



INNOVATIVE ENERGY SOLUTIONS
SINCE 1870

Sprague Resources LP
Facility Tour
September 15, 2015

SRLP
LISTED
NYSE



SPRAGUE RESOURCES LP TO HOST ANALYST AND INVESTOR TOUR ON SEPTEMBER 15, 2015

Portsmouth, NH (September 8, 2015) – Sprague Resources LP (“Sprague”) (NYSE: SRLP) today announced that it will host a tour for institutional investors and financial analysts on Tuesday, September 15th at their corporate office and local terminals in Portsmouth, New Hampshire.

Sprague’s President and Chief Executive Officer David Glendon and other members of the executive management team will host a tour of the Partnership’s local terminal facilities and headquarters. Space is limited and pre-registration is required to attend the event by emailing investorrelations@spragueenergy.com. Registration will begin at 10:00 a.m. ET on September 15th and the event is expected to end at approximately 3:30 p.m. ET. A presentation outlining key highlights of the day’s tour will be available on Sprague’s website following the event.

Forward-Looking Statements /Non-GAAP Measures

Some of the statements in this presentation may contain forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as “may,” “assume,” “forecast,” “position,” “predict,” “strategy,” “expect,” “intend,” “plan,” “estimate,” “anticipate,” “believe,” “will,” “project,” “budget,” “potential,” or “continue,” and similar references to future periods. However, the absence of these words does not mean that a statement is not forward looking. Descriptions of our objectives, goals, plans, projections, estimates, anticipated capital expenditures, cost savings, strategy for customer retention and strategy for risk management and other statements of future events or conditions are also forward looking statements.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Our actual future results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, but are not limited to a significant decrease in in a demand for refined products, natural gas or our materials handling services in the areas we serve; derivatives legislation could impact our ability to use derivatives to reduce the effect of commodity price risk, interest rate risk, and adversely affect our hedging activities; and, warmer weather during winter months and non-performance by our customers, suppliers and counterparties. For a more detailed description of these uncertainties and other features, please see the “Risk Factors” section in our most recent Annual Report on Form 10-K and/or most recent 10-Q filed with the U.S. Securities and Exchange Commission and also available in the “Investor Relations” section of our website www.spragueenergy.com.

Any forward-looking statement made by us in this presentation is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise. For additional information about risks and uncertainties that could cause actual results to differ materially from the expectations, please refer to Sprague’s current Quarterly Report on Form 10-Q and/or most recent 10-K available in the “Investor Relations” section of our website www.spragueenergy.com.

In this presentation we refer to certain financial measures not prepared in accordance with generally accepted accounting principles, or GAAP, including adjusted gross margin and adjusted EBITDA. For a description of how we define these non-GAAP financial measures see “Part I, Item 2, Management’s Discussion and Analysis of Financial Condition and Results of Operations – How Management Evaluates Our Results of Operations.” in Sprague’s current Quarterly Report on Form 10-Q and/or most recent 10-K available in the “Investor Relations” section of our website www.spragueenergy.com.

Tour of Newington, NH: River Road Terminal

*Guests travelled via barge to Sprague's terminal facility.
Along the way they passed Sprague's Avery Lane terminal, also on the Piscataqua River.*



Tour of Newington, NH: River Road

Guests were escorted on a walking tour of the facility by Burt Russell, VP Operations



Tour of Corporate Headquarters



Guests were introduced to several of Sprague's business unit leaders, who each gave a high level overview of their team's composition and function at their desks. Tour stops included:

Brian Weego, VP of Natural Gas

Tom Flaherty, VP of Refined Products

Burt Russell, VP of Operations

Steve Scammon, Chief Risk Officer

Jim Therriault, VP of Materials Handling



Sprague Corporate Headquarters – Portsmouth, NH

Tour of Corporate Headquarters Highlights



- Sprague believes it has a unique ability to leverage its terminal assets across Refined Products and Materials Handling operations in ways other traditional midstream operators do not
- Sprague believes our diversified business midstream business model continues to offer a compelling value proposition to MLP investors, especially in a volatile energy price environment
- Our teams are busy capitalizing on the opportunities present in each acquisition made in the second half of 2014, leveraging our capabilities across wider customer bases and taking advantage of new assets and skill sets to cross sell services
- Our business development team continues to evaluate multiple potential transactions in both the public auction process as well as pursuing opportunities privately across each business segment. Sprague continues to believe a reasonable long-term average estimate of completed deals per year may be 1 to 2 transactions. However, their timing is dependent on many factors outside Sprague's control, and the actual result may differ from that estimate

