



Investor Presentation

Halbert S. Washburn
Co-Founder and Chief Executive Officer

June 2010



Forward-Looking Statements



Cautionary Statement Regarding Forward-Looking Information

This presentation contains forward-looking statements relating to BreitBurn's operations that are based on management's current expectations, estimates and projections about its operations. Words and phrases such as "expected," "estimates," "future," "guidance," "goals," "will," "projected," "predict," "plans," "opportunities," "may," "believe," "2010," "forecasted," "target" and variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond our control and are difficult to predict. These include risks relating to the Partnership's financial performance and results, availability of sufficient cash flow to execute our business plan, our level of indebtedness, a significant reduction in the borrowing base under our bank credit facility, our ability to raise capital, prices and demand for natural gas and oil, our ability to replace reserves and efficiently develop our current reserves and the factors set forth under the heading "Risk Factors" incorporated by reference from our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, and our Current Reports on Form 8-K. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. The reader should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Unless legally required, BreitBurn undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Unpredictable or unknown factors not discussed herein also could have material adverse effects on forward-looking statements.

Overview of BreitBurn Energy Partners L.P.



- ▶ Publicly-traded upstream MLP with long-lived assets and extensive hedge portfolio
 - Low-risk exploitation and development opportunities
 - Leverage technical expertise and state-of-the-art technologies to identify and implement successful exploitation techniques to optimize reserve recovery
- ▶ Assets consist primarily of long-lived oil and gas fields (16+ years reserve life index)
 - Eastern Division: Antrim Shale (MI), New Albany Shale (IN/KY)
 - Western Division: Los Angeles Basin (CA), Wind River and Big Horn Basins (WY), Sunniland Trend (FL)
- ▶ Key statistics:⁽¹⁾

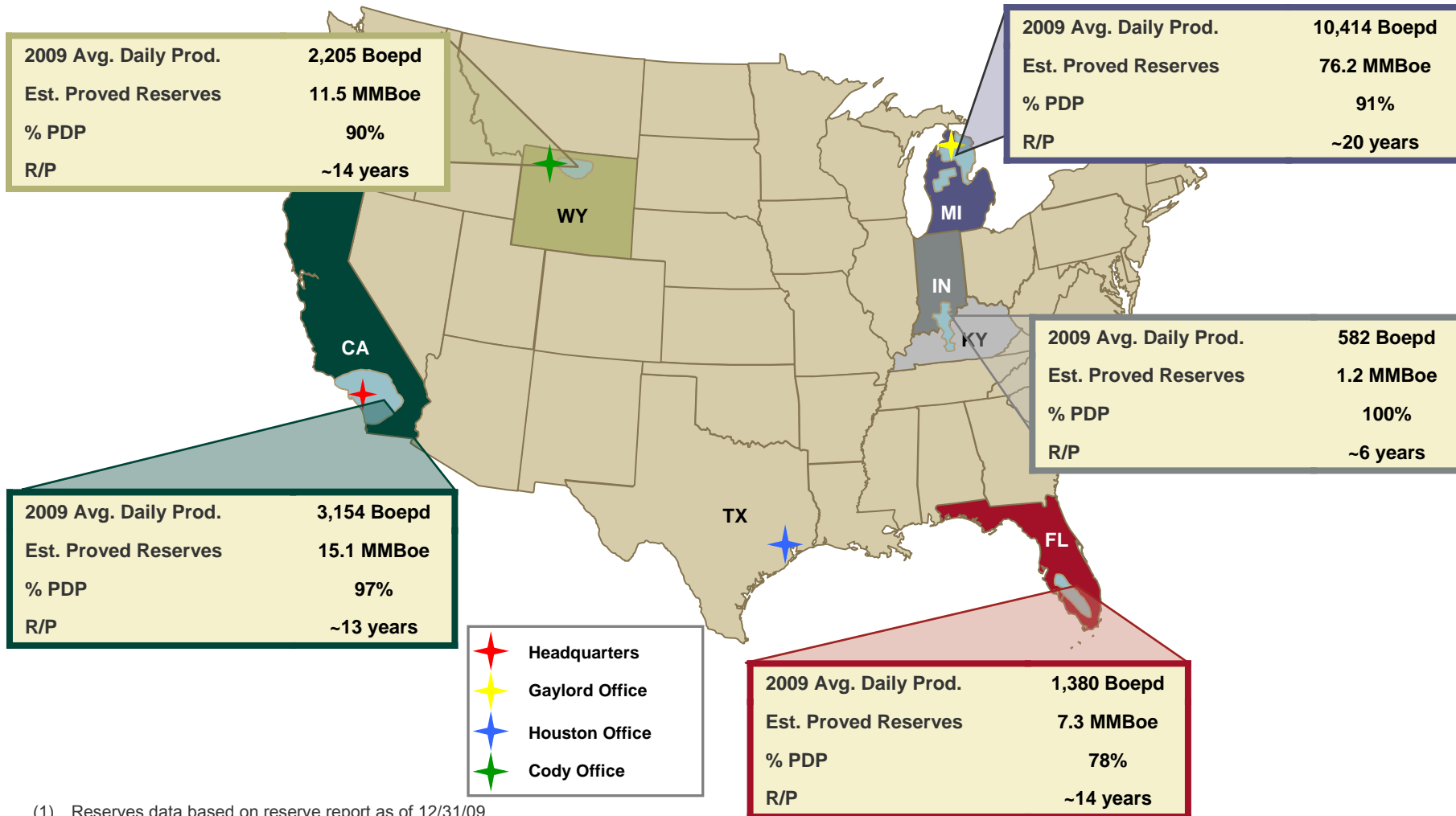
▪ 668 Bcfe (111.3 MMboe) estimated proved reserves at YE 2009	▪ Equity market cap	\$800 million
▪ 91% proved developed	▪ Total debt	\$523 million
	▪ Enterprise value	\$1,318 million
	▪ Debt / enterprise value	39.7%

