



# Investor Presentation

August 2013





# Forward Looking Statements

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Some of the information in this news release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements give our current expectations and may contain projections of results of operations or of financial condition, or forecasts of future events. Words such as “may,” “assume,” “forecast,” “position,” “predict,” “strategy,” “expect,” “intend,” “plan,” “estimate,” “anticipate,” “could,” “believe,” “project,” “budget,” “potential,” or “continue,” and similar expressions are used to identify forward-looking statements. They can be affected by assumptions used or by known or unknown risks or uncertainties. Consequently, no forward-looking statements can be guaranteed. When considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements in Hi-Crush’s reports filed with the Securities and Exchange Commission (“SEC”), including those described under Item 1A of Hi-Crush’s Form 10-K for the fiscal year ended December 31, 2012 and any subsequently filed Form 10-Q. Actual results may vary materially. You are cautioned not to place undue reliance on any forward-looking statements. You should also understand that it is not possible to predict or identify all such factors and should not consider the risk factors in our reports filed with the SEC or the following list to be a complete statement of all potential risks and uncertainties. Factors that could cause our actual results to differ materially from the results contemplated by such forward-looking statements include: the volume of frac sand we are able to sell; the price at which we are able to sell frac sand; the outcome of any pending litigation; changes in the price and availability of natural gas or electricity; changes in prevailing economic conditions; and difficulty collecting receivables. All forward-looking statements are expressly qualified in their entirety by the foregoing cautionary statements. Hi-Crush’s forward looking statements speak only as of the date made and Hi-Crush undertakes no obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

# Our Platform for Growth

## Strong Industry Fundamentals

- Increasing Northern White sand usage
- Constraints on supply growth
- Increased drilling and completion efficiencies

## High Quality Reserve Base

- Market favors API spec, consistently high quality sand
- Lowest-cost producer
- 53.9 million ton reserve base with significant cost structure advantages

## Industry Leading Cost Advantage

- State-of-the-art, efficient and modern plant design
- Rail logistics capabilities

## Long-Term, Contracted Cashflow

- Fixed price / volume contracts with 2.5 years weighted average life
- Tenured relationships with customers

# Maximizing Opportunities for Unit Holders

## Experienced Management

- Extensive expertise in developing sand mining and processing facilities
- Substantial management ownership incentivized by distribution growth

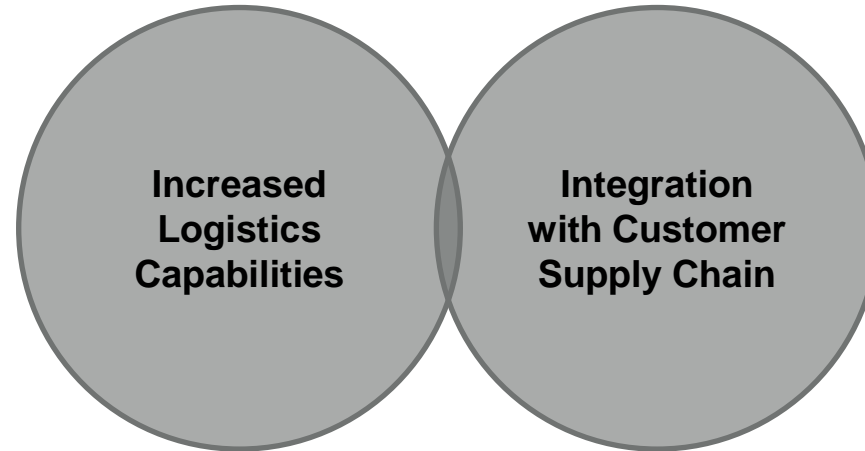
## Financial Flexibility

- Strong balance sheet and contractual cashflow
- Cost of capital advantage via MLP structure

## Multiple Growth Opportunities

- Increased volume
- Contributions from sponsor
- Organic expansion
- Acquisitions

