



Mineral and Royalty Conference

April 23, 2019



BLACK STONE
MINERALS

www.blackstoneminerals.com | NYSE: BSM

Forward-Looking Statements



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Black Stone Minerals at a Glance



BSM

LISTED

NYSE

- ▲ Black Stone Minerals, L.P. is the largest pure-play oil and gas mineral and royalty owner in the United States
- ▲ Over 20 million mineral and royalty acres (7.4 million net) with interests in 41 states and 64 producing basins

Enterprise Value¹

~\$4.4 B

Current Yield²

~8.2% (Distribution)
~10.5% (DCF)

4Q18 Production

49.7 Mboe/d

Inside Ownership

> 25% Insiders
> 80% Legacy Owners

1) Adjusted enterprise value includes pref. equity and assumes conversion of 100% of subordinated units into common units; unit price of \$18.01 per unit on April 18, 2019
2) Distribution yield calculated by annualizing the common distribution for 4Q18 of \$0.37 per unit and DCF yield calculated by annualizing DCF per unit for 4Q18 of \$0.4715; respective yields calculated using the unit price of \$18.01 on April 18, 2019

2018 Year in Review



		2017	2018
Total Production (MBoe/d)	↑ ~25%	37.0	46.3
Royalty Production (MBoe/d)	↑ ~45%	22.1	32.1
Adjusted EBITDA (\$MM)	↑ ~35%	\$310	\$419
Distributable Cash Flow (\$MM)	↑ ~35%	\$273	\$368
Common Distribution (\$ per unit)	↑ ~13%	\$1.23	\$1.39

Generating Returns to Shareholders



▲ Long history of returning cash to equity holders

- ▲ >8% cash yield supported by growing free cash flows
- ▲ >\$3 billion returned to investors through distributions over the past 20 years
- ▲ ~3x return on invested capital to date¹

▲ Consistent return performance across commodity cycles



1) Return on Investment (ROI) calculated as (Cumulative Distributions + Adj. BSM Market Cap) / Capital Raised through April 18, 2019