(1) Reserves data based on reserve report as of 12/31/09. Market data based on June 21, 2010 unit price of \$15.00. Enterprise value assumes \$0.5 million minority interest, \$523.0 million of debt and \$5.3 million of cash as of March 31, 2010.

BreitBurn Asset Map



Significant Presence in Six States (1)



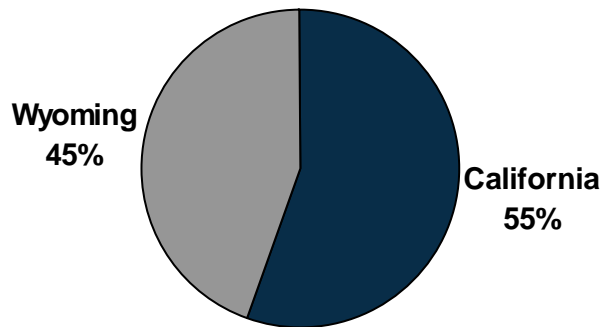
(1) Reserves data based on reserve report as of 12/31/09.

Growth of Our Asset Base

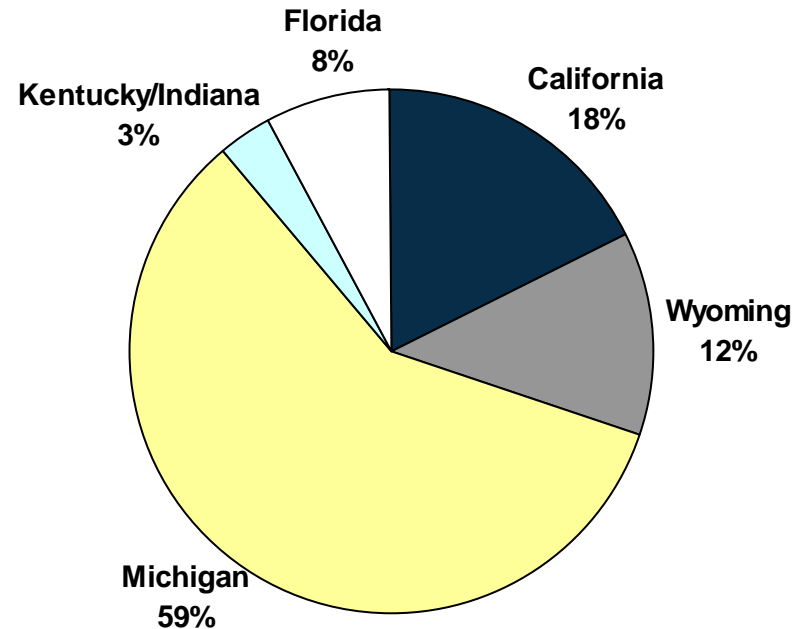


- ▶ Since our IPO in October of 2006, BreitBurn has:
 - Expanded its operations from 2 to 6 states
 - Diversified its commodity base by acquiring natural gas assets in addition to oil properties
 - Increased proved reserves per unit by ~50%
 - Increased production per unit by ~65%

