

Investor Presentation

June 2020



BLACK STONE
MINERALS

www.blackstoneminerals.com | NYSE: BSM

This presentation contains “forward-looking statements” within the meaning of the securities laws. All statements, other than statements of historical fact, included in this presentation that address activities, events, or developments that Black Stone Minerals, L.P. (“Black Stone Minerals,” “Black Stone,” “the Partnership,” or “BSM”) expects, believes, or anticipates will or may occur in the future are forward-looking statements. The words “believe,” “expect,” “may,” “estimates,” “will,” “anticipate,” “plan,” “intend,” “foresee,” “should,” “would,” “could,” or other similar expressions are intended to identify forward-looking statements, which are generally not historical in nature. However, the absence of these words does not mean that the statements are not forward-looking.

These statements are based on certain assumptions made by Black Stone Minerals based on management’s expectations and perception of historical trends, current conditions, anticipated future developments, and other factors believed to be appropriate. Although Black Stone Minerals believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies, which are difficult or impossible to predict and are beyond its control, Black Stone Minerals cannot give assurance that it will achieve or accomplish these expectations, beliefs, or intentions. Such statements are subject to a number of assumptions, risks, and uncertainties, many of which are beyond the control of Black Stone Minerals, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements. These include the factors discussed or referenced in the “Risk Factors” and “Forward-Looking Statements” sections of the filings Black Stone Minerals has made with the Securities and Exchange Commission, including its annual report on Form 10-K and quarterly reports on Form 10-Q, as well as risks relating to financial performance and results, current economic conditions and resulting capital restraints, prices and demand for oil and natural gas, availability of drilling equipment and personnel, availability of sufficient capital to execute our business plan, impact of compliance with legislation and regulations, successful results from our operators’ identified drilling locations, our operators’ ability to efficiently develop and exploit the current reserves on our properties, our ability to acquire additional mineral interests, and other important factors that could cause actual results to differ materially from those projected. When considering the forward-looking statements, you should keep in mind the risk factors and other cautionary statements in filings Black Stone Minerals has made with the SEC.

You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which such statement is made, and Black Stone Minerals undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law. All forward-looking statements attributable to Black Stone Minerals are qualified in their entirety by this cautionary statement.

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
 - ▲ Concentrated positions in the Permian, Haynesville, and Bakken

Enterprise Value¹

~\$2.0 B

Current Yield²

~5% (Distribution)

~20% (DCF)

1Q20 Production

46.9 Mboe/d

Inside Ownership

> 25% Insiders

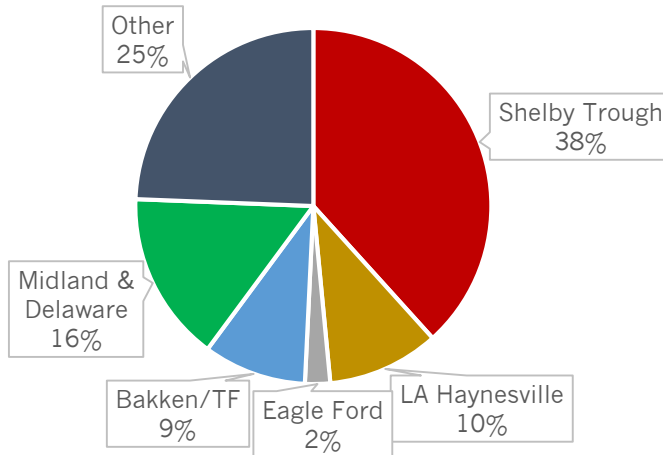
> 80% Legacy Owners

1) Enterprise value includes pref. equity and assumes unit price of \$6.34 per unit on May 29, 2020

2) Distribution yield calculated by annualizing the common distribution for 1Q20 of \$0.08 per unit and DCF yield calculated by annualizing DCF per unit for 1Q20 of \$0.32; respective yields calculated using the unit price of \$6.34 per unit on May 29, 2020

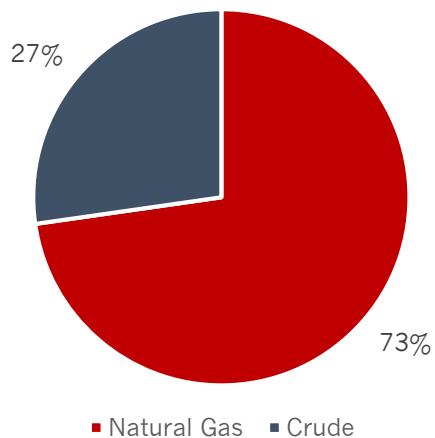
1Q20 Production by Play

46.9 MBoe/d



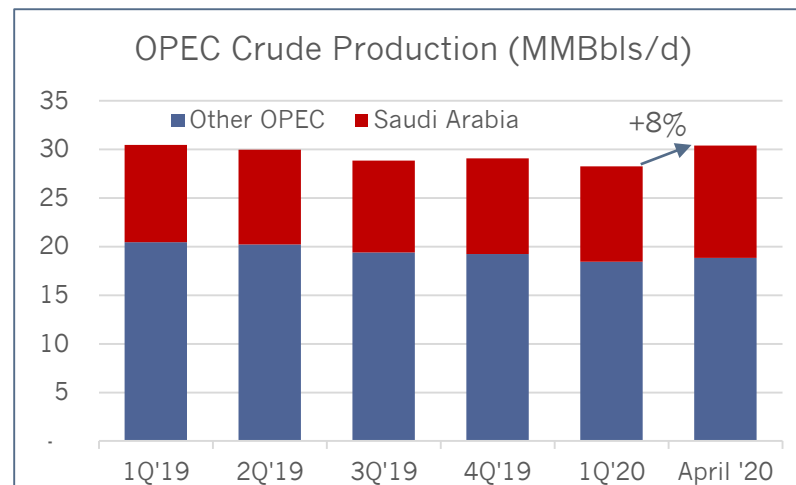
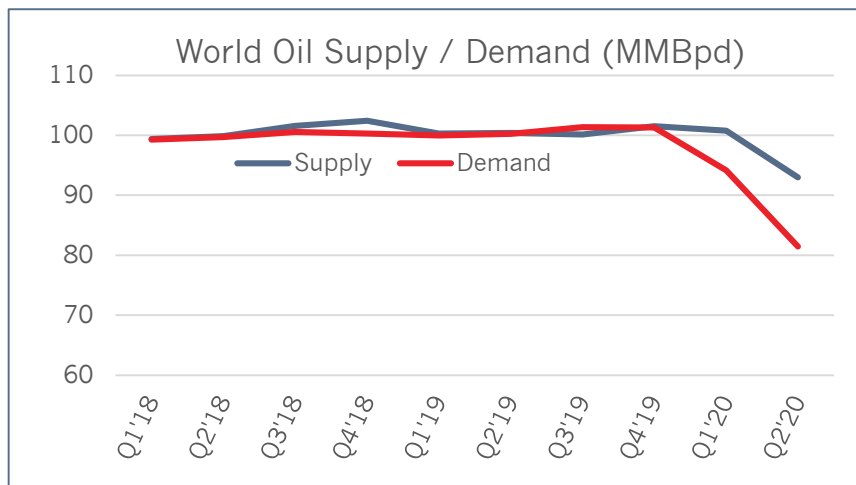
- ▲ Black Stone benefits from the significant diversity of its asset base
 - ▲ BSM tracks activity at a play level for approximately 40 individual plays
 - ▲ Broad exposure to new discoveries and development activity
 - ▲ Acreage in every resource play, with large positions in several of the most active resource plays