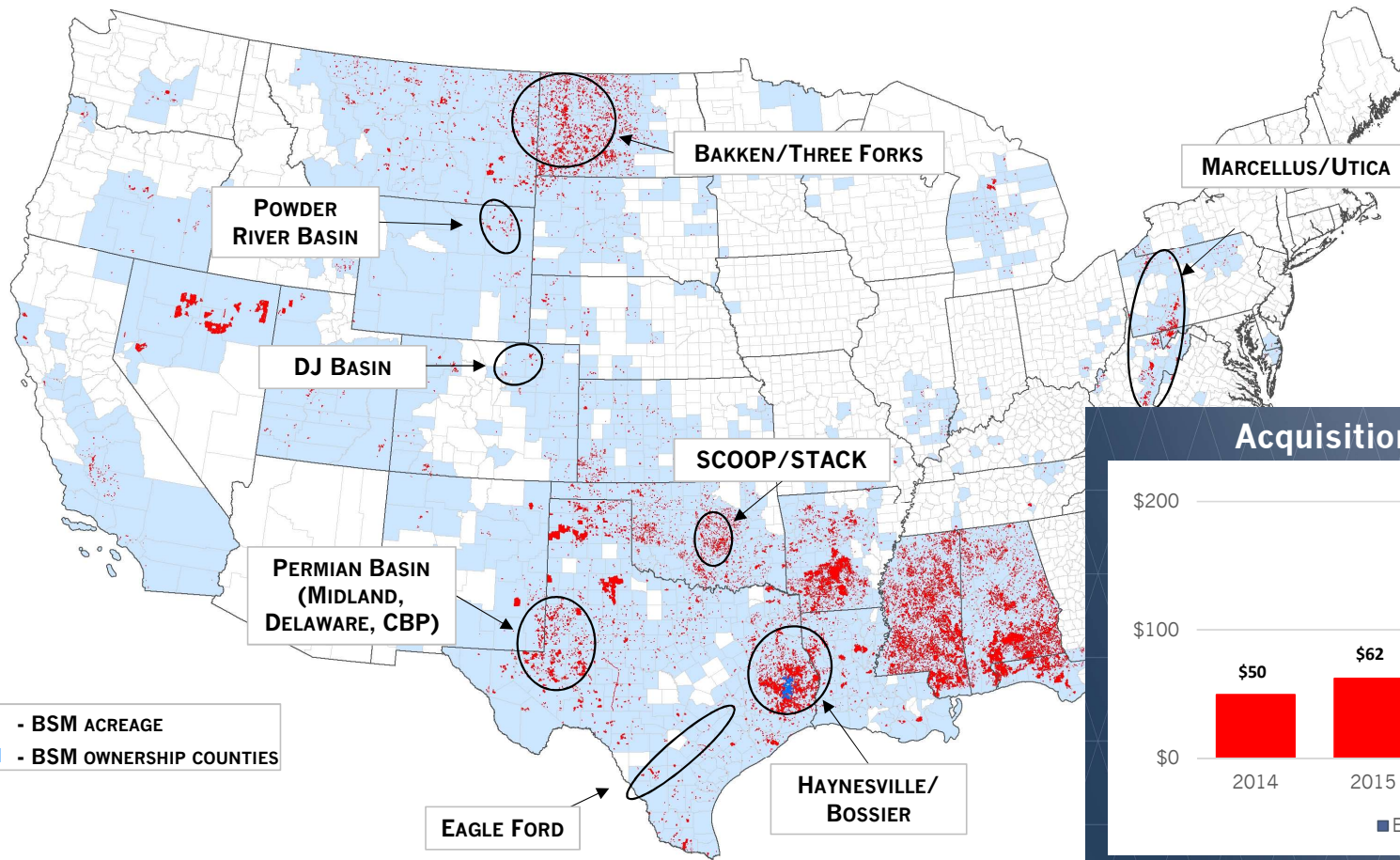
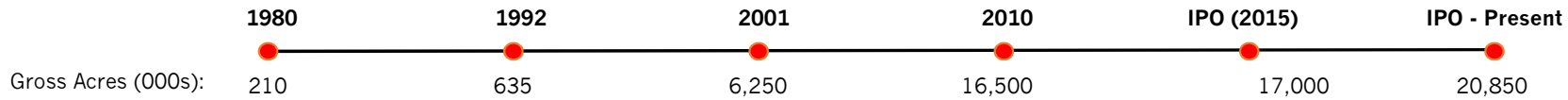
2) Peers group consists of VNOM and KRP; ROACE calculated as the annualized quotient of quarterly EBIT (Adjusted EBITDA less DD&A) divided by average capital employed during the period; capital employed is defined as the sum of long-term debt, preferred equity, and equity as reported on consolidated quarterly balance sheets

The Black Stone Business Model

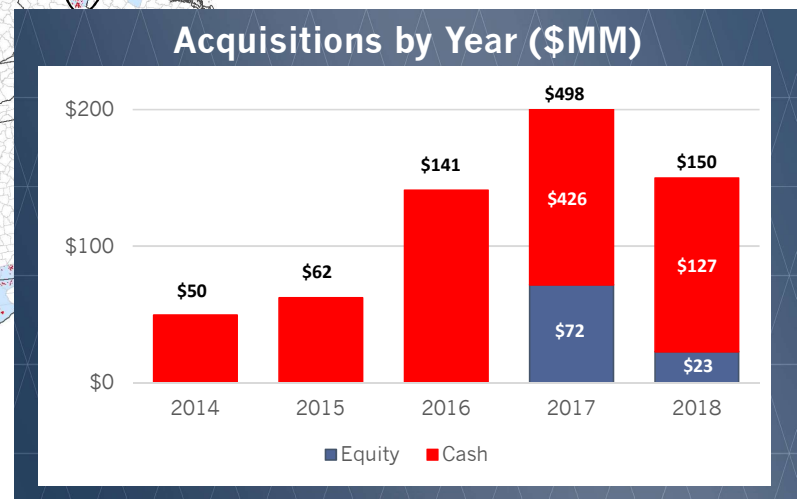


- 1 Continue to enhance scale with an emphasis on building up core positions
- 2 Unlock value of acquired properties through in-house Land, Engineering and Geology groups
- 3 Maintain low leverage levels and ample liquidity to capitalize on acquisition opportunities