Production by State in 2006



Production by State in 2009



2010 Operating Plan

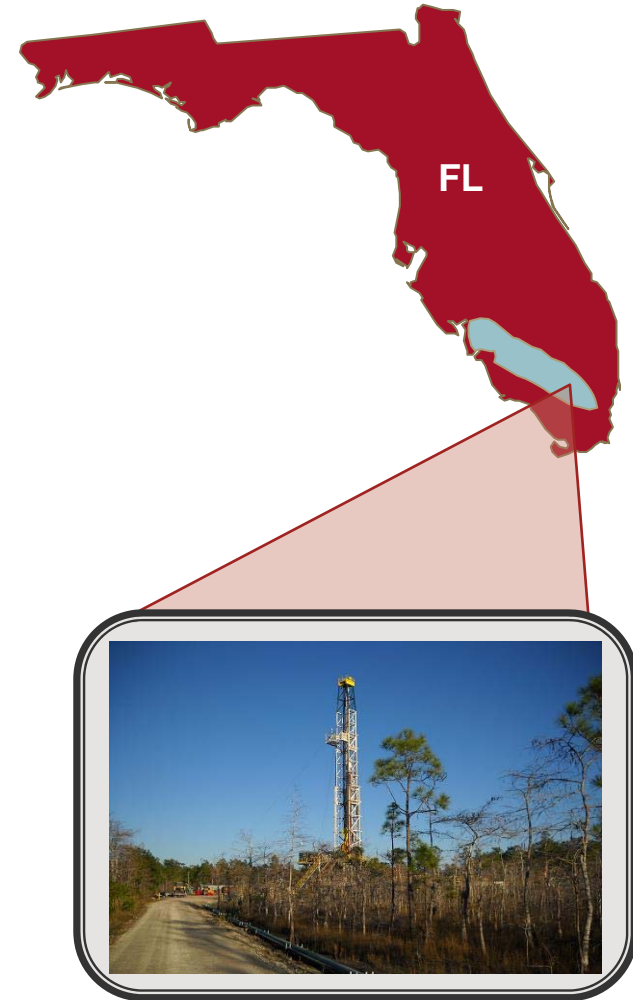


- ▶ With the improved financial flexibility and recent resolution of the Quicksilver litigation, BreitBurn is focused in 2010 on returning to our core strategic goals:
 - **Distributions**
 - BreitBurn paid Q1 2010 distributions at an annualized rate of \$1.50 on May 14
 - 2010 distributable cash flow of approximately \$120 million translates to distribution coverage ratio at high end of peer group
 - **2010 Capex Program**
 - The oil and gas capex budget for 2010 is between \$72 and \$78 million, compared to \$28.7 million in 2009
 - Approximately 80% of capex is rate generating, 75% of which is dedicated to drilling or re-drilling
 - Approximately 60% of capex will be spent in California, Florida and Wyoming with the remaining 40% in Michigan, Indiana and Kentucky
 - Key drilling projects in 2010 include Antrim Shale, Prairie du Chien, Santa Fe Springs, Raccoon Point and North Sunshine
 - **Maintaining and Growing Production**
 - As a result of the low-risk development opportunities that comprise a substantial portion of our asset portfolio, and increased capital spending, production is projected to grow steadily over the next three years
 - The 2010 capital program is expected to deliver mid-single digit growth based on 4Q 2009 production exit rate compared to budgeted 4Q 2010 production exit rate
 - **Growth Through Acquisitions**
 - We will actively evaluate acquisition opportunities through the year

Florida Operations Update

- ▶ On June 8, 2010, we announced that our first Sunniland Trend infill well, CL & CC 27-5AH, which was completed in early May, had initial production of approximately 1,200 barrels of oil per day
 - CL & CC 27-5AH is the Partnership's first horizontal well in the Sunniland Trend
 - Production came in at more than double the expected rate used in pre-drill economics and accounts for approximately 5% of our daily production
 - The Partnership operates the well with a 100% working interest and 83.6% net revenue interest

- ▶ We are currently drilling a second horizontal well in the Raccoon Point Field
 - Results are expected in late July