Refined Products Value Chain

Exploration / Production



Refining



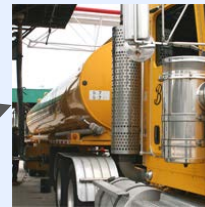
Transportation



Storage



Wholesale



Commercial / Industrial



Customers

- Jobbers/Distributors
- Municipalities
- Manufacturers
- Industrial
- Education
- Transit Authorities

 **Sprague** Activities

Refined Products and Materials Handling Network

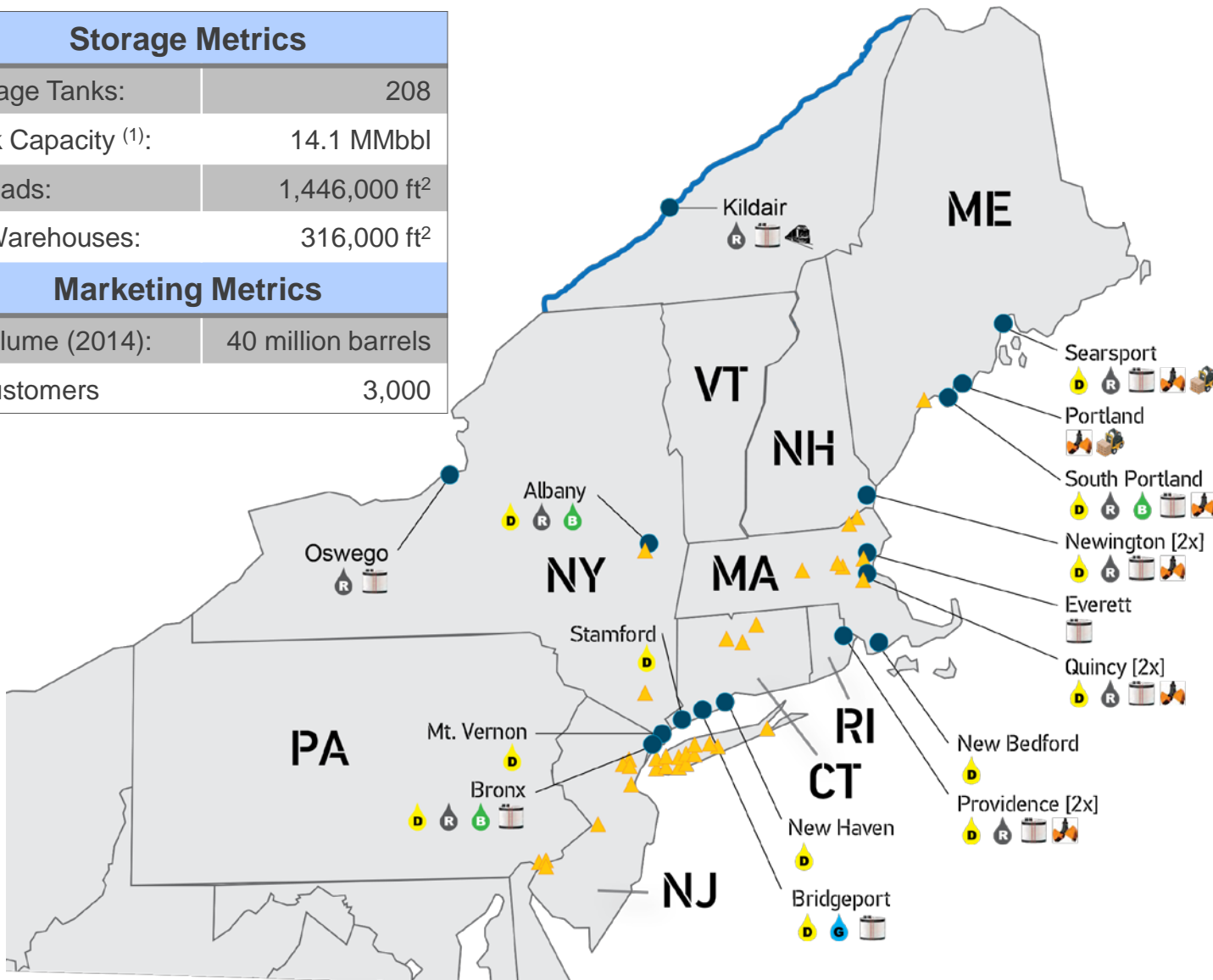


Storage Metrics

Storage Tanks:	208
Tank Capacity ⁽¹⁾ :	14.1 MMbbl
18 Pads:	1,446,000 ft ²
10 Warehouses:	316,000 ft ²

Marketing Metrics

~ Volume (2014):	40 million barrels
~ Customers	3,000



- Residual
- Gasoline
- Distillate
- Biofuel
- Liquid Bulk
- Break Bulk
- Dry Bulk
- Crude Oil Handling
- 3rd Party Locations

