USD Partners LP Investor Presentation

Diluent Recovery Unit Project Overview

USD Partners LP

Cautionary Statements

This presentation contains forward-looking statements within the meaning of U.S. federal securities laws related to USD Partners LP ("USDP" or the "Partnership"), including statements related to the construction and completion of the DRU and the timing thereof, the impact of the construction and completion of the DRU on the Partnership's Hardisty rail terminal, the ability of the DRU to result in additional long-term, sustainable contracts at the Hardisty rail terminal, the economic, environmental and safety benefits of DRUbit™, the ability of the DRU to create an advantaged, sustainable industry solution and the advantages of the DRU, and the status of any future expansions of the DRU. These statements can be identified by the use of forward-looking terminology including "may," "believe," "will," "expect," "anticipate," "estimate," "continue," or other similar words. These statements discuss future expectations, contain projections of results of operations or of financial condition, or state other "forward-looking" information. These forward-looking statements involve risks and uncertainties. When considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements in this presentation, which could cause our actual results to differ materially from those contained in any forward-looking statement.

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Changes in general economic conditions; the effects of competition in our industry, in particular, by pipelines and other terminalling facilities; shut-downs or cutbacks at upstream production facilities or refineries or other businesses to which we transport products; the supply of, and demand for, crude oil and biofuels rail terminalling services; our limited history as a separate public partnership; the price and availability of debt and equity financing; our ability to successfully implement our business plan; our ability to complete growth projects on time and on budget; hazards and operating risks that may not be fully covered by insurance; disruptions due to equipment interruption or failure at our facilities or third-party facilities on which our business is dependent; our ability to successfully identify and finance acquisitions and other growth opportunities; natural disasters, weather-related delays, casualty losses and other matters beyond our control; interest rates; labor relations; large customer defaults; changes in tax status; changes in laws or regulations to which we are subject, including compliance with environmental and operational safety regulations that may increase our costs; the coverage, price and availability of insurance; disruptions due to equipment interruption or failure at our facilities or third-party facilities on which our business is dependent; the effects of future litigation; and the factors discussed in the "Risk Factors" section of the Partnership's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, as updated by the Partnership's subsequently filed Quarterly Reports on Form 10-Q, which are available to the public at the U.S. Securities and Exchange Commission's website (www.sec.gov) and at the Partnership's website (www.usdpartners.com).

Executive Summary

US Development Group, LLC (“USD” or our “Sponsor”) and Gibson Energy Inc. (“Gibson”) have jointly agreed, through a 50%/50% joint venture, to construct and operate a diluent recovery unit (DRU) near USD’s Hardisty terminal in Alberta, Canada

- The DRU will be underpinned by a take-or-pay agreement with ConocoPhillips Canada (“COP”) to process 50,000 barrels per day of inlet bitumen blend through the DRU
- The DRU will be supported by the Canadian Pacific (CP) and Kansas City Southern Railway Company to the U.S. Gulf Coast

DRU Impact to USD Partners (“USDP” or “the Partnership”)

Extension of Remaining Capacity at Hardisty Terminal

- Along with announcement of DRU, COP has extended related contracts on a multi-year basis at the Partnership’s Hardisty terminal, with approximately a third of the capacity at the Hardisty terminal extended through 2031, subject to completion of DRU (1)
- The Partnership’s Hardisty terminal is 100% contracted through mid-2022

First Phase of Re-rating USDP Cash Flow Completed

- USD and Gibson are currently discussing the DRU value proposition with other potential producer and refiner customers to secure long-term, take-or-pay agreements for an additional 50,000+ barrels per day at the proposed DRU, **which would also be contracted for transloading at the Partnership’s Hardisty terminal on a long-term basis**
- Improved contract tenor enhances distribution visibility in the medium to long-term

Scalable Design Supports Viable and Attractive Growth Platform

- DRU cost savings and value drivers further enhance the sustainability and competiveness of the Hardisty terminal as an industry solution
- DRU process is highly scalable, which can support future expansions at economic and competitive rates relative to current pipeline rates

(1) Construction of DRU remains subject to receipt of various permits and regulatory approvals, including from the Alberta Energy Regulator and obtaining additional agreements to underpin the economics of the project.

DRU: An Advantaged and Sustainable Industry Solution

What is a DRU?