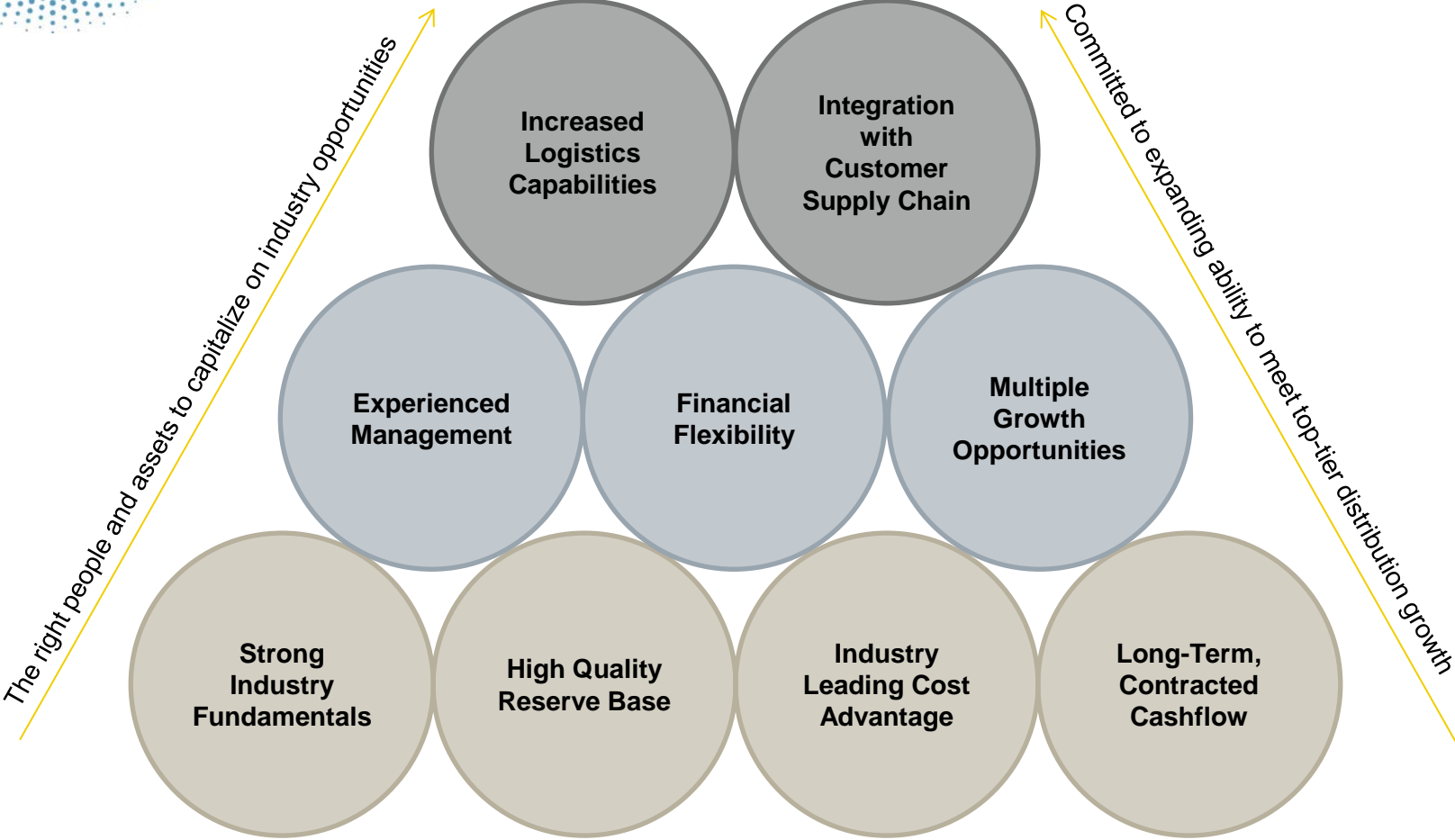
# Leveraging Trends



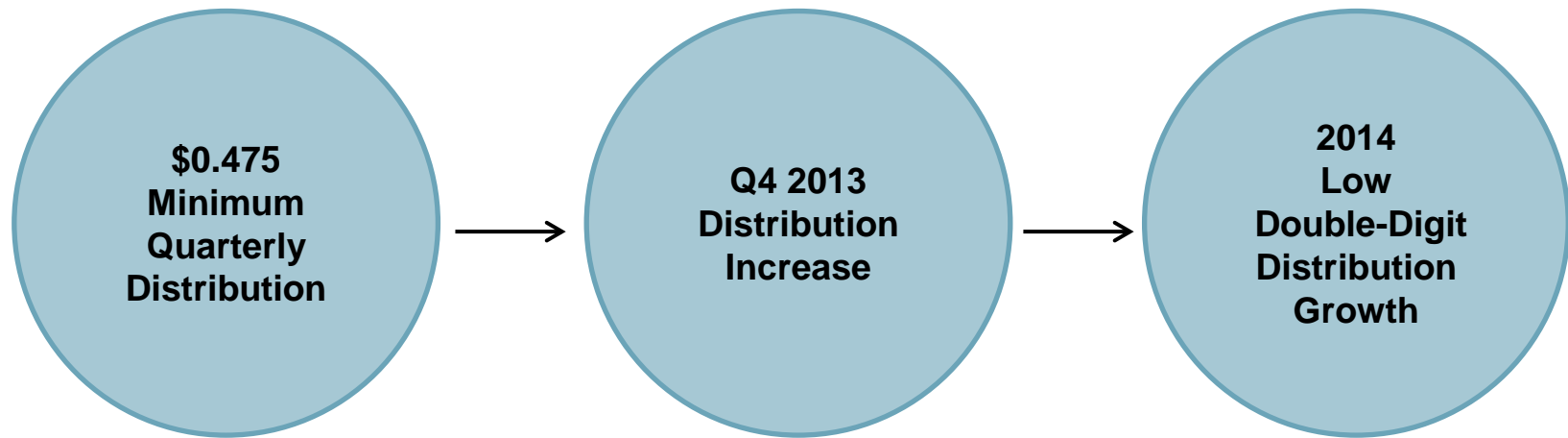
- Dynamics of market continue to change
- Premium white sand continues to gain share of proppant market
- Flexibility and scale to meet customer volume and timing needs
- Proppant providers must be able to “spec-in” immediately
- Barriers to entry continue to expand
- Industry is ripe for consolidation



