



CYPRESS

ENERGY PARTNERS

NYSE: CELP

Essential Midstream Services



Capital Link Master Limited Partnership Investing Forum Investor Presentation – March 2nd, 2017



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Some of the statements in this presentation concerning future performance are forward-looking within the meaning of U.S. securities laws. Forward-looking statements discuss the Company's future expectations, contain projections of results of operations or of financial condition, forecasts of future events or state of other forward-looking information. Words such as "may," "assume," "forecast," "position," "forecast," "position," "strategy," "except," "intend," "plan," "estimate," "anticipate," "believe," "project," "budget," "potential," or "continue," and similar expressions are used to identify forward-looking statements. Forward-looking statements may include statements that relate to, among other things, availability of cash flow to pay minimum quarterly distributions on the Company's common units; the consummation of financing, acquisition or disposition transactions and the effect thereof on the Company's business; the Company's existing or future indebtedness and credit facilities; the Company's liquidity, results of operations and financial condition, future legislation and changes in regulations or governmental policies or changes in enforcement or interpretations thereof; changes in energy policy; increases in energy conservation efforts; technological advances; volatility in the capital and credit markets; the impact of worldwide economic and political conditions; the impact of wars and acts of terrorism; weather conditions or catastrophic weather-related damage; earthquakes and other natural disasters; unexpected environmental liabilities; the outcome of pending or future litigation; and other factors, including those discussed in "Risk Factors" section of our annual report on Form 10-K. Except for historical information contained in this presentation, the matters discussed in this presentation include forward-looking statements that involve risks and uncertainties. The Company does not undertake and specifically declines any obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances after the date of such statements or to reflect the occurrence of anticipated and unanticipated events. Forward-looking statements are not guarantees of future performance or an assurance that the Company's current assumptions or projects are valid. Actual results may differ materially from those projected. You are strongly encouraged to closely consider the additional disclosures and risk factors contained in the prospects.



We strive to be the premier midstream energy services company in markets we service.

Safety is a top priority and CELP enjoys an excellent rating

Pipeline Inspection (PIS) & Integrity (IS) Services



- Pipelines are an essential part of our energy infrastructure and required to transport hydrocarbons from the wellhead to various users
 - Pipelines are regulated by DOT and require inspection and integrity services
- Two subsidiaries:
 - Tulsa Inspection Resources, LLC (TIR) - > 1,200 inspectors and access to over 16,000+ inspectors
 - Brown Integrity, LLC: (Brown) Integrity assessment hydro testing (51% owned)
 - Services cover most energy infrastructure including: oil, gas, NGLs, refined products, CO₂, LDC/PUC's, storage, gas plants, compressor stations, etc.
- A portion of our business enjoys recurring revenue opportunities associated with maintenance, repair & operations (MRO) activities

Water & Environmental Services (W&ES)



- Saltwater is a naturally occurring byproduct of the oil and gas production process that must be properly handled to protect the environment
 - Saltwater disposal is also regulated by states & EPA
- CELP has 11 owned saltwater disposal (SWD) facilities
 - Avg. disposal volume of ~ 37k¹ barrels/day or ~ 13.3 MM TTM barrels (25% utilized)
 - Annual injection capacity of ~ 53 million barrels without any incremental capital expenditures.
 - 96% of our volumes are produced and piped water (not flowback, which is tied to new drilling)¹
 - We receive water via (9) midstream pipelines directly from oil & gas wells owned by investment grade energy companies into 5 of our facilities.
- We also manage and own 25% of another Bakken facility
- We do not own and operate in Oklahoma because we understood seismic risk long before the substantial media coverage of earthquakes in known faulted areas.

¹ Three months ended December 31, 2016.

All Business Lines Are Required By Government Regulations



Essential Service

W&ES



- ✓ **Produced water focus:** Occurs for the life of oil & gas wells
- ✓ ~ 96% of water in Q4 was produced water
- ✓ > 8,000 drilled uncompleted wells (“DUC’s”) will lead to growth

Required Services

PIS



- ✓ **Required services:** Natural gas, crude, CO2, and other liquid pipelines must be regularly inspected pursuant to various laws
- ✓ Many states looking to pass even more stringent inspection requirements

Stability, Diversity, Growth

CELP



- ✓ **Piped water growth:** Pad drilling, down spacing
- ✓ ~ 47% of Q4 water was piped
- ✓ 9 pipelines (5 Bakken, 4 Permian)
- ✓ Investment grade energy customers on each pipeline.
- ✓ **Total volumes:** Q4 we disposed of ~ 37K barrels per day vs. over 135K barrels per day of capacity.
- ✓ **Increased Regulatory oversight:** Drives demand
- ✓ High profile incidents encourage greater investment in integrity
- ✓ Potential mandatory hydrotesting under consideration of pre-1970 gas lines
- ✓ **Resilient business:** Lower correlation to commodity prices
- ✓ PUC’s not exposed to oil prices
- ✓ **Diversity:** Our strategy is to offer services in US and Canada and be diversified across oil and natural gas sources
- ✓ ~ 200 customers across North America
- ✓ Growing number of PUC’s
- ✓ **Brown Integrity:** We own 51% of a hydrotesting company with a right to acquire the remaining 49% starting Q2 2017.

> 85% of our Customers are Investment Grade



Water & Environmental

- **125+ customers** in the U.S.
- E&P companies
 - Permian
 - Bakken
- Midstream Pipelines
- Trucking companies that serve oil & gas producers
- Crude oil purchasers

Pipeline Inspection & Integrity Services

- **150+ customers** in North America – a majority are investment grade publicly-traded companies
 - Midstream companies
 - Oil & gas or E&P producers with infrastructure/systems/etc.
 - Local Distribution Companies (“LDC’s”) and/or Public Utility Companies (“PUCs”) that provide natural gas to customers
- We have only scratched the surface. Our available market is well over 1,000 energy companies that have infrastructure requiring inspection.
- We have over 160 MSA’s and added over 40 new customers in 2016

Water & Environmental



Pipeline Inspection



Pipeline Integrity



PIS – A Large and Growing Service Industry



\$2.2 billion



\$2.2 Bn spent on integrity management by operators of liquids pipelines in 2014⁽¹⁾

46,700 miles



Over **46,000 miles** of liquids pipeline inspected with in-line smart-pigs in 2014⁽¹⁾

> 1,630 runs



Over **1,600** in-line inspection “smart pig” tool runs on liquid pipelines in 2014⁽¹⁾

> 12,000 digs



Over **12,000** digs for further inspection or liquid pipeline maintenance in 2013⁽²⁾

