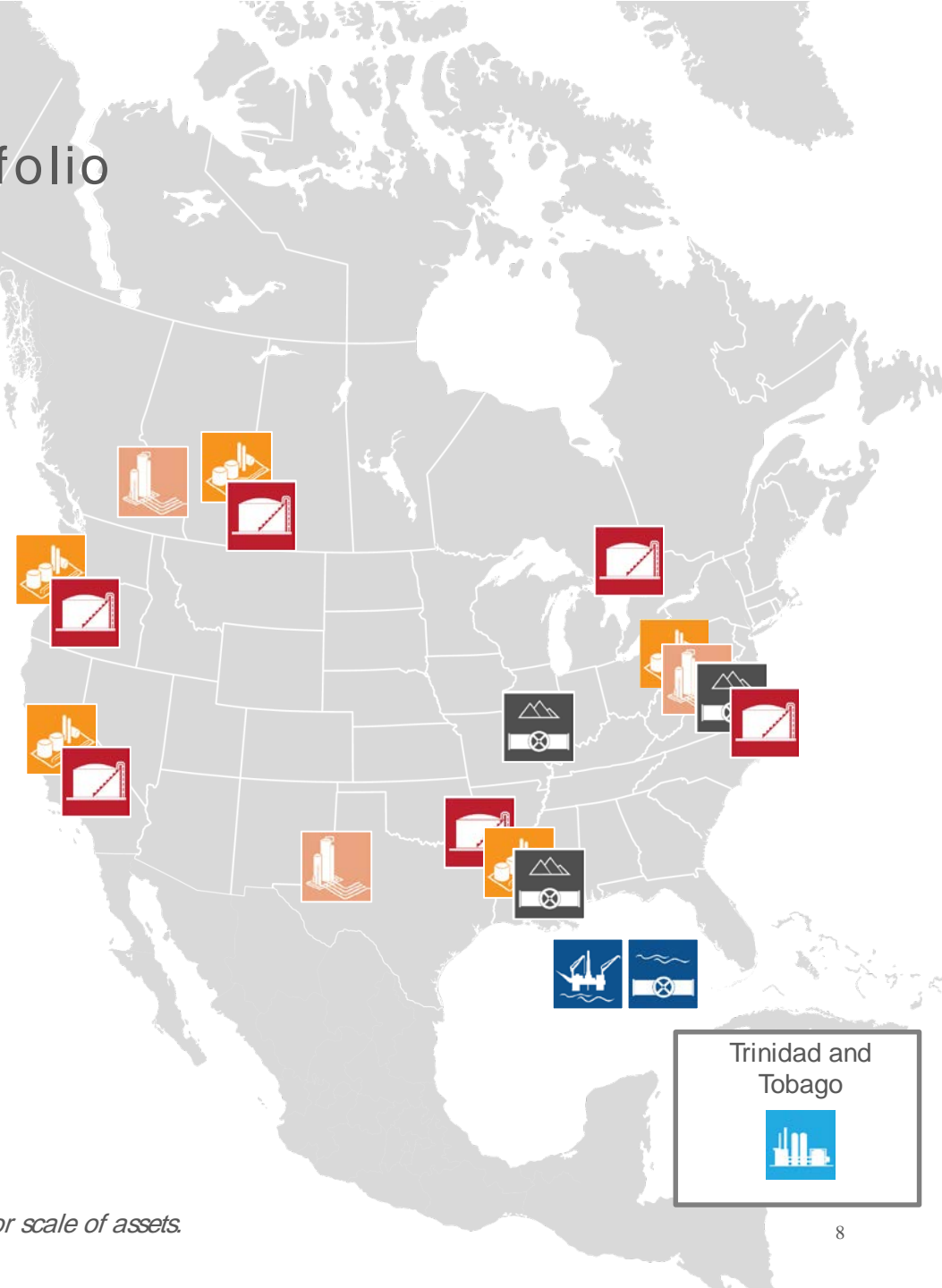
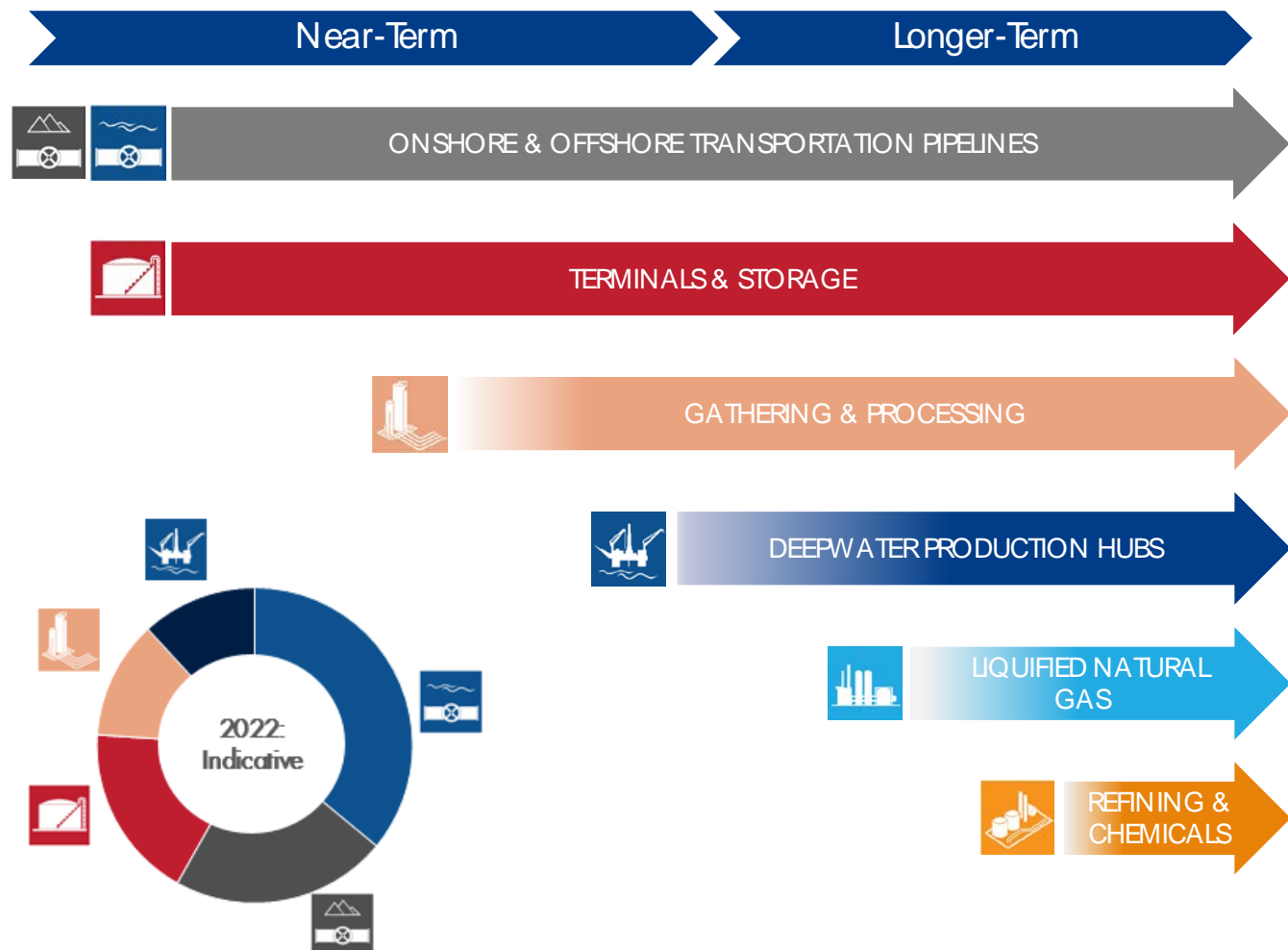