1Q20 Production by Product

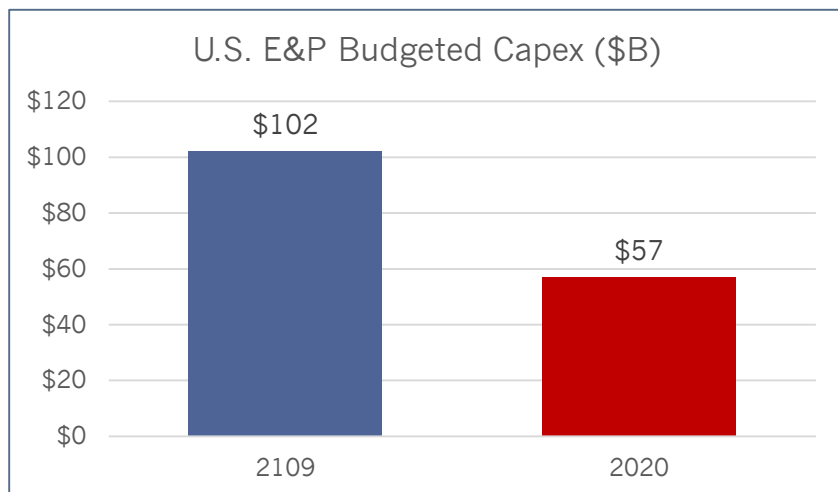


Unprecedented Industry Conditions

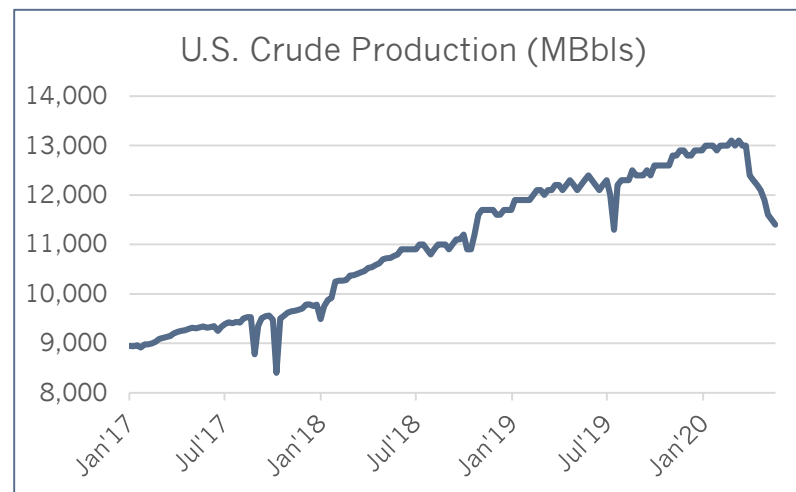
1) COVID-related demand destruction occurred as OPEC+ was *increasing* production



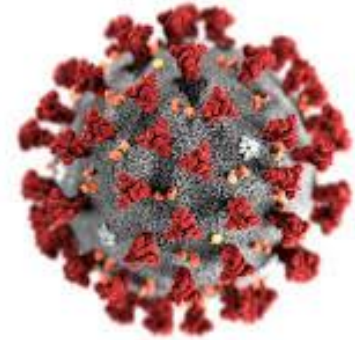
2) Producer supply response has been dramatic



3) There are signs the market is rebalancing



- ▲ In February, even before the impact of the coronavirus, Black Stone took significant steps to reduce its controllable costs
 - ▲ Reduced size of workforce by approximately 20%
 - ▲ Reduced executive compensation – total target executive compensation down 64% in 2020 compared to 2019
 - ▲ Reduced board compensation
- ▲ Total G&A costs expected to decline from ~\$65 million to sub-\$40 million run-rate
- ▲ Lowered distribution to direct significant free cash flow to further pay down debt balance; debt reduced by ~\$40 million YTD

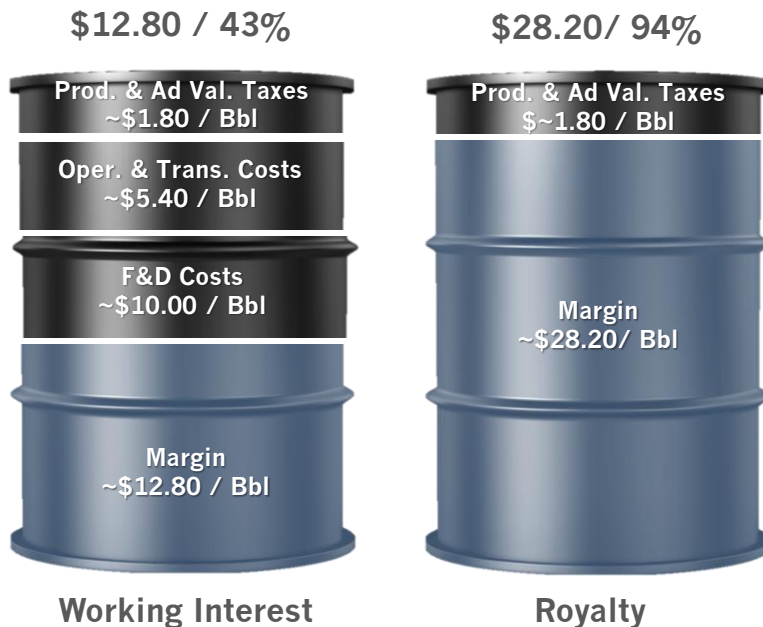


Benefits of Mineral Ownership

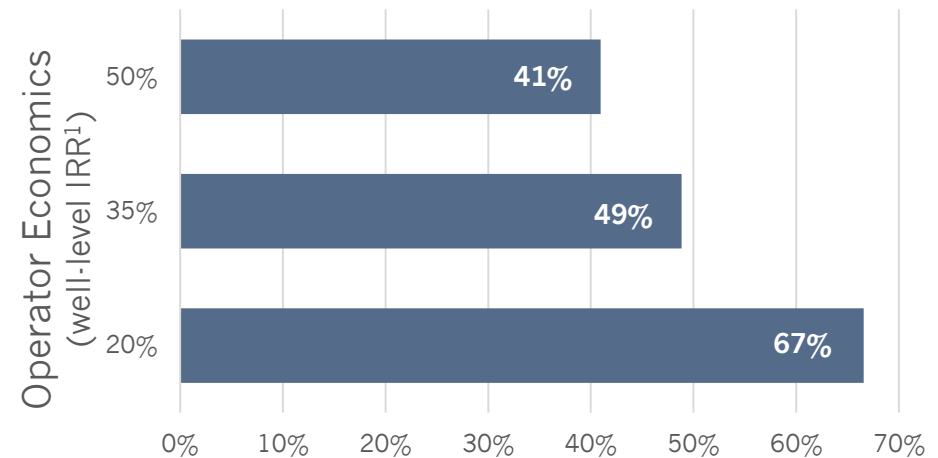
- ▲ Oil and gas exposure with no operating cost or capital spending requirements
- ▲ Direct benefit from technology advances to enhance recovery and well economics
- ▲ Represents perpetual call option on future oil & gas development activity
- ▲ Scale facilitates opportunities to partner with operators to initiate or accelerate drilling

Comparative Well Economics

Illustrative Margin (Assuming \$30 Bbl)