# Platform for the Future



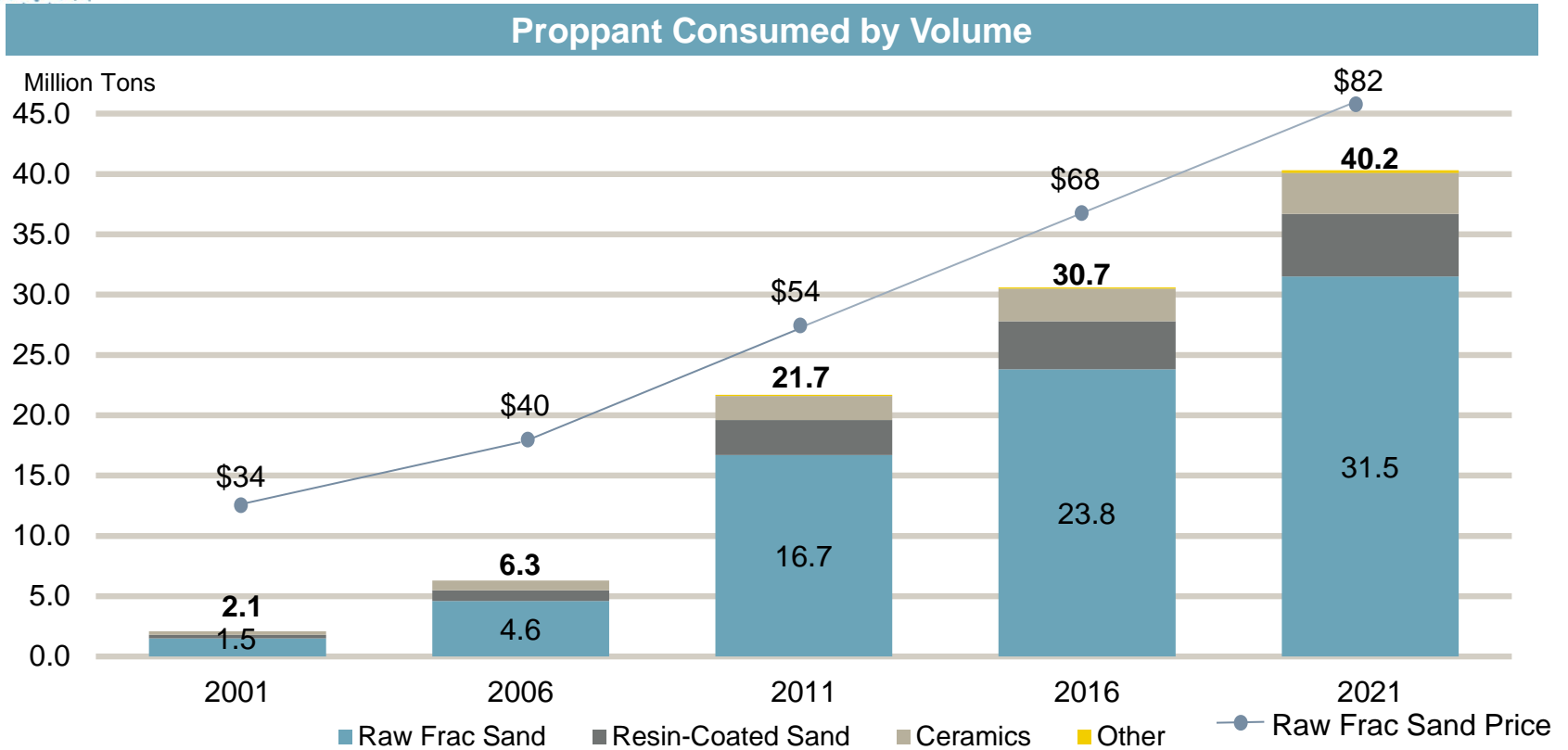
# Distribution Growth



- Expected to raise distribution paid for Q4 2013
- 2014 distribution guidance of low double digit growth over 2013