Michigan Collingwood-Utica Shale Overview



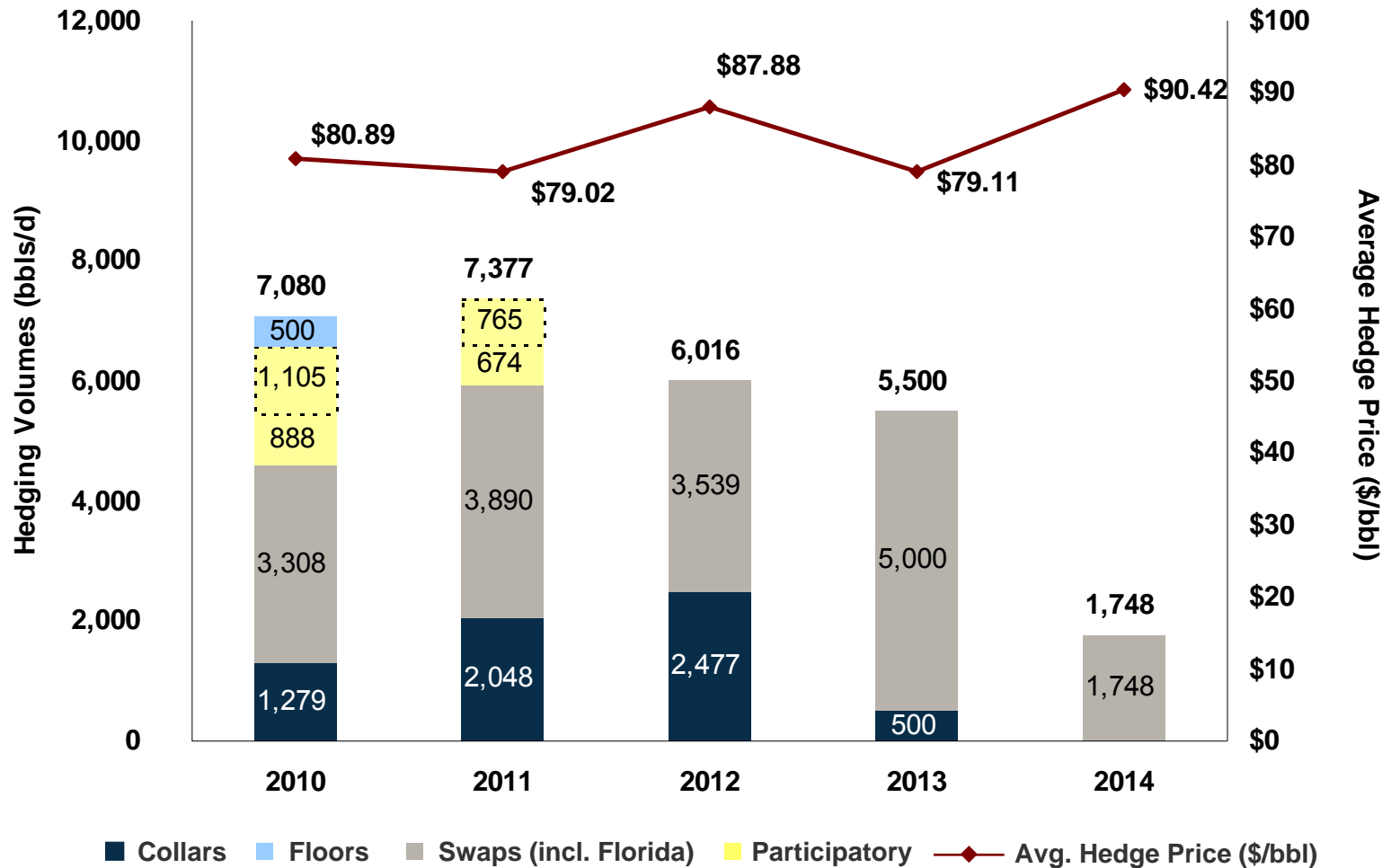
- ▶ Encana's wholly owned sub, Petoskey, tested the Collingwood-Utica Shale in Missaukee County with initial production of ~2.5 MMcfe/day
- ▶ The May 4, 2010 Michigan state lease sale set a new record
 - \$178 million at an average cost of \$1,507/acre
 - Acreage south of the Antrim trend in Kalkaska and Crawford Counties was leased for \$1,935/acre and \$1,636/acre, respectively
 - Acreage north of the Antrim trend in Charlevoix and Cheboygan Counties was leased for \$3,234/acre and \$3,043/acre, respectively
- ▶ The Partnership holds more than 470,000 net acres in Northern Michigan and more than 90,000 net acres in the area now believed to be prospective in the Collingwood-Utica Shale
 - Acreage is generally held by production
- ▶ The Partnership owns and operates significant midstream assets in Michigan
- ▶ BreitBurn is well-positioned to be a leading participant in this developing shale play

Target Acquisition Criteria



- ▶ BreitBurn is actively evaluating acquisition opportunities that meet the following criteria:
 - Long-lived and mature properties with large amounts of original oil and gas in place
 - Consistent with our current asset base
 - Commodity diversity
 - Pursuing both oil and gas opportunities, though we believe gas is currently undervalued
 - Production upside / exploitation potential
 - Enhances current operations
 - Significant bolt-on opportunities (Michigan, California, Wyoming)

