Arc

LOGISTICS PARTNERS

Arc Logistics Partners LP
Investor Presentation

May 2015

Cautionary Note

Forward Looking Statements

Certain statements and information in this presentation may constitute "forward-looking statements." Certain expressions including "believe," “intends,” "expect," or other similar expressions are intended to identify Arc Logistics Partners LP (the “Partnership”) current expectations, opinions, views or beliefs concerning future developments and their potential effect on the Partnership. While management believes that these forward-looking statements are reasonable when made, there can be no assurance that future developments affecting the Partnership will be those that it anticipates. The forward-looking statements involve significant risks and uncertainties (some of which are beyond the Partnership's control) and assumptions that could cause actual results to differ materially from the Partnership's historical experience and its present expectations or projections. Important factors that could cause actual results to differ materially from forward looking statements include but are not limited to: (i) adverse economic, capital markets and political conditions; (ii) changes in the marketplace for the Partnership's services; (iii) changes in supply and demand of crude oil and petroleum products; (iv) actions and performance of the Partnership's customers, vendors or competitors; (v) changes in the cost of or availability of capital; (vi) unanticipated capital expenditures in connection with the construction, repair, or replacement of the Partnership's assets; (vii) operating hazards, unforeseen weather events or matters beyond the Partnership's control; (viii) inability to consummate acquisitions, pending or otherwise, on acceptable terms and successfully integrate acquired businesses into the Partnership’s operations; (ix) effects of existing and future laws or governmental regulations; and (x) litigation. Additional information concerning these and other factors that could cause the Partnership's actual results to differ from projected results can be found in the Partnership's public periodic filings with the Securities and Exchange Commission, including the Partnership's Annual Report on Form 10-K for the year ended December 31, 2014 and any updates thereto in the Partnership’s subsequent quarterly reports on Form 10-Q and current reports on Form 8-K. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this presentation. The Partnership undertakes no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures

The Partnership defines Adjusted EBITDA as net income before interest expense, income taxes and depreciation and amortization expense, as further adjusted for other non-cash charges and other charges that are not reflective of our ongoing operations. Adjusted EBITDA is a non-GAAP financial measure that management and external users of the Partnership's consolidated financial statements, such as industry analysts, investors, lenders and rating agencies may use to assess (i) the performance of the Partnership's assets without regard to the impact of financing methods, capital structure or historical cost basis of the Partnership's assets; (ii) the viability of capital expenditure projects and the overall rates of return on alternative investment opportunities; (iii) the Partnership's ability to make distributions; (iv) the Partnership's ability to incur and service debt and fund capital expenditures; and (v) the Partnership's ability to incur additional expenses. The Partnership believes that the presentation of Adjusted EBITDA provides useful information to investors in assessing its financial condition and results of operations.

The Partnership defines distributable cash flow as Adjusted EBITDA less (i) cash interest expense paid; (ii) cash income taxes paid; (iii) maintenance capital expenditures paid; and (iv) equity earnings from the Partnership’s interests in Gulf LNG Holdings Group, LLC (the “LNG Interest”); plus (v) cash distributions from the LNG Interest. Distributable cash flow is a non-GAAP financial measure that management and external users of the Partnership’s consolidated financial statements may use to evaluate whether the Partnership is generating sufficient cash flow to support distributions to its unitholders as well as measure the ability of the Partnership’s assets to generate cash sufficient to support its indebtedness and maintain its operations.

The GAAP measure most directly comparable to Adjusted EBITDA and distributable cash flow is net income. Adjusted EBITDA and distributable cash flow should not be considered as an alternative to net income. Adjusted EBITDA and distributable cash flow have important limitations as analytical tools because they exclude some but not all items that affect net income. Readers should not consider Adjusted EBITDA or distributable cash flow in isolation or as a substitute for analysis of the Partnership's results as reported under GAAP. Additionally, because Adjusted EBITDA and distributable cash flow may be defined differently by other companies in the Partnership's industry, its definitions of Adjusted EBITDA and distributable cash flow may not be comparable to similarly titled measures of other companies, thereby diminishing their utility. Please see the reconciliation of net income to Adjusted EBITDA and distributable cash flow in the accompanying tables.