# Rapid Growth in Demand for Raw Sand



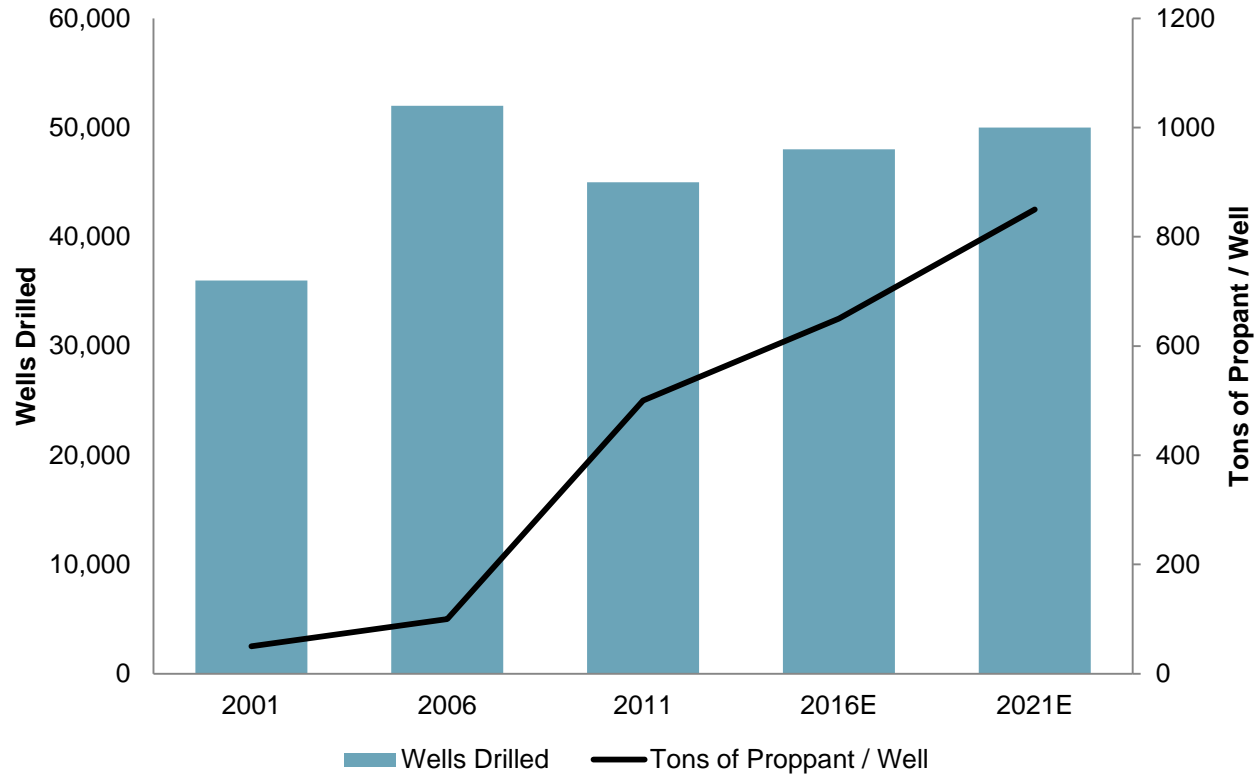
**Raw sand projected to increase as a percentage of proppant market, averaging at least 75% by volume**

Source: The Freedonia Group, March 1, 2012



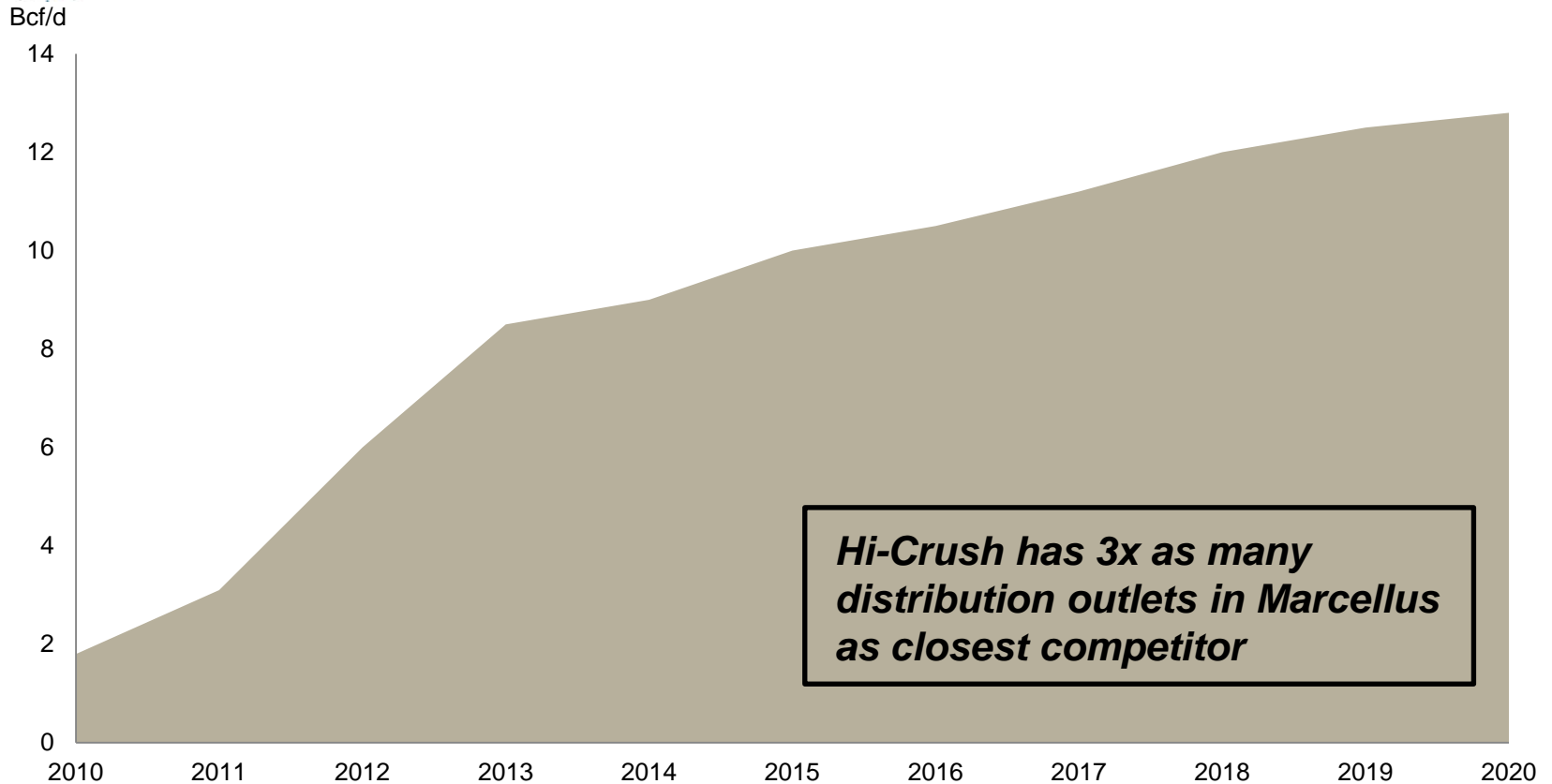


# Increase in Proppant Intensity



Source: The Freedonia Group.

