BLUEKNIGHT
ENERGY PARTNERS

MAY 2018

Investor Presentation

The smart move for terminalling and transportation

Legal Disclaimer

Forward-Looking Statements

This presentation includes forward-looking statements. Statements included in this presentation that are not historical facts (including, without limitation, any statements about future financial and operating results, guidance, projected or forecasted financial results, objectives, project timing, expectations and intentions and other statements that are not historical facts) are forward-looking statements. Such forward-looking statements are subject to various risks and uncertainties. These risks and uncertainties include, among other things, the Partnership's ability to pay future distributions, uncertainties relating to the Partnership's debt levels and restrictions in its credit facility, its exposure to the credit risk of our third-party customers, the Partnership's future cash flows and operations, future market conditions, current and future governmental regulation, future taxation and other factors discussed in the Partnership's filings with the Securities and Exchange Commission. If any of these risks or uncertainties materializes, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those expected. The Partnership undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

This presentation contains the non-GAAP financial measures of adjusted EBITDA, distributable cash flow and total operating margin, excluding depreciation and amortization. Adjusted EBITDA is defined as earnings before interest, income taxes, depreciation, amortization, non-cash equity-based compensation, asset impairment charges, gains related to investments and fees related to the Ergon transactions. Distributable cash flow is defined as adjusted EBITDA, minus cash proceeds from sale of investments, cash paid for interest, maintenance capital expenditures, cash paid for taxes, and cash paid for fees related to the Ergon transactions. Operating margin, excluding depreciation and amortization, is defined as revenues from related parties and external customers less operating expenses, excluding depreciation and amortization. The use of adjusted EBITDA, distributable cash flow and total operating margin, excluding depreciation and amortization, should not be considered as alternatives to GAAP measures such as operating income, net income or cash flows from operating activities. Adjusted EBITDA, distributable cash flow and total operating margin, excluding depreciation and amortization are presented because the Partnership believes they provide additional information with respect to its business activities and are used as supplemental financial measures by management and external users of the Partnership's financial statements, such as investors, commercial banks and others, to assess, among other things, the Partnership's operating performance and return on capital as compared to those of other companies in the midstream energy sector, without regard to financing or capital structure.

Blueknight does not provide GAAP financial measures, including reconciliations, on a forward-looking basis because the partnership is unable to predict with reasonable certainty impairments, depreciation and amortization, non-cash equity based compensation, gains and losses related to investments and derivative activities, the ultimate outcome of legal proceedings, unusual gains and losses and acquisition related expenses.

Discussion Points

- Who We Are
- Our Sponsor
- Recent Developments
- Business Description
- Strategy and Growth Opportunities
- Financials

Blueknight Energy Partners, L.P. (BKEP) is a publicly traded master limited partnership

Who We Are

- Established in 2007; headquartered in Oklahoma City, OK
- General Partner owned by an affiliate of Ergon, Inc., since October 2016
- Diversified, strategically located assets in 26 states make us a leading provider of product terminalling and transportation solutions for infrastructure and energy customers
- Common units and preferred units listed on the NASDAQ Global Market under the symbols “BKEP” and “BKEPP,” respectively

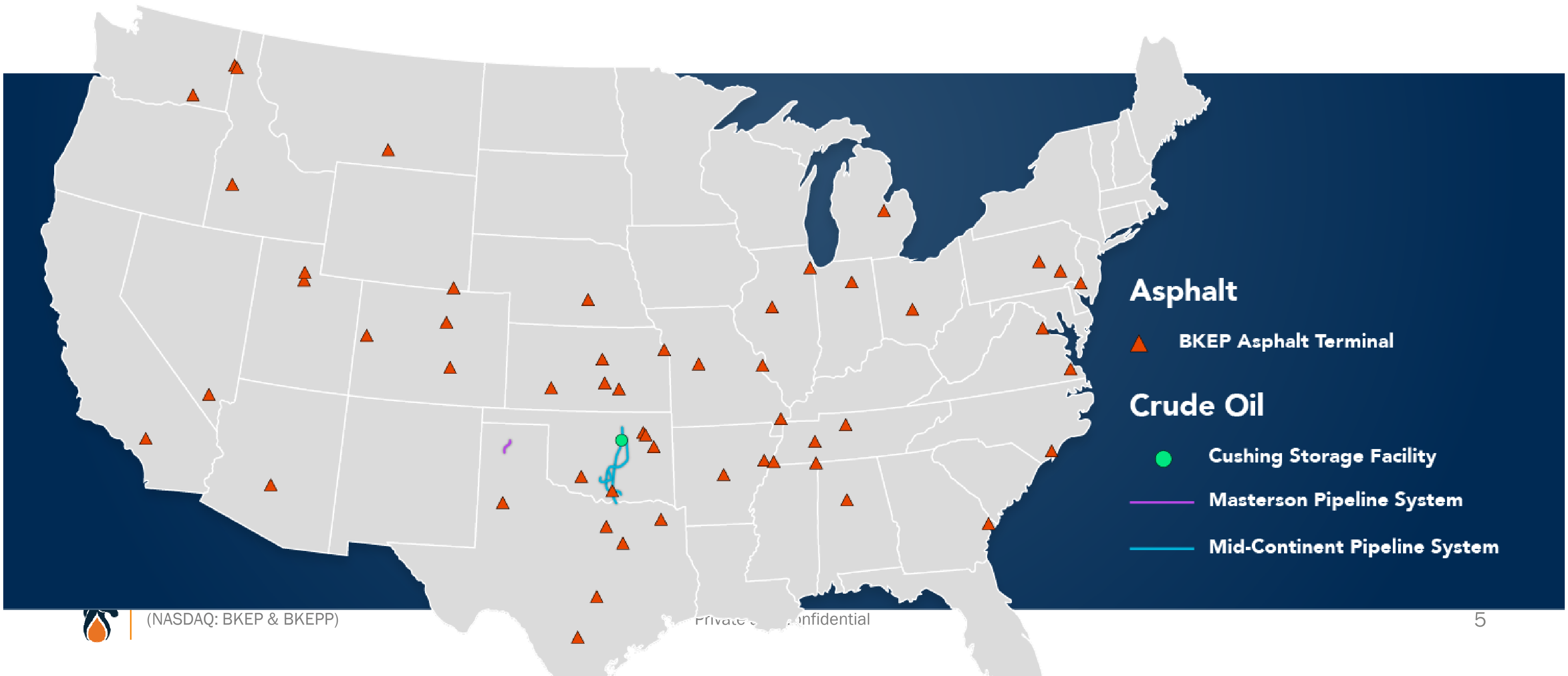
Diversified Operations

Asphalt Terminalling Services

Liquid Asphalt Storage, Processing & Blending

Crude Oil Terminalling and Transportation Services

Crude Oil Storage, Processing & Blending
Crude Oil Pipeline Transportation
Crude Oil Trucking