## Run Rate Portfolio Mix



# Sustaining Growth Through a Diversified Portfolio

## Mainstream Midstream as Foundation, Capability to Broaden



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## Questions and Answers

# Q&A





## Appendix 1 – Non-GAAP Financial Measures

*This presentation includes the terms Adjusted EBITDA and cash available for distribution. Adjusted EBITDA and cash available for distribution are non-GAAP supplemental financial measures that management and external users of our consolidated financial statements, such as industry analysts, investors, lenders and rating agencies, may use to assess:*

- our operating performance as compared to other publicly traded partnerships in the midstream energy industry, without regard to historical cost basis or, in the case of Adjusted EBITDA, financing methods;*
- the ability of our business to generate sufficient cash to support our decision 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 Adjusted EBITDA and cash available for distribution provides useful information to management and investors in assessing our financial condition and results of operations. The GAAP measures most directly comparable to Adjusted EBITDA and cash available for distribution are net income and net cash provided by operating activities. These non-GAAP measures should not be considered as alternatives to GAAP net income or net cash provided by operating activities. Adjusted EBITDA and cash available for distribution have important limitations as analytical tools because they exclude some but not all items that affect net income and net cash provided by operating activities. They should not be considered in isolation or as substitutes for analysis of our results as reported under GAAP. Additionally, because Adjusted EBITDA and cash available for distribution may be defined differently by other companies in our industry, our definition of Adjusted EBITDA and cash available for distribution may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.*

*References in this presentation to Adjusted EBITDA refer to net income before income taxes, net interest expense, gain or loss from disposition of fixed assets, allowance oil reduction to net realizable value, and depreciation, accretion and amortization, plus cash distributed to Shell Midstream Partners, L.P. from equity investments for the applicable period, less income from equity investments. We define Adjusted EBITDA attributable to Shell Midstream Partners, L.P. as Adjusted EBITDA less Adjusted EBITDA attributable to noncontrolling interests and Adjusted EBITDA attributable to Parent. References to cash available for distribution refer to Adjusted EBITDA attributable to Shell Midstream Partners, L.P., less maintenance capital expenditures attributable to Shell Midstream Partners, net interest paid, cash reserves and income taxes paid, plus net adjustments from volume deficiency payments attributable to Shell Midstream Partners, L.P. and certain one-time payments not received in net income. Cash available for distribution will not reflect changes in working capital balances.*

