BLACK STONE MINERALS

Scotia Howard Weil
2016 Energy Conference

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President, CEO, and Chairman of the Board

March 23, 2016

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Black Stone Minerals at a Glance

BSM
LISTED
NYSE

Black Stone Minerals, L.P. is the largest publicly traded yield vehicle focused on mineral and royalty interests in the U.S.

- Headquarters………………………………… Houston, TX
- Common units outstanding(1)…………… 96.2 MM
- Quarterly distribution/yield(2)……………….. $0.2625 per unit (7.6%)
  - Scheduled 2Q16 distribution/yield(3)………. $0.2875 per unit (8.3%)
- Production (4Q15)………………………………. 27.1 MBoe/d
- Proved reserves (YE 2015)………………... 49.8 MMBoe

1. As of December 31, 2015
2. Calculated using 4Q15 distribution of $0.2625 per unit and closing share price of $13.83 on March 18, 2016
3. Calculated using scheduled 2Q16 distribution of $0.2875 per unit and closing share price of $13.83 on March 18, 2016

Investment Highlights

- **Growth potential from unique and diverse asset base**
  - Size and scale through ~17 million mineral and royalty acres
  - Durable competitive advantage; would be difficult to replicate our footprint
- **Low capital intensity = lower-risk cash flow**
  - No CAPEX or operating cost requirements on mineral and royalty assets
  - No cost to generate working interest inventory as it is embedded in our acreage
- **Growing common distributions into 2019**
  - Common unit holders have priority on distributions
  - Implied compound growth of 9% in first four years after IPO
- **Significant liquidity and strong financial position**
  - Secured credit facility with borrowing base of $550 million; $66 million drawn at end of 4Q15
  - Debt to TTM EBITDAX of 0.3x as of December 31, 2015
- **Experienced and aligned management team**
  - Board of Directors, affiliates, and management own >20% of company

How Mineral and Royalty Interests Work

Mineral Revenue Generation

1 Unleased Minerals[1]

Revenue	Costs
BSM: 100%	BSM: 100%

2 BSM issues a lease for an upfront cash bonus payment and customarily a 20-25% royalty

In return, BSM delivers the right to explore and develop[2] with the operator bearing 100% of cost

3 Leased Minerals

Revenue	Costs
BSM: 25%	Operator: 100%
Operator: 75%	

4 Upon termination of lease, all future development rights revert to BSM to explore or lease again

1. Mineral owner realizes revenue and bears costs only if it elects to develop the acreage
2. Right to develop often subject to restrictions including a) retained working interests participation option for BSM; b) the ability to hold leased acreage may be restricted to specified depths through "Pugh" clauses (undeveloped depths will revert back to BSM); and c) well commitments obligating the lessee to develop acreage at a minimum pace or face dollar damages / loss of lease

The Value of Mineral and Royalty Interests

Operating Margin per Equity Barrel ($/Boe)