- DRU separates diluent from bitumen. The diluent is then returned back to the oil sands to be used again and the bitumen can then be transported by rail
  - The proprietary process for producing a DRUbit™ barrel suitable for rail transportation has been patented by USD
  - This process uses well-known, proven DRU technology
  - USDG Canadian Patent No. C10G 31/06; US Patent Pending

Advantages of DRU

Reduces the cost of FREIGHT in the value chain

- Produces non-flammable/non-hazmat commodity (STCC 2911614)
- Promotes use of legacy railcar equipment
- Increases barrel density – ship more bitumen, less diluent (~30% improvement)
- Increases ability to take more direct routes allowing for more efficient operations

Improves the value of BITUMEN in the value chain

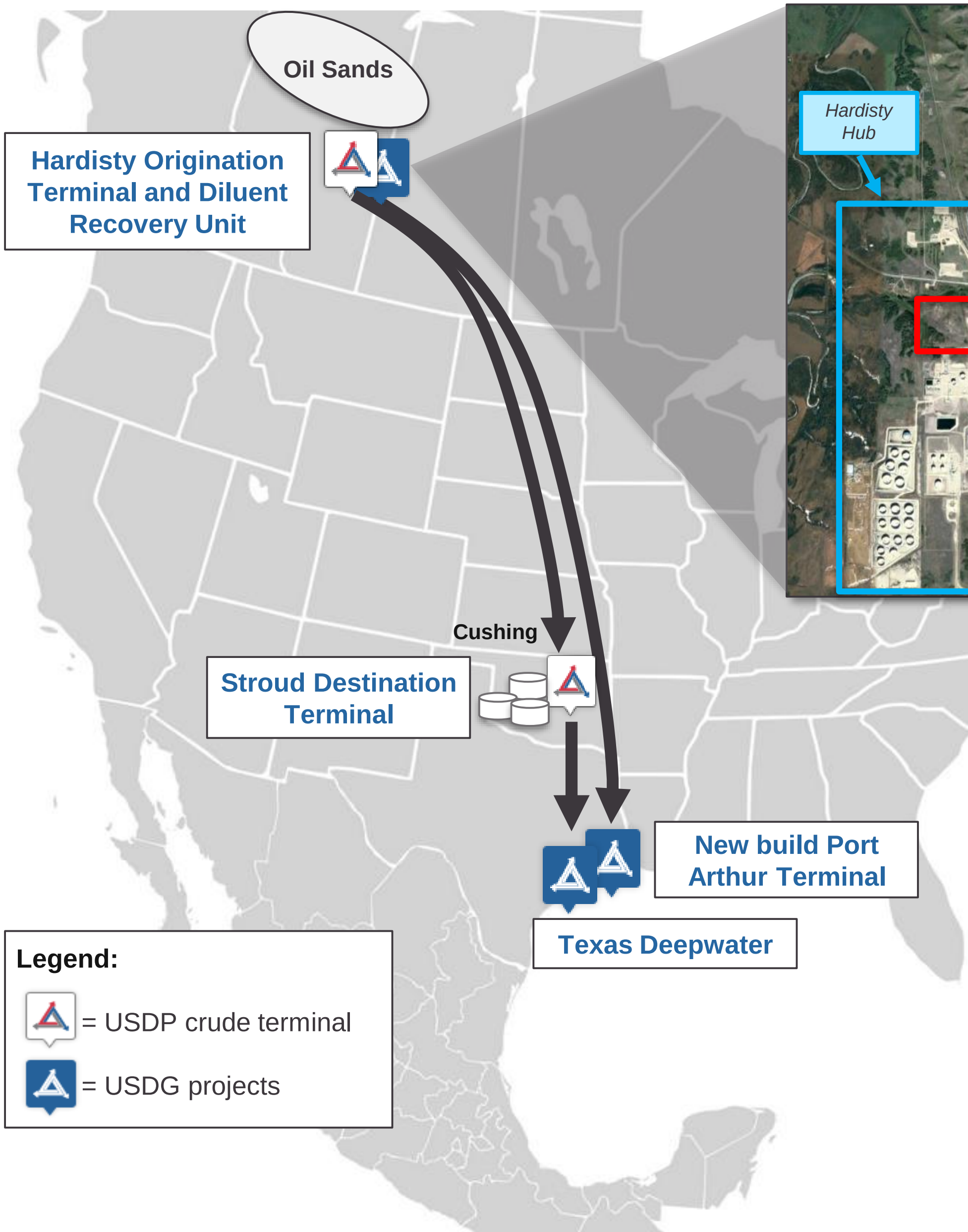
- Improves bitumen quality, increasing value for refiners
- Delivers consistent product
- Offers high blend potential