⁽¹⁾ Does not include ~2.1 million barrels of storage capacity (46 storage tanks) currently out of service and not necessary for current operations

Converting Rack Business to Contracted Sales



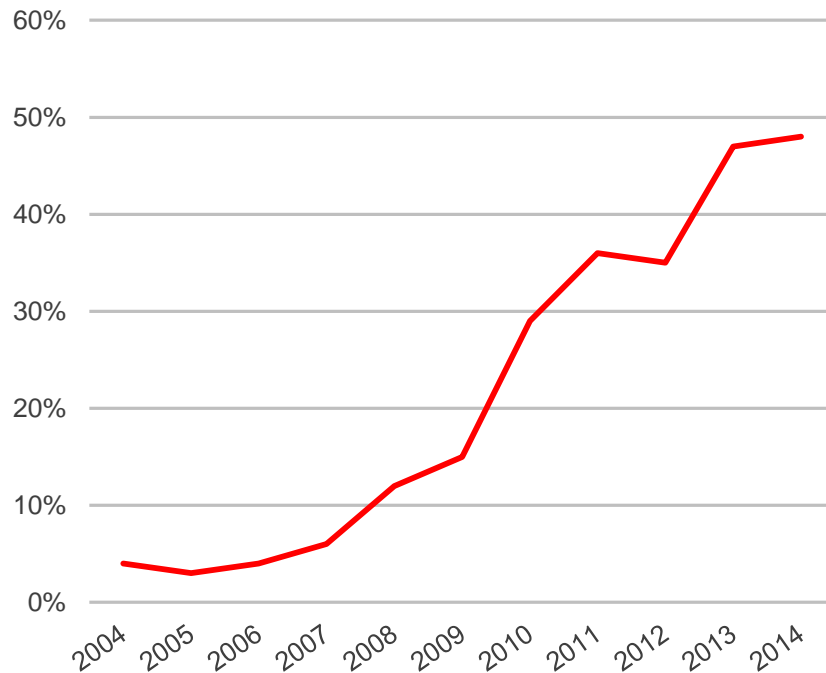
Traditional Wholesale Rack Marketing

- Multiple sellers in market
- No commitment from buyers
- Focus on price
- Volatile markets make posted prices “stale” and increase risk of hedge imbalance

“Real-Time” Wholesale Marketing

- Offers from Sprague move with market
- Buyers contract for supply at known price
- Volatility presents opportunity for customers
- Sprague has ability to enhance margin as market costs shift

Percentage of Wholesale Volume Sold on Sprague Real-Time Pricing Platform



Natural Gas Value Chain

Exploration / Production



Processing



Storage



Transportation



- Schedules delivery on major pipelines

Local Distribution (Utility)



- Delivers gas to utilities and/or customers directly
- Bills customers for supply
- Provides value-added products and services

Customers

- Power Generators
- Manufacturers
- Retailers
- Education
- Government
- Commercial Real Estate
- Health Care