Illustrative Working Interest Operator

Illustrative Royalty Owner

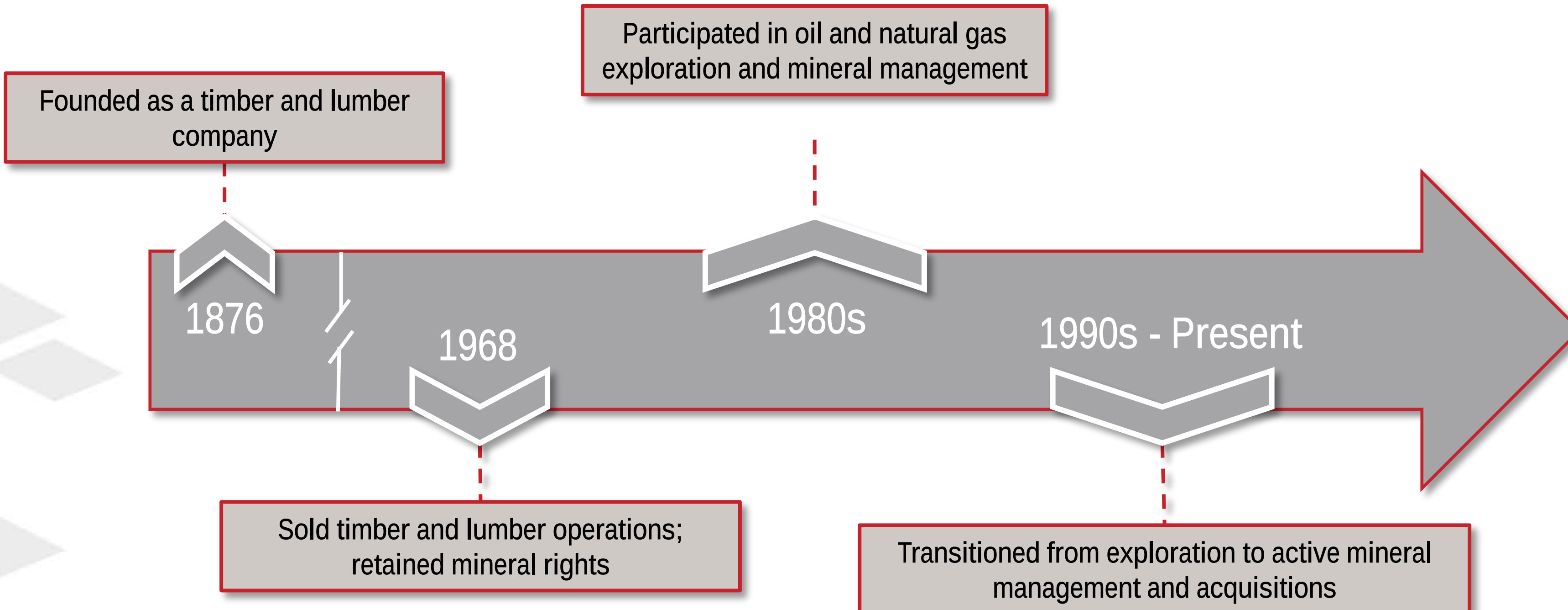
Revenue $26.50 / Boe

- Royalty production realizes higher margins than working interest production
- After acquisition, no capital required by the royalty owner to generate production or realize revenue

1. Example above assumes lease is cost-free to the royalty owner
2. Cost assumptions are representative of current industry costs; amounts presented are for illustrative purposes only and do not reflect the reported results for BSM

