



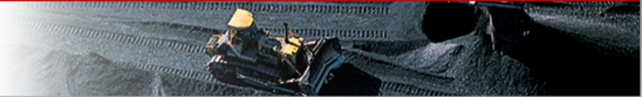
**NATURAL RESOURCE PARTNERS L.P.**

# NRP Investor Meetings

**Boston, MA**

**May 10, 2011**



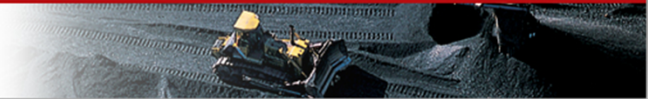


## Forward Looking Statements

The statements made by representatives of Natural Resource Partners L.P. (“NRP”) during the course of this presentation that are not historical facts are forward-looking statements. Although NRP believes that the assumptions underlying these statements are reasonable, investors are cautioned that such forward-looking statements are inherently uncertain and necessarily involve risks that may affect NRP’s business prospects and performance, causing actual results to differ from those discussed during the presentation.

Such risks and uncertainties include, by way of example and not of limitation: general business and economic conditions; decreases in demand for coal; changes in our lessees’ operating conditions and costs; changes in the level of costs related to environmental protection and operational safety; unanticipated geologic problems; problems related to force majeure; potential labor relations problems; changes in the legislative or regulatory environment; and lessee production cuts.

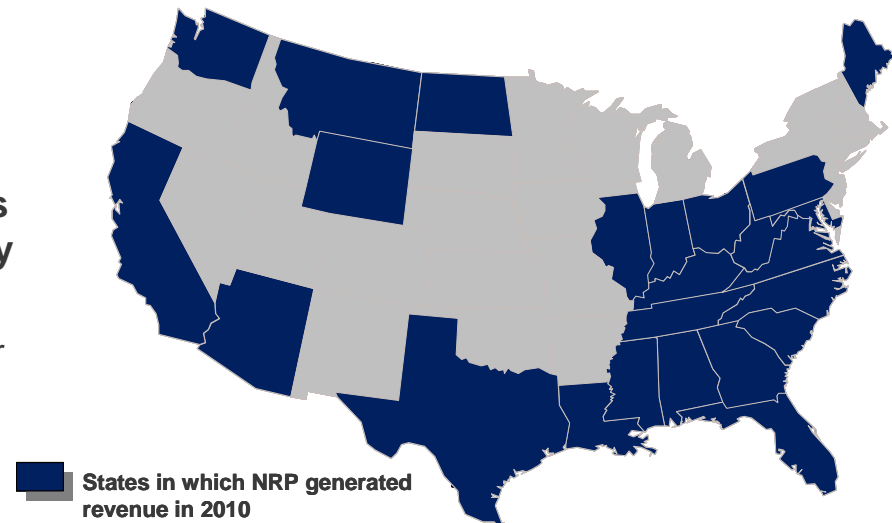
These and other applicable risks and uncertainties have been described more fully in NRP’s most recent Annual Report on Form 10-K or Quarterly Report on Form 10-Q. NRP undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information or future events.



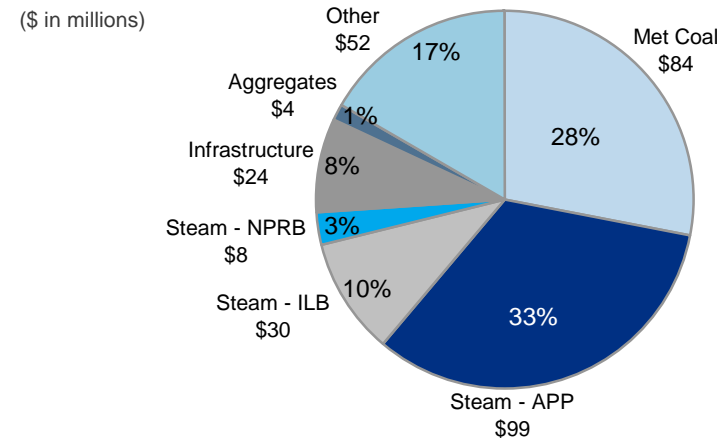
# Business Overview

- Own, manage and lease mineral properties in the U.S.
  - 2.3 billion tons of proven and probable coal reserves in three major coal producing regions
  - 228 million tons of aggregate reserves
- Lease reserves to experienced mine operators under long-term leases in exchange for royalty payment
  - Based on higher of percentage of gross sales price or fixed price per ton of royalty coal/aggregate sold
  - Substantially all leases require periodic minimum payments, even if no minerals are produced
- Own and lease infrastructure assets including transportation, handling and processing facilities and receive throughput fees
- 2010 coal and aggregates production of 51.4 million tons and total revenues of \$301.4 million
- Publicly traded on NYSE (“NRP”) with market cap of \$3.2 billion<sup>(1)</sup>

## Revenues from NRP’s Assets (2010)



## NRP Revenues (2010)



(1) Market data as of May 5, 2011.