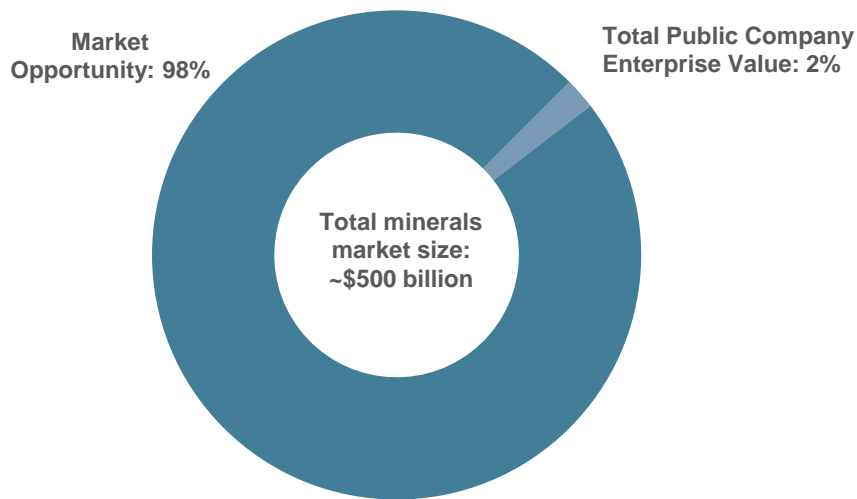


% of PV10 to Royalty Owner

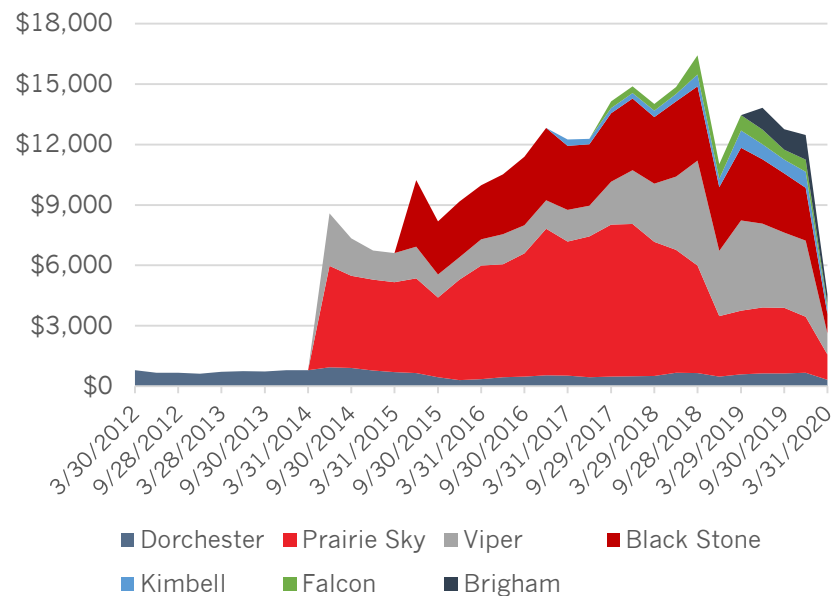


1) Illustrative well economics assuming 20% royalty; excluding royalty acquisition costs and operator leasing costs

Sizing the U.S. Minerals Market



Public Minerals Sector



Liquidity will be a key differentiating factor in consolidation

- ▲ Very early stages of consolidation; market remains highly fragmented
- ▲ Private equity's need for liquidity and value enhancement should lead to continued consolidation
- ▲ Sellers have fewer monetization options with capital markets closed and buyer balance sheets strained
- ▲ Environment should lead to attractive deals for buyers with liquidity

2018
2019

Total Production
(MBoe/d)



5%

46.3

48.5

Royalty Production
(MBoe/d)



13%

32.1

36.4

Realized Price
(\$/Boe, pre-hedge)



26%

\$33.05

\$26.13

Adjusted EBITDA
(\$MM)



5%

\$419.5

\$399.5

Distributable Cash Flow
(\$MM)



3%

\$368.2

\$355.4

Common Distribution
(\$ per unit, TTM)

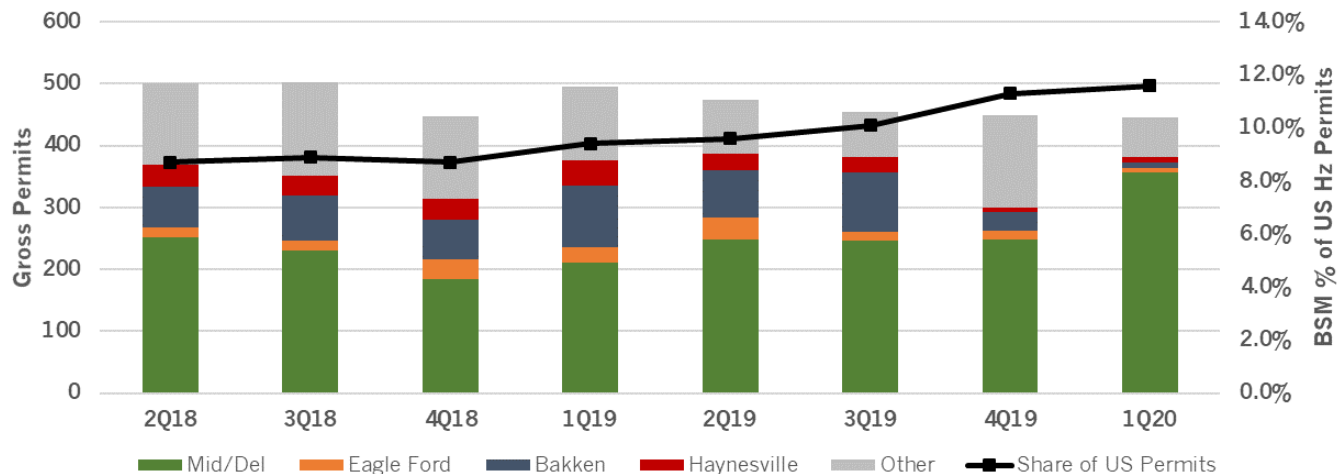


5%

\$1.48

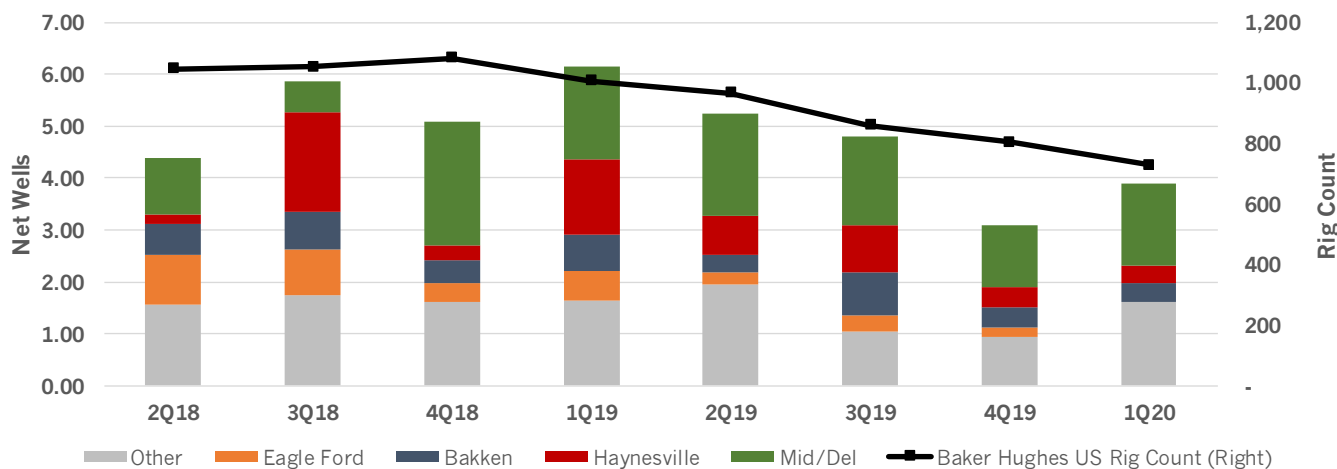
\$1.41

Permitting Activity



- ▲ Black Stone’s diverse asset footprint helps moderate volatility of industry activity
- ▲ Horizontal permitting remains relatively steady through 1Q’20, and BSM’s share of permits grew
- ▲ Net well additions has slowed across BSM’s acreage as rig counts have dropped in the Lower 48