ERGON

Ergon, Inc. is a leading energy company with over six decades of experience

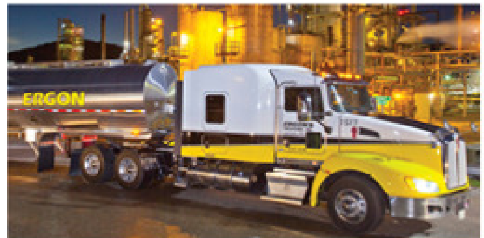
Our Sponsor

- Private, family-owned company
- Formed in 1954; based in Jackson, MS
- Presence in 12 countries worldwide; employs over 2,500 workers globally
- One of the largest marketers of asphalt products in the U.S.
- BKEP customer since 2009
- Owns 100% of the General Partner and 27.9% of the LP interest

Ergon Overview

Refining & Marketing

Ergon Refining, Inc. and Subsidiaries
Ergon - West Virginia, Inc.
Ergon Oil Purchasing, Inc.
Ergon BioSciences, Inc. and Subsidiary
Process Oils, Inc.



Transportation & Terminaling

Ergon Terminaling, Inc. and Subsidiaries
Ergon Trucking, Inc.
Magnolia Marine Transport Company

Asphalt & Emulsions

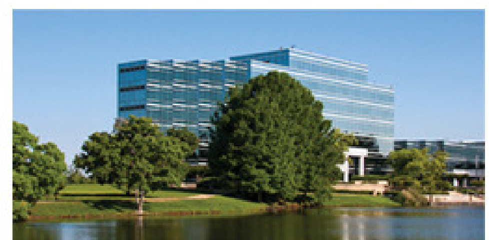
Ergon Asphalt & Emulsions, Inc.
and Subsidiaries
Crafco, Inc. and Subsidiary
Telfer Pavement Technologies, LLC
Blueknight Energy Partners, L.P.

Oil & Gas

Lampton-Love, Inc. and Subsidiaries
Ergon Marine & Industrial Supply, Inc.
and Subsidiary
Ergon Exploration & Production Group

Real Estate

Ergon Properties, Inc. and Subsidiaries
Mirror Lake Building, LLC



Corporate & Other

Ergon, Inc.

Recent Developments

Recent Developments

Announced joint venture development of a new pipeline servicing Oklahoma's STACK production area, the Cimarron Express

- Joint venture will be initially owned 50/50 by Kingfisher Midstream (subsidiary of Alta Mesa Resources) and Ergon, owner of BKEP's General Partner
- Pipeline will run from Kingfisher County, OK to BKEP's Cushing, OK crude oil terminal
- Backed by a long-term acreage dedication from Alta Mesa Resources
- Expected completion in mid-2019

Announced distribution policy and potential asset sales

- Approximate 30% decrease to the common unit distribution effective Q2, in addition to potential sales of assets to enhance financial flexibility and reduce leverage

Business Description

Asphalt Terminalling Services

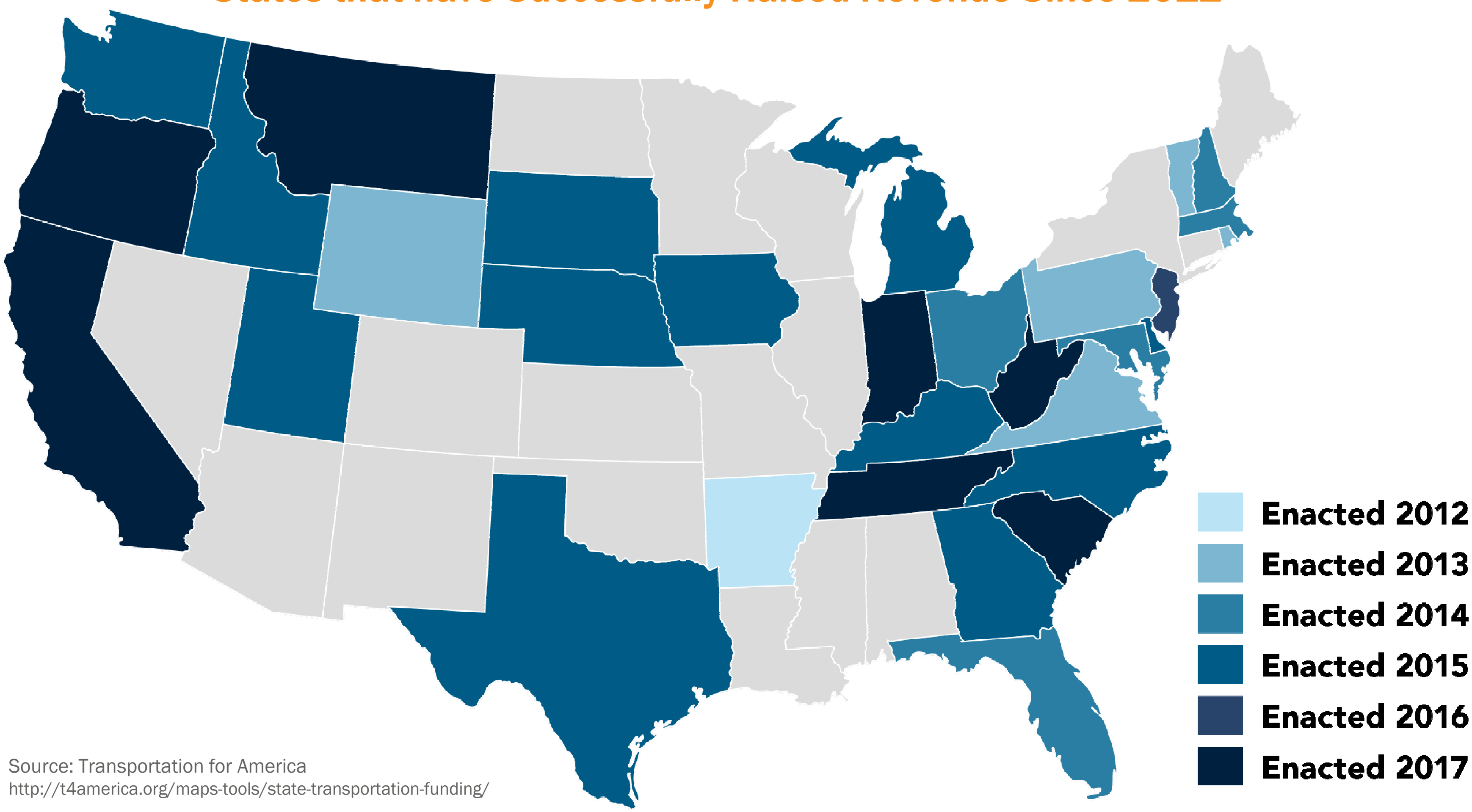
- Largest independently owned asphalt terminal network
- 10.4 million barrels of asphalt and residual fuel oil storage
- 56 terminals across 26 states
- Comprised 80% of operating margin for 2017
- Multiple loading/unloading options:
  - Truck
  - Marine
  - Rail
- Operated and non-operated facilities