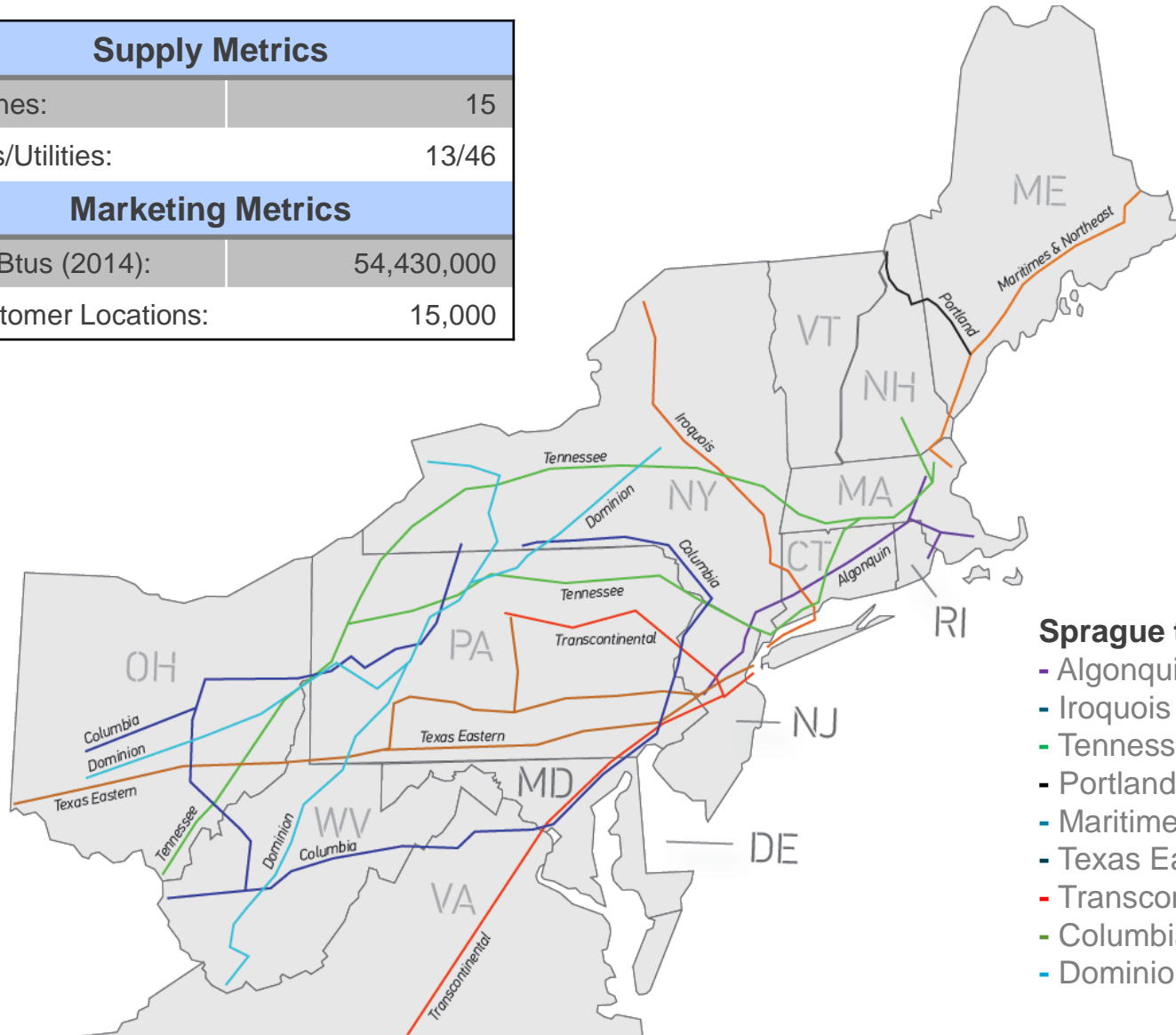
Natural Gas Service Area

Supply Metrics

Pipelines:	15
States/Utilities:	13/46

Marketing Metrics

~ MMBtus (2014):	54,430,000
~ Customer Locations:	15,000



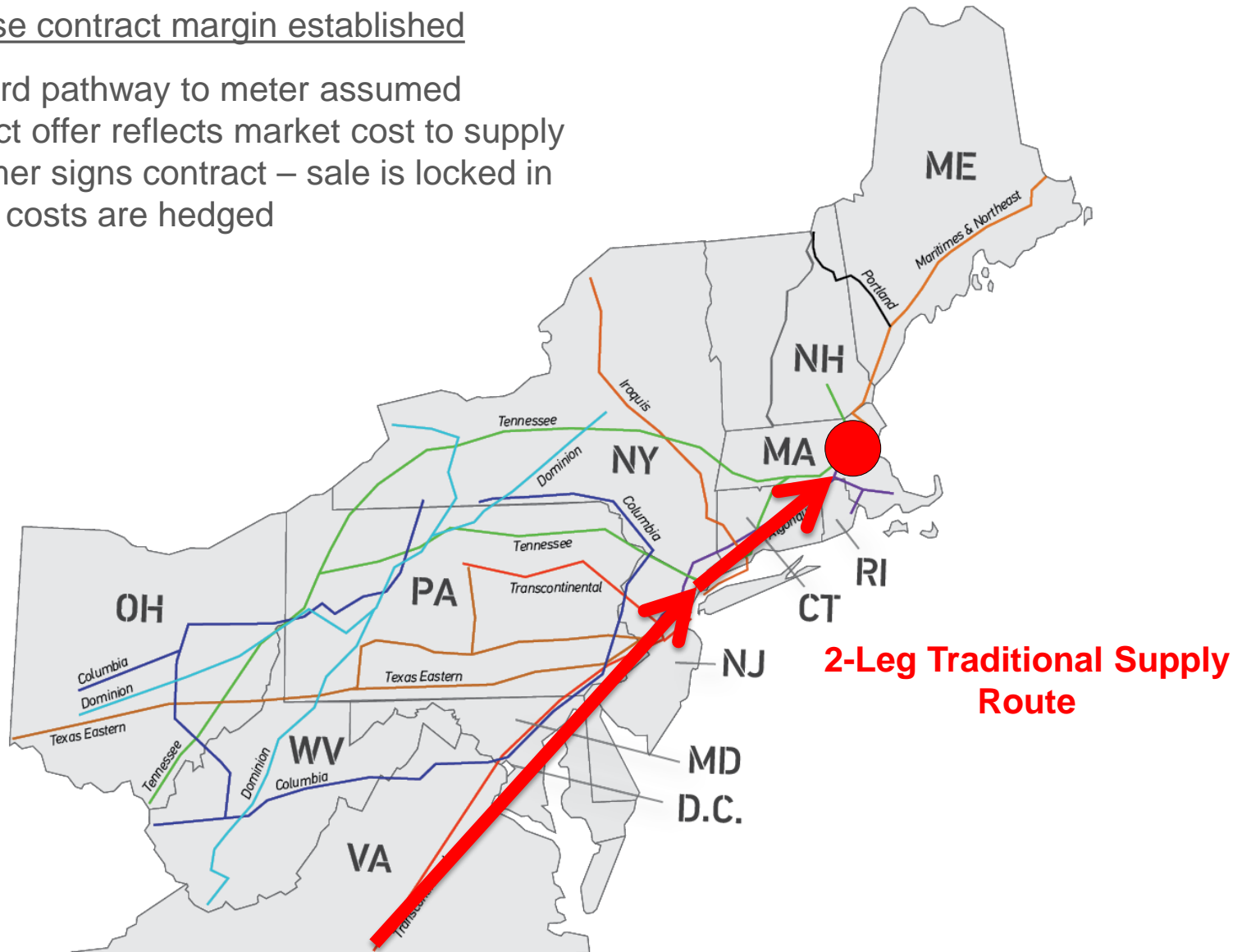
Sprague transportation rights:

