16th Annual Freight and Logistics Symposium
Re-Revolution of Crude by Rail
December 7, 2012

www.dakotaplains.com
Forward Looking Statements

Statements made by representatives of Dakota Plains Holdings, Inc. (“Dakota Plains” or the “Company”) during the course of this presentation that are not historical facts, are forward-looking statements. These statements are based on certain assumptions and expectations made by the Company which reflect management’s experience, estimates and perception of historical trends, current conditions, anticipated future developments and other factors believed to be appropriate. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause actual results to differ materially from those implied or anticipated in the forward-looking statements. These include risks relating to global economics or politics, our ability to obtain additional capital needed to implement our business plan, minimal operating history, loss of key personnel, lack of business diversification, reliance on strategic, third-party relationships, financial performance and results, prices and demand for oil, our ability to make acquisitions on economically acceptable terms, and other important factors that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. Dakota Plains undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information or future events.
Shale Development – “Boom”

Other recent energy “booms” with major transportation impacts

- Shale Development
- Wind Energy
- Ethanol

Common characteristics
- New technology breakthroughs and/or dramatic market shifts
- Speed to market is paramount
- Rush of capital and new players
- Continuous change and evolution in both technology and markets
- Logistics and related infrastructure of greater importance in shale development, and therefore a major platform for competition and strategy
North American Shale Plays
Shale Driving Growth

- 1839 rigs in operation as of October 2012
- Rush of Capital into the industry
- 700% increase in shale gas production since 2007
- Domestic oil production at 14 year high
Hydraulic Fracturing

Hydraulic fracturing, or "fracking," involves the injection of more than a million gallons of water, sand and chemicals at high pressure down and across into horizontally drilled wells as far as 10,000 feet below the surface. The pressurized mixture causes the rock layer, in this case the Marcellus Shale, to crack. These fissures are held open by the sand particles so that natural gas from the shale can flow up the well.

Source: NPR.org

Graphic by Al Granberg
Inputs Per Well

- Proppants: 40 Truckloads, 160 Railcars, 1188 Truckloads
- Pipe: 5 Truckloads, 20 Railcars, 8 Truckloads
- Chemicals: 2 Local, 1000 Truckloads
- Clean Water: 47 Railcars

Waste Water: 500 Truckloads
Oil/Gas/NGLs: Truck, Rail, Pipeline

Date: 12/7/2012
Top 4 States Crude Oil Production

January 2012 Daily Production
Texas = 1.67m bbls
Alaska = 612,096 bbls
North Dakota = 546,318 bbls
California = 535,000 bbls

3-D Geologic Model of NW North Dakota

Source: North Dakota Industrial Commission
Bakken vs. Peer Crude Oils

Bakken oil is a light, sweet crude with low sulfur content and low viscosity

- Requires less downstream processing
- Equal in quality to benchmark WTI
- Higher gas, jet, and distillate yield than peer crudes

Already a “game changer” in global oil market

- Bakken and WTI trading at ~$20/bbl less than Brent
- Increased unit train receiving capacity (St. James, Pt. Arthur, Cushing, Albany, Philadelphia, California, St. John, NB, Anacortes, WA) coming on line to displace waterborne crudes
- Some analysts forecasting Canada and US crude oil self-sufficiency and prices well below global levels by 2017

Source: RBN 2012
North Dakota Crude Oil Production

January 2012 Daily Production
Texas = 1.67m bbls
Alaska = 612,096 bbls
North Dakota = 546,318, bbls
California = 535,000 bbls

North Dakota 2012 Updates
September = 728,494 bbls/day
Currently #2 in the USA

2011 = 35%

Source: Director’s Cut 04-11-12 https://www.dmr.nd.gov/oilgas/
North Dakota Active Wells

Source: https://www.dmr.nd.gov/oilgas/stats/historicaloilprodstats.pdf
North Dakota – Crude Production

Dec 2009
First Outbound Unit Train Shipped

728,949 Barrels Per Day
Williston Basin Crude Production Forecast

Source: North Dakota Pipeline Authority 09-20-12 presentation.