Arc Logistics Overview

Issuer	Arc Logistics Partners LP
Exchange	NYSE
Symbol	ARCX
Common Units Outstanding[(1)]	11,388,746
Subordinated Units Outstanding	6,081,081
Current Annual Distribution	$1.64 (based upon recently declared and paid distribution of $0.41 per limited partner unit)
Common Unit Price (05/18/15)	$19.20
Implied Distribution Yield	8.54%
Market Capitalization[(1)(2)]	$335 million
52-Week High / Low	$26.59 / $15.85
3-Month Average Volume	8,323

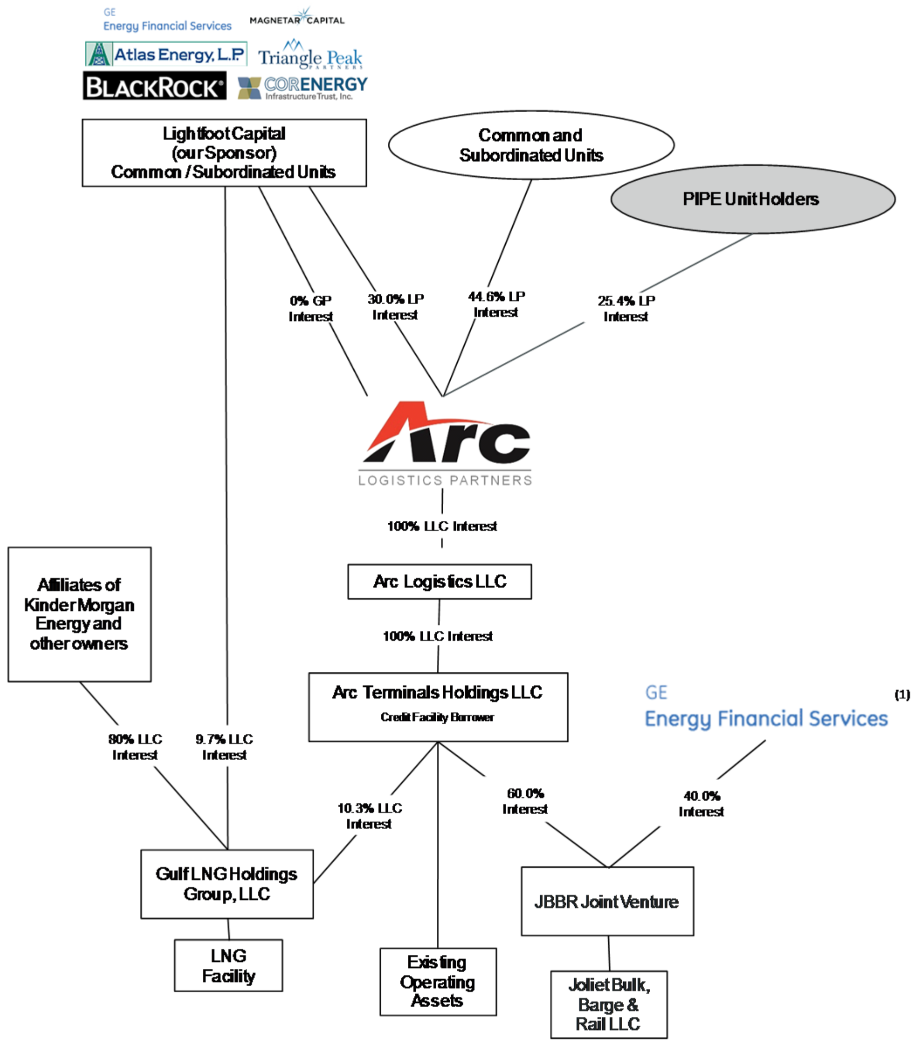
(1) Includes 4.5 million common units issued in a private placement on May 14, 2015.
(2) Includes all outstanding common and subordinated limited partnership units.

Arc Logistics Overview

Arc Logistics is a fee-based, independent logistics service provider formed by Lightfoot Capital Partners, LP ("Lightfoot Capital") to acquire, operate and grow energy logistics assets

- The Partnership is principally engaged in the terminalling, storage, throughput and transloading of crude oil and petroleum products
- The Partnership utilizes its assets, which are strategically located in the East Coast, Gulf Coast, West Coast and Midwest regions of the United States, to provide its customers with multiple supply and delivery modes and a diverse slate of petroleum products
- The Partnership is focused on developing existing and/or acquiring new assets to service current and future customers
- On May 14, 2015, the Partnership expanded its asset base in the Midwest by completing the acquisition of a crude oil unloading terminal in Joliet, IL located at a key intersection of commodity flows and major refineries

Pro Forma Partnership Structure



(1) Reflects ownership interest held directly or indirectly by GE Energy Financial Services, Inc.