New Customer Additions



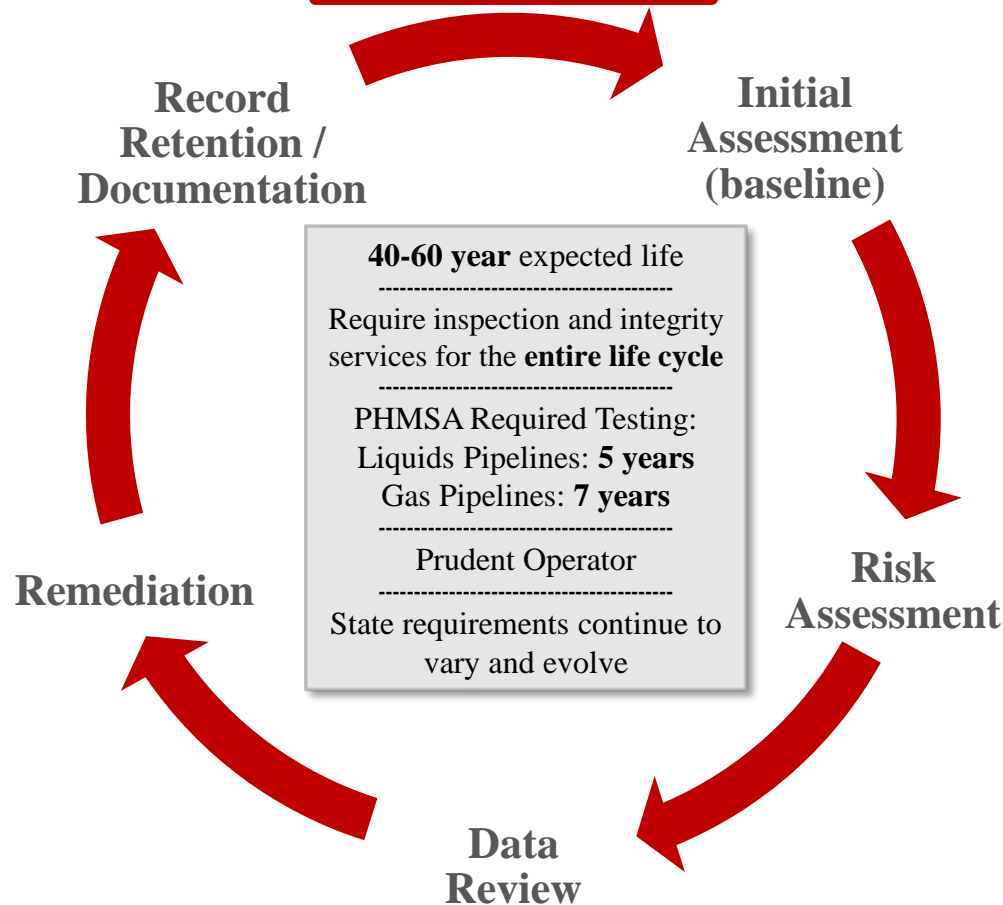
(1) Source: 2016 AOPL Annual Liquids Pipeline Safety Performance Report & Strategic Plan. Note: 2014 is the most recent year for which data is available

(2) Source: 2015 AOPL Annual Liquids Pipeline Safety Performance Report & Strategic Plan. Note: # of digs was not included in the 2016 plan.

The Typical Life Cycle of a Pipeline



New Construction



New Construction Services

Current Services

- Right-of-way acquisitions (limited)

Potential Services

- Barcode scanning
- Nitrogen services
- Water & Solid waste services
- Chemical cleaning
- Survey

Integrity Management Program

Current Services

- Hydrostatic testing
- Chemical cleaning
- External corrosion direct assessment
- Pig tracking
- Dig staking
- Inspection
- NDE

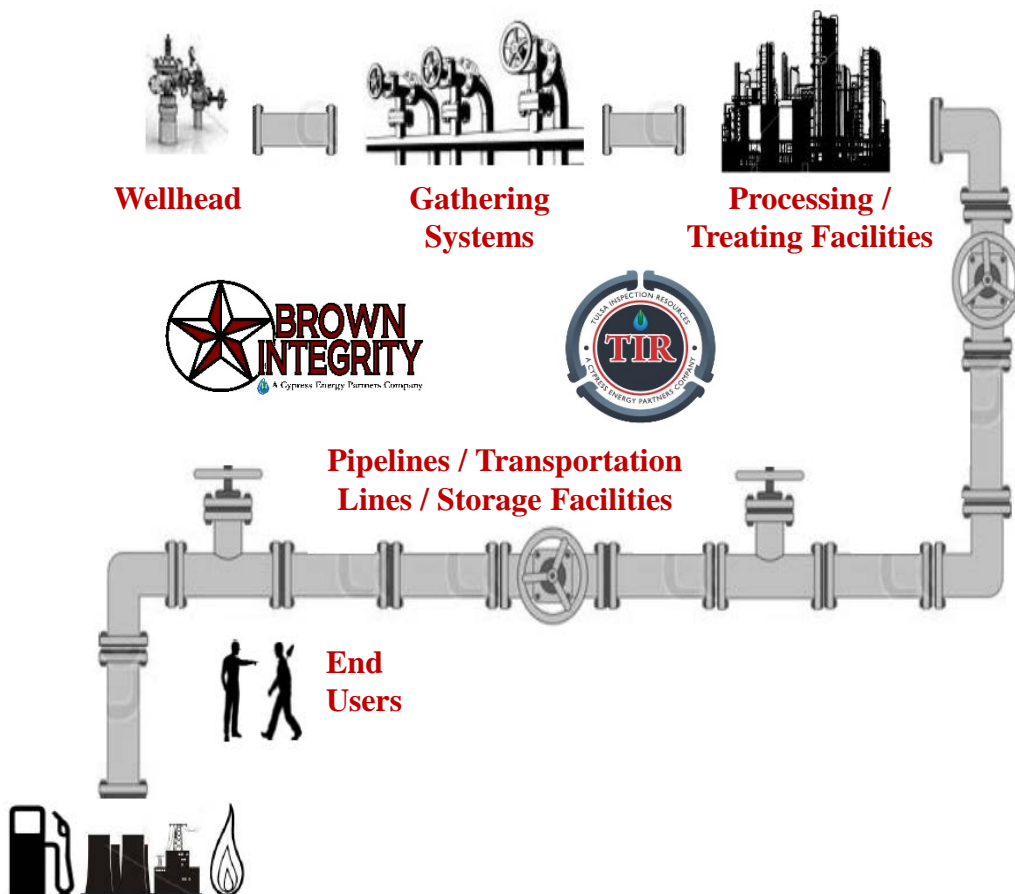
Potential Services

- In-line inspection (ILI) pig
- Close internal surveys (CIS)
- Maintenance pigging – supplyhouse
- Leak detection surveys
- Chemicals and nitrogen services
- Water & Solid waste services
- Aerial surveillance

PIS – Our Midstream Pipeline Services



Federal and some state regulations require pipeline operators to develop integrity management programs and conduct inspections, with operators outsourcing elements



Inspection Service	PI&IS
In-line Inspection	
Smart pigs & various ILI technologies	★
Pig tracking	✓
Integrity Assessment	
Hydrostatic testing	✓
Pneumatic pressure testing	✓
Other Non-destructive Examination (NDE) Inspection	
Visual / LIDAR	★
X-ray	★
Ultrasonic	✓
Data & Integrity Program Management Services	
Smart pig and other NDE inspection data	✓
Anomaly & above ground marker (AGM) reports	✓
Automated dig sheet generation	✓
Chemicals	★ ✓
Staking Services	
AGM placement	✓
Dig site staking	✓
Construction & Repair Management	
Project supervision & coordination of field activities	✓
Dig site excavation oversight	✓
Defect assessments & mapping / surveying	✓
Documentation	✓
Nitrogen Services	★