Long, Established Track Record

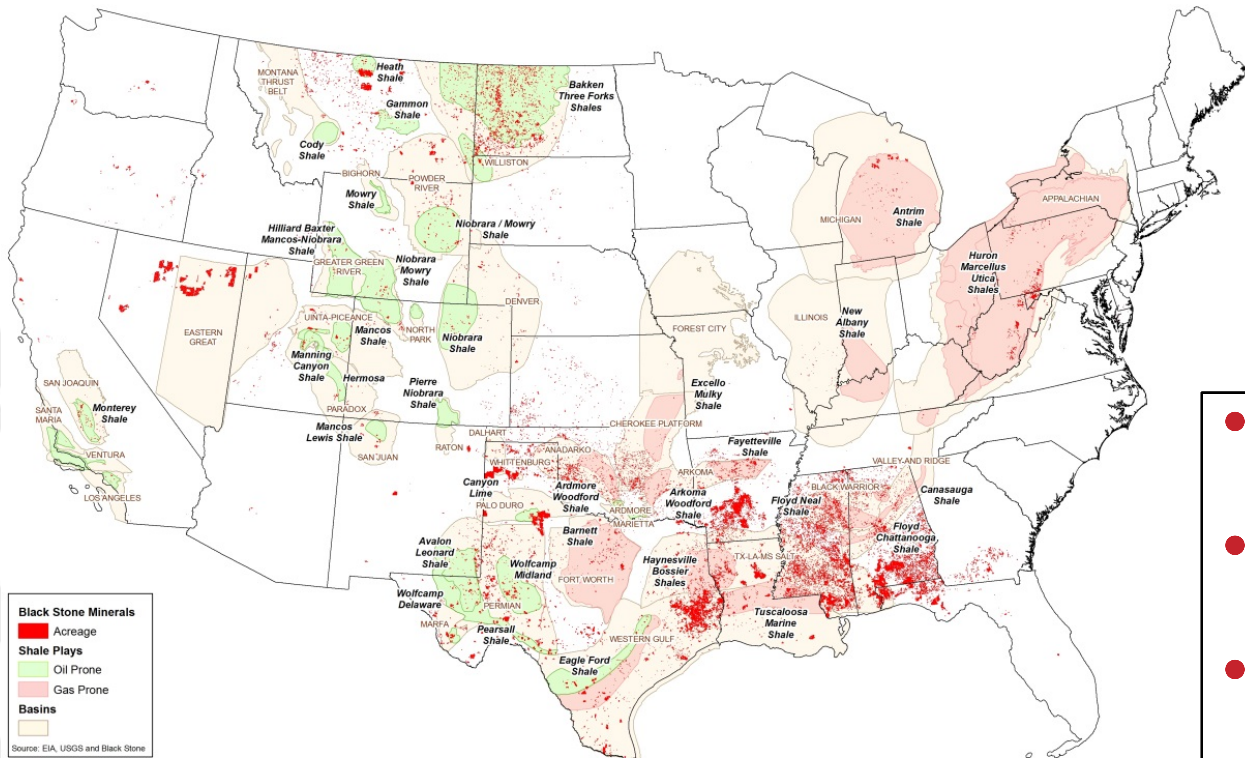
Black Stone Minerals Timeline



Over 35 years of mineral and royalty interest management and acquisition expertise