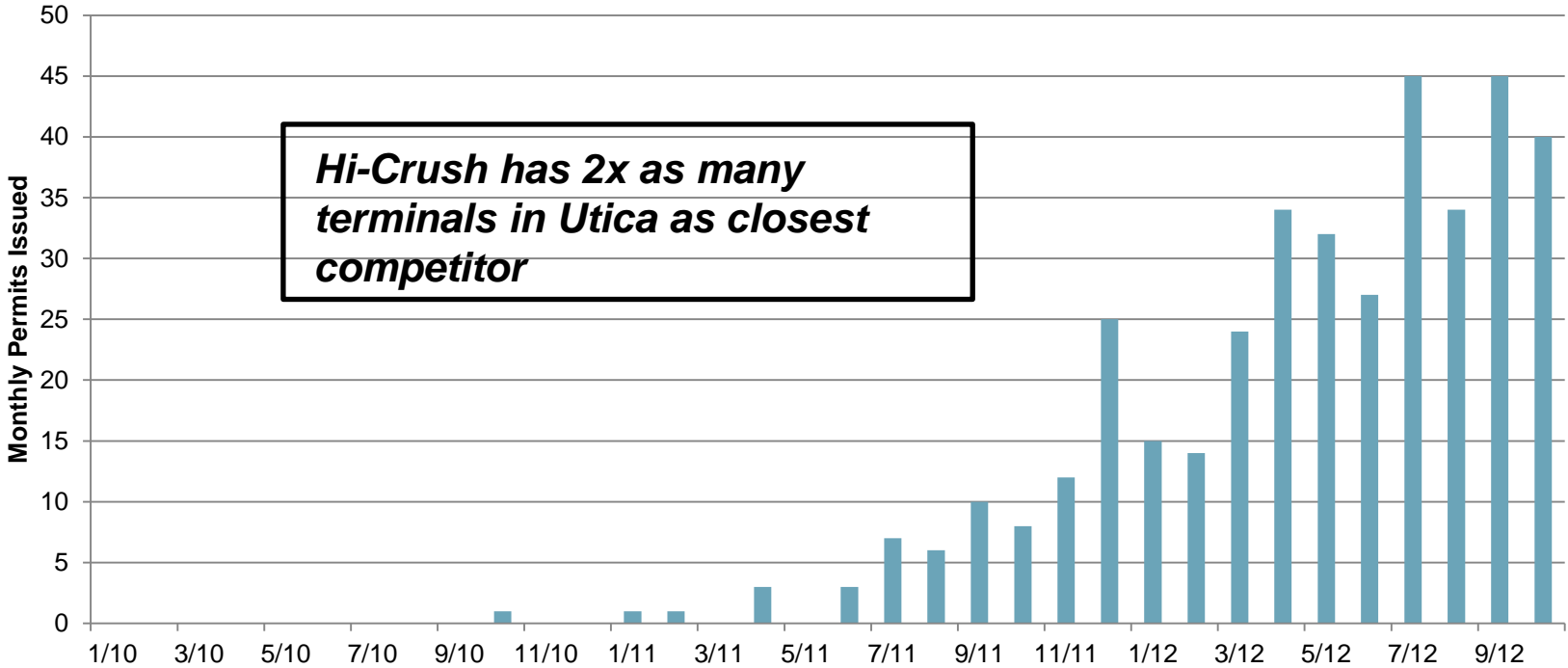
# Marcellus Production Doubles 2011-2015



Source: Wood Mackenzie (December 2012)



