Shell Midstream Partners, L.P. (SHLX)
Q3 2020 Results

October 30, 2020

Definitions and Cautionary Note

This press release 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 growth, future actions, the continued effects of the global COVID-19 pandemic on demand, the effects of the continued volatility of commodity prices and the related macroeconomic and political environment, future drop downs, volumes, capital requirements, conditions or events, future operating results or the ability to generate sales, the potential exposure of the Partnership to market risks, and statements relating to the expected amount of distributions, coverage ratios and expectations regarding not accessing the capital markets for debt or equity in the near-term 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 press release, October 30, 2020, and we disclaim any obligation to update publicly or to revise any forward-looking statements, whether as a result of new information, future events or otherwise, 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 Form 10-Q 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.

3Q 2020 – Diversified Portfolio Delivers During Difficult Macro Environment

- **3Q continued resilience across the portfolio:**
  - Adjusted EBITDA $191 million, CAFD $163 million[1]
  - Quarterly distribution declared of $0.460 per common unit

- **Operational Update:**
  - Asset base delivers value through a volatile economic environment and during most active hurricane season since 2005
  - Lower volumes across our offshore systems due to impacts of multiple producer shut-ins related to the storms
  - Onshore refined products systems continue to see lower demand related to COVID-19 demand destruction

- **COVID-19 is expected to continue to cause short-term volatility – SHLX has a resilient portfolio and is confident in it's ability to rebound as the U.S. moves toward recovery**

(1) Non-GAAP measures. See reconciliation to GAAP measures in Appendix 2

SHLX – Long-Term Resilient Portfolio

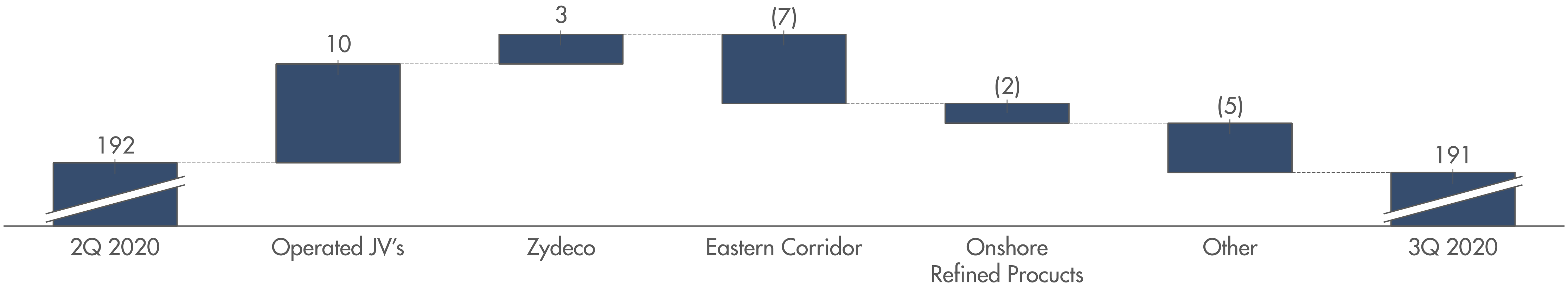
- **Offshore – A premier corridor network providing optionality**
  - One of the premier offshore corridor networks providing producers with unique optionality, including multiple destination points and access to water
  - Predominantly transport medium sour crude grades
    - Crude grade holding up best in the current market, as refiners move to maximize diesel production
    - Longer term expect offshore to hold up well: Deepwater has competitive full cycle cost profiles and location advantages
  - Majority of customers are large investment grade companies

- **Onshore – Well positioned for the demand recovery**
  - Provide low cost transportation options to key demand centers
  - Certain assets backed by "Take or Pay" contracts, providing key midstream services for our Sponsor

Financial Results from Operations

($ million)	Three Months Ended September 30, 2020	 June 30, 2020
Revenue	$110	$120
Cost and Expenses	75	79
Operating Income	35	41
Income from Equity Method Investments	109	109
Other Income	7	11
Net Income	137	144
Net Income Attributable to SHLX	135	141
Adjusted EBITDA Attributable to SHLX (1)	191	192
Cash Available for Distribution to Common Unitholders (1)	$163	$163

