Shell Midstream Partners, L.P. (SHLX)
Q2 2020 Results

July 31, 2020

Definitions and Cautionary Note

This presentation 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, July 31, 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.

Summary – 2Q 2020

- 2Q resilience across the portfolio:
  - Adjusted EBITDA $192 million, CAFD $163 million(1)
  - Quarterly distributions of $0.460 per common unit

- Operational Update:
  - Asset base resilient through a volatile economic environment
  - Lower volumes on refined products joint ventures, Zydeco and the Eastern Corridor
  - Increased contributions related to the recently acquired Mattox Pipeline and Norco logistics assets

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

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

2Q Impacts vs. What We Were Watching

- **Short-term impacts of unprecedented supply/demand volatility:**
  - March and April demand reductions across the country: ~50% gasoline, ~80% jet fuel and ~10% diesel
  - Refining centers lowering run rates, impacting crude storage and causing some basins and producers to reduce/shut in wells
  - To date, SHLX has seen impacts in our refined products assets and some volume reductions on Zydeco and in our Eastern Corridor

- **Beginning of a recovery:**
  - Refined products demand has increased, but still off year-on-year
  - Production cuts have materialized primarily onshore, with the Gulf of Mexico basin holding up well
  - Level of stress on Gulf Coast logistics and Gulf of Mexico has improved since pandemic began

Levers for Enhanced Sustainability

- Short-term
  - Review of all spend to preserve cash showing quick wins to the bottom line
  - Process and program efficiencies to lead to sustainable cost reductions
    - Optimization of the helicopter fleet by standardization of equipment to more efficiently meet the needs of the assets

- Long-term
  - Reducing the size of the organization and moving decision making closer to the assets
  - Results: ~$10 million in direct savings to enter 2021 and growing to ~$30-$40 million by the end of 2021

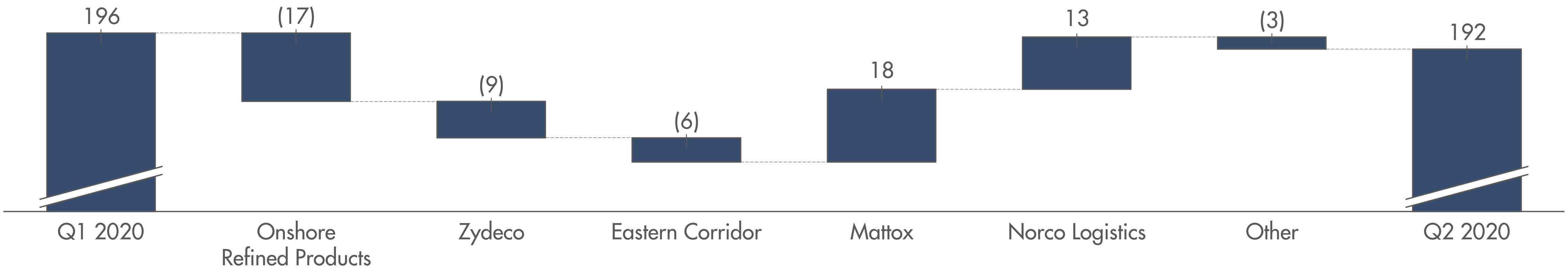
SHLX – Long Term Resilient Portfolio

- **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
  - Assets backed by "Take or Pay" contracts, providing key midstream services for our Sponsor

Financial Results from Operations

	Three Months Ended	
($ million)	June 30, 2020	March 31, 2020
Revenue	$120	$121
Cost and Expenses	79	76
Operating Income	41	45
Income from Equity Method Investments	109	112
Other Income	11	9
Net Income	144	142
Net Income Attributable to SHLX	141	138
Adjusted EBITDA Attributable to SHLX [1]	192	196
Cash Available for Distribution to Common Unitholders [1]	$163	$170

Adjusted EBITDA Q2 2020 versus Q1 2020



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

2020 Updates

- 2020 Expected Capex Reduced by $13 million
  - Growth $4 million primarily related to Permian Gas Gathering
  - Maintenance $29 million

- Strong balance sheet with ability to weather the current macro-environment
  - ~$1.2 billion of liquidity available, and credit facilities have very few covenants with our lender, Shell.