Investment Highlights

Arc Logistics Partners LP is a fee-based, growth-oriented, independent logistics service provider

Diversified and well positioned asset portfolio to capitalize on organic and third party growth opportunities

Stable and predictable cash flow profile

Customer driven, attractive and visible growth opportunities

Supportive sponsor group with energy industry expertise and access to capital and investment opportunities

Financial flexibility to achieve near and long-term opportunities

Experienced management team with a proven track record of growing the business

Growth-Oriented Partnership

Growth from organic expansion of existing terminals, third-party acquisitions and development of customer base

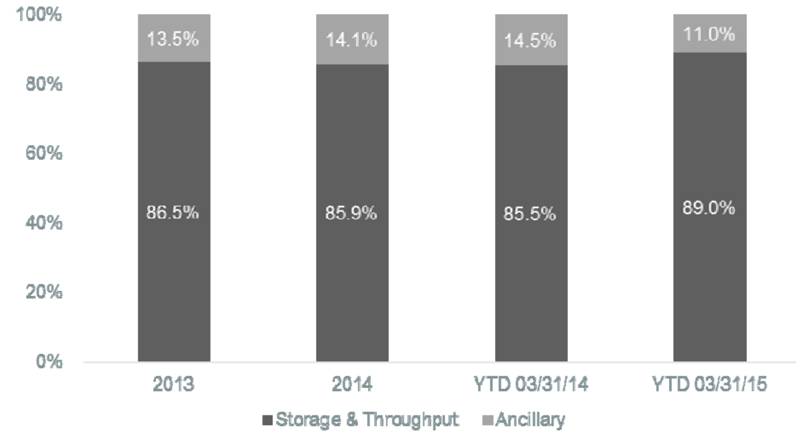
Built in Contracted Growth	❖ CPI escalators in various terminalling agreements ❖ Throughput incentive structures to drive incremental volumes
Organic Growth Opportunities	❖ Pipeline connected assets being repositioned for rail and marine opportunities ❖ Tank and facility upgrades / expansion opportunities driven by customer requests
Acquisitions from Third Parties	❖ Evaluating acquisitions of third-party assets on a standalone basis ❖ History of executing accretive acquisitions ❖ New business lines (i.e. Jones Act shipping, dry bulk, pipelines) and / or geographic expansion including (Rocky Mountains / Mid-Continent)
Acquisitions from/with Our Sponsor	❖ Sponsor actively evaluating additional midstream acquisitions for future dropdown opportunities ❖ Partners of our Sponsor include some of the largest energy investors in the United States ❖ The joint venture with GE EFS to acquire the Joliet Terminal illustrates the sponsors continued support of the Partnership

Contracted, Stable Cash Flow Profile

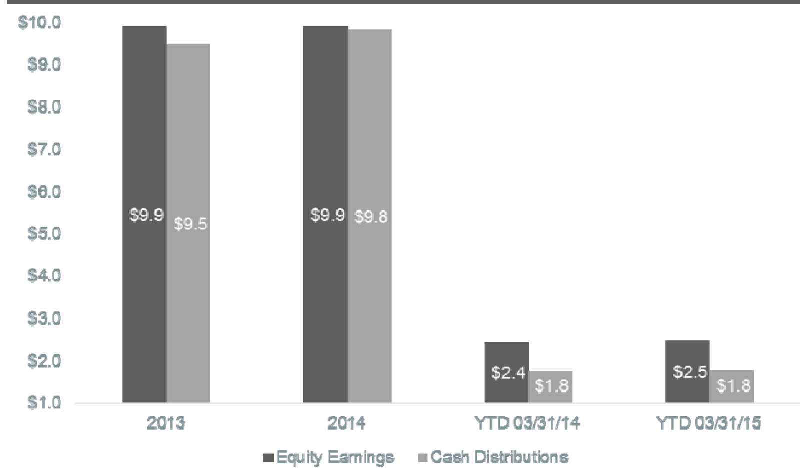
The Partnership's contract portfolio generates cash flows through minimum service fees, while providing for upside exposure to throughput and ancillary service fees