Acquisitions Over Time



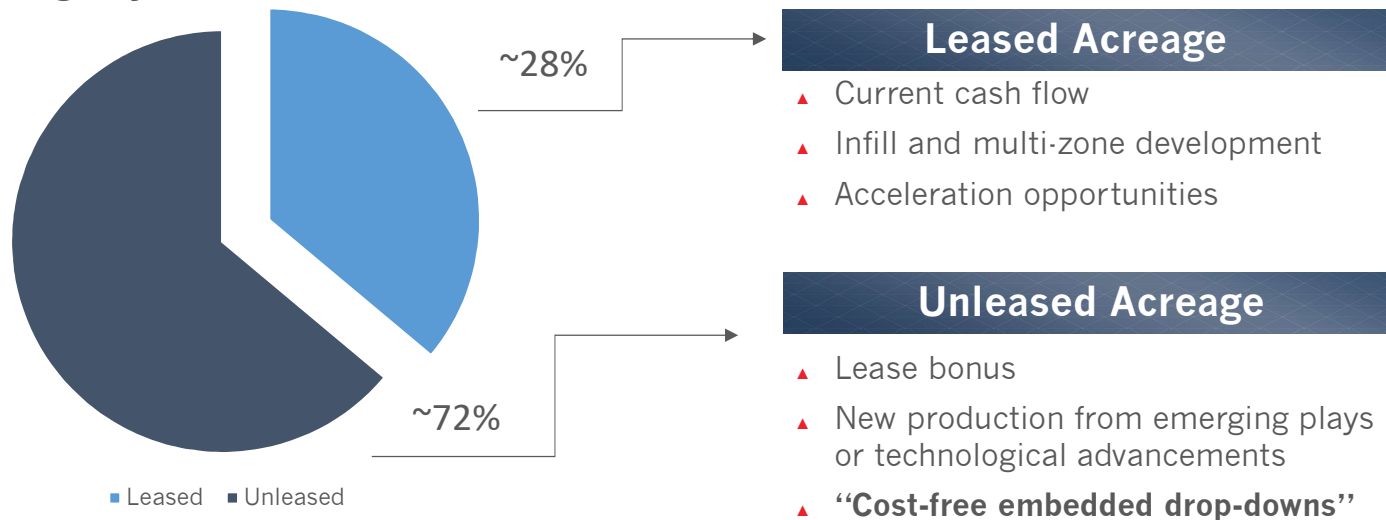
■ - BSM ACREAGE
■ - BSM OWNERSHIP COUNTIES



▲ 20 million gross acres (7.4 million net) of opportunity leads to organic growth with no incremental capital requirements

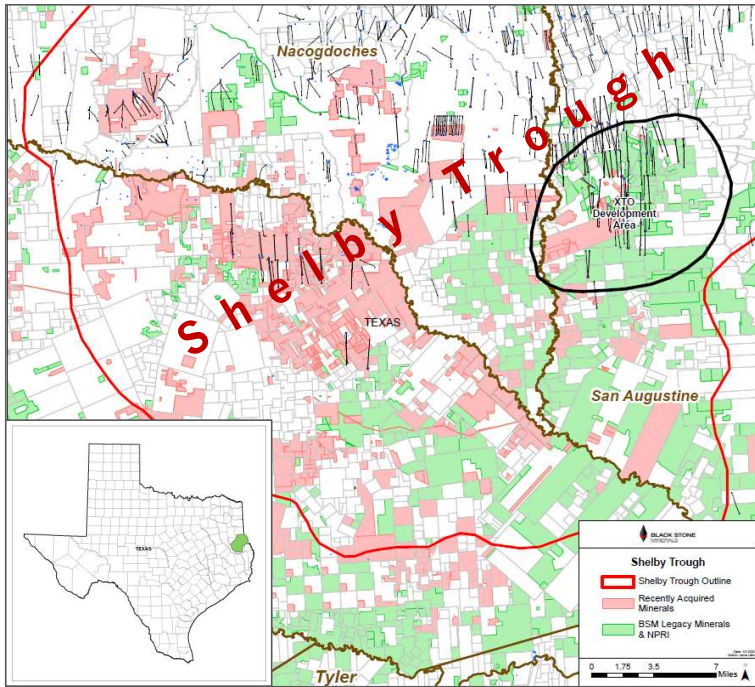
- ▲ Black Stone's team of landmen, engineers and geologists actively promote its acreage to industry operators