Adjusted EBITDA 3Q 2020 versus 2Q 2020



(1) Non-GAAP measures. See reconciliation to GAAP measures in Appendix 2

2020 Updates

- 4Q 2020 expected impact of ~$15 million to Net Income and Cash Available for Distribution
  - ~$10 million related to Hurricanes Delta and Zeta
  - ~$5 million related to planned producer turnarounds that were delayed in the third quarter
- 2020 Expected Capex Reduced by $21 million compared to original guidance
  - Growth $1 million
  - Maintenance $24 million
- Strong balance sheet with ability to weather the current macro-environment
  - ~$1.2 billion of liquidity available

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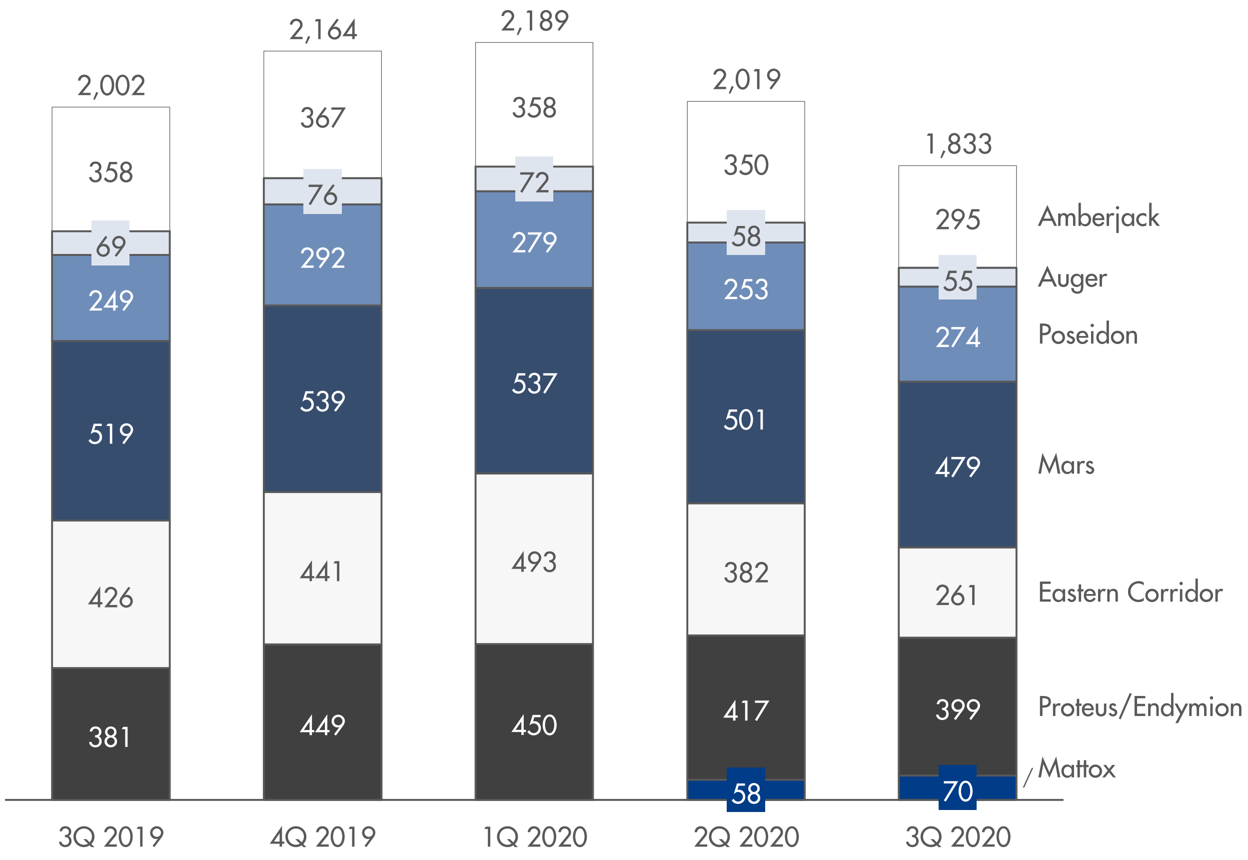
Q&A