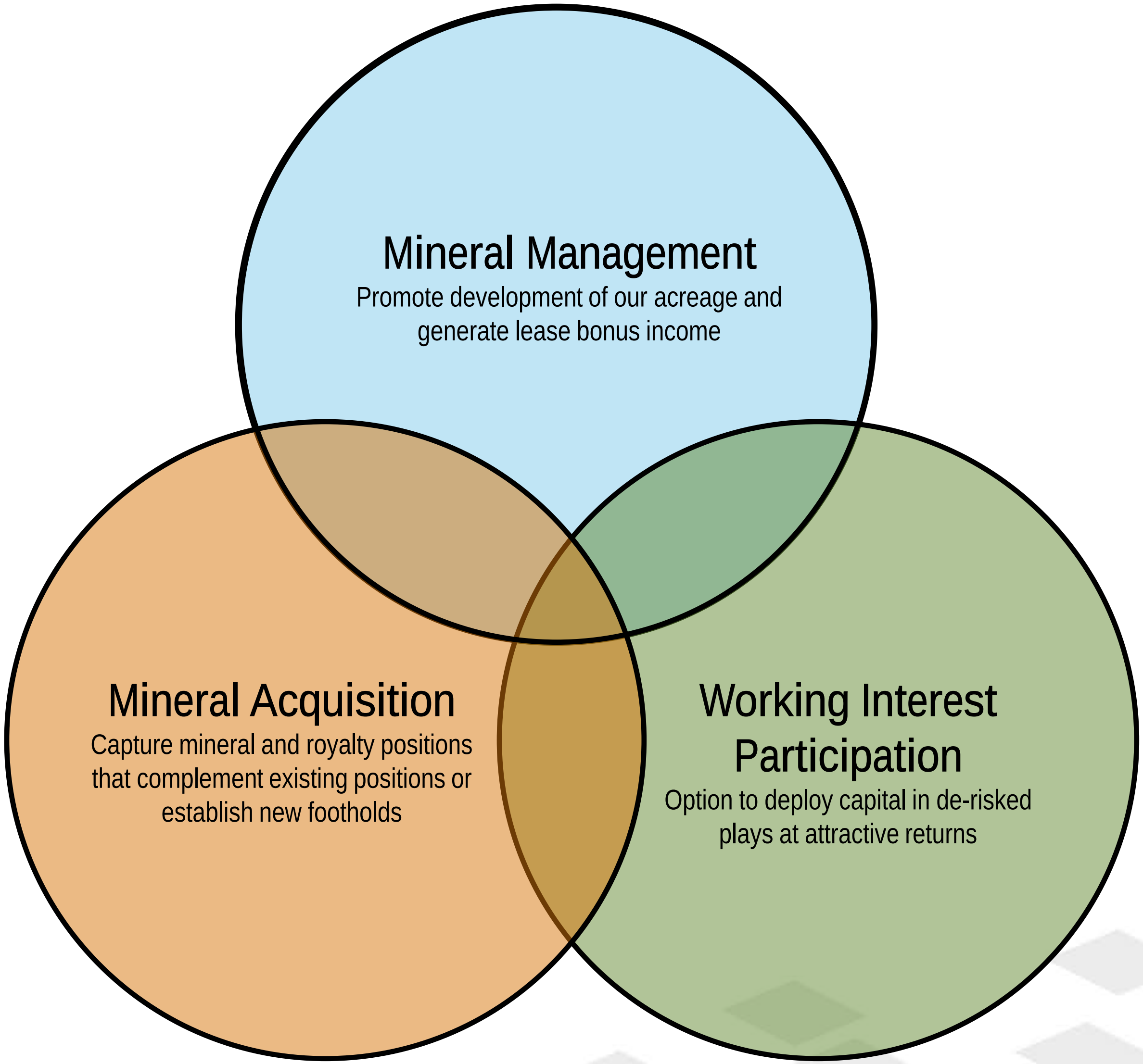
Large, Diversified Acreage Position

BSM Mineral and Royalty Acreage



- Approximately 17 million mineral and royalty acres
- Interests in over 40 states and 60 onshore basins
- Even as rig count dropped throughout 2015, more than 1,000 wells were added on BSM acreage in 2015

Delivering Unitholder Value through Focus on Core Competencies



Active Management of Mineral and Royalty Interests

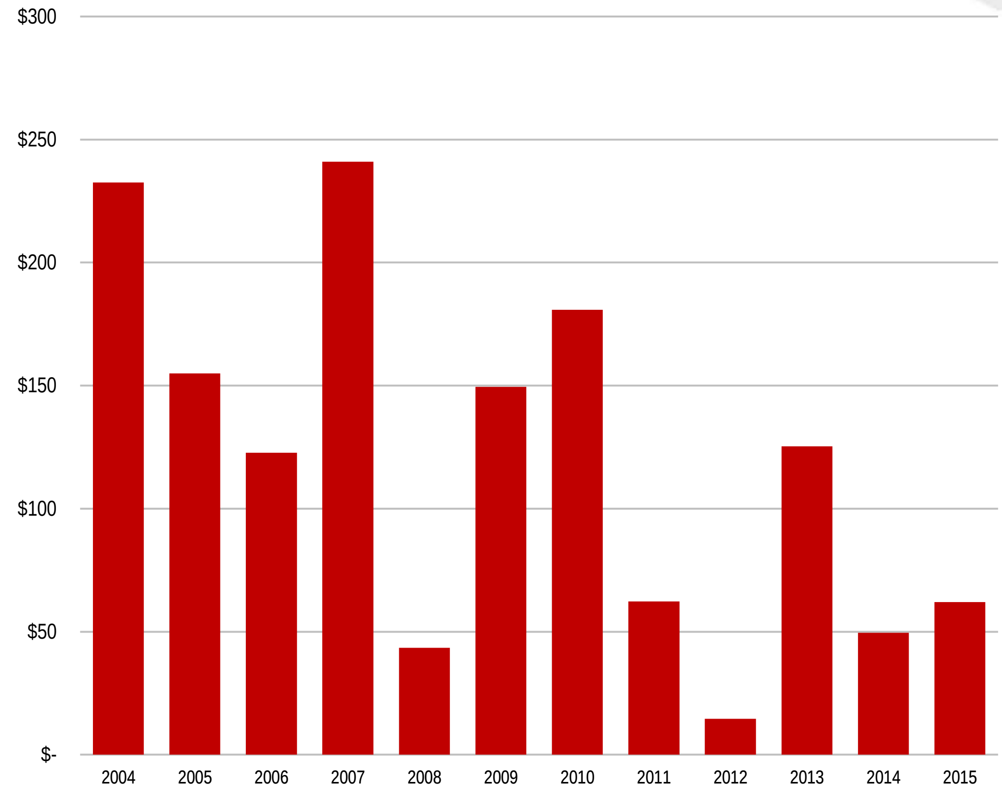
Promote BSM Acreage	• Black Stone Minerals actively markets ideas and prospects to industry • BSM is not passively waiting for the phone to ring
Ensure Acreage is Tested and Developed	• Getting acreage tested and in development is where the real value is generated
Deep Understanding of BSM and Surrounding Acreage	• Effective management of mineral and royalty interests requires detailed knowledge of acreage position • BSM has dedicated land, business development, and technical groups
Manage Producing Leases	• BSM can influence operator activity even after lease is issued and under development
Attract Industry with Lower Royalty and Bonus Trades	• Higher risk prospects require higher returns for operators • BSM can modify lease terms to incentivize operators in early-stage plays and low commodity price environments