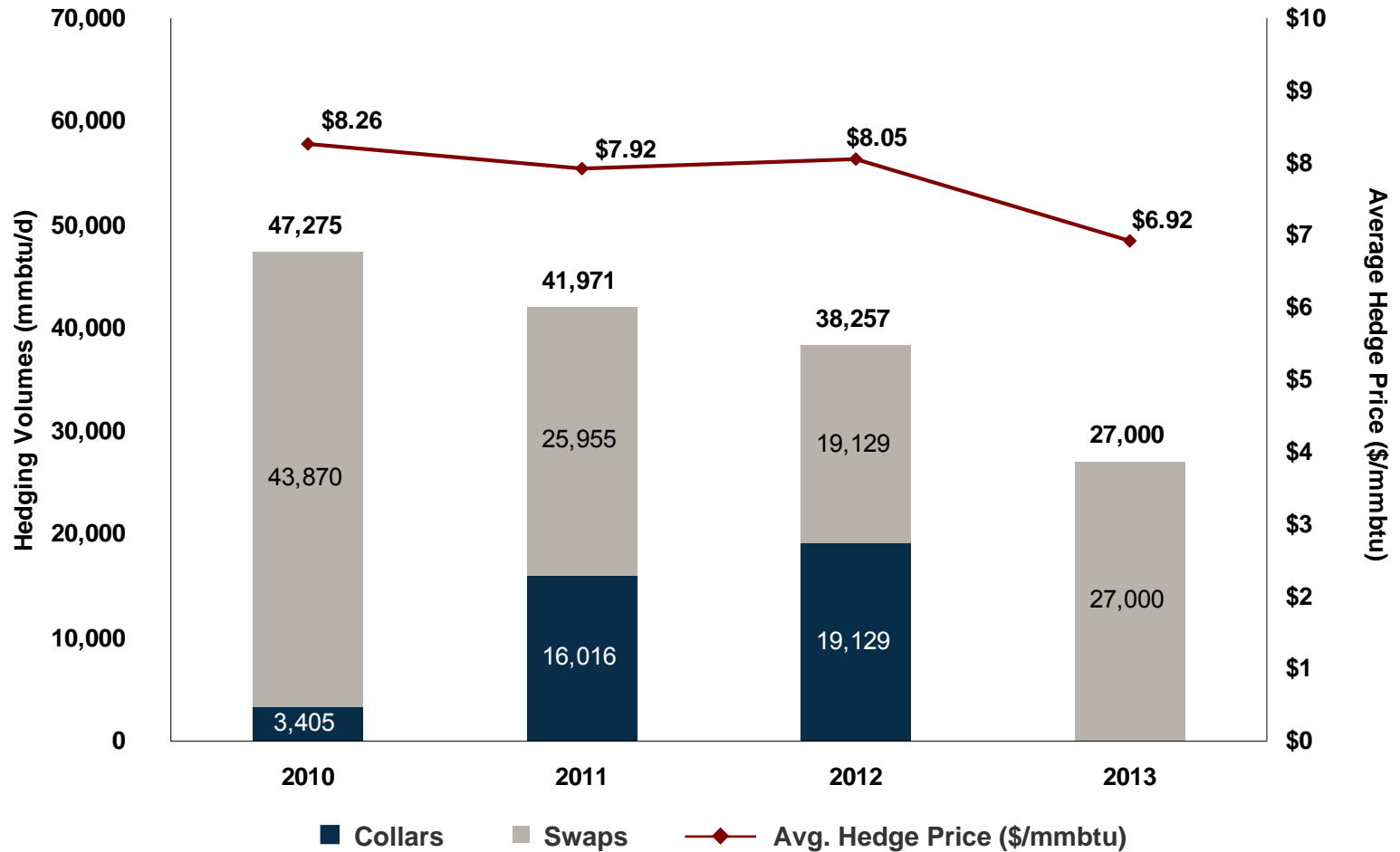
Commodity Price Protection – Oil



85% of 2010 oil production hedged; upside participation in ~35% of 2010 oil production

Note: Assumes 2010 production equals the midpoint of 2010 production guidance levels (6,500 Mboe) and oil production comprises 47% of total production.

Commodity Price Protection - Gas



83% of 2010 gas production hedged; upside participation in ~17% of 2010 gas production

Note: Assumes 2010 production equals the midpoint of 2010 production guidance levels (6,500 Mboe) and gas production comprises 53% of total production.

Hedges Added Since March 31, 2010



- ▶ A summary of the hedges added since March 31, 2010 is below:

<u>Contract Periods</u>	<u>Daily Volumes</u>	<u>Contract Prices</u>	<u>Trade Month</u>
Crude Oil	Bbls / day	Per Bbl	
Jan 2011 – Mar 2011	500	\$88.50	April 2010
Apr 2011 – Dec 2011	200	\$89.15	April 2010
Jan 2014 – Dec 2014	500	\$90.50	April 2010
Jan 2014 – Dec 2014	500	\$93.00	April 2010