✓ Indicates business activity performed by our PI&IS business

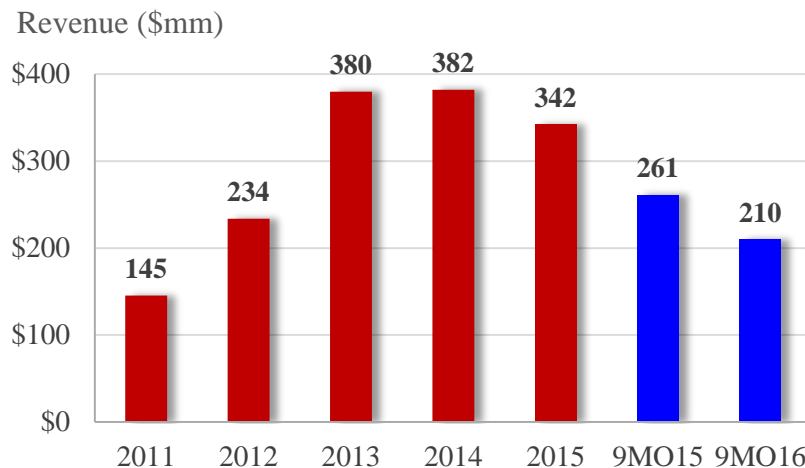
★ Indicates potential expansion opportunity



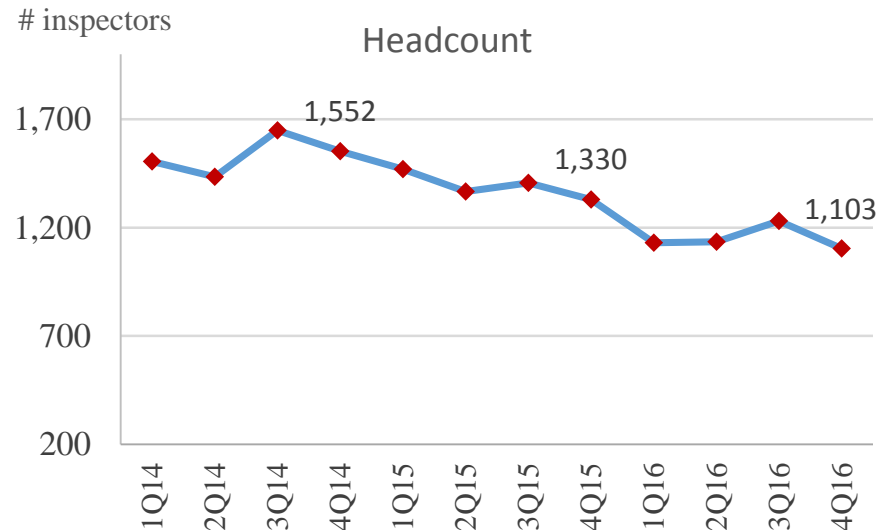
How We Generate Revenue

- Customers typically pay a daily or weekly rate per inspector and per diem expenses.
- Revenues driven by the number and type of inspectors performing services and the fees charged
 - Inspection services gross margins are ~10% and NDE and hydrotesting are > 20%
- Numerous recurring revenue opportunities with maintenance, repair and operations (MRO) activities
- The two year downturn impacted most of our customers leading to project delays and/or cancellations. Presidential election & OPEC cuts positive for energy industry
- Seasonal impact of headcounts results in ~ 56% of TIR's activity historically occurring in the 3rd and 4th quarters

Prior to the two year industry downturn (11/14 – 11/16) TIR enjoyed a 5 Year 24% CAGR in Revenue growth¹



Average TIR Inspector Headcount

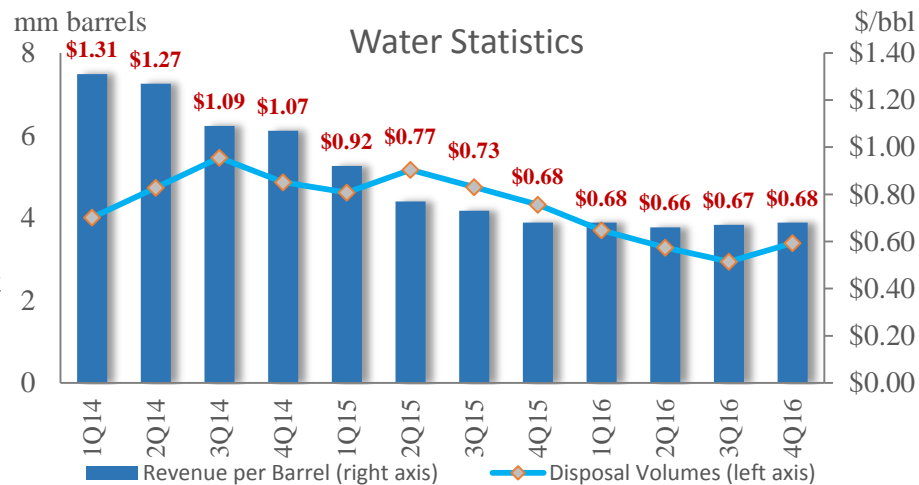


¹ CAGR for period from 2011-2015



How We Generate Revenue

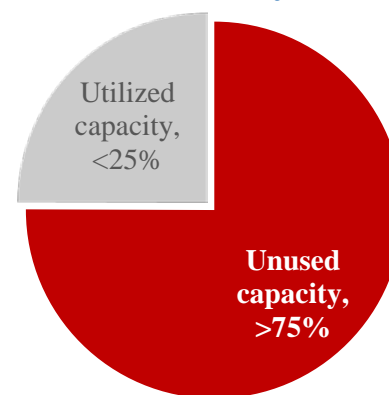
- We charge a **fee per barrel for disposal**
- Management fees for 3rd parties
- Transportation fees for pipelines (future)
- Selling residual/skim oil recovered
- Downturn led to an overbuilt market that lowered pricing.
- 15-30% of an oil and gas wells operating cost is associated with water handling¹



Significant Unused Capacity

- Annual injection capacity of ~53 million bbls
- Our facilities have more than **75%** of available capacity today
- Represents substantial capacity to generate more revenue and cash flow **without** any additional capital expenditures
- Utilization of existing capacity does not require any incremental capital needs
- DUC completions will greatly benefit us
- Reeves County in Permian is very active

CELP SWD Facility Utilization



¹ Source: Steven Mueller, Southwestern Energy CEO, Houston Strategy Forum

Rig Count – 751, as of 2/17/17 (1)

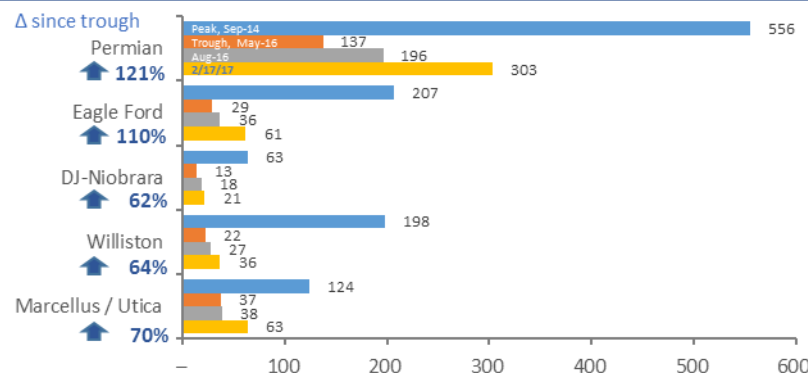


- The US rig count increased by 10 rigs last week, bringing the active rig count to 751 as of 2/17/17, and 57 rigs have been placed in service over the past four weeks
- Rig count has increased 5 weeks straight since 1/20/17
- 347 rigs have been added since trough (404 rigs) on 5/27/16 (+86%)
- Rigs down 61%, or 1,180 rigs, from Sep-14 peak of 1,931
- The Permian basin has out paced the other basins over the past 4 weeks, accounting for 22 of the 57 rigs added