2012 North Dakota Results
- January = 546,547 bpd
- April = 609,503 bpd
- August = 728,494 bpd

North Dakota 1,000,000 bpd Q2 2014
Well Depletion

Typical Bakken Well Production

Source: North Dakota Department of Mineral Resources “WBPC” 05-25-12 Presentation
Crude Oil Pipelines & Markets
North Dakota Crude Oil Pipelines

Tesoro ≈ 68,000 bbls/day
Enbridge ≈ 235,000 bbls/day
Belle Fourche, Bridger, Butte, Little Missouri & Plains ≈ 145,000 bbls/day
Roughly ≈ 448,000 bbls/day

Source: North Dakota Pipeline Authority 09-20-12.
Williston Basin Sept. 2012 Takeaway

September 2012
ND Avg = 728,494 bpd
Pipe ≈ 310,204 bpd
Tesoro ≈ 63,632 bpd
Rail ≈ 405,650 bpd

ND Avg = 425k bpd
Pipe ≈ 328k bpd
Tesoro ≈ 58k bpd
Rail ≈ 83k bpd

Source: North Dakota Pipeline Authority November 2012
# Rail from North Dakota

<table>
<thead>
<tr>
<th></th>
<th>Crude by Rail Share</th>
<th>ND Production (bpd)</th>
<th>Crude by Rail (bpd)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec. 2010</td>
<td>15%</td>
<td>273,800</td>
<td>41,070</td>
</tr>
<tr>
<td>Dec. 2011</td>
<td>23%</td>
<td>470,290</td>
<td>108,167</td>
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<tr>
<td>June 2012</td>
<td>40%</td>
<td>610,000</td>
<td>244,000</td>
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<tr>
<td>August 2012</td>
<td>48%</td>
<td>635,127</td>
<td>317,564</td>
</tr>
</tbody>
</table>

Significant expansion in Crude by Rail Facilities in 2011 and 2012

Crude by rail has become a major market player

Tank Car lead time and availability is major short term entry barrier

- Current order back log extends to 2Q 2014
- Extremely tight market with very high lease rates

Source: North Dakota Pipeline Authority
## Crude By Rail Facilities

<table>
<thead>
<tr>
<th>Facility</th>
<th>Location</th>
<th>Loading Capacity (BPD)</th>
<th>Carrier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Musket Corp</td>
<td>Dore</td>
<td>60,000</td>
<td>BNSF</td>
</tr>
<tr>
<td>Savage Services</td>
<td>Trenton</td>
<td>60,000</td>
<td>BNSF</td>
</tr>
<tr>
<td>Red River Supply</td>
<td>Williston</td>
<td>10,000</td>
<td>BNSF</td>
</tr>
<tr>
<td>Hess Oil</td>
<td>Tioga</td>
<td>60,000</td>
<td>BNSF</td>
</tr>
<tr>
<td>Plains All American</td>
<td>Manitou</td>
<td>65,000</td>
<td>BNSF</td>
</tr>
<tr>
<td>Bakken Transload</td>
<td>Ross</td>
<td>10,000</td>
<td>BNSF</td>
</tr>
<tr>
<td>EOG</td>
<td>Stanley</td>
<td>65,000</td>
<td>BNSF</td>
</tr>
<tr>
<td>Basin Transload</td>
<td>Zap</td>
<td>20,000</td>
<td>BNSF</td>
</tr>
<tr>
<td>Bakken Oil Express</td>
<td>Dickinson</td>
<td>100,000</td>
<td>BNSF</td>
</tr>
<tr>
<td>Enserco</td>
<td>Gascoyne</td>
<td>10,000</td>
<td>BNSF</td>
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<tr>
<td>Rangeland</td>
<td>Epping</td>
<td>65,000</td>
<td>BNSF</td>
</tr>
<tr>
<td>Enbridge *</td>
<td>Berthold</td>
<td>10,000</td>
<td>BNSF</td>
</tr>
<tr>
<td>Great Northern</td>
<td>Fryburg</td>
<td>60,000</td>
<td>BNSF</td>
</tr>
<tr>
<td>Global</td>
<td>Stampede</td>
<td>60,000</td>
<td>CP</td>
</tr>
<tr>
<td>Dakota Plains</td>
<td>New Town</td>
<td>40,000</td>
<td>CP</td>
</tr>
<tr>
<td>US Development *</td>
<td>Van Hook</td>
<td>35,000</td>
<td>CP</td>
</tr>
</tbody>
</table>

| Total Rail             | 730,000  |
Rail has a Bright Future:
Pipeline companies such as Enbridge and Plains All American, as well as top operators like EOG and Hess have made substantial investments in Williston Basin crude terminals.