3Q Operational Update: Resilient in Current Macro

Offshore Throughput Volume, kbpd

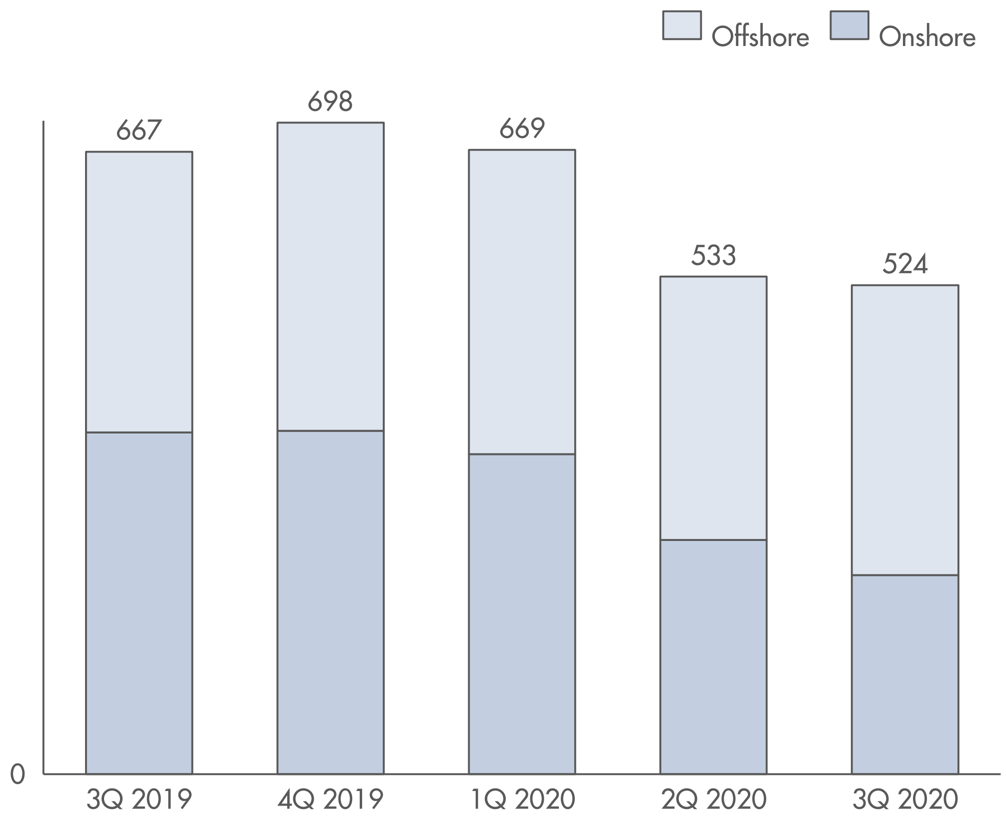


Highlights

- Long term outlook remains
  - Lower 3Q volumes across basin driven by multiple producer shut-ins related to the storm activity
  - No material damage to SHLX or connected producer assets; volumes returned to pre-storm levels

3Q Zydeco Operational Update:

Zydeco Mainline Throughput Volume, kbpd



- Lower volumes due to reduced demand in the Louisiana Refinery complex, caused by pandemic-related supply/demand disruptions

Non-GAAP Financial Metrics

	Three Months Ended	
($ million except per unit amount)	September 30, 2020	June 30, 2020
Adjusted EBITDA Attributable to SHLX [(1)]	$191	$192
Less:		
Net Interest Paid by SHLX	22	25
Series A Preferred Distribution	12	12
Maintenance Capital Attributable to SHLX	10	5
Plus:		
Adjustments from Minimum Volume Commitments	8	7
Principal and Interest Payments Received on Financing Receivables	8	6
Cash Available for Distribution Attributable to SHLX Common Unitholders[(1)]	$163	$163
Total Cash Distribution Declared to SHLX Common Unitholders	$161	$161
Cash Distribution per LP Common Unit	$0.460	$0.460
Coverage Ratio [(2)]	1.0x	1.0x

(1) Non-GAAP measures. See reconciliation to GAAP measures in Appendix 2.