Storage & Throughput Services Fees	❖ Typically contract with customers for the receipt, storage, throughput and transloading of crude oil and petroleum products for 1 – 10 year terms with evergreen provisions ❖ Many agreements contain take-or-pay provisions whereby Arc Logistics generates revenue regardless of its customers' use of the facility ❖ Creates stable cash flow and mitigates exposure to supply and demand volatility and other market factors ❖ As of December 31, 2014, the weighted average remaining term for all of the Partnership's service agreements was approximately three years
Ancillary Fees	❖ Heating, blending and mixing associated with customers' activity ❖ Varies based upon the activity levels of the Partnership's customers
Gulf LNG Distributions	❖ Distributions are supported by two 20-year[2], terminal use agreements with firm reservation charges for all of the capacity of the LNG Facility with several integrated, multi-national oil and gas companies

Historical Revenue Composition



Contributions to Arc Logistics[1] from Gulf LNG



(1) Contribution of equity earnings and cash distributions represent the 10.3% LNG Interest's pro forma contribution to Arc Logistics.
(2) As of March 31, 2015, the remaining term was approximately 17 years.

Diversified Portfolio of Logistics Assets

Flexible logistics assets serve as a critical link between supply and local demand

Location	Capacity	Products
Terminals		
Baltimore, MD[1]	442 mbbls	Gasoline; Distillates; Ethanol
Blakeley, AL[2]	708 mbbls	Crude Oil; Asphalt; Fuel Oil; Chemicals
Brooklyn, NY	63 mbbls	Gasoline; Ethanol
Chickasaw, AL	609 mbbls	Crude Oil; Distillates; Fuel Oil; Crude Tall Oil
Chillicothe, IL	273 mbbls	Gasoline; Distillates; Ethanol; Biodiesel
Cleveland, OH – North	426 mbbls	Gasoline; Distillates; Ethanol; Biodiesel
Cleveland, OH – South	191 mbbls	Gasoline; Distillates; Ethanol; Biodiesel
Joliet, IL	300 mbbls	Crude Oil; Dry Bulk
Madison, WI	150 mbbls	Gasoline; Distillates; Ethanol; Biodiesel
Mobile, AL – Main	1,093 mbbls	Crude Oil; Asphalt; Fuel Oil
Mobile, AL – Methanol	294 mbbls	Methanol
Norfolk, VA[3]	213 mbbls	Gasoline; Distillates; Ethanol
Portland, OR	1,466 mbbls	Crude Oil; Asphalt; Aviation Gas; Distillates
Selma, NC	171 mbbls	Gasoline; Distillates; Ethanol; Biodiesel
Spartanburg, SC[1]	83 mbbls	Gasoline; Distillates; Ethanol
Toledo, OH	244 mbbls	Gasoline; Distillates; Aviation Gas; Ethanol; Biodiesel
Total Terminals	**6,725 mbbls**	
Rail / Transloading Facilities		
Chickasaw, AL	9 mbpd	Crude Oil; Distillates; Fuel Oil; Crude Tall Oil; Chemicals
Joliet, IL	85 mbbls	Crude Oil
Portland, OR	18 mbbls	Crude Oil
Saraland, AL	14 mbpd	Crude Oil; Chemicals
Total Rail / Transloading	**126 mbpd**	
LNG Facility		
Pascagoula, MS[4]	320,000 M^3	Liquefied natural gas

Information provided as of May 14, 2015

The Partnership has increased its storage capacity by an annual ~19% growth rate since inception

(1) The capacity represents our 50% share of the 884,000 barrels of available total storage capacity of the Baltimore, MD terminal and the 165,000 barrels of available total storage capacity of the Spartanburg, SC terminal. The terminals are co-owned with and operated by CITGO Petroleum Corporation.
(2) The physical location of this terminal is in Mobile, AL.
(3) The physical location of this terminal is in Chesapeake, VA.
(4) The capacity represents the full capacity of the LNG Facility. We own a 10.3% interest in Gulf LNG Holdings, which owns the LNG Facility.