Potential Transloading
Existing(15) ≈ 928k bbls/day
Planned(1) ≈ 70k bbls/day

Total On-site Storage
Existing ≈ 2,120k bbls
Planned ≈ 975k bbls
Crude Rail Volumes

Rail deliveries of oil and petroleum products up 38% in first half of 2012

Average weekly U.S. rail carloads of crude oil and petroleum products
number of rail carloads per week

Note: Crude oil and petroleum products rail shipments do not include ethanol.
Bakken Oil Express - Dickinson
EOG - Stanley
Dakota Plains Holdings, Inc. Overview

- Dakota Plains Holdings, Inc. (OTCBB:DAKP) is a publicly traded company focused on developing transloading facilities, marketing and transporting of crude oil and related products from and into the Williston Basin oil fields of North Dakota. The Company was founded in 2008 and is based in Wayzata, MN.
- Focuses on marketing and transporting oil produced from the Bakken Shale, which was named the largest on-shore oil deposit in North America by the US Geological Society.
- Publicly traded effective March 2012
- World Class Relationships
  - World Fuel Services (NYSE:INT) – $2.7 B market cap, Marketing and Transloading Partner
  - Prairie Field Services – Trucking Services Partner
  - Strobel Starostka Transfer – Premier national logistics and transloading operations company
  - Canadian Pacific – One of two Class 1 rail lines operating in the Williston Basin
- Three Business Lines
  - Transloading Oil Products
  - Marketing Williston Basin Crude Oil
  - Trucking
Business Segments

Trucking

- 50/50 joint venture with Prairie Field Services through 2021
- Established in September 2012
- Immediate focus is hauling crude oil
- Extensive expansion opportunities
Trucking

Dedicated Fleet-

Streamline and Control Supply Chain
From the well to the refinery
Business Segments
Transloading

• Transloading
  – 50/50 joint venture with World Fuel Services (NYSE:INT)
  – Land is owned by Dakota Plains, infrastructure investments shared through 2021
  – Crude focus started August 2010 with two tracks each capable of 40 tank cars
  – Doubled facility’s onsite capacity in July 2011 to four 40 car tracks
Transloading Volumes

2011 Volumes

- 5,572,000 bbls Transloaded
- Equals about 8,700 Tank Cars Shipped
- 11,755 bpd – January Average
- 24,205 bpd – December Average

2012 YTD Volumes through September 2012

- Approximately 5.5 Million bbls Transloaded
- Equals about 8,500 Tank Cars Shipped
Manifest Facility

(2) Twenty Car Tracks
New Town – Site Today

Unifest Facility

(4) Forty Car Tracks

*Unifest is a Mix Between Unit Train and Manifest Service
Belly Loading
Business Segments - Marketing

• Marketing
  ▪ 50/50 joint venture with World Fuel Services (NYSE:INT) through 2021

  ▪ Initiated marketing of crude oil in July 2011

  ▪ 1,104 tank cars under long term lease, average 7 years remaining
Marketing Volumes

2011 Volumes
- 55,000 bbls – July
- 300,000 bbls – December
- 1,220,000 bbls – 2011

2012 YTD Volumes through September 2012
- 291,012 bbls – January
- 631,058 bbls - July
- Over 5,700,000 bbls YTD

* February 1st 2012 – We became the sole Marketer for our New Town site.
December 2012 – 184 Rigs


Location, Location, Location:
Dakota Plains’ rail terminal is located in the heart of the Bakken and Three Forks play in Mountrail County, ND.
New Town Area Rigs – October 2012

Location, Location, Location:
All crude leaving the peninsula is forced to cross the Dakota Plains Rail Terminal. Likely 1,300+ wells from 168 current spacing units in this captive geography.
Producers Around New Town