- Algonquin Gas Transmission
- Iroquois Gas Transmission
- Tennessee Gas Pipeline
- Portland Natural Gas Transmission
- Maritimes & Northeast Pipeline
- Texas Eastern Transmission
- Transcontinental Gas Pipeline
- Columbia Gas Transmission
- Dominion Transmission, Inc.

Natural Gas Contract Margin

Base contract margin established

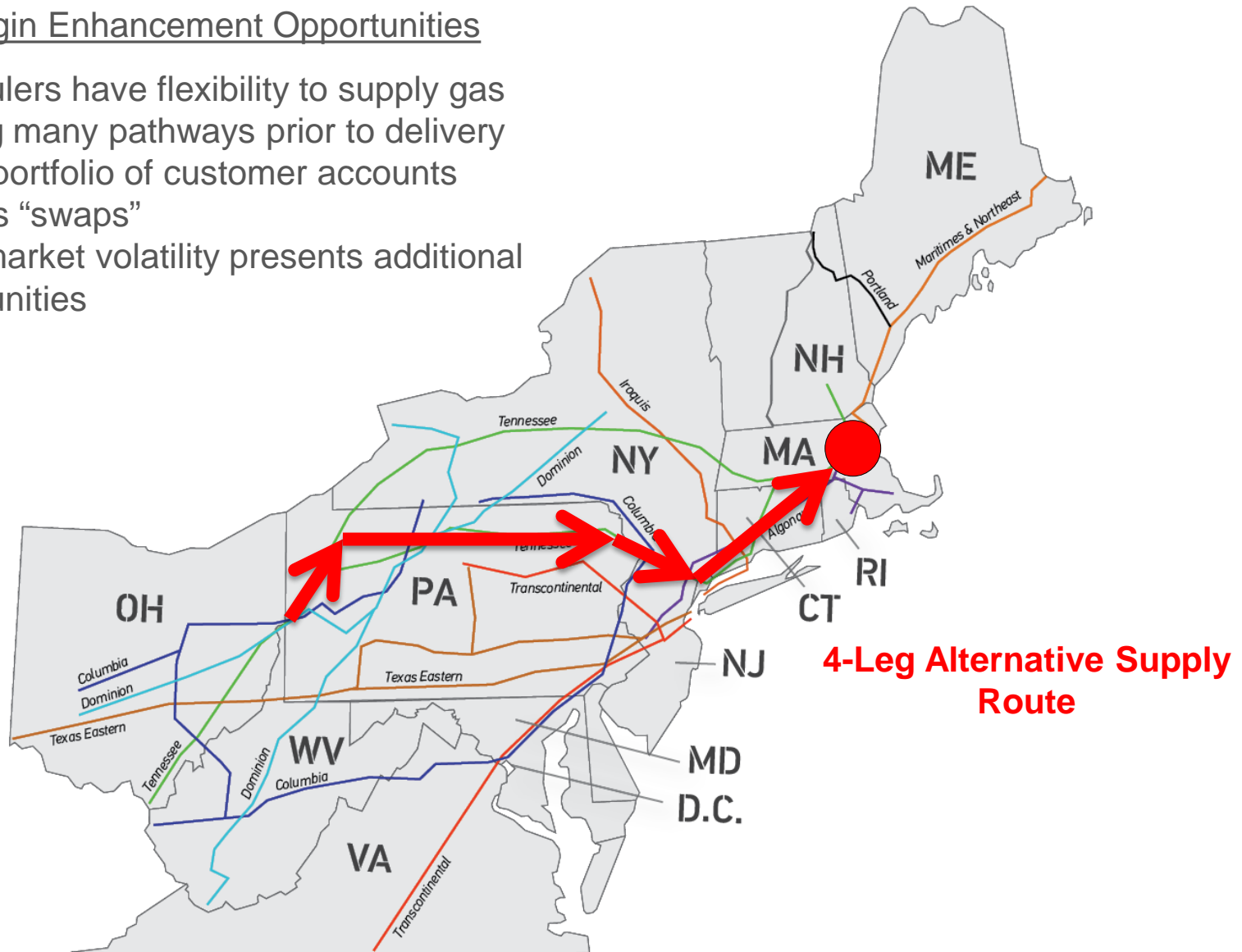
- Standard pathway to meter assumed
- Contract offer reflects market cost to supply
- Customer signs contract – sale is locked in
- Supply costs are hedged