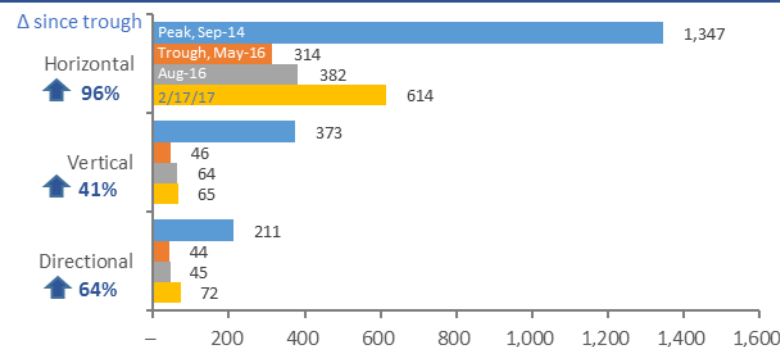
Total US Rigs	Baker Hughes	+/- 1wk	+/- 4wk	+/- 1yr	Δ Peak	Δ Trough
	751	+ 10	+ 57	+ 237	- 1,180	+ 347
Permian	303	+ 2	+ 22	+ 138	- 253	+ 166
Eagle Ford	61	+ 2	+ 12	+ 7	- 146	+ 32
Woodford	56	- 2	+ 5	+ 16	+ 6	+ 24
Haynesville	34	+ 3	+ 5	+ 19	- 12	+ 19
Granite Wash	13	+ 5	+ 4	+ 3	- 53	+ 7
Barnett	5	+ 2	+ 3	+ 2	- 17	+ 3
Fayetteville	1	-	-	+ 1	- 8	+ 1
DJ-Niobrara	21	-	- 2	+ 5	- 42	+ 8
Mississippian	3	-	+ 1	- 5	- 74	-
Williston	36	- 1	+ 1	-	- 162	+ 14
Marcellus	42	-	+ 2	+ 13	- 38	+ 16
Utica	21	-	- 2	+ 8	- 23	+ 10
Other	155	- 1	+ 6	+ 30	- 358	+ 47

Source: Baker Hughes (2/17/17)

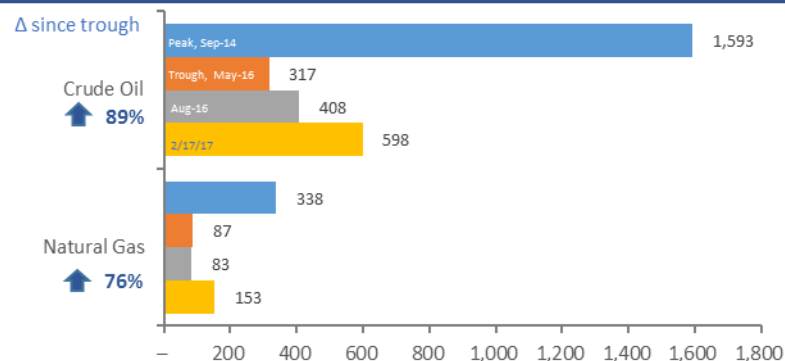
US Rig Count in Key Selected Regions



US Rig Count by Trajectory



US Rig Count by Commodity (2)



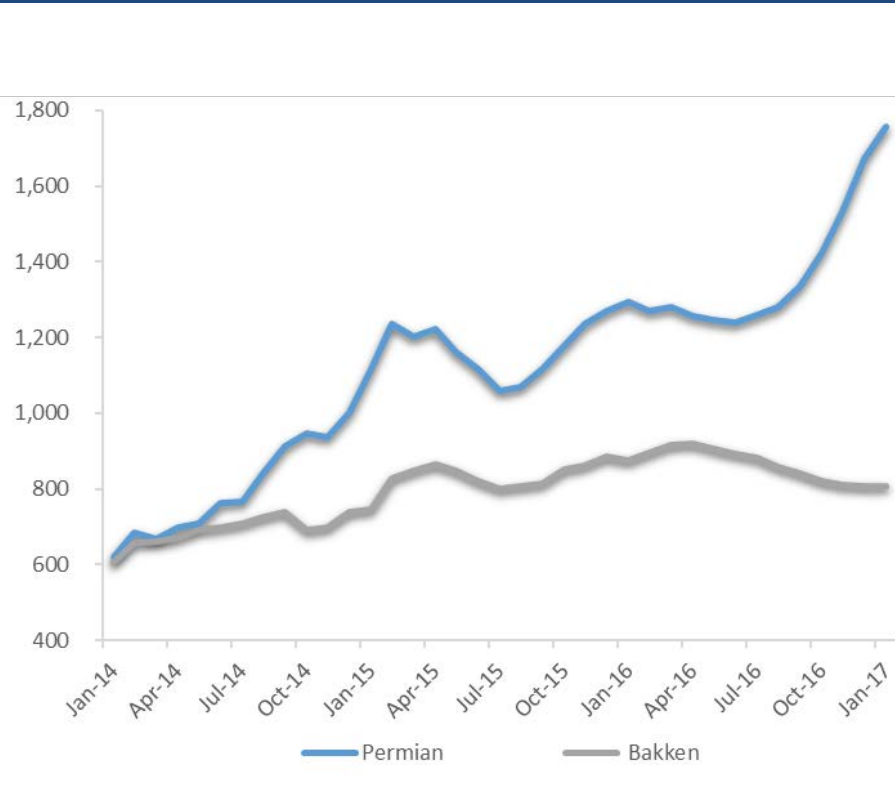
(1) Represents US rig count, including offshore rigs. Peak & trough rig count represent peak & trough total rigs since 1/1/14, (not by basin).

(2) Rigs categorized as "Miscellaneous" in Baker Hughes are included in "Crude Oil" category.

514 DUCs Within 15 Miles of Cypress' SWDs



DUC Backlog by Play vs. Hist. Avg.⁽¹⁾



- The backlog of DUCs has built up substantially since mid-2014

DUCs: Near Cypress SWD Facilities⁽²⁾

DUCs: Near Cypress SWDs	0 - 5 (mi.)	5 - 10 (mi.)	10 - 15 (mi.)	Cum. W/ in 15 (mi.)
DUCs	78	164	272	514
Cumulative		242	514	

Facility	0 - 5 (mi.)	5 - 10 (mi.)	10 - 15 (mi.)	Cum. W/ in 15 (mi.)
ND	47	106	149	302
1804	1	26	37	64
Arnegard	5	54	32	91
Grassy Butte		1	9	10
Green River		6	5	11
Manning	6	4		10
Mork		5	16	21
Mountrail			3	3
Tioga		6	24	30
Williams	35	4	23	62
TX	31	58	123	212
Orla	15	27	87	129
Pecos	16	31	36	83
Grand Total	78	164	272	514

- Based on internal estimates, there are 514 drilled but uncompleted wells (“DUCs”) within 15 miles of Cypress’ SWDs (2)
 - DUCs shown are to closest Cypress facility, no double counting

(1) Source: EIA, 2/13/17

(2) Source: Drilling Info, 2/21/17. Excludes those DUCs that are closer in proximity to a different Cypress Facility (e.g. a DUC that is 11 miles from Mork, but 5 miles from Arnegard will show up in Arnegard, not Mork).