Asphalt Terminalling Services

Characteristics of Contracts	
Rate Structure	Base fee/month plus incremental revenue if customer exceeds minimum take-or-pay volumes
Term	5–10 years
Annual CPI adjustment	Yes
Customer/Facility	Typically one, as products are proprietary
Barrier to entry	High
Types of Customers	Logistics/Strategic

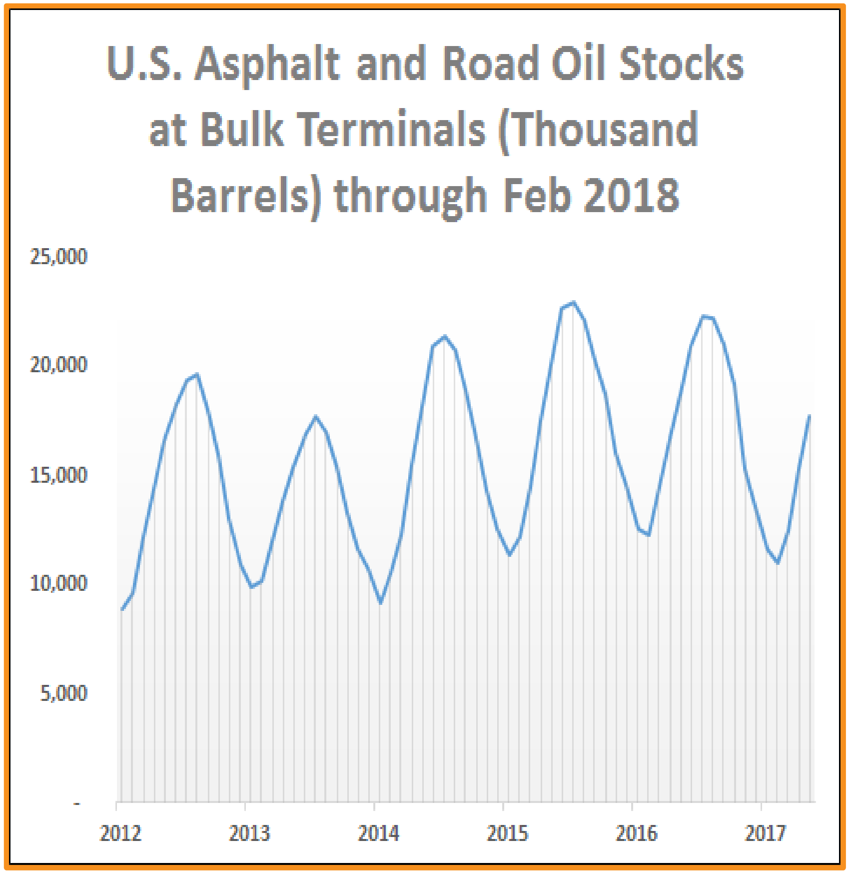
State Highway and Infrastructure Funding Trends

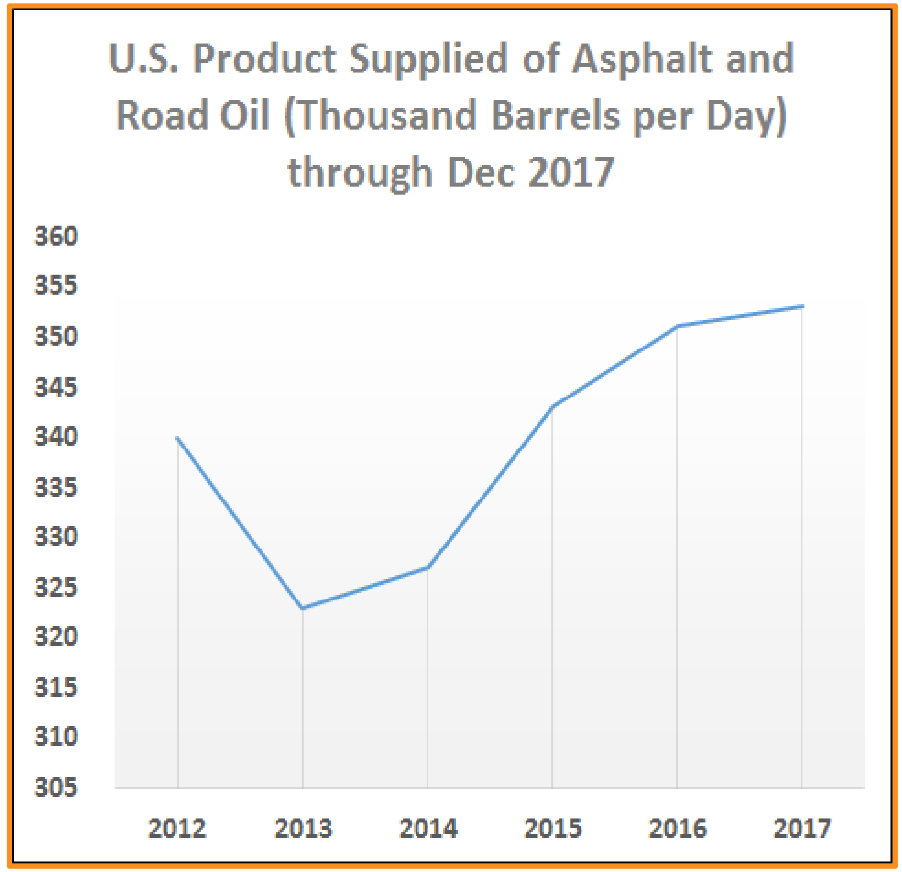
States that have Successfully Raised Revenue Since 2012



Source: Transportation for America
http://t4america.org/maps-tools/state-transportation-funding/