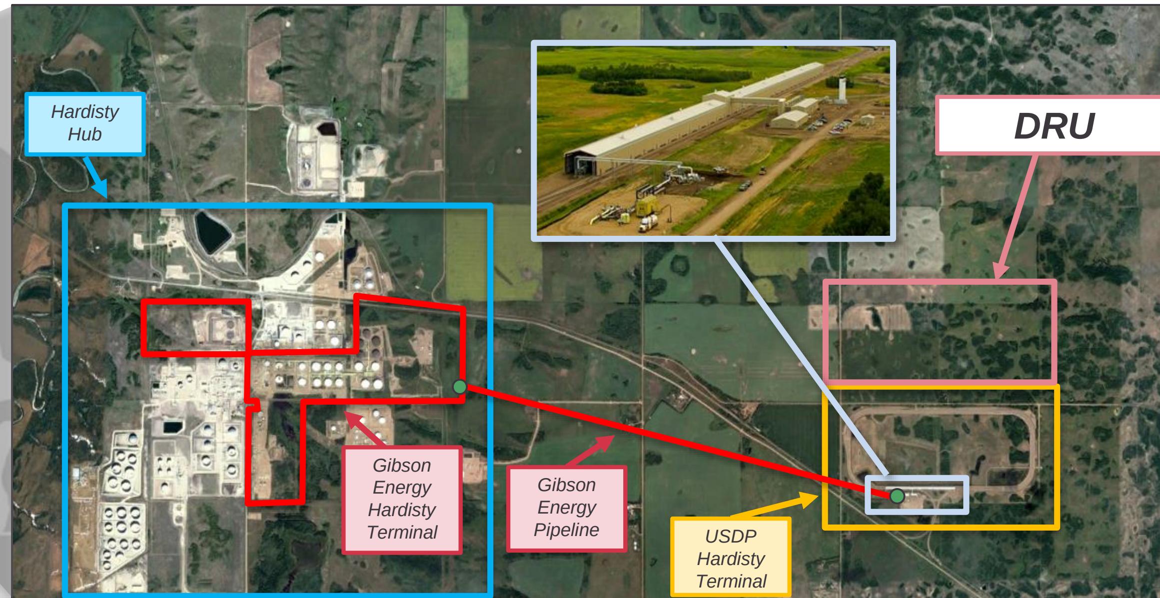
Reduces the role and cost of DILUENT in the value chain

- Cost savings; no longer transporting diluent at a loss
- Eliminates / reduces cost of diluent
- Improves residual diluent quality

Strategically Positioned Network Enhanced by DRU

The DRU's strategic positioning relative to the Hardisty complex and existing rail terminal creates efficient synergies