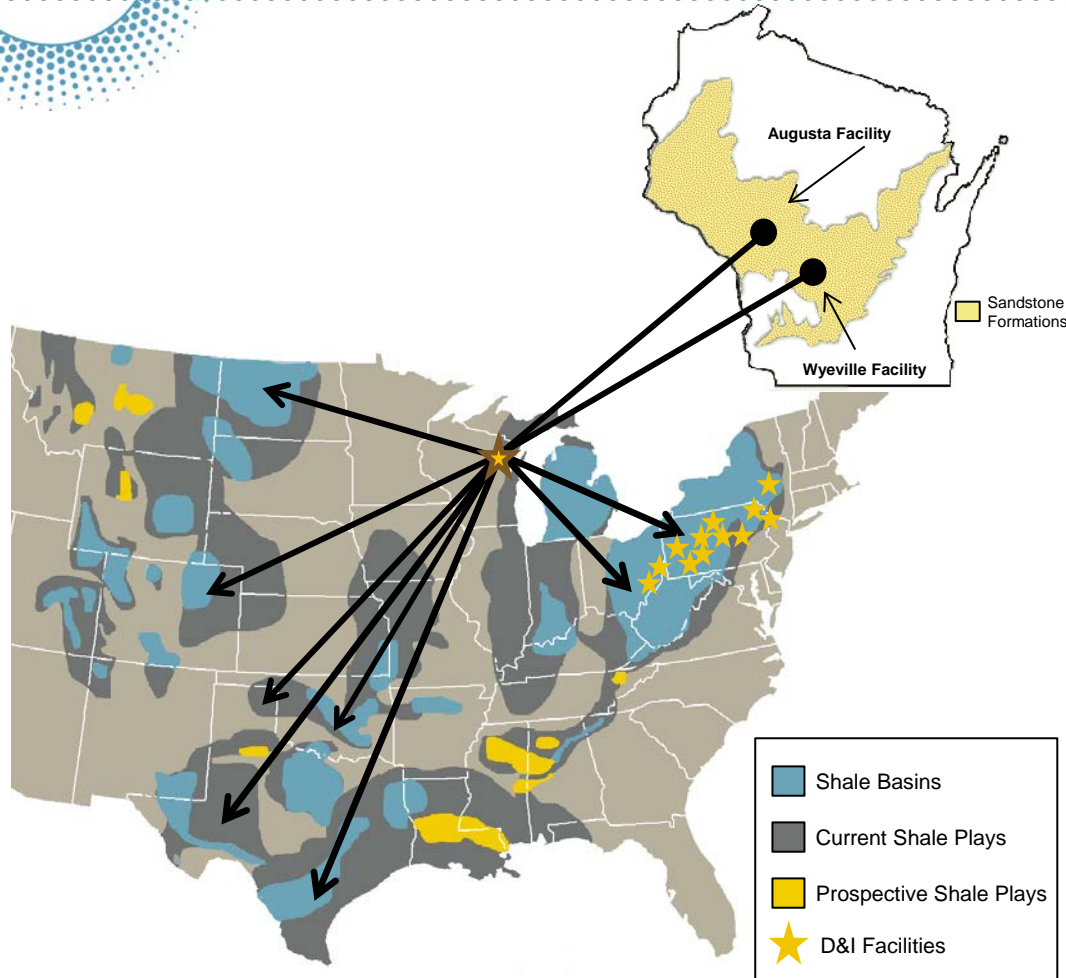
# Utica Permitting Accelerates



***Hi-Crush has 2x as many terminals in Utica as closest competitor***

Source: Ohio Department of Natural Resources

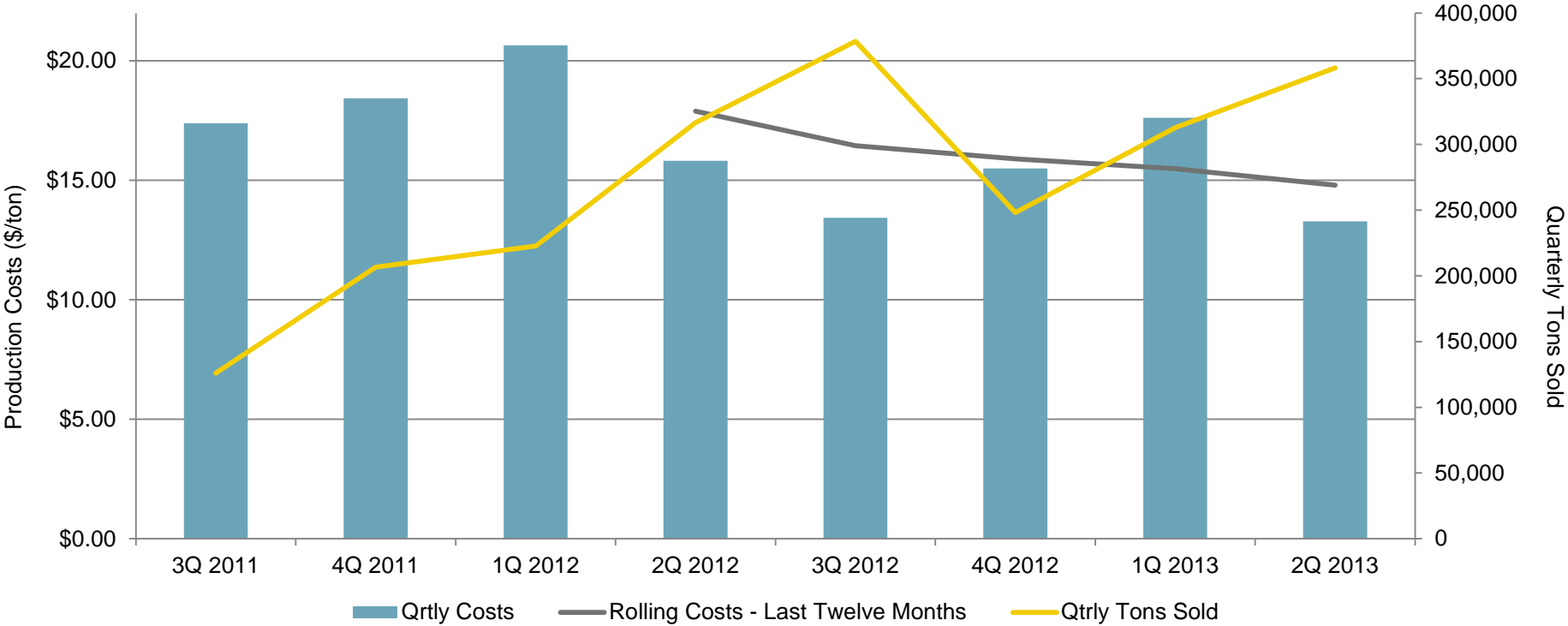
# Logistics Flexibility Critical



- Access to all major US oil and gas basins
- Twelve destination terminals across Marcellus & Utica
- Network of Midwest origin transload terminals, serviced by rail
- Direct loading of unit trains
- Links supply with nearby terminal facilities
- Relationships with multiple railroads
- Collaborative relationship with Union Pacific