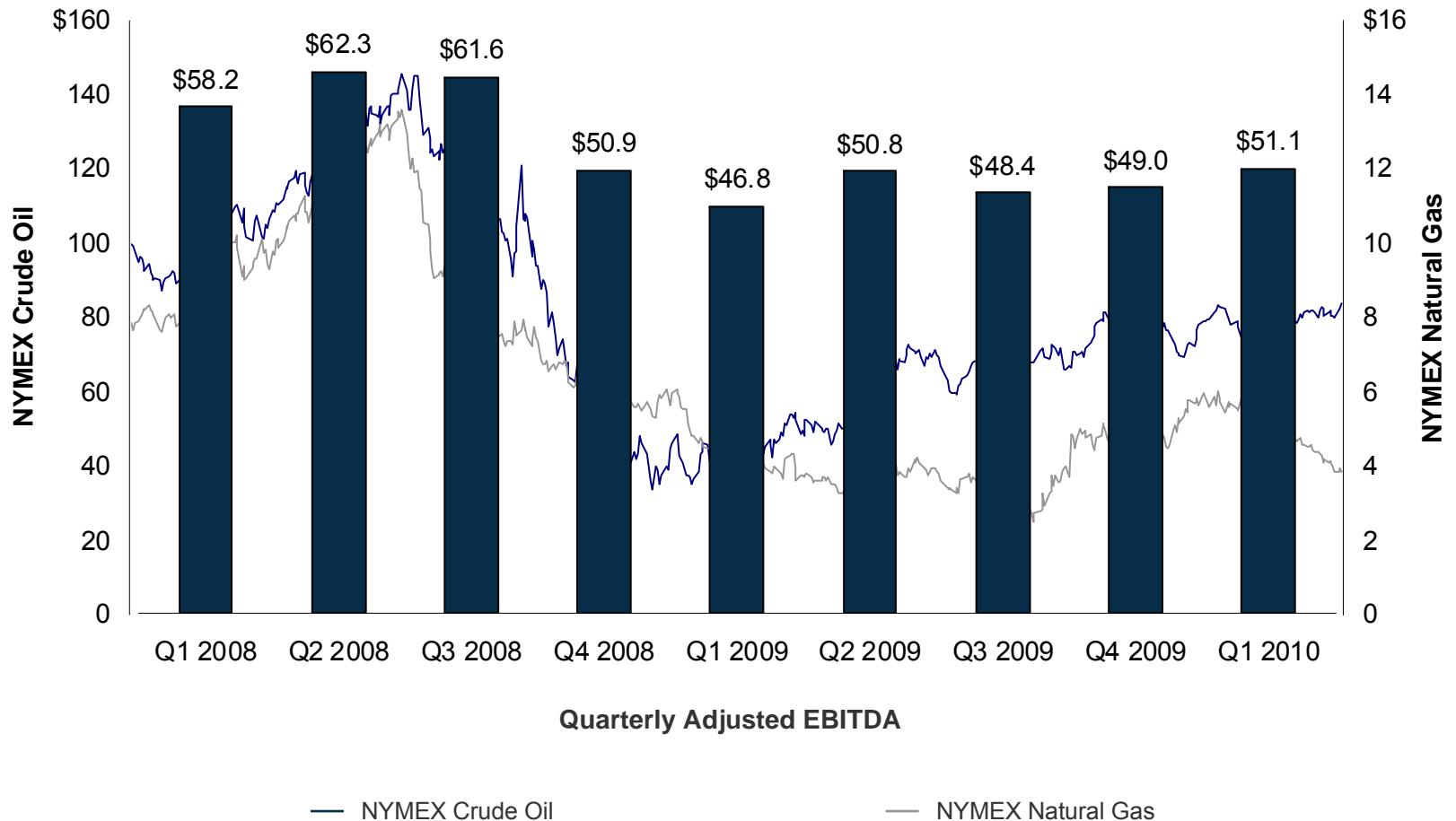
- ▶ Assuming 2010 – 2013 production equals the midpoint of 2010 production guidance (6,500 Mboe) and oil production comprises 47% of total production, the Partnership is hedged as follows:

	<u>Oil</u>	<u>Gas</u>	<u>Total</u>
2010	85%	83%	84%
2011	88%	74%	81%
2012	72%	68%	70%
2013	66%	48%	56%