U.S. Asphalt Storage and Supply Trends

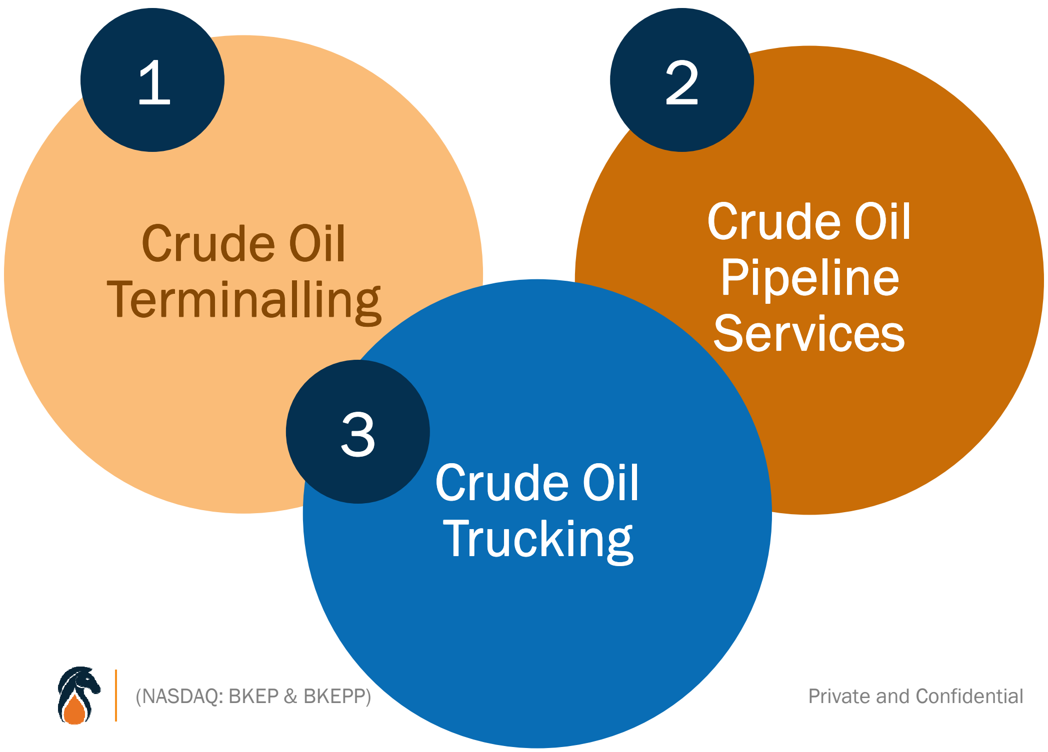




Source: U.S. Energy Information Administration

Crude Oil Terminalling, Pipeline and Transportation Services

Comprised of three segments:



Crude Oil Terminalling Services

6.6 million barrels of storage at Cushing Interchange

Crude Oil Pipeline Services

Total Length: 655 miles

Two primary Oklahoma transportation pipelines and one smaller West Texas gathering system

Crude Oil Trucking Services

Approximately 65 crude transport trucks

Crude oil transportation focused on Oklahoma pipeline assets

Crude Oil Terminalling Services

Cushing Interchange

- 34 tanks with 6.6 million barrels of storage
- Connectivity and access to all Cushing terminals
- Capable of receiving and/or delivering 350,000 bpd
- Excellent blending capabilities
- Terminal has been consistently fully contracted; however, the recent change in the forward price curve from contango to backwardation is presenting near-term head winds to rates and re-contracting efforts