- We intend to maintain our existing distribution policy of $0.46 per common unit for the third quarter of 2020. The Partnership's Board of Directors will monitor the business environment and make decisions regarding future distributions on a quarter-by-quarter basis

For further questions, please contact
Jamie Parker

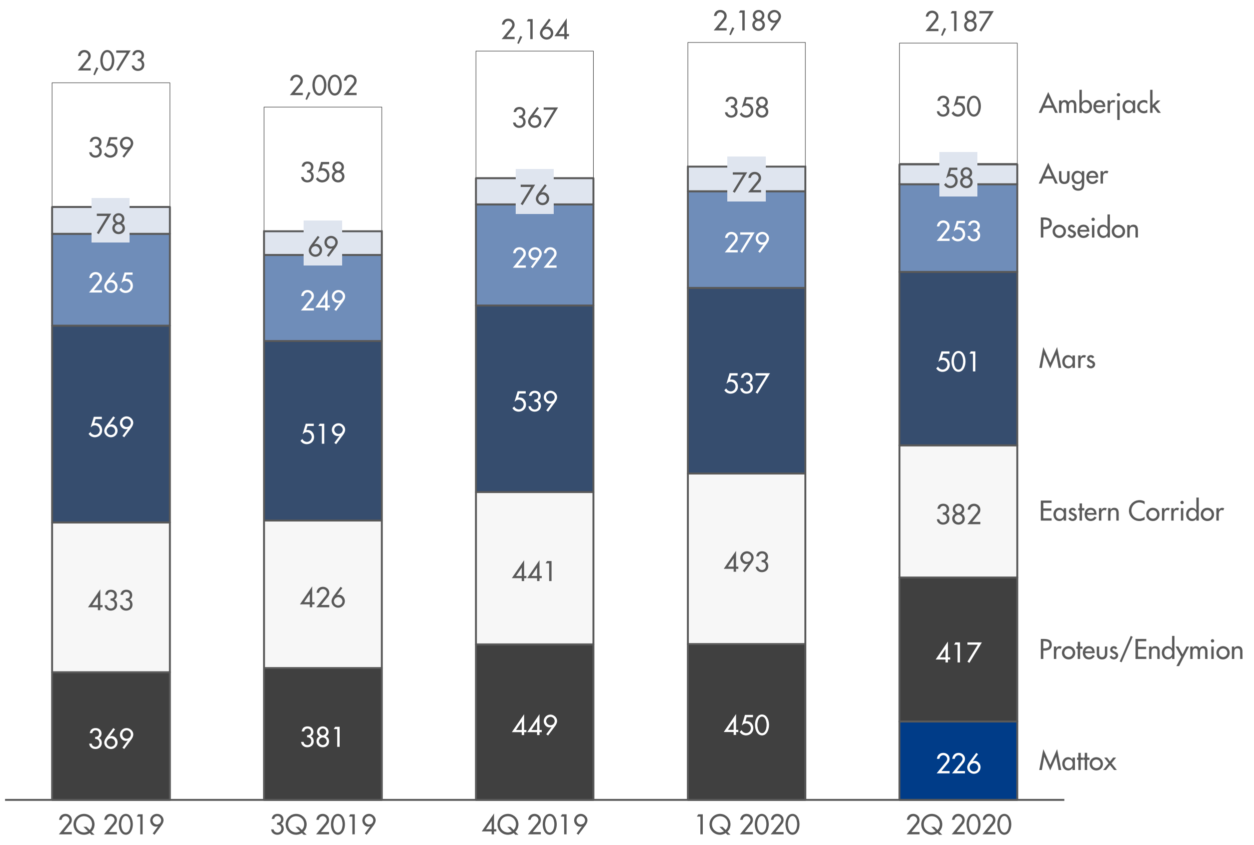
James.Parker2@Shell.com

+1 832 337 2837

Q&A

Q2 Operational Update: Basin resilient in current macro

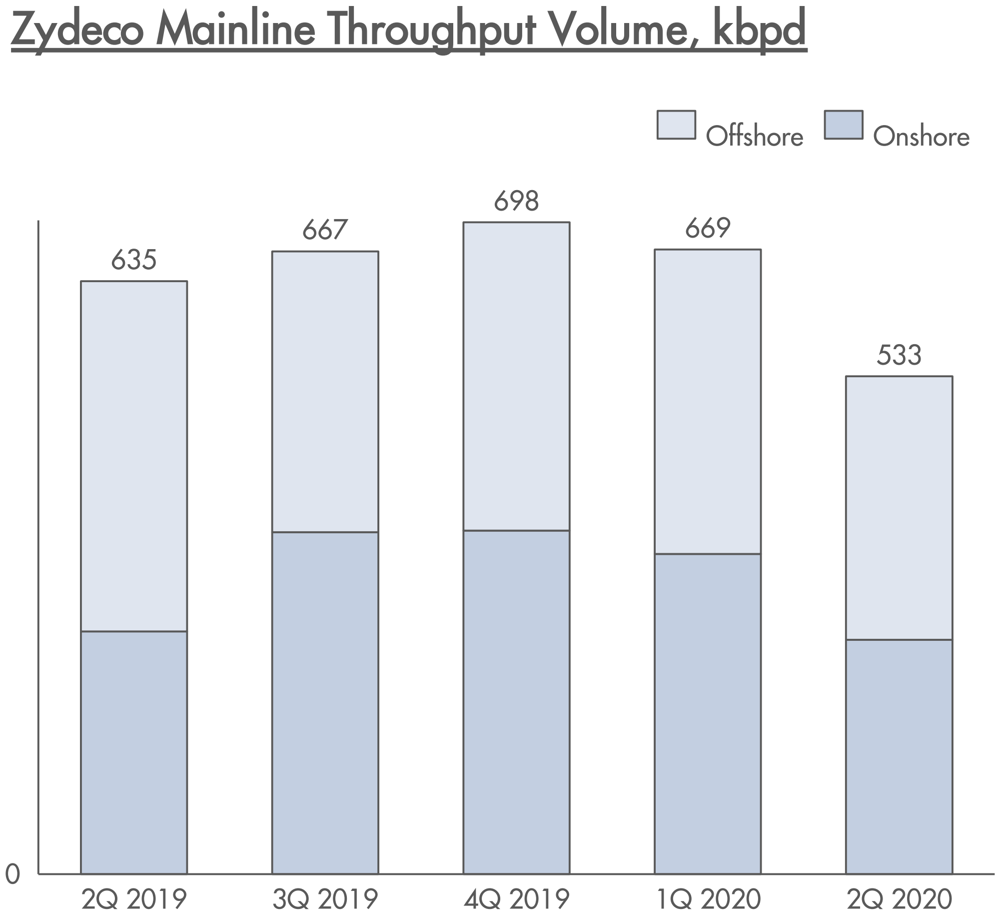
Offshore Throughput Volume, kbpd



Highlights

- Strong throughput despite headwinds
  - Mars slightly lower related to delayed well completions and ramp-ups. The Mars expansion discussions continue to progress with producers, and we expect to execute definitive agreements by the end of the year and be online in 2021.
  - Eastern Corridor lower due to market driven shut-ins.

Q2 Zydeco Operational Update:



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

Non-GAAP Financial Metrics

($ million except per unit amount)	Three Months Ended June 30, 2020	Three Months Ended March 31, 2020
Adjusted EBITDA Attributable to SHLX [1]	$192	$196
Less:		
Net Interest Paid by SHLX	25	24
Series A Preferred Distribution	12	-
Maintenance Capital Attributable to SHLX	5	3
Plus:		
Adjustments from Minimum Volume Commitments	7	1
Principal and Interest Payments Received on Financing Receivables	6	-
Cash Available for Distribution Attributable to SHLX Common Unitholders[1]	$163	$170
Total Cash Distribution Declared to SHLX Common Unitholders	$161	$162
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 June 30, 2020
Cash and Cash Equivalents	$332
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.

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 Income

(in millions of dollars)	For the Three Months Ended June 30, 2020	For the Three Months Ended March 31, 2020
Net income	$ 144	$ 142
Add:		
Allowance oil reduction to net realizable value	—	8
Depreciation, amortization and accretion	17	13
Interest income	(7)	(1)
Interest expense	24	25
Cash distribution received from equity method investments	135	135
Less:		
Equity method distributions included in other income	9	9
Income from equity method investments	109	112
Adjusted EBITDA	195	201
Less:		
Adjusted EBITDA attributable to noncontrolling interests	3	5
Adjusted EBITDA attributable to the Partnership	192	196
Less:		
Series A Preferred Units distribution	12	—
Net interest paid by the Partnership [(1)]	25	24
Maintenance capex attributable to the Partnership	5	3
Add:		
Net adjustments from volume deficiency payments attributable to the Partnership	7	1
Principal and interest payments received on financing receivables	6	—
Cash available for distribution attributable to the Partnership's common unitholders	$ 163	$ 170

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