BSM Acreage by Status¹



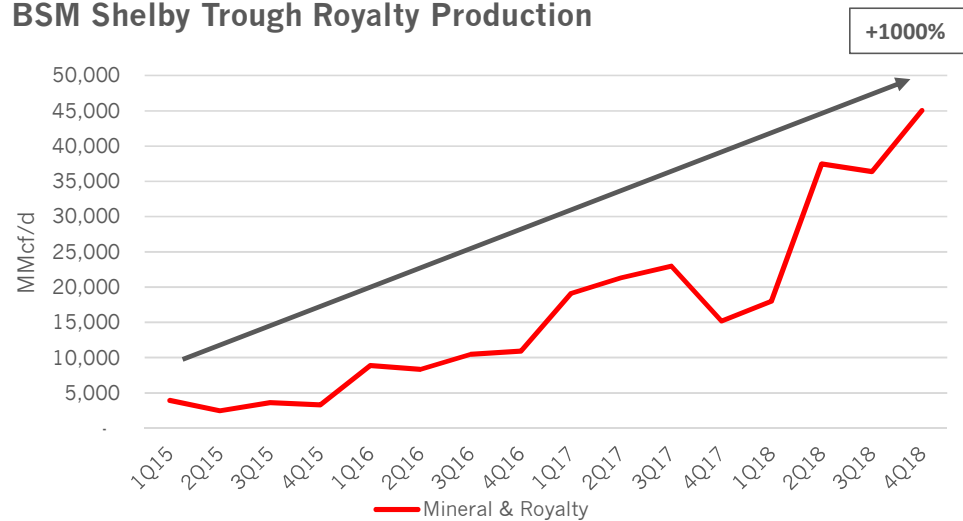
1) As of December 31, 2018; based on gross acres for all interest types

Mineral Management – Shelby Trough



- ▲ In 2014, the southern portion of the Shelby Trough was relatively undeveloped compared to the rest of the Haynesville / Bossier play
- ▲ BSM invested with XTO to initiate activity and then structured mutually beneficial incentive agreements with XTO and BP
- ▲ Active mineral acquisition program benefitted Black Stone and development partners

BSM Shelby Trough Royalty Production



Development Partners



Strong Balance Sheet Through Cycles

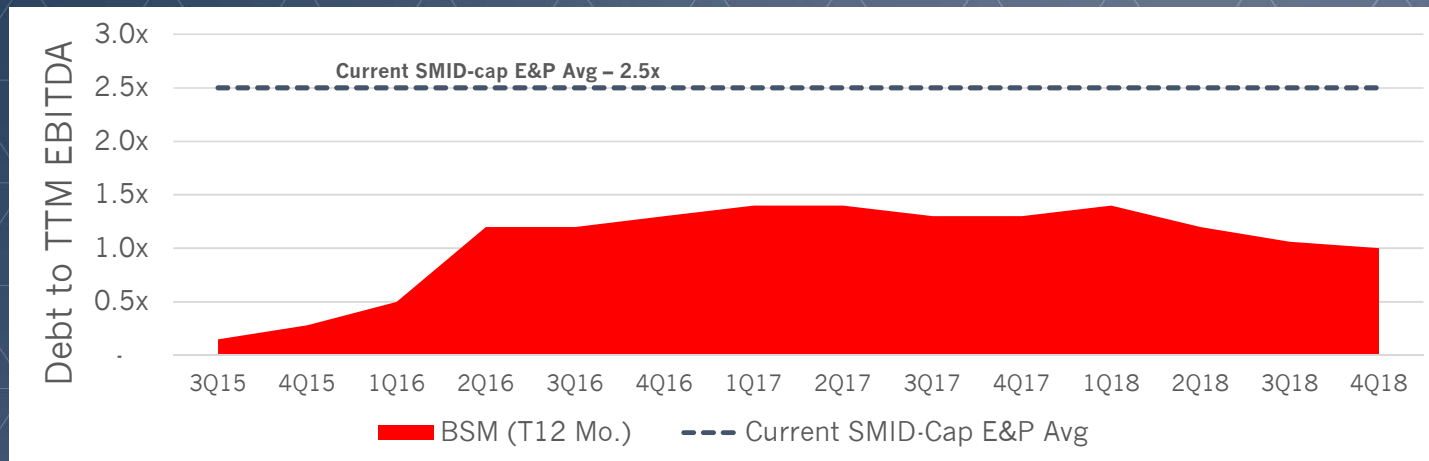


Strategy: Maximize financing flexibility for new acquisition opportunities

▲ Funding sources

- ▲ Public markets – Approx. \$73 million issued through ATM since through 2018
- ▲ Private capital – \$300 million convertible preferred issued in November 2017
- ▲ Equity issued directly to sellers – Since beginning of 2017, approx. \$95 million issued through 2018
- ▲ Credit facility availability – BSM regularly maintains \$100 to \$200 million of dry powder