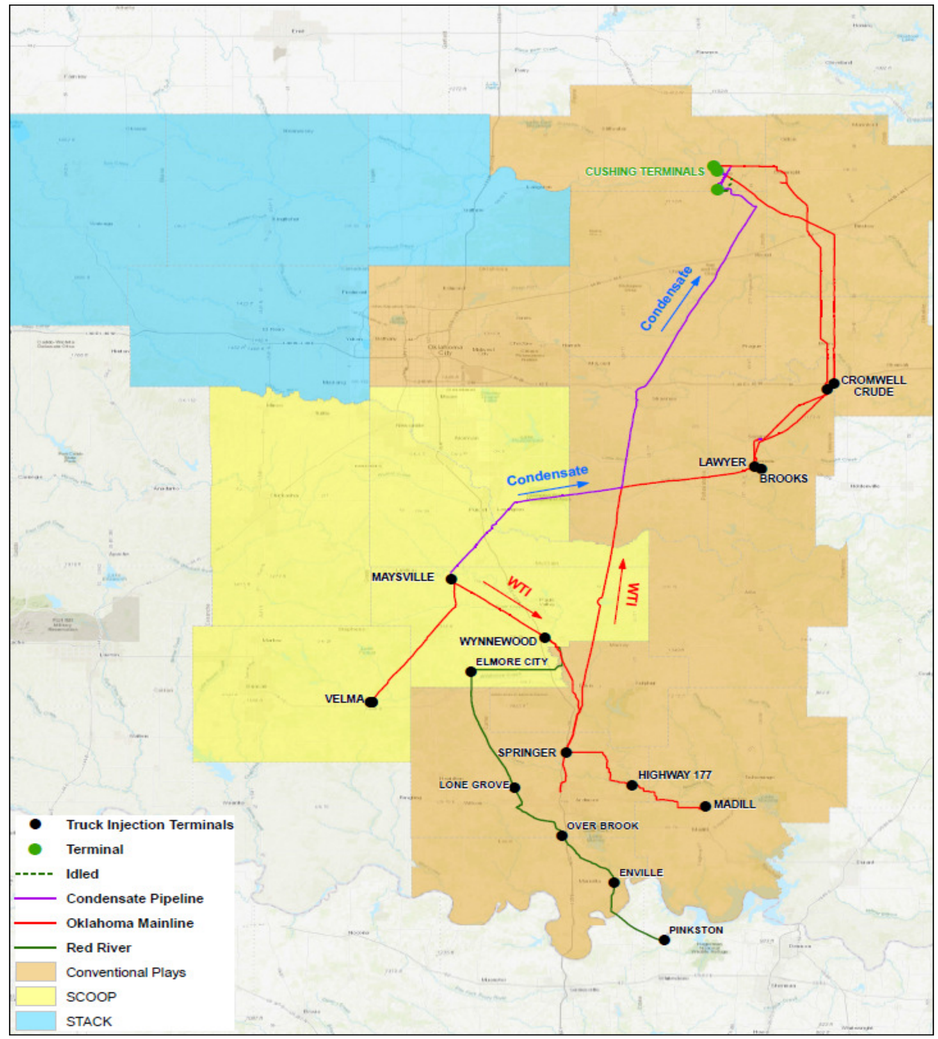
Third-Party Terminal Operations

- 1 million barrels of storage operated for TransMontaigne in Cushing, OK

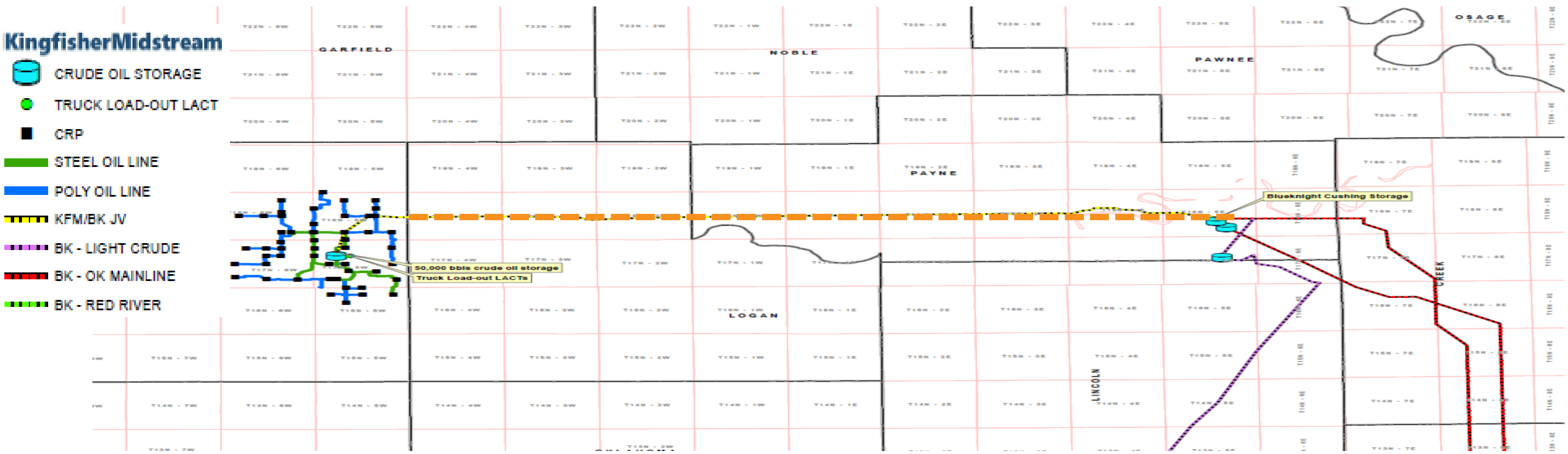
Oklahoma Crude Oil Pipelines

Oklahoma Pipelines

- Long-term minimum take-or-pay contract with XTO
- Capable of transporting approximately 50,000 bpd
- Light crude pipeline expected to be in service in mid-2018
- Recent STACK pipeline joint venture announcement



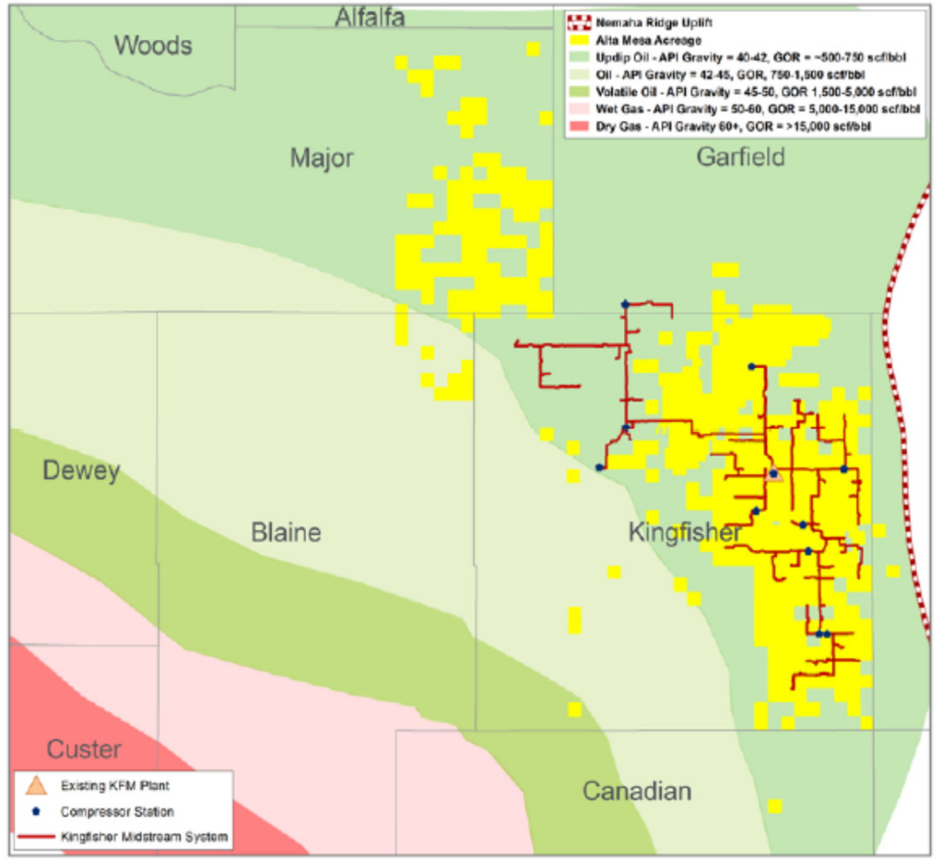
Cimarron Express Pipeline



- On May 10, 2018, Kingfisher Midstream, together with Ergon and BKEP, announced the formation of a joint venture, Cimarron Express Pipeline, LLC (“Cimarron Express”)
- Joint venture will be initially owned 50/50 by Kingfisher Midstream (subsidiary of Alta Mesa Resources) and Ergon, owner of BKEP’s General Partner
- 16-inch diameter newly-constructed pipeline will run from Kingfisher County, OK to BKEP’s Cushing, OK crude oil terminal
- Backed by a long-term acreage dedication from Alta Mesa Resources
- BKEP will manage the construction of and operate the pipeline
- Expected completion in mid-2019