Long History of Acquisitions

Scalable Infrastructure for Future Acquisitions

- Business Development: Reviewed hundreds of third-party acquisitions since the beginning of 2010, closing transactions totaling over $500 million
- Legal: Experience in nearly every jurisdiction throughout the continental United States' producing regions
- Land: Significant expertise in lease negotiations
- Accounting: Minimal incremental personnel and infrastructure needed for future acquisitions, regardless of size
- Engineering/Geology: In-house engineering and geology functions ensure informed investment decisions

Acquisitions by Year[1]



1. Represents acquisitions by BSM and its predecessor affiliates

Working Interest Participation Option

What is it?

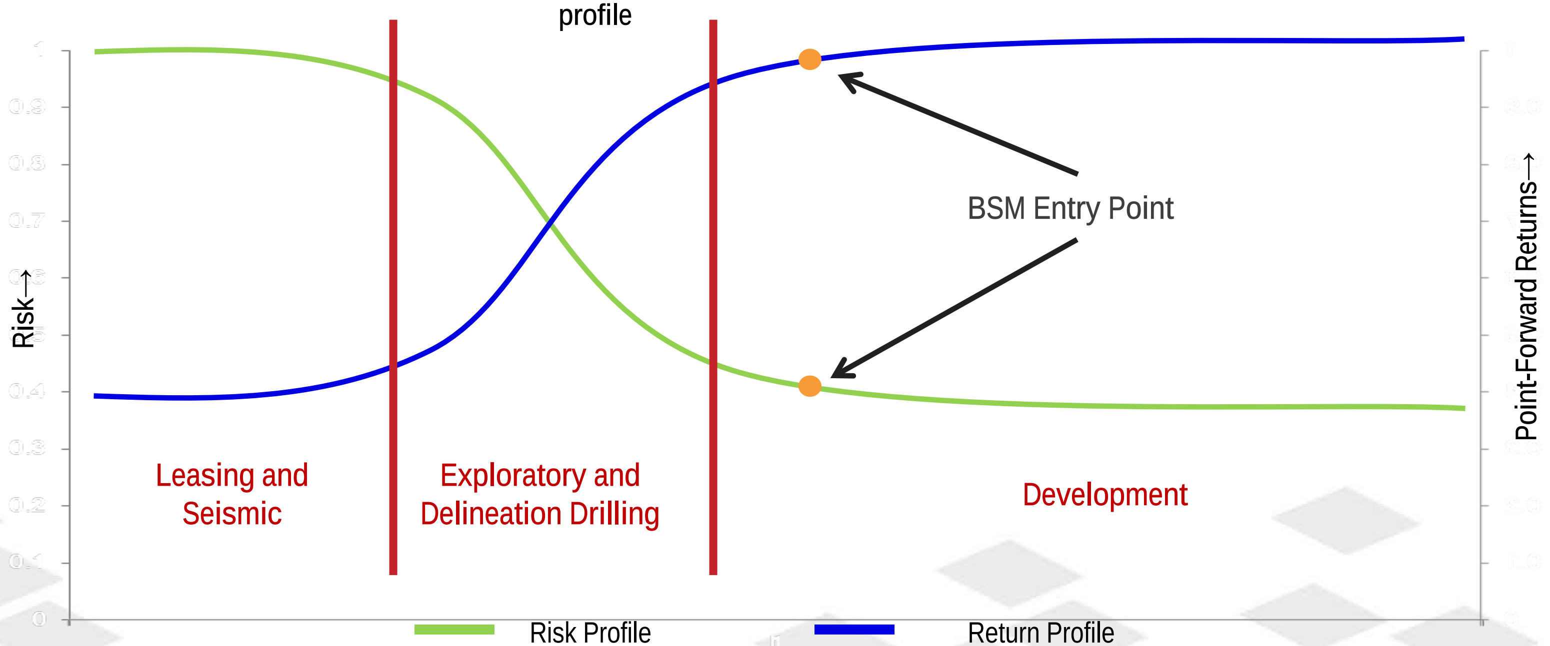
- Option to participate in drilling opportunities alongside operators
- Usually on our mineral interests
- Additional optionality across asset base