Acquisitions

Diversify Our Business Offering



Our broad PLR allows us to diversify into other businesses:

- Additional inspection services (ILI, pigging, LIDAR, nitrogen, water & environmental and chemicals)
- Traditional midstream assets (pipelines & storage)
- Remote censoring and monitoring
- Solids, recycling, oil reclamation, expanded geography

Brown Integrity Purchase Option

- Potential to purchase remaining 49% Brown interest¹

Organic

Utilize Unused Capacity (W&ES)



Facilities are currently only ~ 25% utilized

- Requires no additional capital spend
- Capable of handling over 135K BPD or > 50MM annually
- Infill drilling will increase volumes
- Over 500 DUC's waiting for completion within 15 miles

Expand Inspection Customer Base (PIS)



Expand TIR inspection customer base of 150+ clients

- Growing federal and state regulations
- New PHMSA proposed rules + CA
- Currently serve small subset of available market including E&P, midstream, and LDC/PUC (1,000+ prospects)

Leverage Hydrotesting Acquisition (IS)

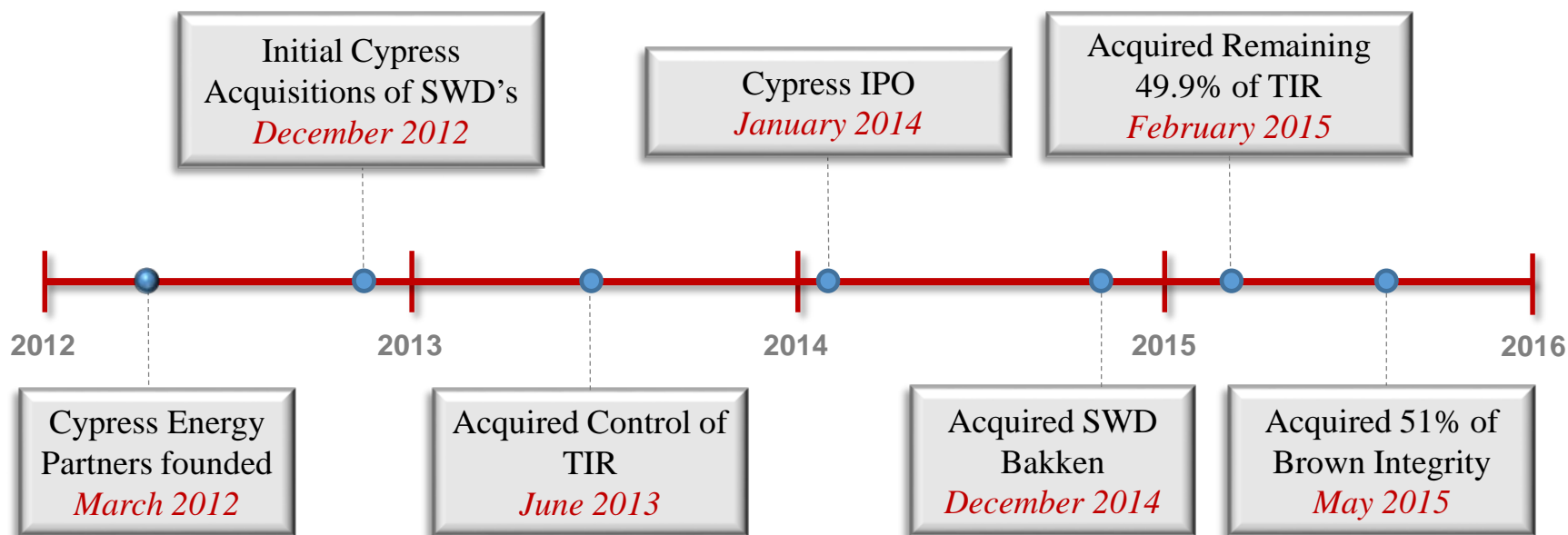


Expand Brown Integrity to more states

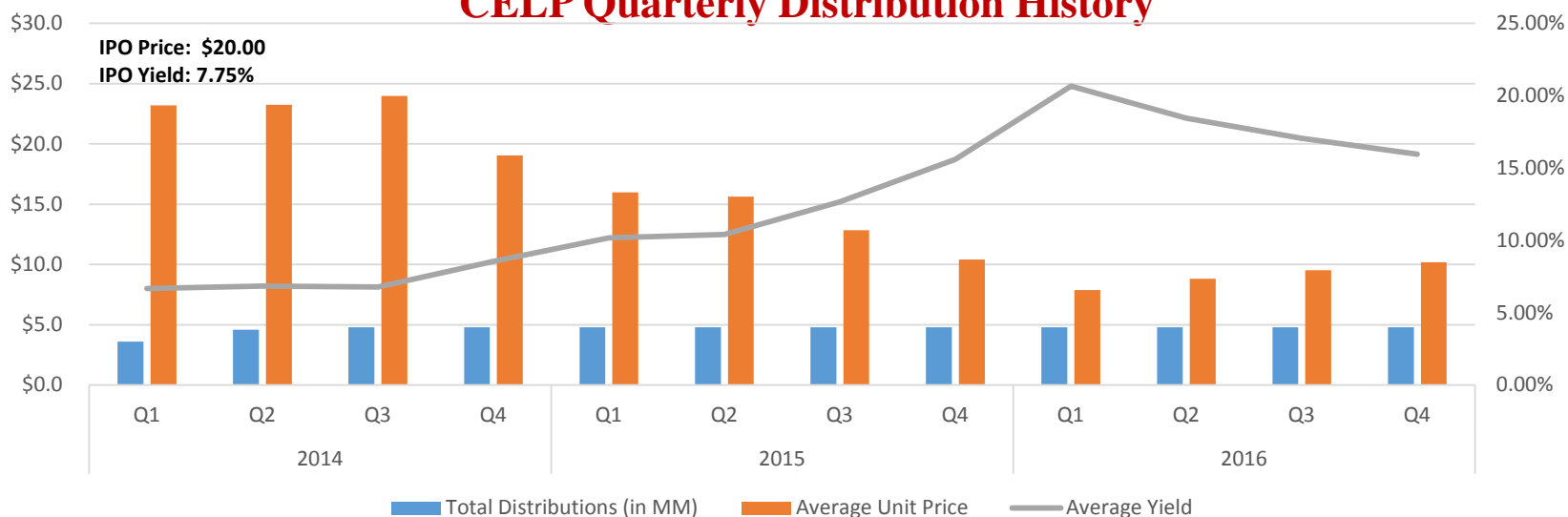
- Brown operates in six states (vs. TIR in 47 states + Canada)
- Opportunity to expand breadth of services
- Chemical cleaning, nitrogen, water & environmental