Net Well Additions

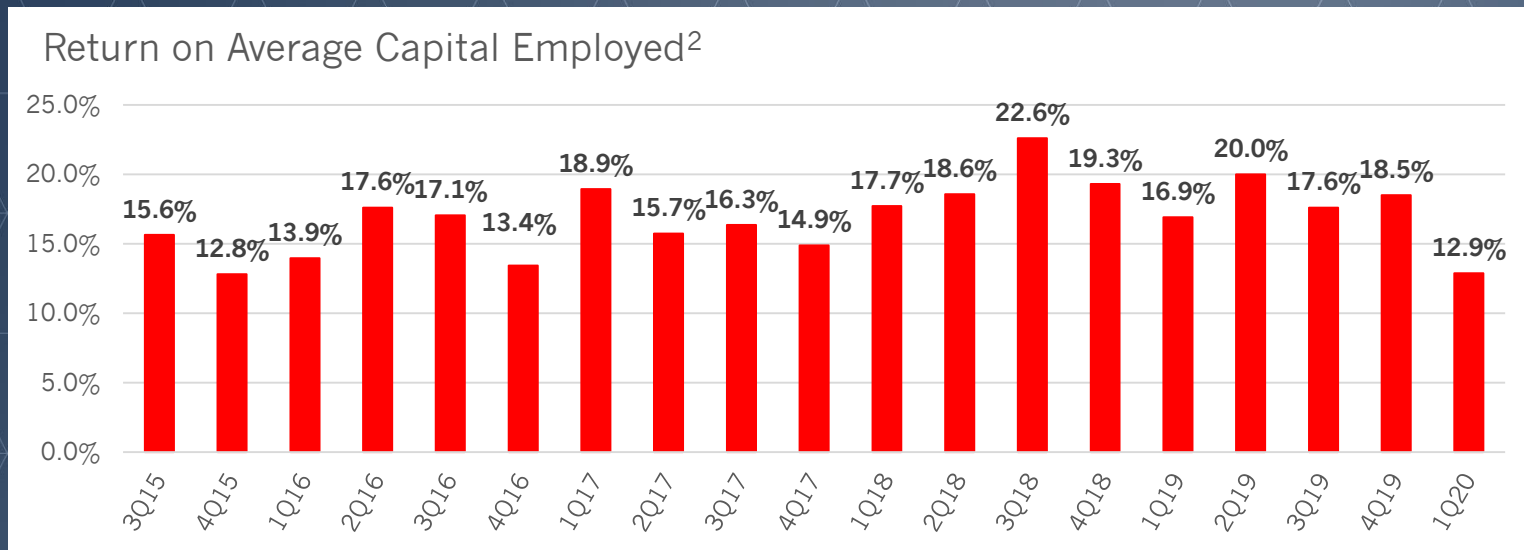


1) Permit counts exclude all Wyoming permits

▲ Long history of returning cash to equity holders

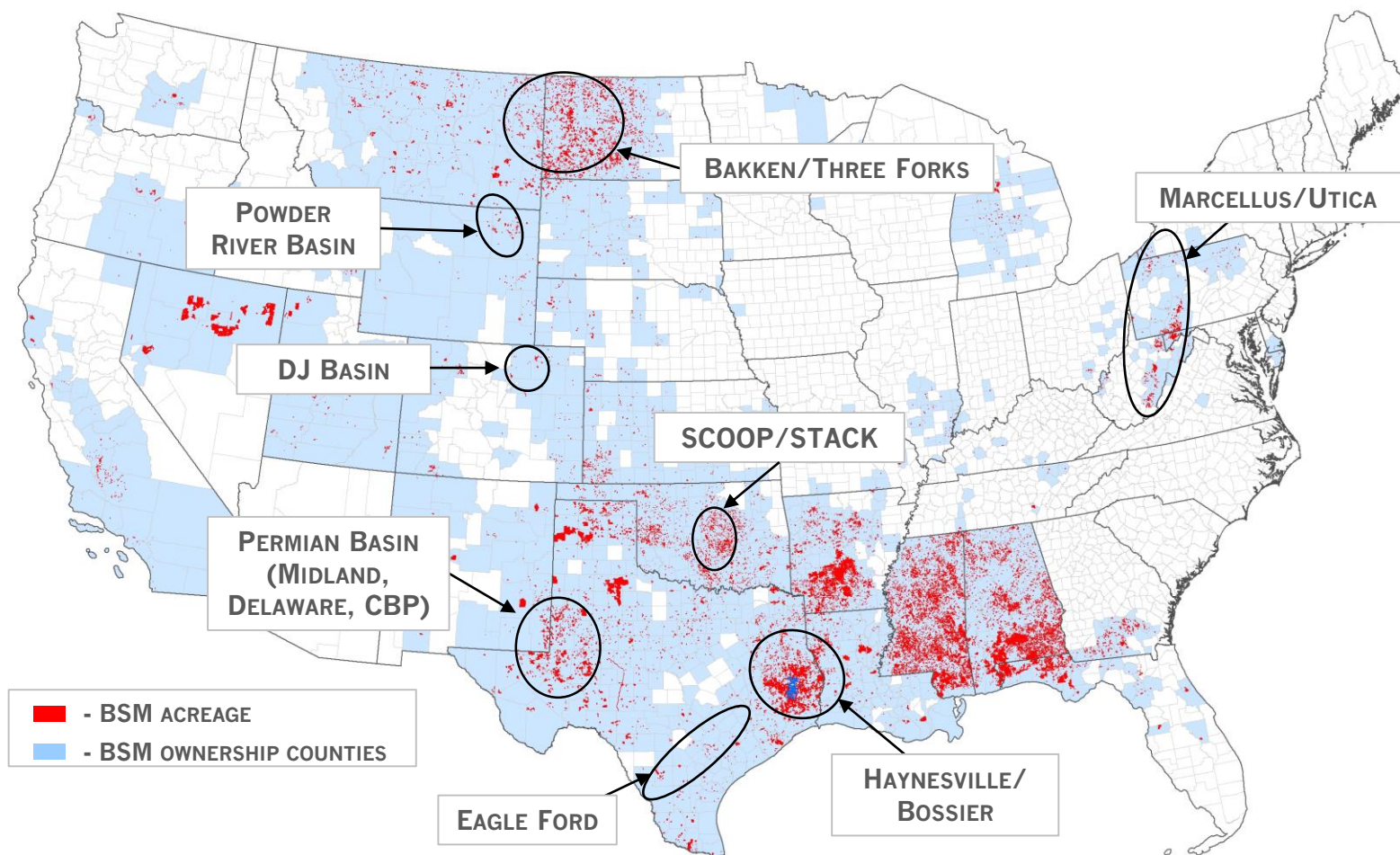
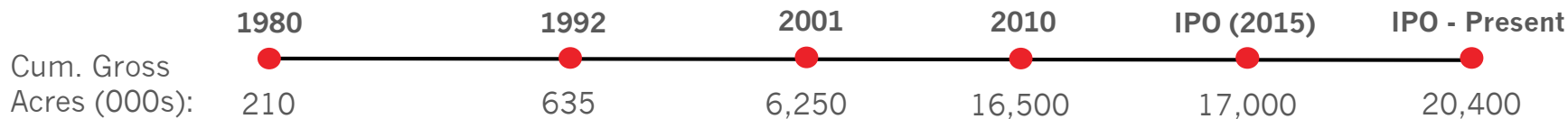
- ▲ Distribution yield supported by coverage
- ▲ ~\$3.6 billion returned to investors through distributions over the past 20 years
- ▲ ~2.2x return on invested capital to date¹

▲ Consistent return performance across commodity cycles



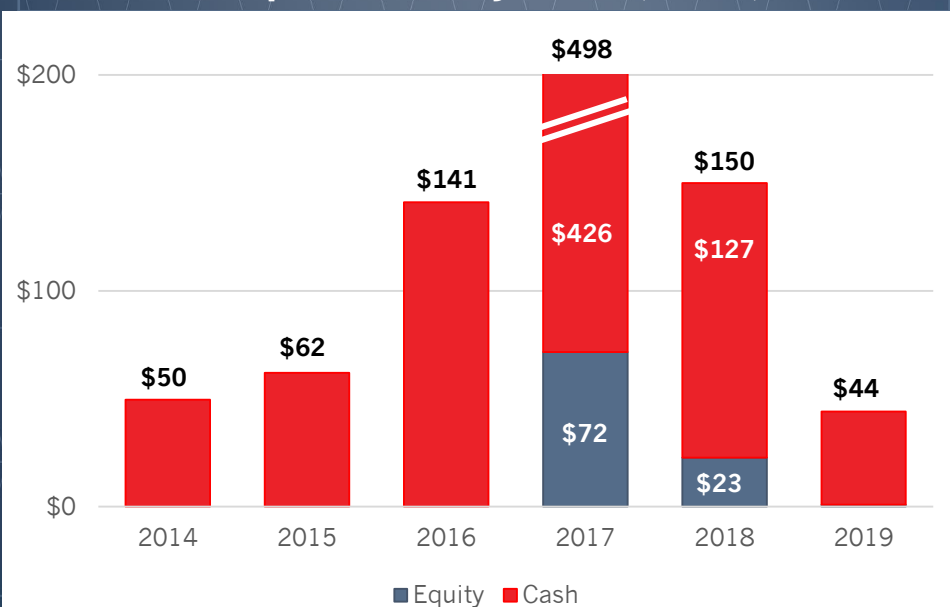
1) Return on Investment (ROI) calculated as (Cumulative Distributions + Adj. BSM Market Cap) / Capital Raised through December 31, 2019
 2) ROACE calculated as the annualized quotient of quarterly EBIT (Adjusted EBITDA less DD&A) divided by average capital employed during the period; capital employed is defined as the sum of long-term debt, preferred equity, and equity as reported on consolidated quarterly balance sheets