Natural Gas Margin Optimization

Margin Enhancement Opportunities

- Schedulers have flexibility to supply gas utilizing many pathways prior to delivery
- Broad portfolio of customer accounts enables “swaps”
- Cash market volatility presents additional opportunities



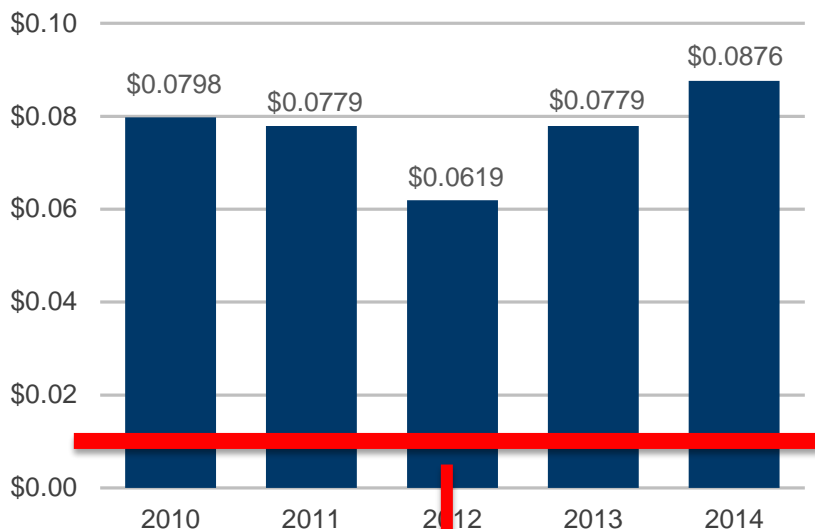
4-Leg Alternative Supply Route

Integrated Business Model



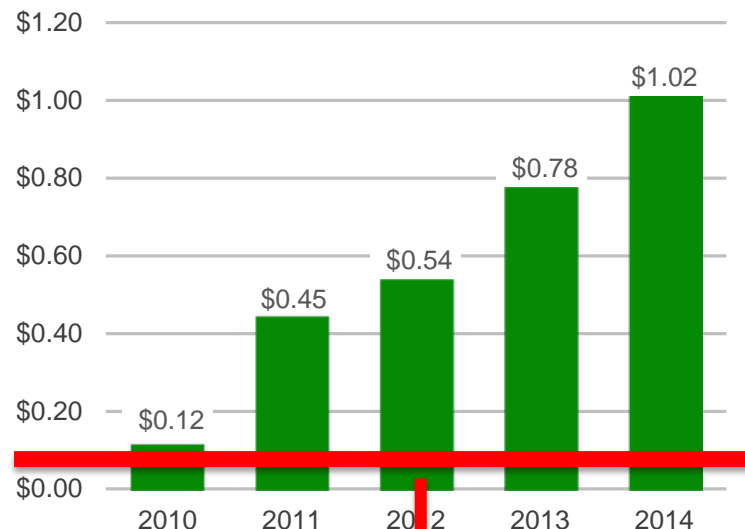
Supply and logistics expertise, coupled with product and service innovations, used to enhance returns on the asset base

Refined Products Adjusted Unit Margin (\$/gallon)



Representative Throughput Model Margin

Natural Gas Adjusted Unit Margin (\$/MMBtu)