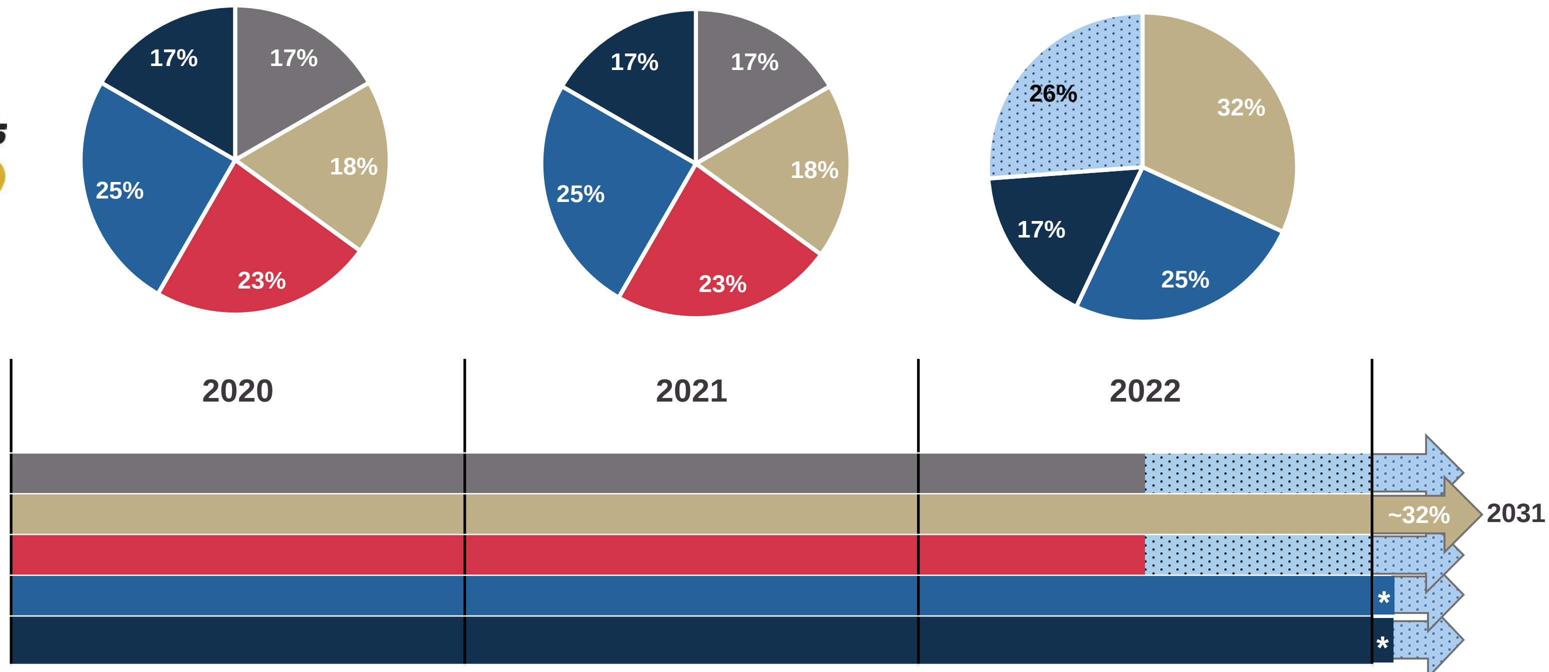
Existing Hardisty Footprint Supports DRU

- Creation of DRUBit™ directly adjacent to the current USDP Hardisty terminal allows for seamless rail loading and diluent recycling
- The more concentrated DRUBit™ will be transported to the U.S. Gulf Coast, with destinations available at a new facility at Port Arthur, TX, and Texas Deepwater in the Houston Ship Channel, both owned by USDG (1)
- USDG will unload, blend, and distribute the product for the marine and refinery markets

(1) USDG is a 50/50 owner in the Texas Deepwater Partners joint venture.

Multi-year Extensions at Hardisty Generate Long-Term Sustainable Cash Flows

% of Capacity at Hardisty



Customer	Credit Rating
Customer A1	Producer (A / A3)
Customer A2	Producer (A / A3)
Customer B	Integrated (A- / Baa1)
Customer C	Integrated (BBB / Ba1)
Customer D	Marketer (BBB- / Ba2)

Potential Future DRU Customers (new or existing customers converting to DRU on a long-term basis)

* Contracts currently extend through June 2023

- Upon the successful construction and completion of the DRU which is expected to be in service as early as the second quarter of 2021, **approximately a third of the Partnership's take-or-pay Hardisty cash flow will be extended through 2031**
- The Partnership and its Sponsor are in discussions with existing and new customers to re-contract the remaining available capacity at the Hardisty terminal **with the goal of extending 100% of the terminal's existing cash flows to long-term, sustainable 10+ year contracts**

Strong Industry Support for Transformative DRU Solution

"From an innovation, sustainability and safety perspective, this is a game changer. This process removes diluent from the crude-by-rail supply chain, and as a result, we end up moving a non-hazardous commodity. This will further increase the safety of crude-by-rail, to the benefit of the communities we operate in and through."

- Keith Creel, President and CEO, Canadian Pacific

"The DRU process is an innovative solution that competes with pipeline economics and secures improved netbacks across the seasonality and widely varying differentials experienced in the Western Canadian spot market. It helps address a critical challenge to Canada's oil producers — constrained market access — to the benefit of all Canadians."

- Kirk Johnson, President, ConocoPhillips Canada

"Very simply, we believe the project benefits Western Canada's energy ecosystem in a number of ways, including: (1) reducing condensate use; (2) lowering rail costs; and, (3) validating another flexible market outlet. From our perspective, the DRU looks to be a permanent solution for some bitumen production volumes from Western Canada."

- Andrew Kuske, Credit Suisse Equity Research

"We believe that being a first mover on a DRU in Canada could potentially confer an advantage when it comes to serving other customers who are exploring additional egress options from the basin."

- RBC Capital Markets