How is it different?

- BSM does not participate in full-cycle costs
- Allows for investment when risks are low and results are predictable
- Program is entirely discretionary and BSM only commits capital to opportunities that meet our risk/return profile

Why do we do it?

- Allows BSM to recapture some of value conveyed to lessee in mineral lease
- Provides very attractive risk-adjusted economics
- Increases exposure to plays (where BSM already has a royalty presence) once de-risked by operators



Black Stone Minerals Compared to Other MLPs

Cost-Free Growth Potential with Downside Protection

Cost-Free Growth Potential

- At BSM, all undeveloped assets are already in the Partnership, creating embedded cost-free drop-downs
- Other MLPs typically must pay for drop-downs or acquisitions at market value to grow

Secure and Growing Distribution

- BSM's common distribution is scheduled to increase ~9% annually from IPO into 2019, protected by a large subordinated class
- Many MLPs, particularly E&P-focused entities, have cut/suspended distributions

Stable and Diversified Asset Base

- Interests in ~17 million acres with over 45,000 producing wells and more than 1,000 operators; significant exposure to economic plays even in current environment
- Volume-based contracts of midstream MLPs are not risk free

Conservative Capital Structure

- Black Stone Minerals has limited debt outstanding and uses hedges to protect cash flows
- Higher leverage is common in other parts of the MLP space

Differentiated Distribution Structure

Growing Common MQD Protected by Subordination Structure

- Common units scheduled to receive an increasing MQD for 4 years from IPO, growing at an approximately 9% CAGR
- Approximately 50% subordinated ownership effectively doubles the distribution coverage to common units
- No IDRs
- Subordinated units only get paid after all common units have received the MQD
  - Cut 4Q15 sub distribution to preserve financial strength and flexibility
  - No arrearages for subordinated units

1. Annualized minimum quarterly distribution for the twelve months ended March 31

Black Stone Minerals Compared to Peers

	BSM	PSK CN	DMLP	VNOM
Acres (000s)	~17,000[1]	~14,700	~3,100	~47
2015 Production (MBoe/d)	28.7	17.2	5.7	5.4
YE 2015 Proved Reserves (MMBoe)	49.8	36.5[2]	13.9	26.3
Yield %[3]	7.6 / 8.3[4]	5.0	7.4	5.4

- Black Stone Minerals is larger and more diversified than mineral and royalty focused peers
  - Further differentiated by a growing, secure common distribution
- Despite these attributes, BSM trades at higher yield than most peers

NOTE: The above information was sourced from year-end 2015 company filings

1. Includes overlapping acreage resulting from different forms of mineral and royalty ownership
2. PraireSky Royalty is Canadian listed and does not file reports with the SEC; accordingly, proved reserves may be determined in a manner that differs from how U.S. listed companies determine proved reserves for SEC purposes
3. Yield is calculated by annualizing the distribution attributable to the fourth quarter of 2015 divided by the closing price as of March 18, 2016
4. Yield is calculated by annualizing the scheduled 2Q16 MQD of $0.2875 per unit divided by the closing price as of March 18, 2016

Managing Through the Downturn

- **Responding to the environment**
  - Proactively cut subordinated distribution for 4Q15 to maintain financial strength and flexibility
  - Initiated common unit repurchase program to capitalize on what we view as underpriced common units
- **Drive activity on to BSM mineral and royalty interests**
  - Multiple levers are available to incentivize operators, such as amending lease royalty structures and terms, as well as offering adjacent acreage
- **Manage the cash cost structure**
  - Adjusted G&A to appropriate levels for the current environment
- **Take advantage of lower activity levels**
  - Slow down in industry activity is allowing for deep dive on outstanding issues like resolving title disputes and suspended revenue cases