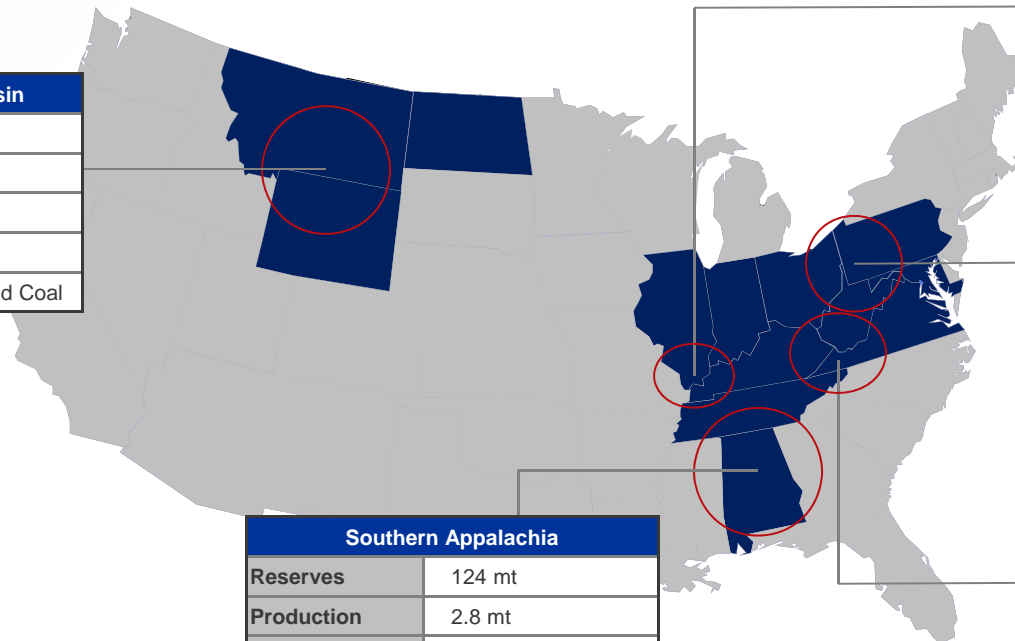
# Overview of NRP's Coal Business

- Acts as a proxy for the coal industry
- 5<sup>th</sup> largest owner of coal reserves in the U.S. – 2.3 billion tons
- Strategically located in Appalachia, Illinois Basin, Western U.S.
- Stable production with increase expected from development of select properties, particularly ILB
- 2010 coal production of 47.1 mt and coal royalty revenues of \$221.8 million
- Coal royalty revenues accounted for ~74% of NRP's revenue stream in 2010

Illinois Basin	
Reserves	243 mt
Production	7.8 mt
% Metallurgical	0%
% Underground	94%
Key Lessees	The Cline Group, Knight Hawk Coal

Northern Appalachia	
Reserves	505 mt
Production	4.9 mt
% Metallurgical	2%
% Underground	99%
Key Lessees	Alliance Resource Partners, The Cline Group, International Coal Group

Central Appalachia	
Reserves	1,298 mt
Production	27.1 mt
% Metallurgical	31%
% Underground	82%
Key Lessees	Alpha Natural Resources, Arch Coal, Mechel, Massey Energy, Patriot Coal