Acquisitions Over Time

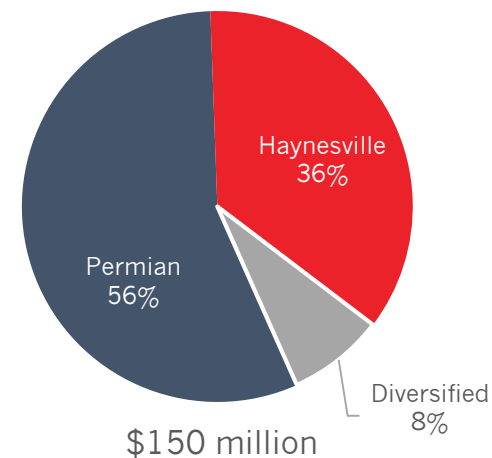


- ▲ Black Stone has added to its core positions while opportunistically pursuing large, diversified and targeted mineral packages
- ▲ Acquisition activity slowed in 2019 in favor of greater balance sheet strength and liquidity

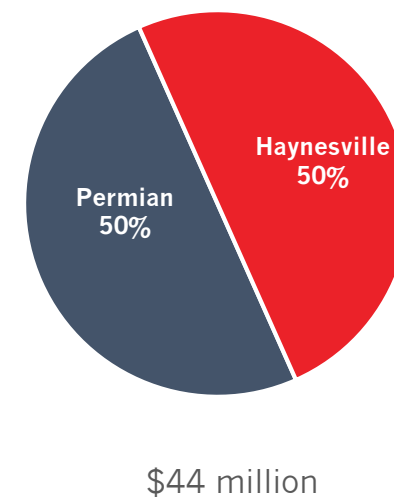
Acquisitions by Year (\$MM)