Building Momentum in 2016

2015 Recap

- Successfully completed initial public offering in May of 2015 despite challenging industry environment
- Exited 2015 on solid footing:
  - 4Q15 production of 27.1 MBoe/d
  - 4Q15 Adjusted EBITDA of $54.0 million
  - Distributable Cash Flow of $50.2 million with ~1.2x distribution coverage (~2.0x coverage to common units)
  - 4Q15 debt to trailing twelve month EBITDAX of 0.3x

Plan for 2016

- Budget for 2016 projects annual production growth of ~1% at the mid-point of guidance
- Continued focus on acquisitions; current environment driving assets to the market

Key Takeaways

- Black Stone Minerals is a leading player in the mineral and royalty space
- Development and exploration activity continues to occur across our interests
- Current environment should present acquisition opportunities for BSM
- Secure and growing distributions to common unitholders
- Compelling investment opportunity
  - Perpetual ownership of minerals provides long option on future discoveries and price recovery
  - Strong balance sheet and significant liquidity
  - Investors are paid while they wait for industry recovery

Appendix

Full Year 2016 Guidance

	2016 Guidance
Average daily production (Mboe/d)	28.5 – 29.5
Percentage oil	~30%
Percentage royalty interest	~63%
Lease bonus and other income ($MM)	$30
Lease operating expense ($/Boe)	$2.00 – $2.25
Lease operating expense ($/working interest Boe)	$5.45 – $6.10
Production costs and ad val. taxes (% of O&G revenue)	14% – 16%
Exploration expense ($MM)	$0 – $1
G&A – cash ($MM)	$36.5 – $37.5
G&A – non-cash ($MM)	$29.0 – $30.0
G&A – TOTAL ($MM)	$65.5 – $67.5
DD&A ($/Boe)	$8.00 – $8.50

EBITDA, Adjusted EBITDA, and Distributable Cash Flow Reconciliation

	Three Months Ended December 31,		Year Ended December 31,	
	2015	2014	2015	2014
	(In thousands)			
Net income (loss) (GAAP)	$ (49,730)	$ (20,713)	$ (101,305)	$ 169,187
Adjustments to reconcile to Adjusted EBITDA:				
Add:				
Depreciation, depletion and amortization	20,884	27,904	104,298	111,962
Interest expense	888	3,217	6,418	13,509
EBITDA (Non-GAAP)	(27,958)	10,408	9,411	294,658
Add:				
Impairment of oil and natural gas properties	92,886	117,930	249,569	117,930
Accretion of asset retirement obligations	270	617	1,075	1,060
Equity-based compensation	4,948	3,888	18,000	11,340
Less:				
Unrealized gain on commodity derivative instruments	(16,145)	(35,575)	(27,063)	(39,283)
Adjusted EBITDA (Non-GAAP)	54,001	97,268	250,992	385,705
Adjustments to reconcile to cash generated from operations:				
Add:				
Borrowings/cash used to fund additions to and acquisitions of oil and natural gas properties	11,964	16,895	116,522	119,753
Restructuring charges	4,208	—	4,208	—
Incremental general and administrative related to initial public offering	353	—	1,303	—
Loss on sales of assets, net	—	32	—	32
Less:				
Deferred revenue	(76)	(73)	(660)	(2,589)
Cash interest expense	(677)	(2,978)	(5,483)	(12,544)
Gain on sales of assets, net	(4,853)	—	(4,873)	—
Additions to oil and natural gas properties	(11,843)	(16,774)	(54,244)	(74,201)
Acquisitions of oil and natural gas properties	(121)	(121)	(62,278)	(45,552)
Cash generated from operations	52,956	94,249	245,487	370,604
Less:				
Cash paid to noncontrolling interests	(41)	(55)	(208)	(307)
Redeemable preferred unit distributions	(2,739)	(3,957)	(11,562)	(15,720)
Cash generated from operations available for distribution on common and subordinated units and reinvestment in our business (Non-GAAP)	$ 50,176	$ 90,237	$ 233,717	$ 354,577