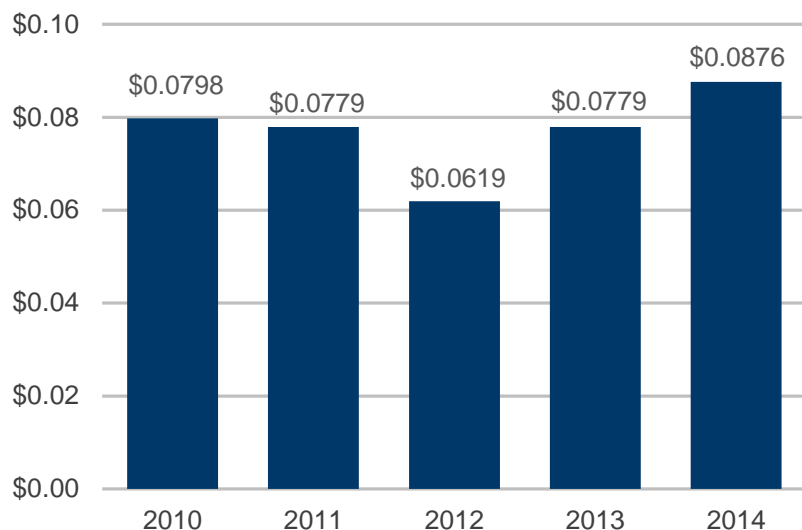
Representative Wholesale Supply Services Margin

Integrated Business Model



Supply and logistics expertise, coupled with product and service innovations, used to enhance returns on the asset base

Refined Products Adjusted Unit Margin (\$/gallon)



Natural Gas Adjusted Unit Margin (\$/MMBtu)



- Proprietary terminal marketers
- Local market competitive intelligence
- Control of our own supply in extreme conditions
- Superior product/service offer to customer
- Management of gas from hub to burner tip
- Ability to enhance margin in certain market conditions

Materials Handling Value Chain

INBOUND

Source

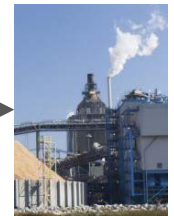
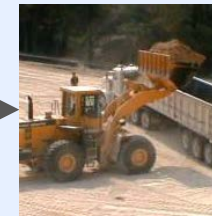
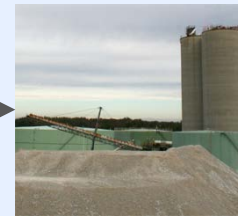
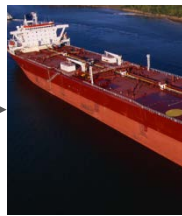
Transport

Offload

Storage

Load

Customers



- South America, Europe, Asia, Canada

- Inbound ship

- E.g., Offloading windmill shaft

- E.g., Gypsum, fly ash in silos

- E.g., Gypsum loaded by Sprague

- E.g., Paper mills, Munis, Manufacturers

OUTBOUND

Source

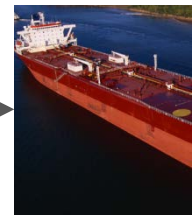
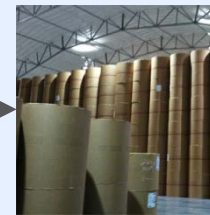
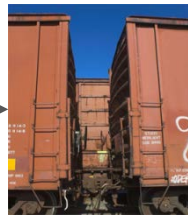
Transport