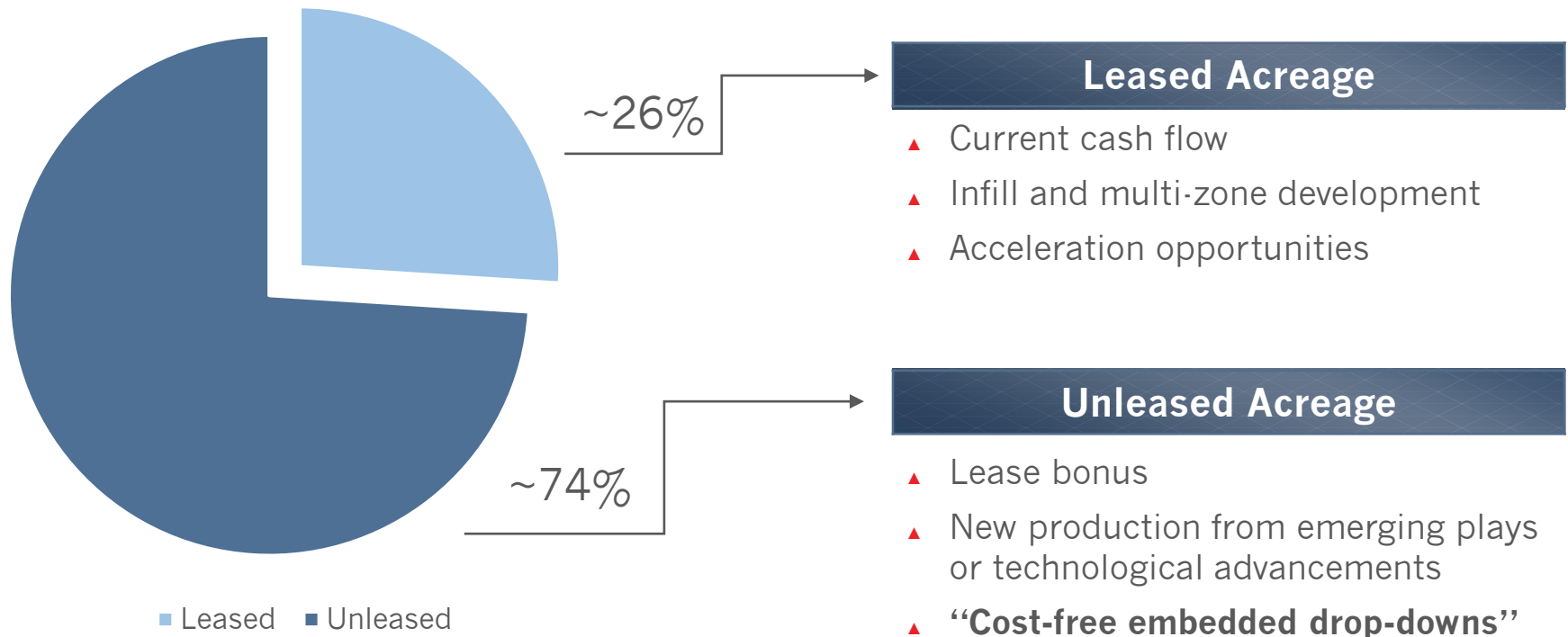
2018 Acquisition Profile



2019 Acquisition Profile

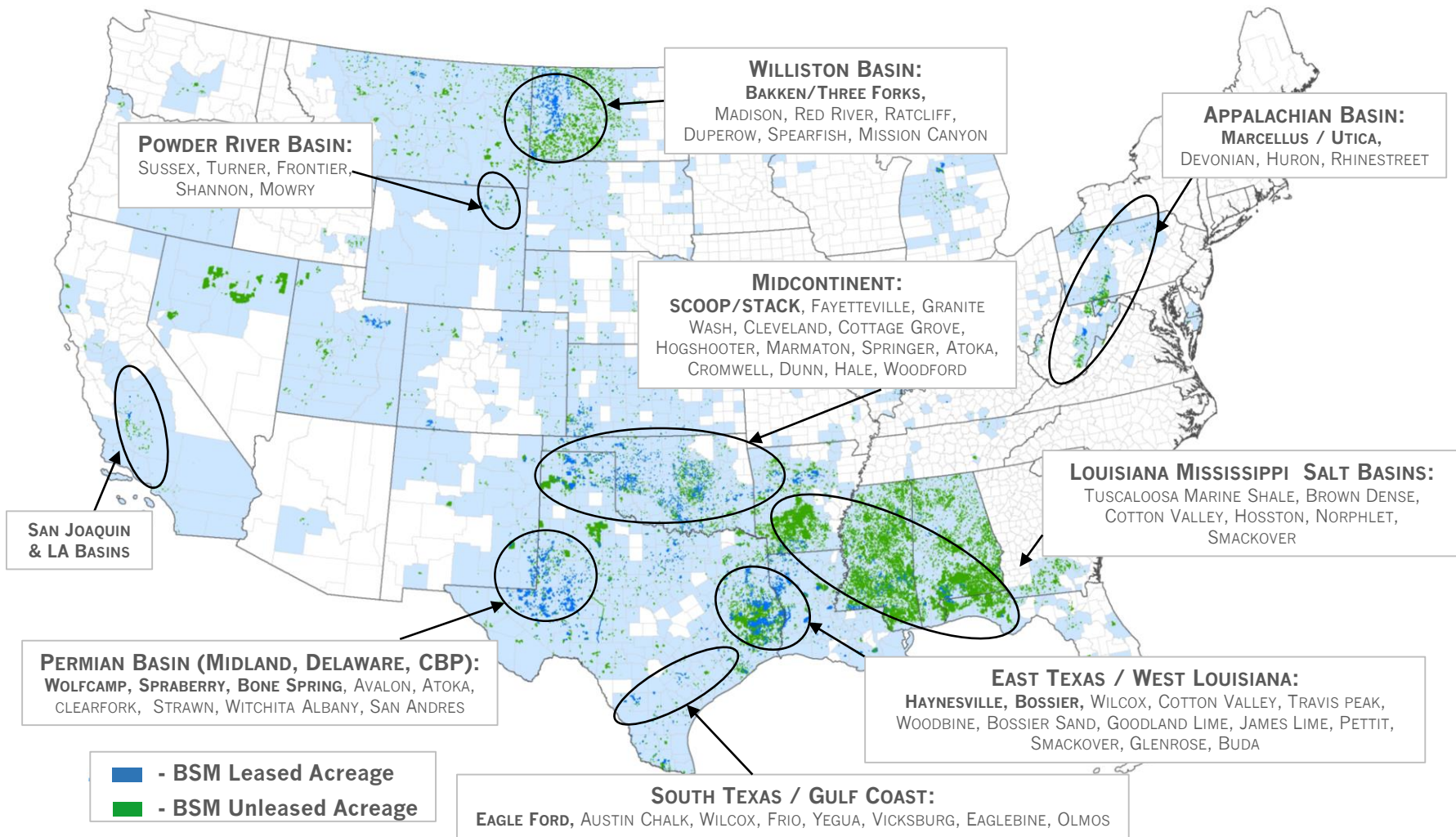


- ▲ **20 million gross acres (7.4 million net) of opportunity leads to organic growth with no incremental capital requirements**
 - ▲ Black Stone's team of landmen, engineers and geologists actively promote its acreage to industry operators
 - ▲ Most recent example is partnering with Aethon Energy to restart development of Shelby Trough Haynesville/Bossier acreage in Angelina County



1) As of December 31, 2019; based on gross acres for all interest types

- ▲ Black Stone has leading positions in several of today’s most active resource plays, as well as a perpetual call option across the lower 48 in dozens of prospective plays

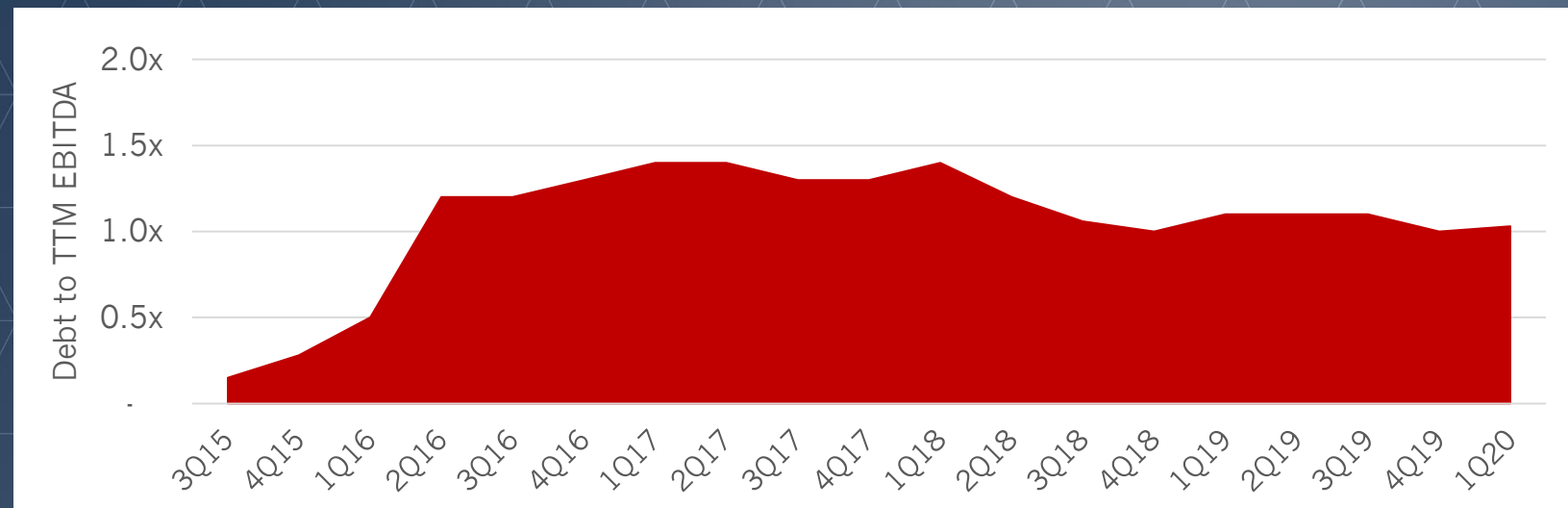


Strategy: Maximize financing flexibility for new acquisition opportunities

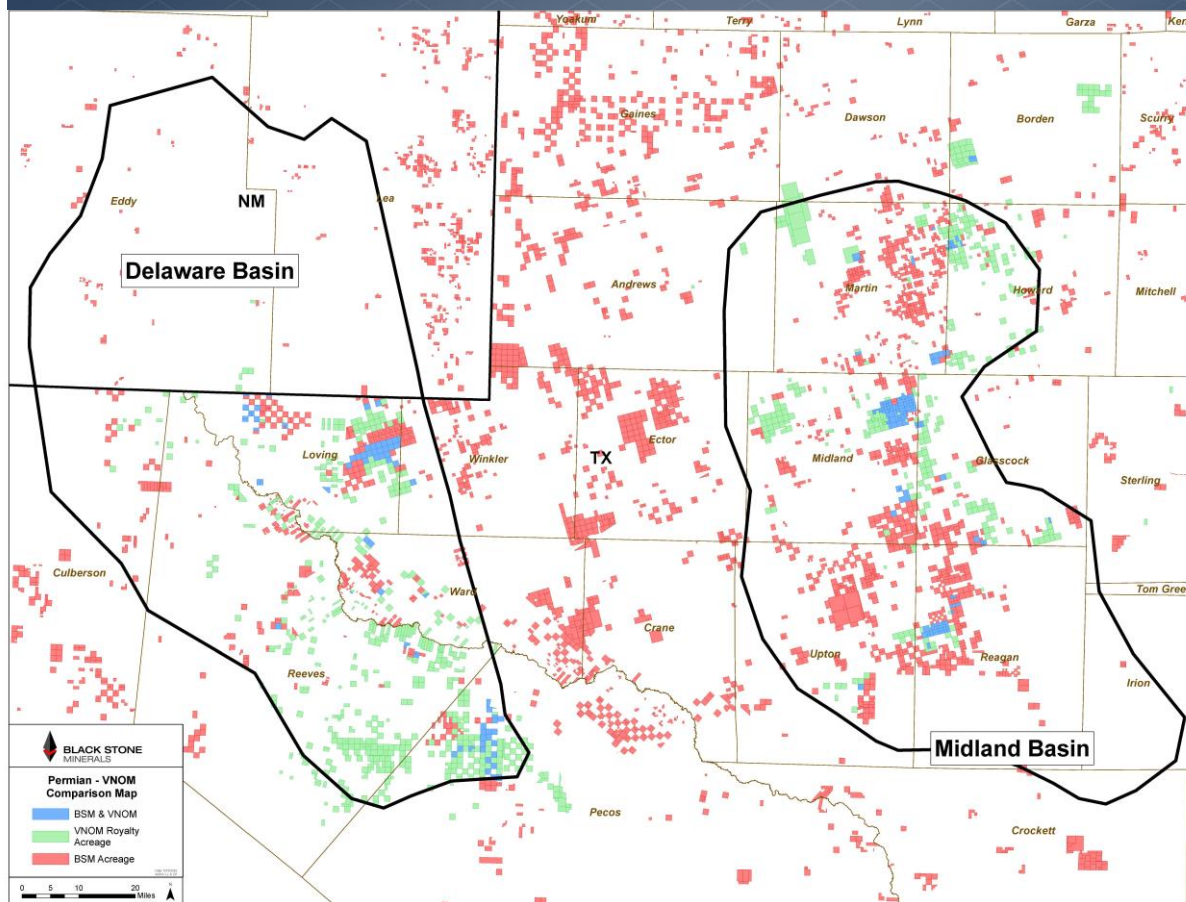
▲ Funding sources

- ▲ Public markets – Approx. \$73 million issued through ATM since 2017
- ▲ Private capital – \$300 million convertible preferred issued in November 2017
- ▲ Equity issued directly to sellers – Since beginning of 2017, approx. \$95 million issued through 4Q19
- ▲ Credit facility availability – BSM regularly maintains \$100 to \$200 million of dry powder