¹ Right to acquire beginning Q2 2017

History Timeline



CELP Quarterly Distribution History

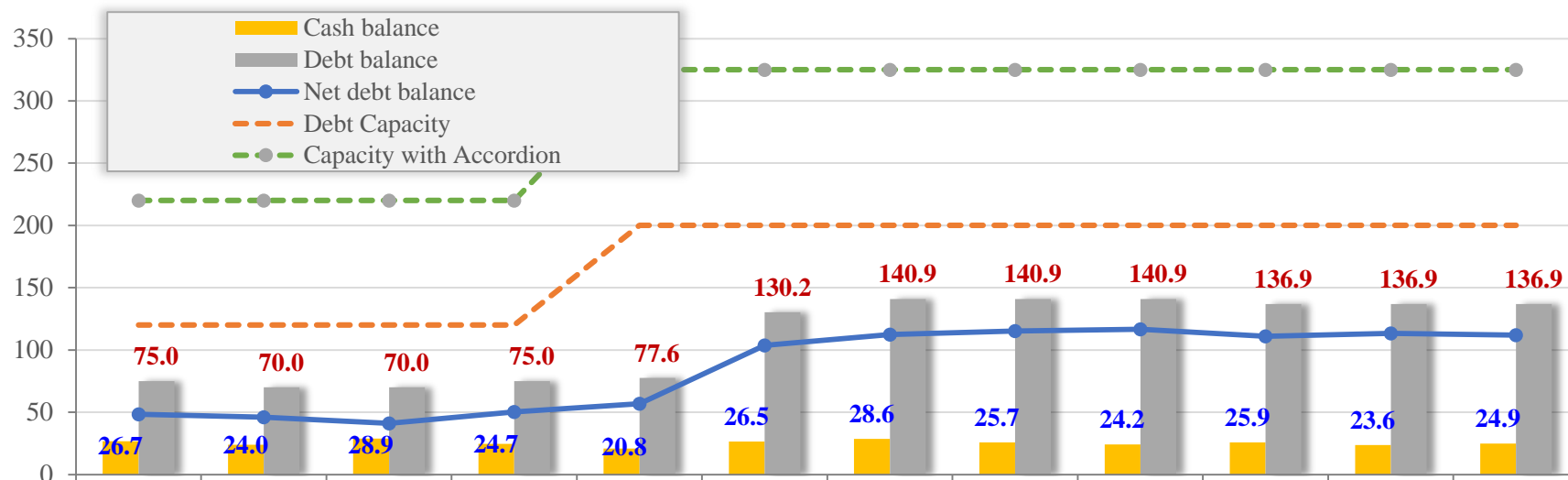




Brown Integrity (IS)	We consolidated our Texas operations to reduce both duplication and our cost structure in response to the material slow-down in offshore hydro-testing work.
TIR (PIS)	We worked to modify our G&A cost structure to more efficiently execute our current volume of business while maintaining bandwidth to grow.
Water & Environmental (WES)	We temporarily operate two facilities by appointment only and have reduced hours of operations and automated remaining facilities. The automation led to an additional \$0.5 million in annual cost reductions in July.
Sponsor Support	CEH our GP/Sponsor provided unitholders with temporary free relief of the administrative fee paid to CEH pursuant to the Omnibus Agreement, which would have normally charged \$1.0 million to CELP in the third quarter. An additional \$2.5 million of cost reimbursements were also provided in the second and third quarters for no consideration.
Anticipated Annualized Savings	Annualized cost savings should be in excess of \$5.5 million. When combined with 4 quarters of sponsor support, total annualized costs reductions could exceed \$12.0 million.
2016 Projected Savings	We expect to recognize approximately 60% of the annualized \$5.5 million in cost reductions in 2016 and are working to further improve upon these reductions in 2017.



CELP has a cap X light business model, offering financial flexibility



Debt summary	Q4 '13	Q1 '14	Q2 '14	Q3 '14	Q4 '14	Q1 '15	Q2 '15	Q3 '15	Q4 '15	Q1 '16	Q2 '16	Q3 '16
Interest coverage	4.88x	5.20x	5.78x	6.32x	9.14x	8.21x	6.79x	6.05x	4.84x	3.92x	3.80x	3.70x
Leverage ratio	0.80x	0.80x	0.79x	0.82x	0.94x	2.85x	2.51x	2.55x	3.07x	3.44x	3.33x	3.43x
Net debt	\$48.3	\$46.0	\$41.1	\$50.3	\$56.8	\$103.7	\$112.3	\$115.2	\$116.7	\$111.0	\$113.3	\$112.0
Facility capacity	\$45.0	\$50.0	\$50.0	\$45.0	\$122.4	\$69.8	\$59.1	\$59.1	\$59.1	\$63.1	\$63.1	\$63.1

- Total Credit facility capacity of \$200 million maturing December 2018
 - \$75 million borrowing base facility & \$125 million acquisition facility
 - ~ \$63MM of availability plus \$125 million accordion at year-end¹
- Covenants: < 4.0X leverage and > 3.0 interest rate coverage (**CELP has continued compliance with no waivers**)
- All covenants based on 100% adj. EBITDA²

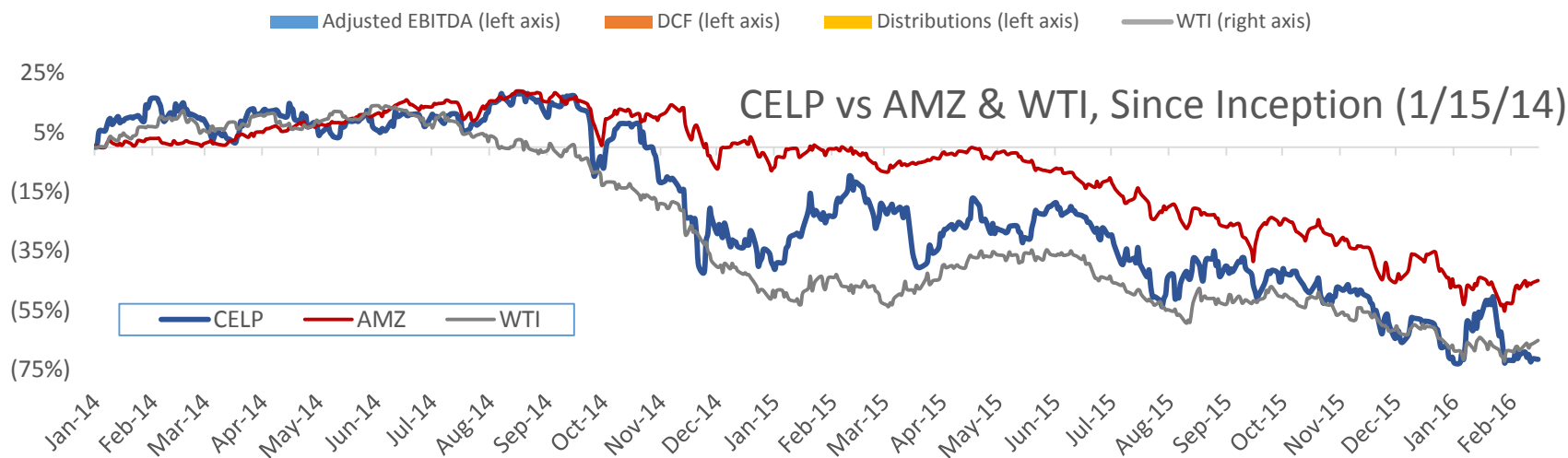
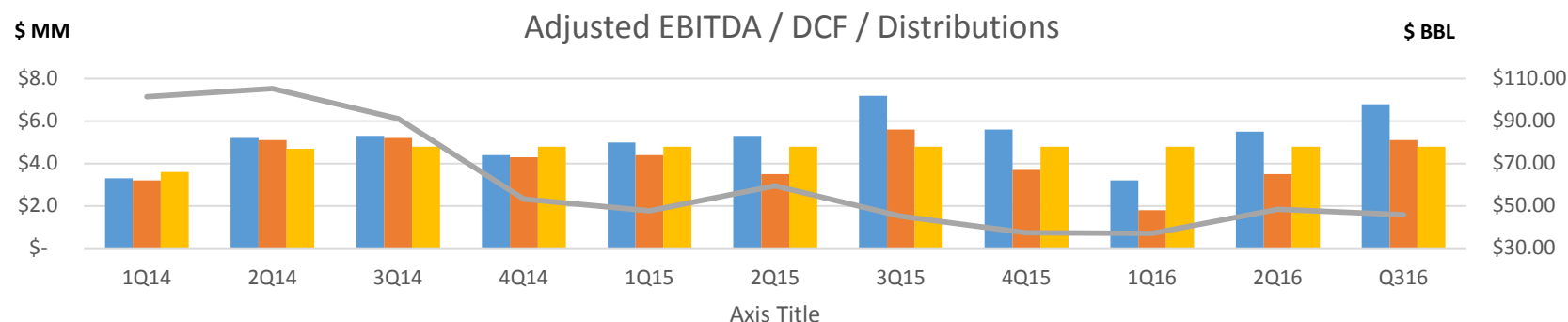
¹ Accordion subject to additional commitments from lenders and satisfaction of certain other conditions