Mitigating Commodity Price Volatility



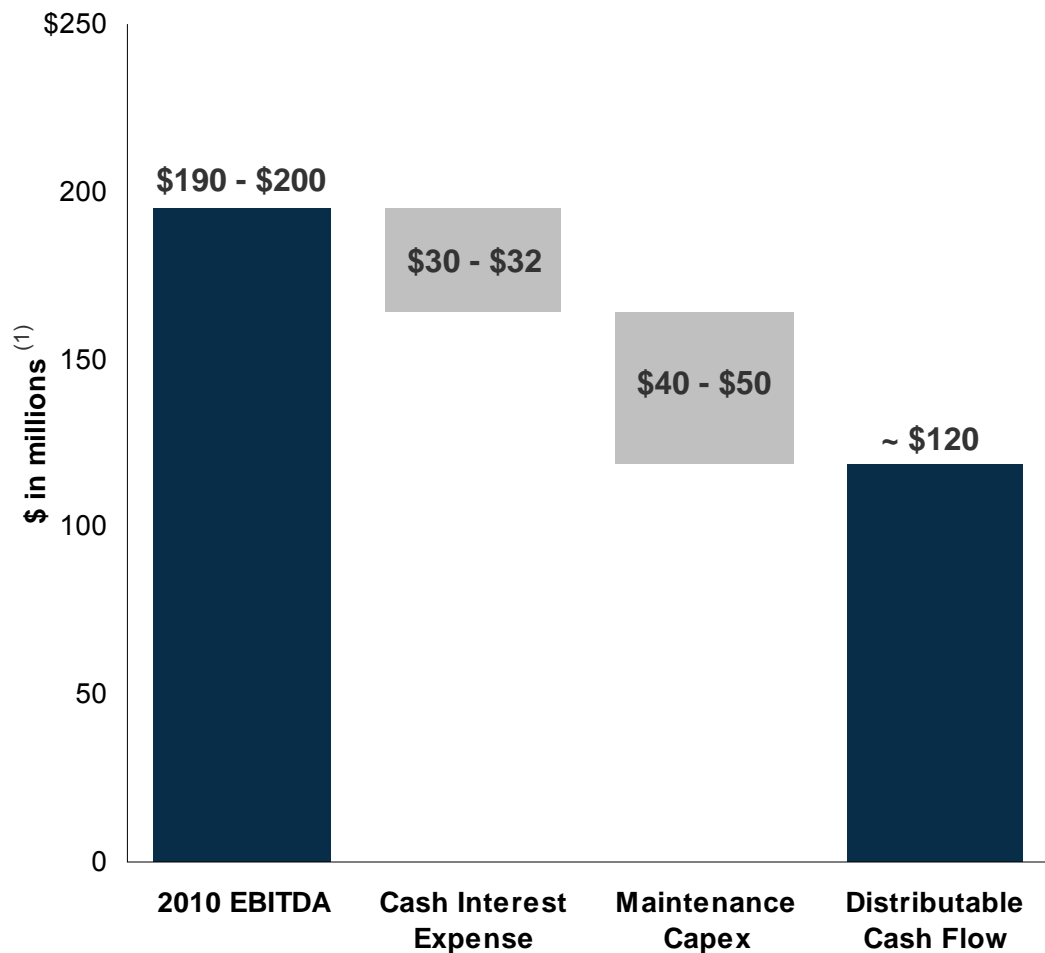
- ▶ Our hedge portfolio has significantly mitigated crude oil and natural gas price fluctuations as evident by our quarterly Adjusted EBITDA



2010 Distribution Coverage



2010 Distribution Coverage of ~ 1.4x



- ▶ 2010 distributable cash flow of approximately \$120 million translates to distribution coverage ratio at high end of peer group
 - Based on annualized distributions of ~ \$85 million⁽²⁾
- ▶ Comfortably supports \$1.50/unit annual distribution announced in February
- ▶ Allows for modest debt reduction during the year
- ▶ Long-term coverage ratio target $\geq 1.2x$

(1) Based on 2010 public guidance.

(2) Calculated using \$1.50 annual distribution and 57.0 million fully diluted units outstanding as of 3/31/10 .

New Bank Credit Facility



- ▶ The Partnership recently completed the successful syndication of a new \$1.5 billion (face amount) credit facility with a diversified group of 15 banks
- ▶ Key terms include:
 - Maturity extended to 2014 (four year term)
 - \$735 million initial borrowing base (re-determined semi annually), increased from previous borrowing base of \$732 million
 - LIBOR-based borrowing rates increased in line with current market conditions

Borrowing Base Utilization	LIBOR Margin
< 25%	200 bps
≥ 25%; < 50%	225 bps
≥ 50%; < 75%	250 bps
≥ 75%; < 90%	275 bps
≥ 90%	300 bps

- ▶ New facility contains more attractive covenants and terms
 - Maximum leverage ratio (Total Debt to EBITDAX⁽¹⁾) increased from 3.50x to 3.75x
 - Interest Ratio and Current Ratio covenants remain unchanged
 - Various other provisions that expand the Partnership's financial flexibility
- ▶ Rates, terms, and upfront fees are substantially better than what we would have achieved had we elected to renegotiate the credit facility last spring

(1) EBITDAX is a non-GAAP measure defined in the Second Amended and Restated Credit Agreement (as filed as Exhibit 10.1 to the Quarterly Report on Form 10-Q filed on May 10, 2010).