▲ BSM has maintained a strong balance sheet through cycles



BSM and VNOM Permian Royalty Acreage



- ▲ Black Stone has meaningful exposure to the rapid development occurring in the Midland and Delaware basins
- ▲ Permian acquisitions have been the largest part of our acquisition effort since IPO, with over \$450 million of assets purchased through 1Q20
- ▲ The Partnership has over 60,000 net royalty acres¹ in the Midland and Delaware Basin (excluding CBP acreage); our position compares favorably with Permian pure play competitors

1) A net royalty acre is defined as one surface acre leased at a 1/8th royalty.



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



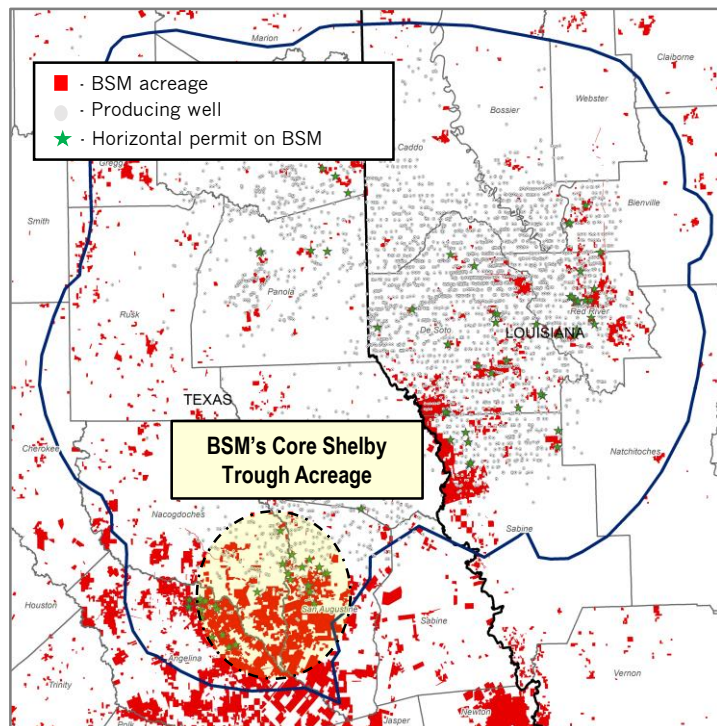
Investors benefit from management team with substantial experience unlocking value from mineral-and-royalty assets



BLACK STONE
MINERALS

www.blackstoneminerals.com | NYSE: BSM

Appendix



Key Statistics

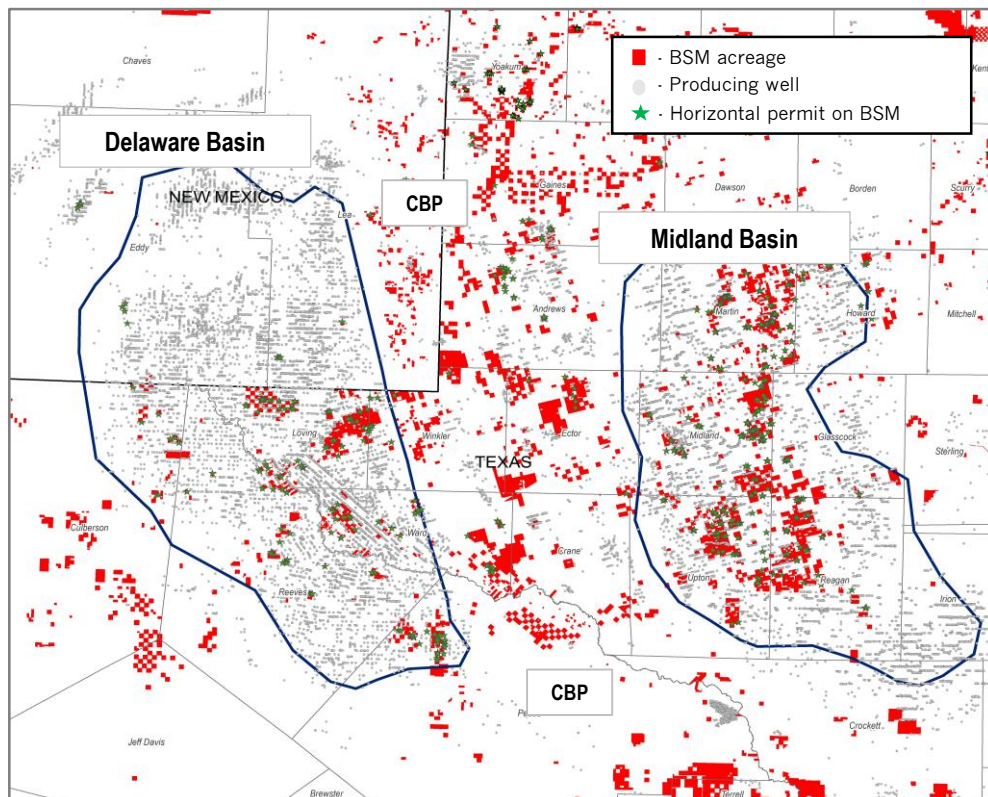
Gross Mineral and Royalty Acres ¹	~459,000
Net Royalty Acres ^{1,2}	~387,000
Permits on BSM last 12 mos ³	108
% Permits on BSM acreage last 12 mos ³	24%

- ▲ Black Stone believes its Shelby Trough position in East Texas to be the best part of the Haynesville/Bossier play in terms of ultimate recoveries and economics
 - ▲ In May, 2020, entered into new agreement with Aethon Energy to restart development in Angelina County
- ▲ BSM is also significantly exposed to the Louisiana Haynesville/Bossier

Active Operators



1) As of 12/31/19 and includes mineral interests, NPRIs, and ORRIs
 2) A net royalty acre is defined as one surface acre leased at a 1/8th royalty
 3) Permit data sourced from IHS and represents permits filed through 12/31/19



- ▲ As of March 31, 2020, there were 47 drilling rigs operating on BSM interests in the Midland and Delaware basin
- ▲ Black Stone has aggregated a significant position in these basins since the IPO to complement its legacy position
- ▲ Black Stone has also expanded its position in the Central Basin Platform with exposure to emerging plays such as the horizontal San Andres, Wichita/Albany, and Mississippian plays