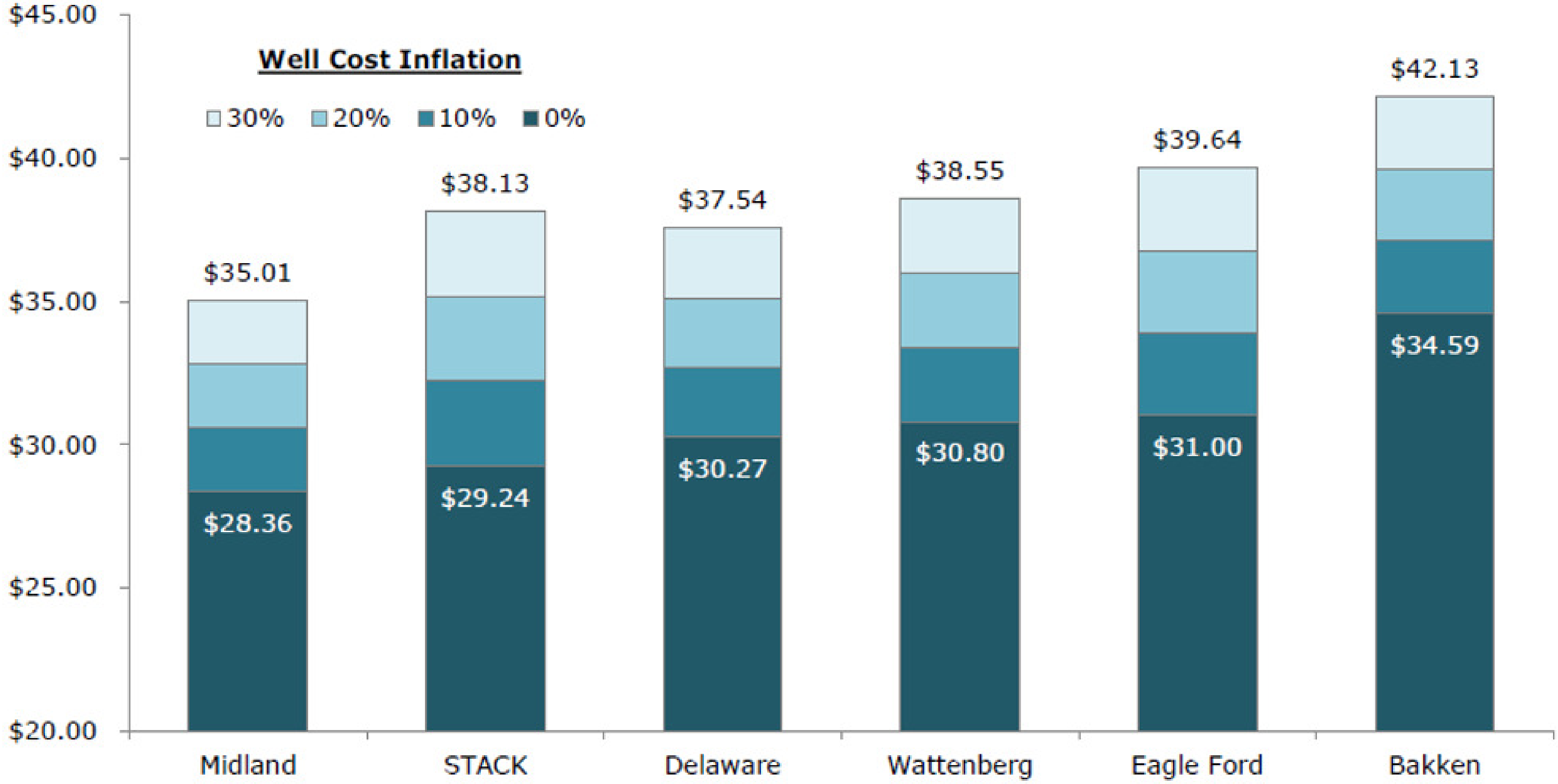
Alta Mesa Resources Overview

Market Capitalization[1]	~$3.1bn
Enterprise Value[1]	~$3.4bn
Upstream Metrics	
Net STACK Surface Acres[2]	~130,000
Q1 Net Production (BOE/D)	24,000
Q1 % Oil / % Liquids	53% / 70%
Single-well IRRs (Individual / Corporate)[3]	80% / 98%
Operated STACK Hz. Wells Drilled[4]	306
Current rig count	8
Kingfisher Midstream Metrics	
Gas Processing Capacity	350[5] MMCF/D
Q1 Inlet Volumes	101 MMCF/D
Pipelines	400+ miles
Dedicated Acreage	~300,000 gross acres
Oil Storage Capacity	50,000 BBL



[1] Equity share price as of March 29, 2018 close, the last trading day in the quarter, using aggregate Class A and Class C share count of 382,774,730
[2] Acreage as of 5/8/2018
[3] Mean IRR based on NYMEX close at 5/8/2018, calculated over economic life of wells
[4] Horizontal wells drilled as of 5/8/2018
[5] Includes existing 90 MMCF/D offtake processing