Joliet, IL Terminal

Overview

On May 14, 2015, Arc Terminals Joliet Holdings LLC ("Arc Joliet") acquired the Joliet, IL Terminal (the "Joliet Terminal")

- ❖ Arc Joliet is a Joint Venture with GE Energy Financial Services, Inc. ("GE EFS")
- ❖ The Partnership owns 60% of Arc Joliet and will serve as Manager
- ❖ ARCX has a "right of first offer" if GE EFS should decide to sell its interests in Arc Joliet

Facility Site

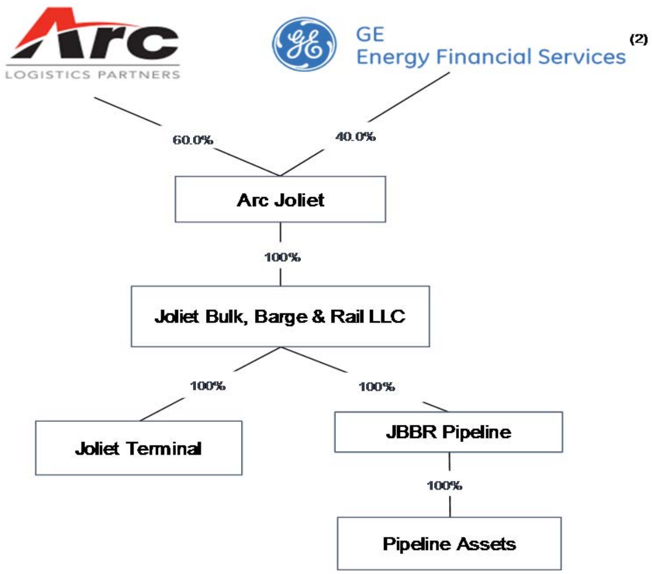
Terminal Summary

The Joliet Terminal is a multi-modal crude oil unloading terminal in Joliet, IL

- ❖ Dual loop track capable of storing two unit trains and unloading 85,000 barrels per day
- ❖ Heat and steam infrastructure
- ❖ 300,000 barrels of storage and pipeline connectivity
- ❖ Waterfront access and 84 acres of land available for expansion
- ❖ Two, three-year agreements, at the minimum volume commitments, with a major oil company

The two long-term agreements support estimated annual EBITDA[(1)] of $23.0 to $25.0 million

Joint venture Structure



(1) Estimated annual EBITDA attributable to the JBBR Joint Venture Company. Projection assumes minimum contracted revenue, minimum volumes and forecasted operating expenses for the estimated annual period following the targeted acquisition closing date. Further detail provided in Form 8-K filed with the Securities and Exchange Commission ("SEC") on Feb 19, 2015.
(2) Reflects ownership interest held directly or indirectly by GE Energy Financial Services, Inc.

Well Positioned Assets

The Partnership's assets have multiple supply / receipt modes that provide flexibility to new and existing customers

Connections to major U.S. pipeline infrastructure

- Buckeye Pipeline
- Colonial Pipeline
- Inland Pipeline
- Sun Pipeline
- West Shore Pipeline
- Mokena-Joliet Pipeline

Crucial marine access points, including both ship and barge berthing

- Baltimore
- Brooklyn
- Blakeley
- Chickasaw
- Cleveland
- Mobile
- Norfolk
- Portland
- Joliet

Rail facilities at selected locations allow for loading/unloading opportunities

- Baltimore
- Chickasaw
- Cleveland
- Portland
- Saraland (servicing Blakeley, Mobile and other 3rd party terminals)
- Toledo
- Joliet

Supply & Delivery Modes by Terminal

	Baltimore	Blakeley	Brooklyn	Chickasaw	Chillicothe	Cleveland	Joliet	Madison	Mobile	Norfolk	Portland	Selma	Spartanburg	Toledo
Pipeline	Colonial	None	Buckeye	None	None	Buckeye / Inland	Proprietary	West Shore	None	Colonial	None	Colonial	Colonial	Sun / Buckeye
Truck	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Rail	✓	✓		✓		✓	✓		✓		✓			✓
Barge	✓	✓	✓	✓		✓	✓		✓	✓	✓			✓
Ship	✓	✓		✓		✓			✓		✓			

Information provided as of May 14, 2015.