Active Operators

PIONEER
NATURAL RESOURCES

CIMAREX

CONCHO

DIAMONDBACK
Energy

PARSLEY ENERGY

OXY

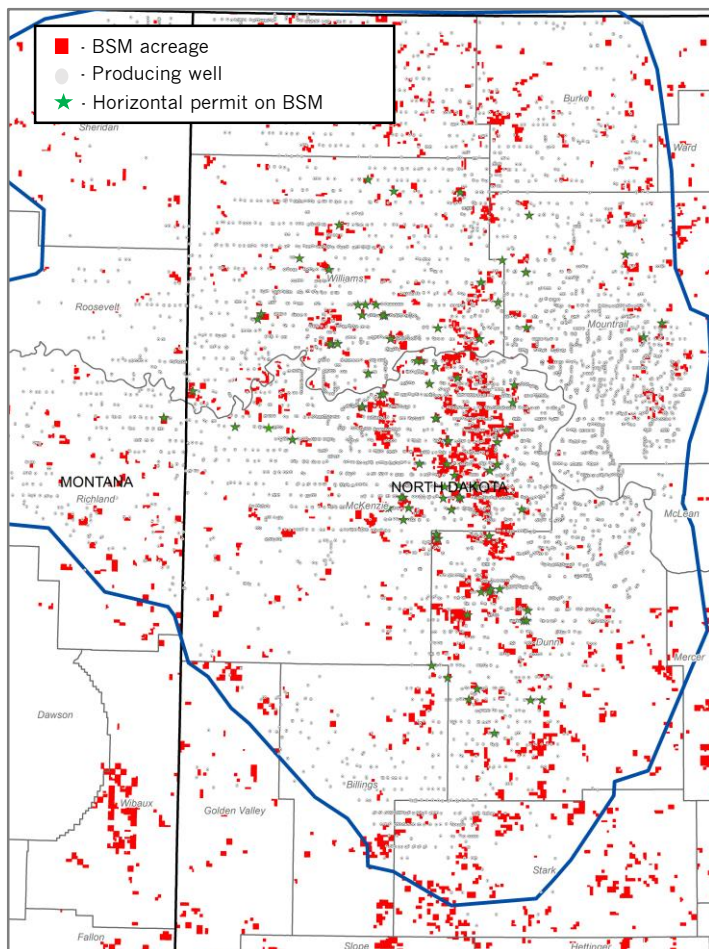
Apache

Key Statistics (Midland and Delaware only)

Gross Mineral and Royalty Acres ¹	~653,000
Net Royalty Acres ^{1,2}	~67,000
Permits on BSM last 12 mos ³	1,003
% Permits on BSM acreage last 12 mos ³	15%

- 1) As of 12/31/19, inclusive of mineral interests, NPRIs, and ORRIs
- 2) A net royalty acre is defined as one surface acre leased at a 1/8th royalty
- 3) Permit data sourced from IHS and represents permits filed through 12/31/19

Bakken/Three Forks Position



- ▲ Black Stone’s concentration in the core, attractive pricing differentials, and improved completion designs continue to drive strong Bakken/Three Forks performance

Active Operators

ConocoPhillips



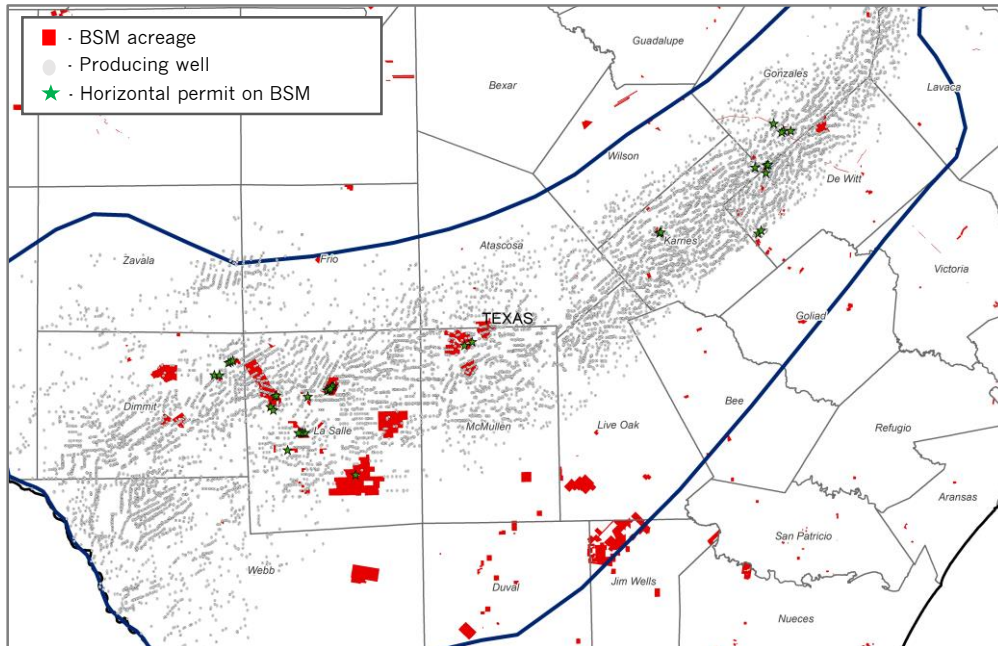
eog resources



Key Statistics

Gross Mineral and Royalty Acres ¹	~450,000
Net Royalty Acres ^{1,2}	~99,000
Permits on BSM last 12 mos ³	309
% Permits on BSM acreage last 12 mos ³	22%

- 1) As of 12/31/19, inclusive of mineral interests, NPRIs, and ORRIs
- 2) A net royalty acre is defined as one surface acre leased at a 1/8th royalty
- 3) Permit data sourced from IHS and represents permits filed through 12/31/19



▲ BSM exposed to some of the best parts of the Eagle Ford play

Active Operators



Key Statistics

Gross Mineral and Royalty Acres ¹	~222,000
Net Royalty Acres ^{1,2}	~34,000
Permits on BSM last 12 mos ³	98
% Permits on BSM acreage last 12 mos ³	5%

1) As of 12/31/19, inclusive of mineral interests, NPRIs, and ORRIs
 2) A net royalty acre is defined as one surface acre leased at a 1/8th royalty
 3) Permit data sourced from IHS and represents permits filed through 12/31/19

Financial Summary



Financial Position

(\$ in millions)	As of 3/31/20	As of 5/01/20
Cash	\$3	\$3
Borrowing base	\$650	\$460
Borrowings under credit facility	388	352
Remaining availability	262	108
Liquidity	\$267	\$111
Debt to TTM EBITDAX	1.0x	

Hedging Summary: Crude Oil (as of May 1, 2020)

	Oil Swap (MBbl)	Swap Price (\$/Bbl)	Costless Collars (MBbl)	Collar Floor (\$/Bbl)	Collar Ceiling (\$/Bbl)
1Q20	210	\$57.32	70	\$56.43	\$67.14
2Q20	630	\$57.32	210	\$56.43	\$67.14
3Q20	630	\$57.32	210	\$56.43	\$67.14
4Q20	630	\$57.32	210	\$56.43	\$67.14
1Q21	480	\$36.18			
2Q21	480	\$36.18			
3Q21	480	\$36.18			
4Q21	480	\$36.18			

Hedging Summary: Natural Gas (as of May 1, 2020)

	Gas Swap (MMcf)	Swap Price (\$/MMcf)
1Q20	10,010	\$2.69
2Q20	10,010	\$2.69
3Q20	10,120	\$2.69
4Q20	10,120	\$2.69
1Q21	7,200	\$2.60
2Q21	7,280	\$2.60
3Q21	7,360	\$2.60
4Q21	7,360	\$2.60

Adjusted EBITDA and Distributable Cash Flow Reconciliation



Year Ended December 31,

2019

2018

	(Unaudited) (In thousands, except per unit amounts)	
	2019	2018
Net income	\$ 214,368	\$ 295,560
Adjustments to reconcile to Adjusted EBITDA:		
Depreciation, depletion, and amortization	109,584	122,653
Interest expense	21,435	20,756
Income tax expense (benefit)	(335)	2,309
Accretion of asset retirement obligations	1,117	1,103
Equity-based compensation	20,484	30,134
Unrealized (gain) loss on commodity derivative instruments	32,817	(53,066)
Adjusted EBITDA	399,470	419,449
Adjustments to reconcile to Distributable cash flow:		
Change in deferred revenue	42	1,260
Cash interest expense	(20,394)	(19,757)
(Gain) loss on sale of assets, net	—	(3)
Estimated replacement capital expenditures ¹	(2,750)	(11,500)
Cash paid to noncontrolling interests	—	(211)
Preferred unit distributions	(21,000)	(21,025)
Distributable cash flow	\$ 355,368	\$ 368,213

1) The Board established a replacement capital expenditure estimate of \$13.0 million for the period of April 1, 2017 to March 31, 2018, and \$11.0 million for the period of April 1, 2018 to March 31, 2019. Due to the expiration of the subordination period, the Company does not intend to establish a replacement capital expenditure estimate for periods subsequent to March 31, 2019.