# Leader in Low Costs





# Delivering Benefits, Creating Value

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- Successful assimilation of corporate cultures
- Integration of our logistics programs
- Integration of our internal and external financial reporting systems
- Establishment of a new unified corporate brand identity
- Key hires for sales and other positions; establish a new sales office in the Marcellus
- Identifying projects to enhance existing facilities

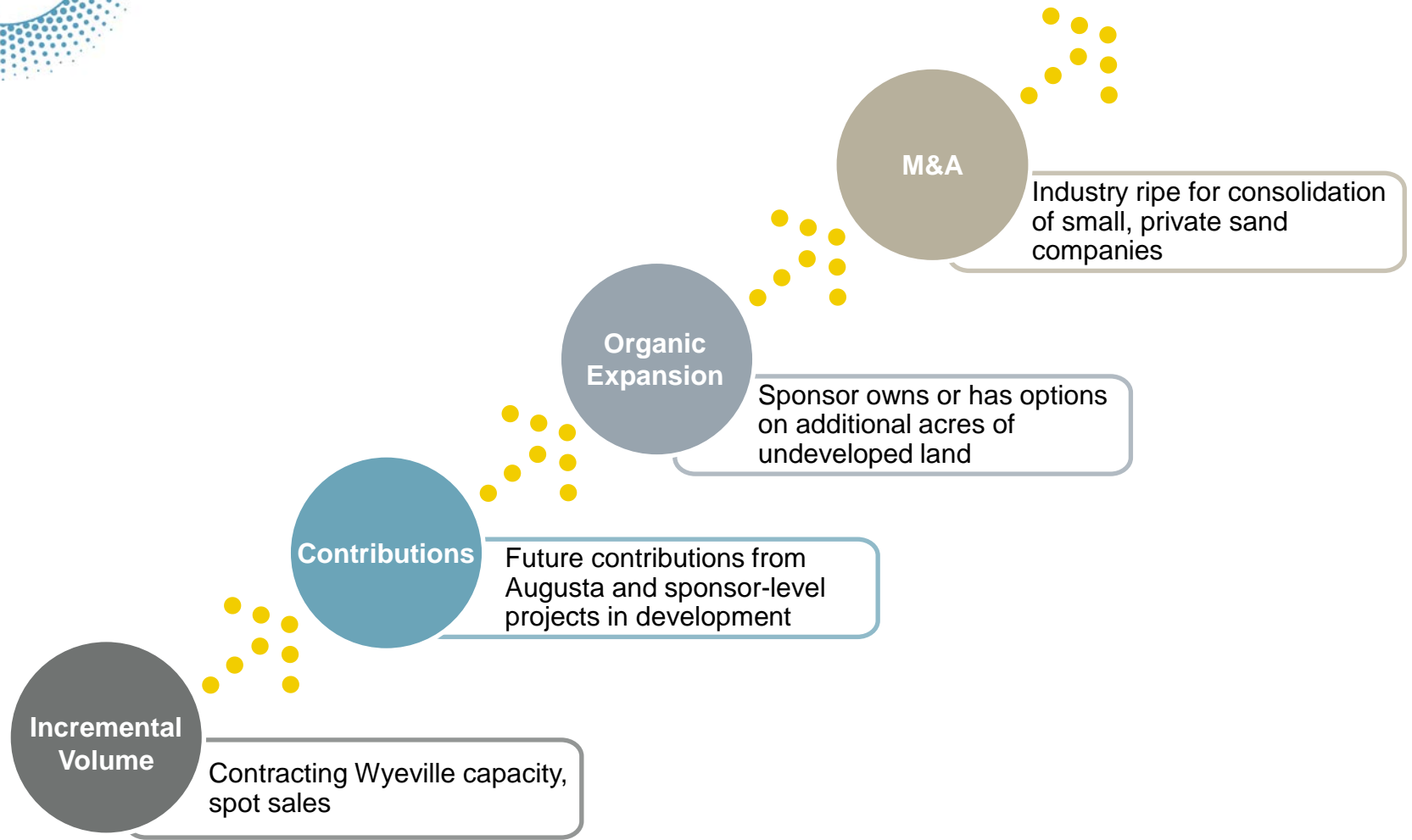


# D&I Transaction Summary

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- **Transaction Creates Substantial Unit Holder Value**
  - Access to biggest distribution network in Marcellus & Utica
- **Enhances Long-Term Revenue Growth and Margin Potential**
  - More robust platform for products, replication across system
- **Achieves Broad Synergies**
  - Rail expertise, increases sales and margins
- **Forges Clear Path to Grow Distributions**
  - Compelling growth for HCLP unit holders
- **Continue To Have A Strong Balance Sheet**
  - Conservative coverage, distribution growth