² Leverage covenant excludes certain borrowings per credit agreement and includes 100% of Brown Integrity

Historic CELP Adjusted EBITDA, DCF & Operating Income



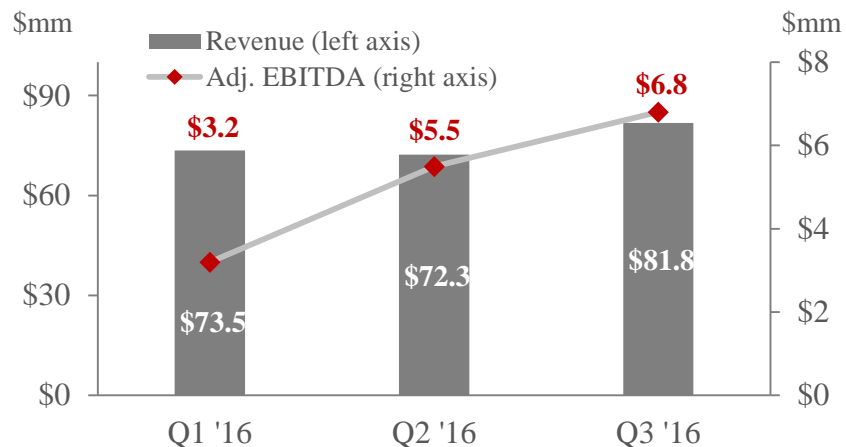
- CELP has managed downturn better than many companies. Inspection & Integrity Services have become dominant portion of company's operating income while Water & Environmental has suffered from material decline in activity and prices. The Bakken was hit harder than the Permian during the downturn.
- Historical EBITDA and DCF has W&ES segment in all periods presented, PIS segment with 50.1% of TIR from IPO through January 2015 and 100% TIR thereafter, IS segment with 51% of Brown from May 2015 forward.
- In 2016, the sponsor supported the unitholders with temporary **free** relief of the administrative fee paid to CEH pursuant to the Omnibus Agreement, which would have charged \$1.0 million to CELP in the first, second & third quarters. An additional \$2.5 million of cost reimbursements were also provided **free** in the second and third quarters.



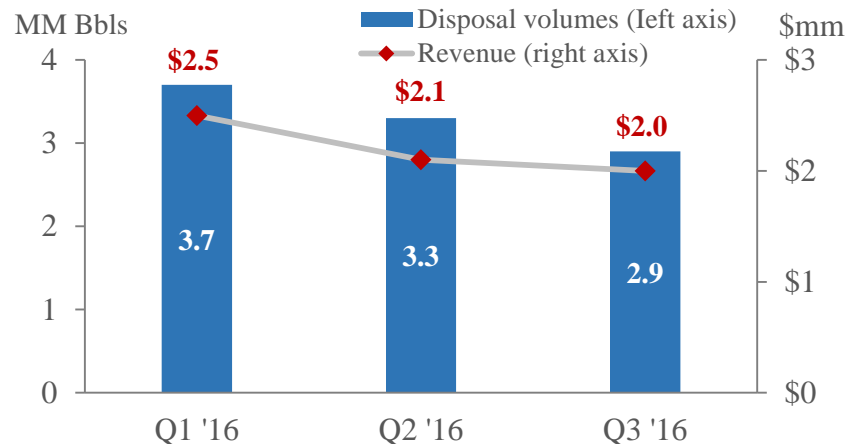
Consolidated Financial Performance (3Q16) Update