Financial Flexibility

The Partnership is positioned to achieve growth objectives

Capitalize on Financial Flexibility

- $275.0 million amended and restated credit facility
- Access to the capital markets
- Seek to maintain a balanced capital structure
- Maximize flexibility to fund growth

Maintain Stable Cash Flows

- Focus on long-term fee-based growth opportunities
- Maintain stable customer profile with contracted revenues
  - History of enhancing commercial opportunities by cross-selling services
  - Continue to renew expiring contracts with similarly attractive or higher rates; amend contracts to include complementary business lines
  - Focus on counterparty concentration and credit profile

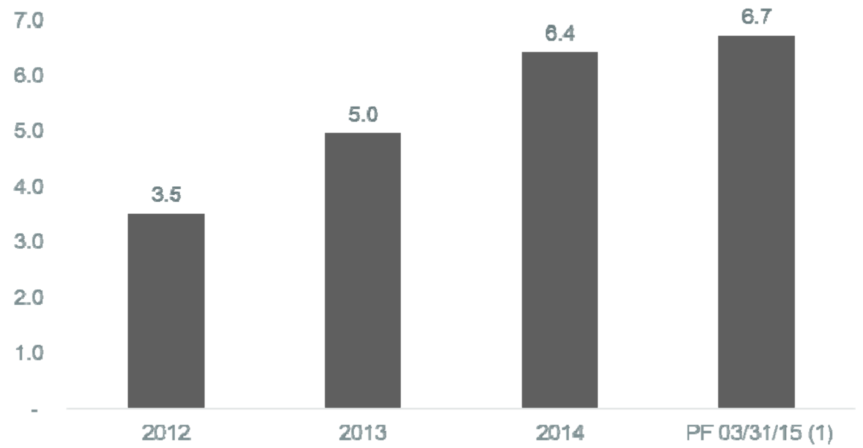
Deliver Consistent Distribution Growth

- Intend to maintain a conservative distribution coverage ratio
- Seek to maintain liquidity and financial flexibility to grow distributions
- Business model designed to produce consistent and stable cash flows

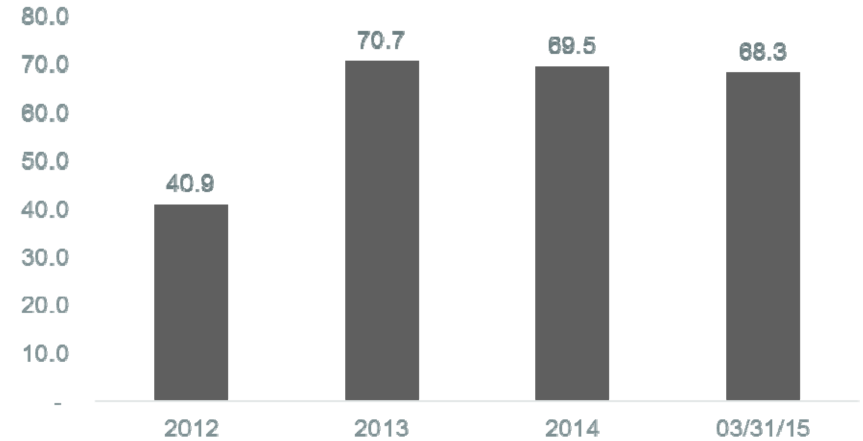
Proven and Resilient Business Model

The Partnership has achieved a track record of organic and acquisitive growth in spite of volatile commodity markets and economic headwinds

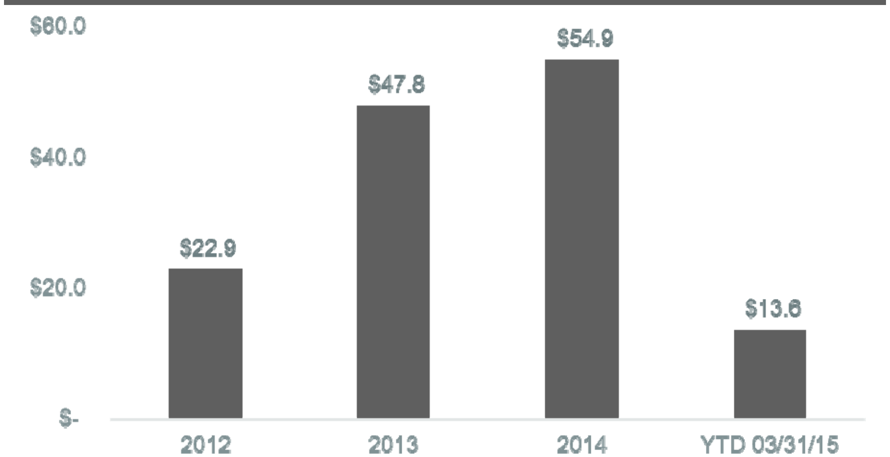
Shell Capacity (mmbbls)