# Multiple Future Opportunities







# Second Quarter 2013

# Second Quarter Summary

	Three Months Ended June 30, 2013 <i>Successor</i>	Three Months Ended June 30, 2012 <i>Predecessor</i>
Revenues	\$ 27,101	\$ 20,643
Cost of goods sold (including depreciation, depletion and amortization)	11,585	5,495
Gross profit	<u>15,516</u>	<u>15,148</u>
Operating costs and expenses:		
General and administrative	3,847	1,650
Exploration expense	45	220
Accretion of asset retirement obligation	30	6
Income from operations	<u>11,594</u>	<u>13,272</u>
Other income (expense):		
Income from preferred interest in Hi-Crush Augusta LLC	3,750	-
Interest expense	<u>(663)</u>	<u>(1,457)</u>
Net income	<u><u>\$ 14,681</u></u>	<u><u>\$ 11,815</u></u>
Earnings per unit:		
Common units - basic and diluted	<u><u>\$ 0.53</u></u>	
Subordinated units - basic and diluted	<u><u>\$ 0.53</u></u>	
Weighted average limited partner units outstanding:		
Common units - basic and diluted	<u><u>13,992,894</u></u>	
Subordinated units - basic and diluted	<u><u>13,640,351</u></u>	

# Second Quarter Summary

	<b>Three Months Ended June 30, 2013</b> <i>Successor</i>	<b>Three Months Ended June 30, 2012</b> <i>Predecessor</i>
<b>Reconciliation of EBITDA and Distributable Cash Flow to Net Income:</b>		
Net income	\$ 14,681	\$ 11,815
Depreciation, depletion and amortization	1,085	489
Income tax expense	-	-
Interest expense	663	1,457
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<b>EBITDA</b>	<b>\$ 16,429</b>	<b>\$ 13,761</b>
Less:		
Less: Cash interest paid	(370)	
Less: Maintenance and replacement capital expenditures, including accrual for reserve replacement (1)	(484)	
Add: Accretion of asset retirement obligation	30	
<b>Distributable cash flow</b>	<b>\$ 15,605</b>	
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(1) Maintenance and replacement capital expenditures, including accrual for reserve replacement, were determined based on an estimated reserve replacement cost of \$1.35 per ton sold during the period. Such expenditures include those associated with the replacement of equipment and sand reserves, to the extent that such expenditures are made to maintain our long-term operating capacity. The amount presented does not represent an actual reserve account or requirement to spend the capital.

# Production Costs per Ton Sold from Wyeville

## Hi-Crush Partners LP Production Costs per Ton Sold from our Wyeville Facility

Fiscal Quarter:	3Q 2011	4Q 2011	1Q 2012	2Q 2012	3Q 2012			4Q 2012	1Q 2013	2Q 2013
					<i>Predecessor</i>	<i>Successor</i>	<i>Pro-Forma</i>			
Sand Sold (tons)	126,036	206,557	222,658	316,599	186,957	191,446	378,403	248,158	312,730	358,162
Production costs (\$ in thousands)	\$ 2,192	\$ 3,806	\$ 4,597	\$ 5,006	\$ 2,644	\$ 2,437	\$ 5,081	\$ 3,845	\$ 5,509	\$ 4,758
<i>Production costs per ton</i>	\$ 17.39	\$ 18.43	\$ 20.65	\$ 15.81	\$ 14.14	\$ 12.73	\$ 13.43	\$ 15.49	\$ 17.62	\$ 13.28
<b>Trailing Twelve Months</b>				<b>12 months ended 6/30/2012</b>			<b>12 months ended 9/30/2012</b>	<b>12 months ended 12/31/2012</b>	<b>12 months ended 3/31/2013</b>	<b>12 months ended 6/30/2013</b>
Sand Sold (tons)				871,850			1,124,217	1,165,818	1,255,890	1,297,453
Production costs (\$ in thousands)				\$ 15,601			\$ 18,490	\$ 18,529	\$ 19,441	\$ 19,193
<i>Production costs per ton</i>				\$ 17.89			\$ 16.45	\$ 15.89	\$ 15.48	\$ 14.79

# Wyeville Production Costs – Non-GAAP Recon.

## Hi-Crush Partners LP GAAP Reconciliation of Production Costs of Wyeville Facility to Cost of Goods Sold

Fiscal Quarter: <i>(Amounts in thousands)</i>	3Q 2011	4Q 2011	1Q 2012	2Q 2012	3Q 2012			4Q 2012	1Q 2013	2Q 2013
					<i>Predecessor</i>	<i>Successor</i>	<i>Pro-Forma</i>			
Cost of goods sold	\$ 2,498	\$ 3,949	\$ 4,776	\$ 5,495	\$ 3,065	\$ 2,832	\$ 5,897	\$ 4,313	\$ 5,782	\$ 11,585
Other cost of sales	-	-	-	-	-	-	-	-	-	(5,742)
Depreciation, depletion and amortization	(306)	(143)	(179)	(489)	(421)	(395)	(816)	(468)	(273)	(1,085)
Production costs	<u>\$ 2,192</u>	<u>\$ 3,806</u>	<u>\$ 4,597</u>	<u>\$ 5,006</u>	<u>\$ 2,644</u>	<u>\$ 2,437</u>	<u>\$ 5,081</u>	<u>\$ 3,845</u>	<u>\$ 5,509</u>	<u>\$ 4,758</u>