(2) Coverage Ratio is equal to Cash Available for Distribution Attributable to SHLX divided by Total Cash Distribution Declared.

Balance Sheet and Liquidity

($ million)	As of September 30, 2020
Cash and Cash Equivalents	$329
Total Debt Outstanding	2,692
Total Credit Facility Capacity (Inc. Zydeco)	3,590

Appendix1 – 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, interest expense, interest income, gain or loss from disposition of fixed assets, allowance oil reduction to net realizable value, loss from revision of asset retirement obligation, and depreciation, amortization and accretion, plus cash distributed to Shell Midstream Partners, L.P. from equity method investments for the applicable period, less equity method distributions included in other income and income from equity method 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, L.P., net interest paid by the Partnership, cash reserves and income taxes paid, and Series A Preferred Units distribution, plus net adjustments from volume deficiency payments attributable to Shell Midstream Partners, L.P., reimbursements from Parent included in partners' capital, principal and interest payments received on financing receivables, and certain one-time payments received. Cash available for distribution will not reflect changes in working capital balances. We define maintenance capital expenditures as cash expenditures, including expenditures for (a) the acquisition (through an asset acquisition, merger, stock acquisition, equity acquisition or other form of investment) by the Partnership or any of its subsidiaries of existing assets or assets under construction, (b) the construction or development of new capital assets by the Partnership or any of its subsidiaries, (c) the replacement, improvement or expansion of existing capital assets by the Partnership or any of its subsidiaries or (d) a capital contribution by the Partnership or any of its subsidiaries to a person that is not a subsidiary in which the Partnership or any of its subsidiaries has, or after such capital contribution will have, directly or indirectly, an equity interest, to fund the Partnership or such subsidiary's share of the cost of the acquisition, construction or development of new, or the replacement, improvement or expansion of existing, capital assets by such person, in each case if and to the extent such acquisition, construction, development, replacement, improvement or expansion is made to maintain, over the long-term, the operating capacity or operating income of the Partnership and its subsidiaries, in the case of clauses (a), (b) and (c), or such person, in the case of clause (d), as the operating capacity or operating income of the Partnership and its subsidiaries or such person, as the case may be, existed immediately prior to such acquisition, construction, development, replacement, improvement, expansion or capital contribution. For purposes of this definition, "long-term" generally refers to a period of not less than twelve months.

Appendix 2

Reconciliation of Adjusted EBITDA and Cash Available for Distribution to Net Cash Provided by Operating Activities

(in millions of dollars)	For the Three Months Ended September 30, 2020	For the Three Months Ended June 30, 2020
Net cash provided by operating activities	$ 149	$ 192
Add:		
Interest income	(8)	(7)
Interest expense	22	24
Return of investment	30	18
Less:		
Change in deferred revenue and other unearned income	11	7
Change in other assets and liabilities	(12)	25
Adjusted EBITDA	194	195
Less:		
Adjusted EBITDA attributable to noncontrolling interests	3	3
Adjusted EBITDA attributable to the Partnership	191	192
Less:		
Series A Preferred Units distribution	12	12
Net interest paid by the Partnership (1)	22	25
Maintenance capex attributable to the Partnership	10	5
Add:		
Net adjustments from volume deficiency payments attributable to the Partnership	8	7
Principal and interest payments received on financing receivables	8	6
Cash available for distribution attributable to the Partnership's common unitholders	$ 163	$ 163

(1) *Amount represents both paid and accrued interest attributable to the period.*

See "*Non-GAAP Financial Measures*" later in this press release.