Investment Highlights



- ▶ High-quality asset base with predictable, long-lived production
- ▶ Experienced management, operating and technical teams
- ▶ Critical mass in large, mature producing basins with geographic, geologic and commodity diversity
 - 2010 production guidance split is approximately 47% oil and 53% natural gas
- ▶ Substantial hedging through 2014 at attractive average prices above \$80 for oil and \$7 for gas
- ▶ Reinstated distributions at annual rate of \$1.50 per unit; Q1 2010 distribution paid on May 14
- ▶ Distributions supported by very strong 2010 coverage ratio of ~1.4x

Focused on pursuing core strategic goals in 2010

2010 Guidance



(\$ in 000s)	2010 Guidance		
Total Production (Mboe)	6,300	-	6,700
Production Mix:			
Oil Production %			47%
Gas Production %			53%
Average Price Differential %:			
Oil Price Differential %	87%	-	89%
Gas Price Differential %	100%	-	102%
Operating Costs / BOE(1)(2)	\$19.35	-	\$21.85
Production/Property Taxes (% of oil & gas revenue)	7.0%	-	7.5%
G&A (Excl. Unit Based Compensation)	\$25,000	-	\$27,000
Cash Interest Expense(3)	\$30,000	-	\$32,000
Total Capital Expenditures(4)	\$72,000	-	\$78,000
Adjusted EBITDA(5)	\$190,000	-	\$200,000

2010 Guidance Footnotes



1. Operating Costs include lease operating costs, processing fees and transportation expense. Expected transportation expense totals approximately \$6.7 million in 2010, largely attributable to our Florida production. Excluding transportation expense, our estimated operating costs range per Boe is approximately \$18.32 - \$20.82.
2. Operating Costs are based on flat \$70 per barrel WTI crude oil and \$5 per Mcfe natural gas price levels for 2010. Operating costs generally move with commodity prices but do not typically increase or decrease as rapidly as commodity prices.
3. The Partnership typically borrows on a 1-month LIBOR basis, plus an applicable spread. Estimated cash interest expense assumes a 1-month LIBOR rate of 2% and includes the impact of interest rate swaps covering approximately \$400 million of borrowings at a weighted average swap rate of 3.17%. Our resulting estimated 2010 weighted average LIBOR rate is 2.84%.
4. Total Capital Expenditures for 2010 include Maintenance and Obligatory Capital Expenditures as well as Growth Capital Expenditures. Maintenance and Obligatory Capital Expenditures are defined as the estimated amount of investment in capital projects and obligatory spending on existing facilities and operations needed to hold production approximately constant for the period. Management estimates that we would need to spend between \$40 and \$50 million in 2010 to hold production flat.
5. Assuming the high and low range of our guidance, Adjusted EBITDA is expected to range between \$190 million and \$200 million, and is comprised of estimated net income between \$154 million and \$166 million, less unrealized gain on commodity derivative instruments of \$86 million, plus DD&A of \$90 million, plus interest expense between \$30 million (high end of Adjusted EBITDA) and \$32 million (low end of Adjusted EBITDA). Estimated 2010 net income is based on oil prices of \$70 per barrel for WTI crude oil and \$5 per Mcfe for natural gas. Consequently, differences between actual and forecasted prices could result in changes to unrealized gains or losses on commodity derivative instruments, DD&A, including potential impairments of long-lived assets, and ultimately, net income.

Non-GAAP Financial Measures



Non-GAAP Financial Measures

This press release, and other supplement information, including the reconciliations of certain non-generally accepted accounting principles ("non-GAAP") measures to their nearest comparable generally accepted accounting principles ("GAAP") measures, may be used periodically by management when discussing the Partnership's financial results with investors and analysts and they are also available on the Partnership's website under the Investor Relations tab.

Among the non-GAAP financial measures used are "Adjusted EBITDA" and "cash flow". These non-GAAP financial measures should not be considered as an alternative to GAAP measures, such as net income, operating income, cash flow from operating activities or any other GAAP measure of liquidity or financial performance.

Adjusted EBITDA and cash flow are presented as management believes they provide additional information and metrics relative to the performance of the Partnership's business as well as our ability to meet our debt covenant compliance tests. Adjusted EBITDA and cash flow may not be comparable to similarly titled measures of other publicly traded partnerships or limited liability companies because all companies may not calculate Adjusted EBITDA and cash flow in the same manner.

Adjusted EBITDA Reconciliation

Assuming the high and low range of our guidance, Adjusted EBITDA is expected to range between \$190 million and \$200 million, and is comprised of estimated net income between \$154 million and \$166 million, less unrealized gain on commodity derivative instruments of \$86 million, plus DD&A of \$90 million, plus interest expense between \$30 million (high end of Adjusted EBITDA) and \$32 million (low end of Adjusted EBITDA). Estimated 2010 net income is based on oil prices of \$70 per barrel for WTI crude oil and \$5 per Mcfe for natural gas. Consequently, differences between actual and forecasted prices could result in changes to unrealized gains or losses on commodity derivative instruments, DD&A, including potential impairments of long-lived assets, and ultimately, net income.



Investor Presentation

Halbert S. Washburn
Co-Founder and Chief Executive Officer

June 2010