- Hunt Oil Company
- Newfield
- QEP Energy, Inc.
- XTO Energy (a subsidiary of ExxonMobil)
- Sinclair
- Continental Resources
- Marathon
- Suncor Energy
- Kodiak Oil & Gas Corp.
- Slawson
- Whiting
- Murex Petroleum Corporation
- Statoil
- Enerplus
- WPX Energy
- Arrow Midstream Holdings, LLC
- Arrow Pipeline, LLC
Canadian Pacific
Canadian Pacific

- $1.2 Billion Capital Investment in 2012
- 61 New locomotives across their network in Q3 2011
- $20 million in New Town line
- Siding Track in New Town
- Increased speed on New Town line

“ Easily the most congested portion of Canadian Pacific, in the U.S. or Canada, must be the New Town Subdivision, its 111-mile incursion into the belly of the Bakken beast. ” An excerpt from Fred W. Frailey’s article in Trains Magazine, May 2012.

Bakken Pipelines are Limited in their Destination
Crude by rail provides access to markets that
current pipelines cannot access, allowing Dakota
Plains to take advantage of the WTI to Brent/LLS
spread in several markets. Numerous new
destinations are being constructed and planned.
Dakota Plains Midstream Businesses

Upstream (E&P)

Average Volumes
- Truck = 220 barrels
- Tank Car = 680 barrels

Pipeline = WTI Markets

Crude By Rail = Brent Markets

Marketing

Downstream (Refinery)

Average Volumes
- Unit Train = 80-120 Cars
- Unit Train = 54k – 82k barrels

We take title to the crude oil at the well, pay the transportation related expenses and sell at the refinery.

12/7/2012
Business Segments – Phase 2

• Transloading
  – Double loop tracks capable of handling 120 car unit trains
  – All crude by rail operations transitions to loop tracks
  – Crude via rail volumes increase 50-100%
  – Inbound commodity transloading on track 1-4 (10,000 feet)

• Marketing
  – Loop track operational efficiencies
  – Easily launch 100+ car unit trains
  – Onsite storage solutions
  – Volume allocations secured in pipelines

• Trucking
  – Turnkey solution for hauling inbound commodities out to wells
  – Continued expansion of crude hauling
  – Enter the water hauling segment
New Town - Future

**Existing Tracks:**
After the loop tracks are finished, the 10,000 feet of existing tracks will be used for inbound commodity transloading.

**Loop Tracks:**
Expansion at New Town in the form of a new double loop track will significantly expand takeaway capacity.

**Margin Improvements:**
Loop tracks are the most operationally efficient way to load bulk commodities.
2013 Operational Targets

EBITDA of $31 Million ($0.74/Share) Driven By:

- 11 Million Barrels Transloaded
- 13 Million Barrels Marketed
- 5.5 Million Barrels Trucked
- Expansion of Offsite Marketed Barrels
- Inbound Transloading, Storage & Trucking
- Successful Completion of Loop Track
- Successful tie-in to localized gathering systems
Oil on Flatcars

Special rail car designed to haul empty newly made oil barrels, probably directly from a siding at the cooperage to the buyer (refinery or crude oil producer), ca. 1865

The first railroad transportation of oil in barrels was via flat car on which one level of barrels was lashed down as shown in this sketch of the Titusville yards, ca. 1862. Only 44 barrels were loaded on this early flat car, but 60 barrels later became the standard single tier load.
First Tank Cars

In 1865 brothers Amos and James Densmore designed and fabricated the first successful tank cars used in the Pennsylvania oil fields. A major breakthrough in the bulk transportation of oil.

Credit: Drake Well Museum
Birth Of Modern Tank Car

A new iron boiler-type tank car coming out of the shops of the Titusville Iron Works. It was made for a part of the Star Tank Line, then a subsidiary of Standard Oil.
Pennsylvania's oil industry, the nation's first, was also dependent upon railroad transportation. In the late 1800s John D. Rockefeller bought up the nation's railroad tank car fleet to cement his monopoly of the American oil industry.

Credit: Courtesy of the Railroad Museum of Pennsylvania