Declining Breakeven Prices Driven By Efficiencies

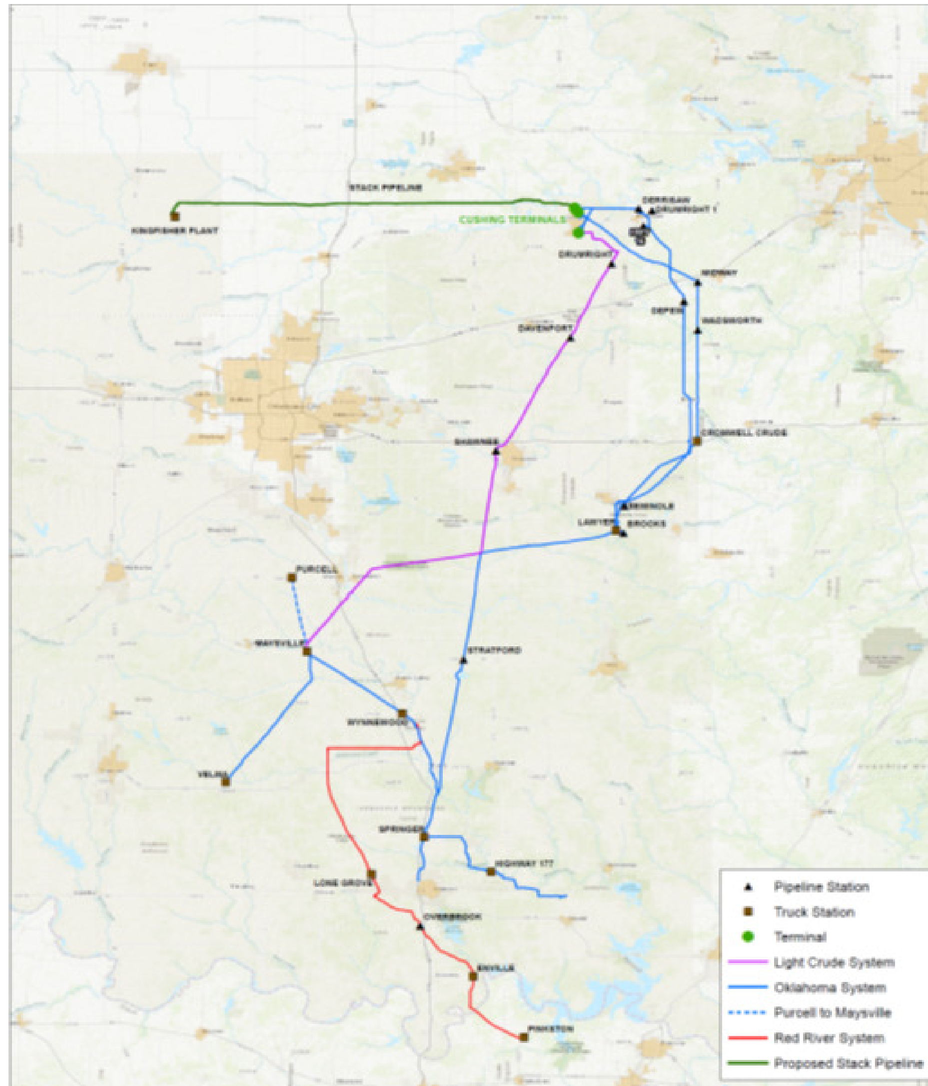


Source: Wells Fargo Securities, LLC estimates

Future Oklahoma Crude Pipeline Footprint

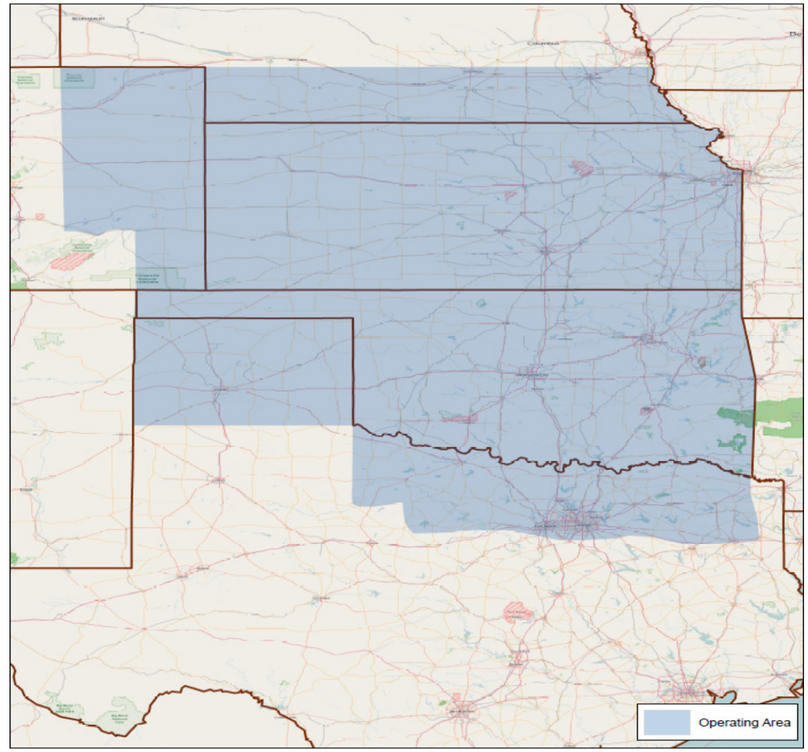
Cimarron Express Pipeline Plus Existing BKEP Oklahoma Pipelines

- Over 700 miles of pipelines serving the SCOOP, STACK, Merge and southern Oklahoma
- Approximately 200,000 - 250,000 BPD of capacity all feeding BKEP's Cushing facility
- Transporting multiple segregated grades of crude will allow maximum producer netbacks and blending opportunities at the destination
- Will be run by BKEP as an integrated business utilizing our terminal, pipelines and trucking operations



Crude Oil Trucking Services

- 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 65 tanker trucks serving production in Kansas, Oklahoma and Texas
- Transported more than 25,000 bpd, on average, during 2017



Strategy & Growth Opportunities

Strategy and Growth Opportunities

Recent activity focused on strengthening our core businesses

- Completed approximately $181.5 million of acquisitions since May 2015

Acquisitions	Divestitures
May 2015 Asphalt product terminal in Cheyenne, WY	January 2017 Divested of Advantage Pipeline investment
November 2015 Red River crude oil pipeline system	April 2017 Sold East Texas pipeline and terminal assets
February 2016 Asphalt product terminals in Wilmington, NC and Dumfries, VA	April 2018 Sold Producer Field Services business
October 2016 Nine asphalt product terminals from Ergon	
December 2017 Asphalt product terminal in Bainbridge, GA	
March 2018 Asphalt product terminal in Muskogee, OK	

Strategy and Growth Opportunities

Blueknight's strategy is to grow two core businesses while maintaining a strong balance sheet

Asphalt Terminalling Services

- Increased asphalt operating margin 57.7% over the last five years
- Continue pursuit of additional acquisitions
- Continue development of new build project

Crude Oil Terminalling and Transportation

- Restart second Oklahoma crude oil line in July
- Continue efforts to fully lease Cushing terminal
- Construct Stack pipeline and acquire JV ownership
- Maximize value through integrated operation of assets

Financial Overview

Consistent Cash Flow Generation

How our highly-contracted, fee-based business drives high-growth potential

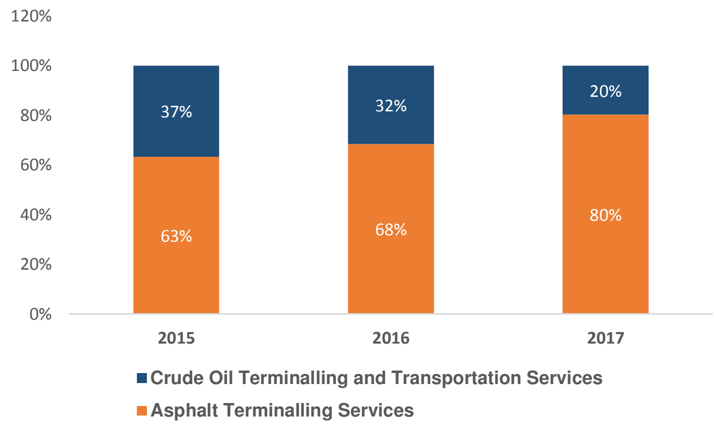
- Over 79.3% of operating margin, excluding depreciation and amortization, is contracted
- Asphalt terminalling segment provides minimum fees with annual escalations
- Crude oil terminalling segment provides multi-year take-or-pay contracts
- Crude oil pipeline segment provides minimum take-or-pay agreements

Segment	Contracted Take-or-Pay Fixed Fee	Fixed Rate Variable Volume Fee
Asphalt terminalling services (62.4% Total Revenue)	89.8%	10.2%
Crude oil terminalling services (12.2% Total Revenue)	93.7%	6.3%
Crude oil pipeline services (11.5% Total Revenue)	22.5%	77.5%
Crude oil trucking and producer field services (13.9% Total Revenue)	0.0%	100%

Note: Percentages are based on the year ended 12/31/17 revenues and operating margin, excluding depreciation and amortization

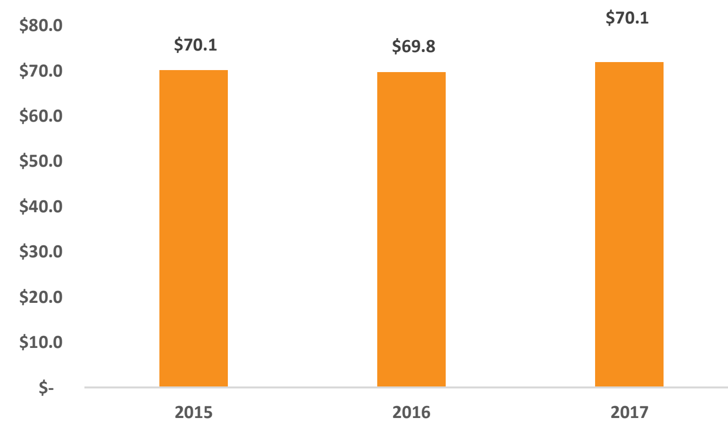
Consistent Financial Performance

Consolidated Operating Margin
(excluding depreciation and amortization)