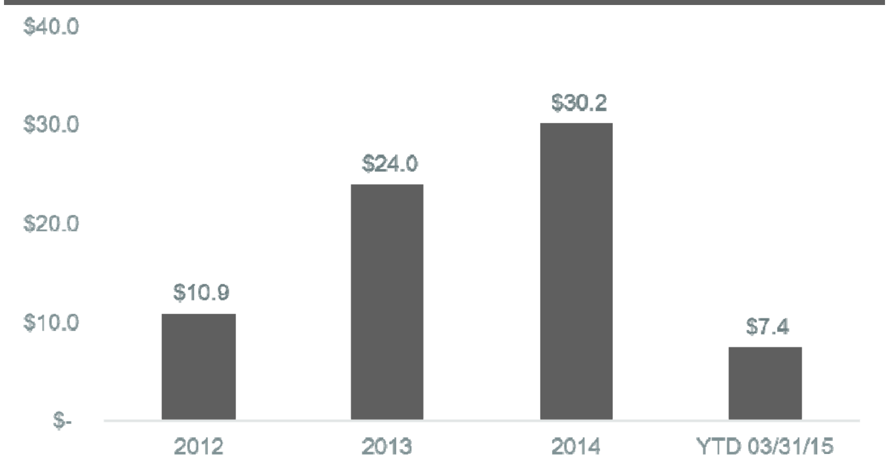
Throughput (mbbls/d)



Revenue ($mm)



Adjusted EBITDA(2) ($mm)



(1) Reflects 100% of the Joliet Terminal storage capacity.
(2) Adjusted EBITDA is a non-GAAP measure.

Reconciliation to Adjusted EBITDA and Distributable Cash Flow

(In thousands, except per unit day)	Year Ending December 31,			Quarter Ending,	
	2012	2013	2014	03/31/14	03/31/15
Net Income	$5,423	$12,831	$1,275	$1,816	$304
Income Taxes	43	20	58	50	52
Interest Expense	1,320	8,639	3,706	910	951
Gain on bargain purchase of business	-	(11,777)	-	-	-
Depreciation	3,317	5,836	7,261	1,698	1,844
Amortization	624	4,756	5,427	1,339	1,246
Long-lived asset impairment(1)	-	-	6,114	-	-
One-time transaction expenses(2)	135	3,673	451	444	1,285
Non-cash charges(3)	-	-	5,885	1,090	1,733
Adjusted EBITDA(4)	**$10,862**	**$23,978**	**$30,177**	**$7,392**	**$7,415**
Cash interest expense			(3,398)	(856)	(906)
Cash income taxes			(58)	(50)	(52)
Maintenance capital expenditures			(2,522)	(436)	(288)
Equity earnings from the LNG Interest			(9,895)	(2,437)	(2,489)
Cash distributions received from the LNG Interest			9,827	1,751	1,775
Distributable cash flow(4)			**$24,131**	**$5,364**	**$5,455**
Total LP Units Outstanding			12,949	12,949	12,949
DCF(4) / Total LP Units Outstanding			$1.8635	$0.4142	$0.4213
Declared LP Distribution			$1.6075	$0.3875	$0.4100

(1) The Long-lived asset impairment relates to the Chillicothe, IL Terminal. The Partnership re-evaluated the Chillicothe Terminal and based upon the inability to enter into a service agreement with a new or existing customer, the Partnership recognized a non-cash impairment loss of approximately $6.1 million as of December 31, 2014.
(2) The one-time transaction expenses relate to due diligence and transaction expenses incurred in connection with acquisition related activity as described in the Partnership's Credit Facility
(3) The non-cash charges relate to deferred rent expense associated with the Portland, OR terminal lease transaction and non-cash compensation associated with the Partnership's long-term incentive plan.
(4) Adjusted EBITDA and distributable cash flow are defined as a non-GAAP measures.


Questions