▲ BSM has maintained a strong balance sheet through cycles

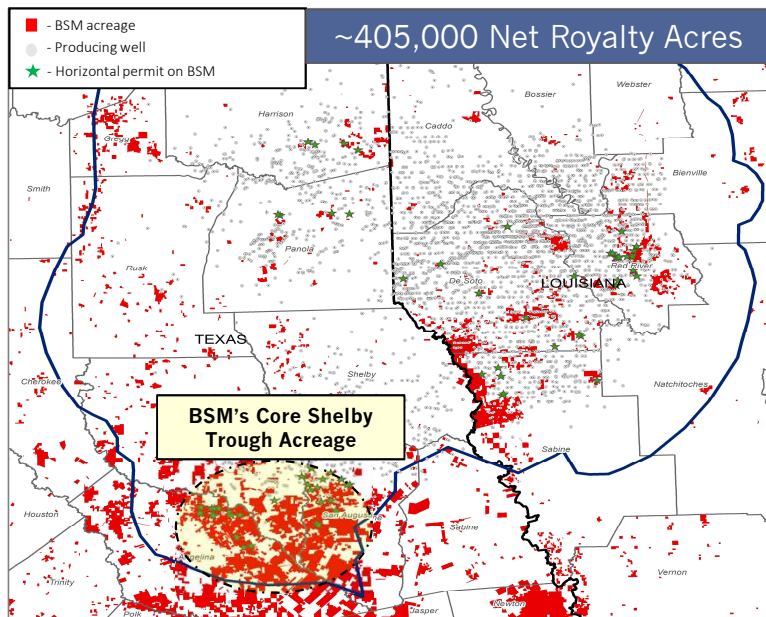


Near Term Growth Drivers



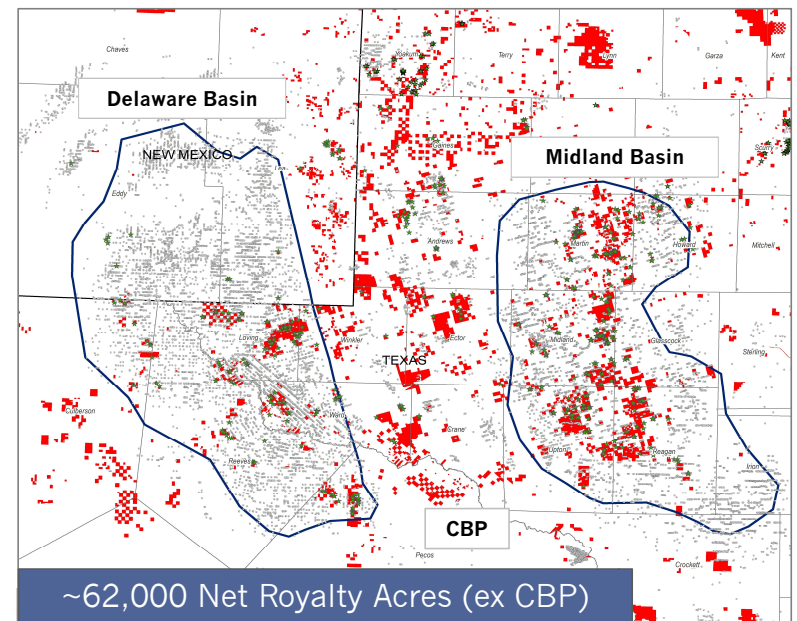
Haynesville/Bossier

- ▲ Minerals position concentrated in Shelby Trough, which is delivering among the best economics across the entire play
- ▲ Additional exposure across Texas and Louisiana
- ▲ Proximity to major natural gas hubs and export markets



Permian

- ▲ Black Stone has a high quality position in the core of the Midland and Delaware basins
- ▲ Significant position in the Central Basin Platform ("CBP") with exposure to emerging plays such as the horizontal San Andres



Key Messages



Investors gain exposure to industry-leading minerals portfolio with significant exposure to two of the most active areas in the United States



Upside exposure from increase in commodity prices, accelerated development, and future break-out plays across portfolio



Investors benefit from management team with substantial experience unlocking value from mineral-and-royalty assets