Offload

Storage

Load

Transport



- New England, Canada

- Inbound rail or truck

- E.g., Offloading wood pulp from a railcar

- E.g., Newsprint rolls in Portland

- E.g., Newsprint rolls loaded on to ship

- Outbound ship

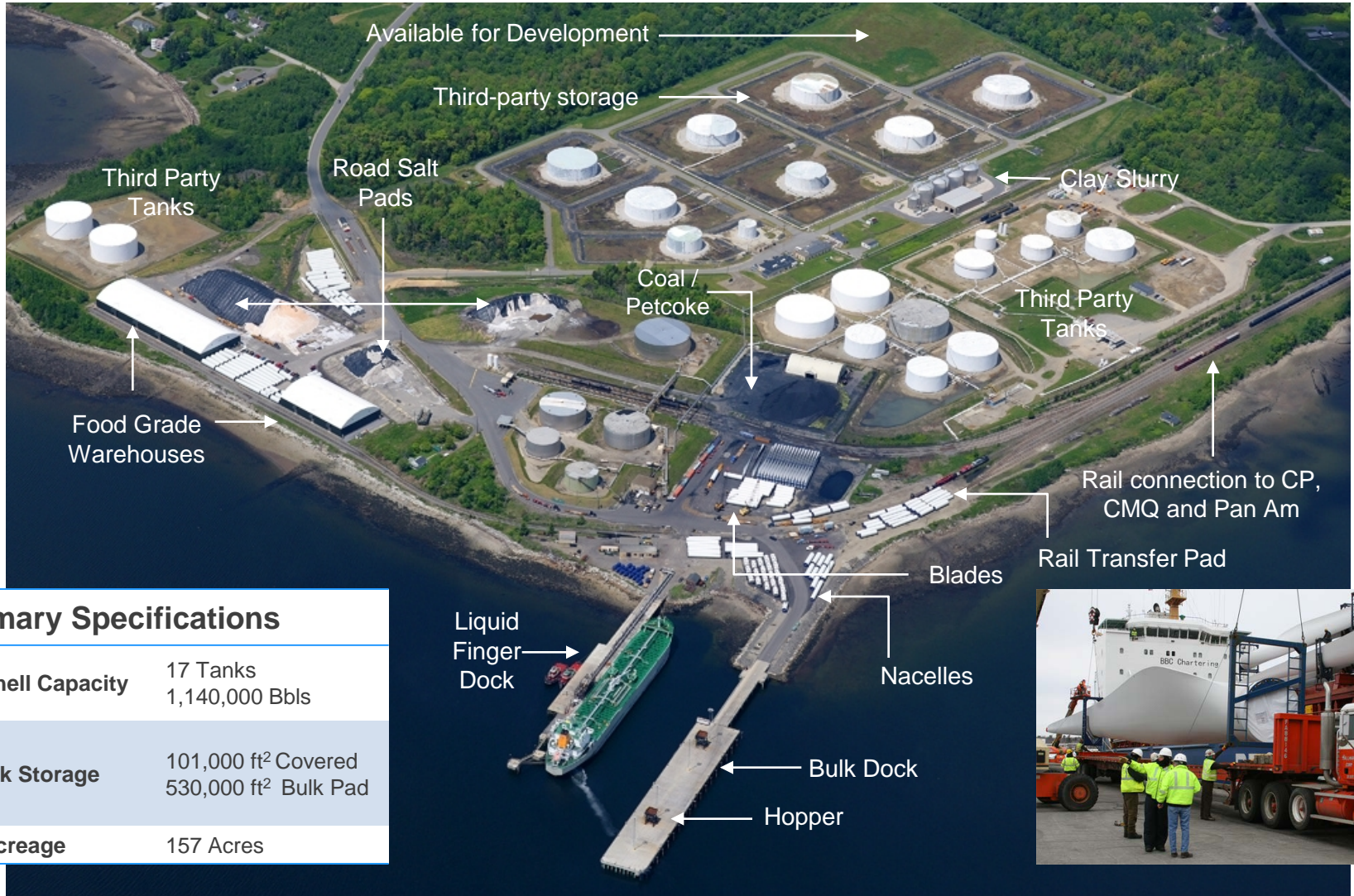
Fee-Based Income

Sprague's terminals integrate refined product distribution with contractual income from materials handling services



River Road Terminal

Terminal Example - Searsport, Maine



Summary Specifications

Tank Shell Capacity 17 Tanks
1,140,000 Bbbs

Dry Bulk Storage 101,000 ft² Covered
530,000 ft² Bulk Pad

Total Acreage 157 Acres

Unloading
Blades

Risk Management

- Sprague's Risk Policy sets authorized position limits for all commodities handled
 - *i.e. Daily VAR limits are \$1.5 million for Refined Products and \$0.75 million for Natural Gas*
- Inventory is tracked and Risk team monitors all open positions relative to inventory levels and sales to ensure Sprague maintains a hedged book of business
- Outright short/long positions due to imbalances have been minimal historically relative to total volume
- Ongoing VAR calculation monitored

Business Model's Exposure to Commodity Price Levels

- Business success not dependent on overall energy price levels
 - Working capital requirements reduced/increased with lower/higher commodity prices
 - Some bid contracts benefit from declining prices
- Product slate continues to evolve to meet customer energy requirements

Key Strengths



Contract-Based Income with Upside Potential

- Materials Handling is 100% fee-based, multi-year contracts
- More than 50% of Refined Product sales are under contract
- Natural Gas contract base margin can be enhanced by optimization activities

Terminaling, Logistics and Marketing Expertise

- Experts in unique Northeast logistical challenges
- Offer innovations drive enhanced margins and high customer retention
- Robust risk management program

Visible Growth Prospects

- Synergy realization from recent acquisitions
- Organic growth prospects at Kildair, Bronx, and Searsport
- Active acquisition market

Strong Capital Position

- Strong performance resulting in high coverage
- Modest leverage and ample acquisition facility liquidity
- Distribution growth above guidance given at IPO