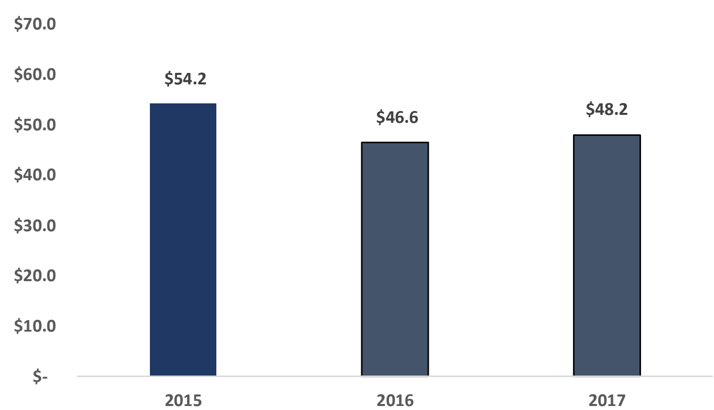
Adjusted EBITDA

($ in millions)

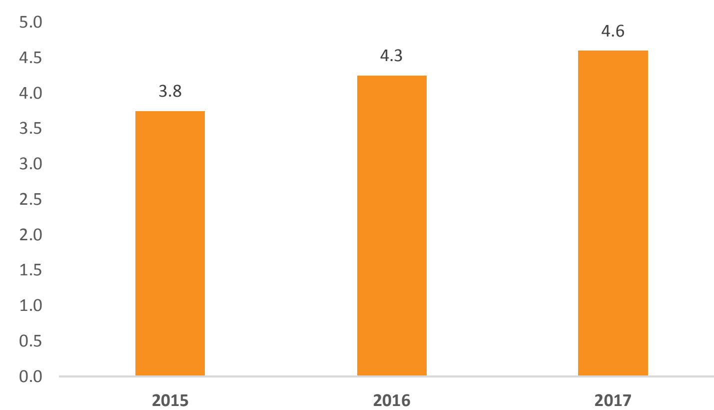


Distributable Cash Flows

($ in millions)



Leverage Ratio



Financial Targets

Target Leverage

- Decrease leverage to under 4.0x
- Target 3.5x over long-term

Distribution Policy

- Maintain 1.0x to 1.1x distribution coverage over long-term
- Keep conservative approach to distributions

Maintain Liquidity

- Targeted asset sales of at least $50 million in near term
- Expected common unit dividend reduction of approximately 30% beginning Q2 18.

Appendix

Reconciliation of Adjusted EBITDA and Distributable Cash Flow to Net Income

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

($ in thousands)	Twelve Months Ended December 31,			Three Months Ended March 31,	
	2015	2016	2017	2017	2018
Net Income	$ 6,396	$ (4,840)	$ 20,045	$ 3,542	$ 4,442
Interest expense	11,202	12,554	14,027	3,030	3,569
Income taxes	323	260	166	46	29
Depreciation and amortization	27,228	30,820	31,139	8,066	7,367
Asset impairment expense	22,404	25,761	2,400	28	616
Non-cash equity-based compensation	2,825	3,417	2,280	500	501
Gain related to investments	(267)	0	-	-	-
Fees related to the Ergon transaction	-	1,783	-	-	-
Adjusted EBITDA	**$ 70,111**	**$ 69,755**	**$ 70,057**	**$ 15,212**	**$ 16,524**
Cash proceeds from sale of investments	2,346	-	-	-	-
Cash interest expense	(9,915)	(12,404)	(13,732)	(3,563)	(3,673)
Cash paid for income taxes	(412)	(282)	(158)	-	-
Maintenance capital expenditures, net of reimbursable expenditures	(7,882)	(8,724)	(7,936)	(1,318)	(1,593)
Cash paid for fees related to the Ergon transaction	-	(1,783)	-	-	-
Distributable Cash Flow	**$ 54,248**	**$ 46,562**	**$ 48,231**	**$ 10,331**	**$ 11,258**
Distribution declared (1)	$ 42,019	$ 46,390	$ 49,499	$ 12,229	$ 12,652
Distribution coverage ratio	1.3	1.0	1.0	0.8	0.9

1) inclusive of preferred and common unit declared cash distributions

Key Credit Statistics					
Leverage ratio (2)	3.8x	4.2x	4.6x	4.3x	4.9x
Interest coverage ratio (3)	6.5x	6.1x	4.8x	5.8x	4.8x

(2) Leverage ratio - ratio of consolidated total debt to consolidated earnings before interest, taxes, depreciation, amortization and certain other non-cash charges
(3) Interest coverage ratio - ratio of consolidated earnings before interest, taxes, depreciation, amortization and certain other non-cash charges to consolidated interest expense

Operating Margin and Reconciliation to Operating Income

Operating Results (in thousands)	2015	2016	2017	Three Months Ended March 31, 2017	Three Months Ended March 31, 2018	Variance Favorable/ (unfavorable) $	Variance Favorable/ (unfavorable) %
Operating margin, excluding depreciation and amortization							
Asphalt terminalling services operating margin	$ 48,212	$ 56,769	$ 64,623	$ 14,236	$ 15,280	$ 1,044	7%
Crude oil terminalling services operating margin	18,842	20,048	17,977	5,114	3,325	(1,789)	(35%)
Crude oil pipeline services operating margin	7,694	4,347	(1,700)	14	(60)	(74)	(529%)
Crude oil trucking and producer field services operating margin	1,304	1,829	(434)	(3)	(290)	(287)	(9,567%)
Total operating margin, excluding depreciation and amortization	$ 76,052	$ 82,993	$ 80,466	$ 19,361	$ 18,255	$ (1,106)	(6%)
Depreciation and amortization	(27,228)	(30,820)	(31,139)	(8,066)	(7,367)	699	9%
General and administrative expense	(18,976)	(20,029)	(17,112)	(4,585)	(4,221)	364	8%
Asset impairment expense	(21,996)	(25,761)	(2,400)	(28)	(616)	(588)	-2100%
Gain/(Loss) on sale of assets	6,137	108	(975)	(125)	(236)	(111)	(89%)
Operating income	$ 13,989	$ 6,491	$ 28,840	$ 6,557	$ 5,815	$ (742)	(11%)