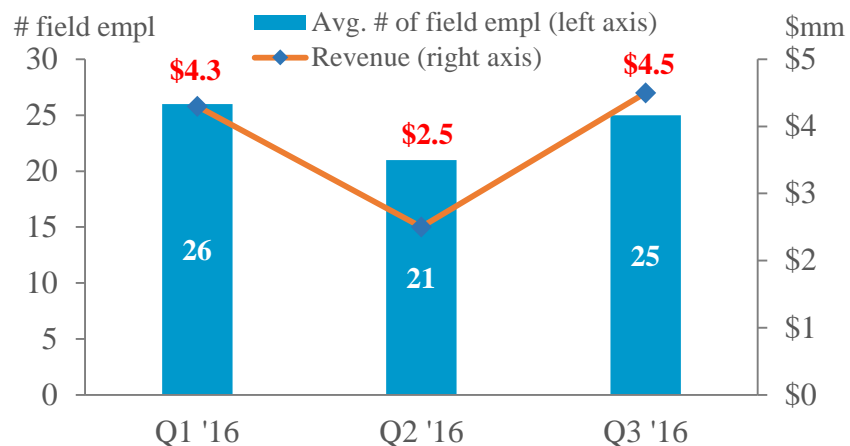
Revenue & Adjusted EBITDA



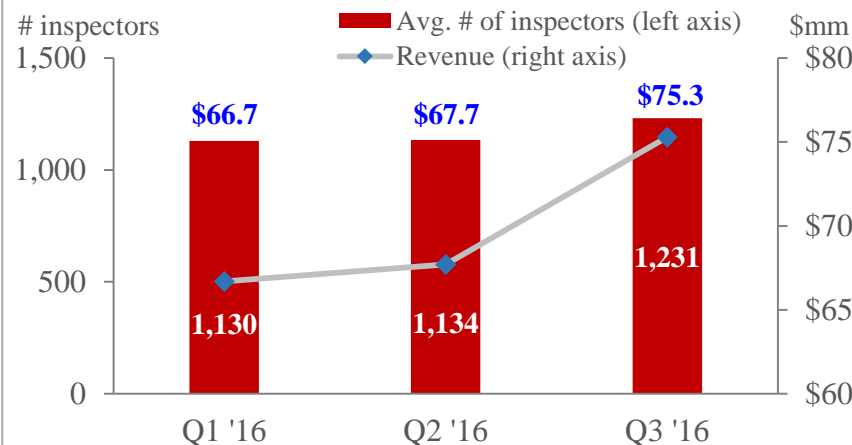
W&ES Summary



IS Summary



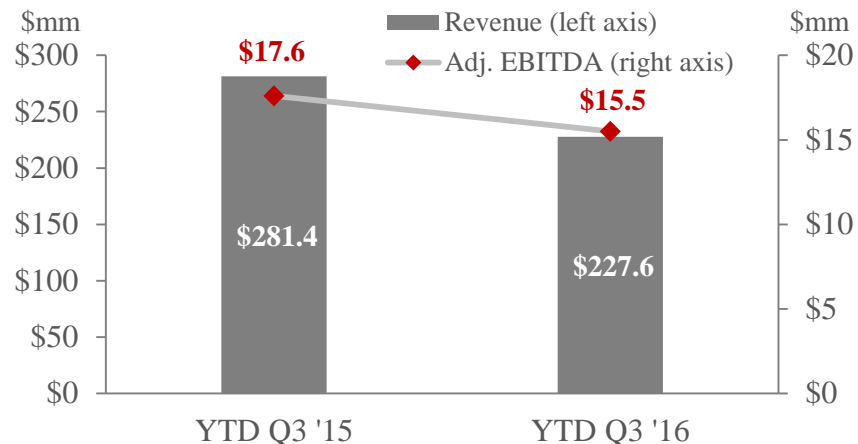
PIS Summary



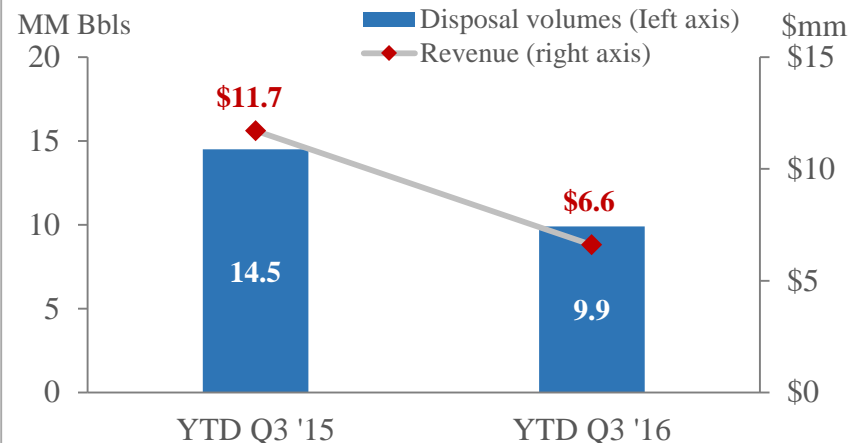
Consolidated Financial Performance (YTD16) Update



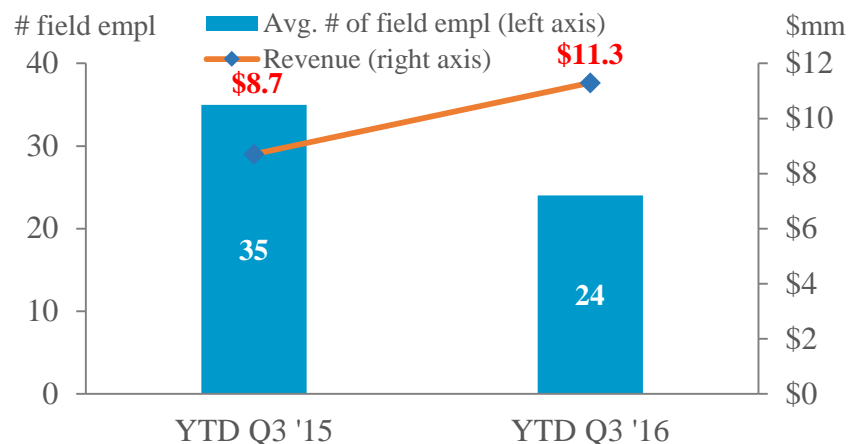
Revenue & Adjusted EBITDA¹



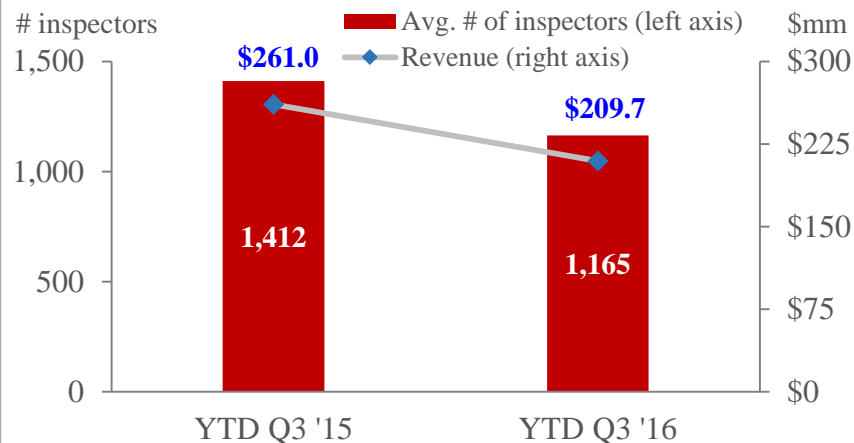
W&ES Summary



IS Summary



PIS Summary



¹ Attributable to Partners (Includes 51% of IS (since 5/1/15))

2016 CELP EBITDA to DCF Reconciliation



- Non-controlling interest activity represents the 49% of Brown Integrity (the IS segment) not owned by CELP as well as the 51% of CF Inspection (a subsidiary within the PIS segment) not owned by CELP.
- In 2016, the sponsor supported the unitholders with temporary relief of the administrative fee paid to CEH pursuant to the Omnibus Agreement, which would have charged \$1.0 million to CELP in the first, second and third quarters. An additional \$2.5 million of cost reimbursements were also provided in the second and third quarters.

U.S. Dollars in Thousands

	YTD 9/30/16	Less: Attributable to GP (YTD 9/30/16)	Attributable to Partners (YTD 9/30/16)	Less: Attributable to Other Non-Controlling (YTD 9/30/16)	Attributable to Limited Partners (YTD 9/30/16)
Net Income	\$ (10,979)	\$ (5,366)	\$ (5,613)	\$ (4,898)	\$ (715)
Plus:					
D&A expense	4,354	0	4,354	433	3,921
Income Tax Expense	389	0	389	19	370
Interest Expense	4,878	0	4,878	188	4,690
Impairments	10,530	0	10,530	4,121	6,409
Equity Based Compensation	829	0	829	0	829
GP Costs	2,866	2,866	0	0	0
Adjusted EBITDA	12,867	(2,500)	15,367	(137)	15,504
Less:					
Cash Interest, Taxes & Maint. Capex	5,206	0	5,206	148	5,058
Distributable Cash Flow	\$ 7,661	\$ (2,500)	\$ 10,161	\$ (285)	\$ 10,446