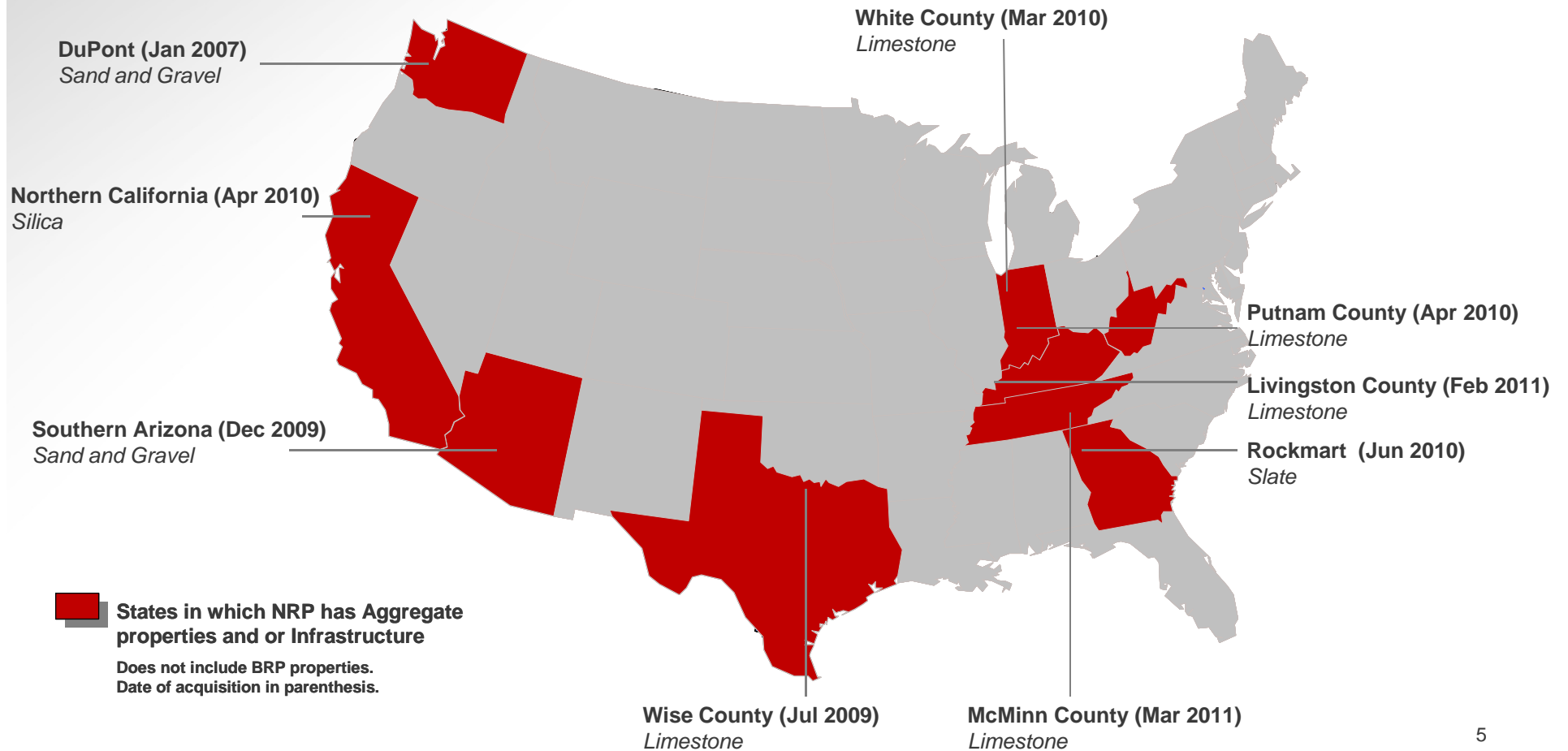
Northern Powder River Basin	
Reserves	105 mt
Production	4.5 mt
% Metallurgical	0%
% Underground	0%
Key Lessees	Westmoreland Coal

Southern Appalachia	
Reserves	124 mt
Production	2.8 mt
% Metallurgical	35%
% Underground	80%
Key Lessees	Cliffs Natural Resources



# Overview of NRP's Aggregates Business

- 228 million tons of aggregates in 10 states
- Currently less than 2% of revenues (\$4.2 mm in 2010 on 4.4 mt production), but growing
- Invested over \$114 million since 2006 to acquire assets





## No Direct Operating Costs or Risks

- Lack of ordinary operating costs and limited direct exposure to environmental, permitting and labor risks drive industry-leading margins

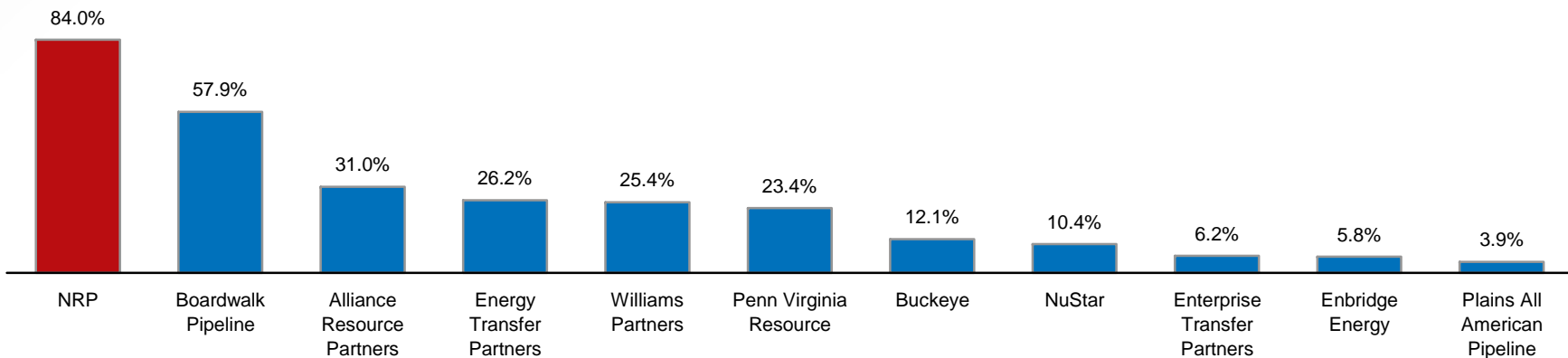
### Operating Cost

- Capital Expenditures
- Labor
- Employee Benefits
- Property Taxes
- Transportation / Processing

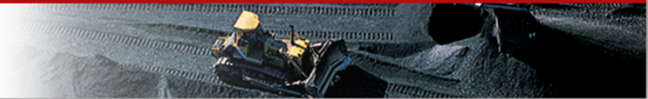
### Operating Risks

- Reclamation Exposure
- Regulatory/Permitting
- Competition
- Weather
- Economy

### Historical MLP EBITDA Margins (2010)



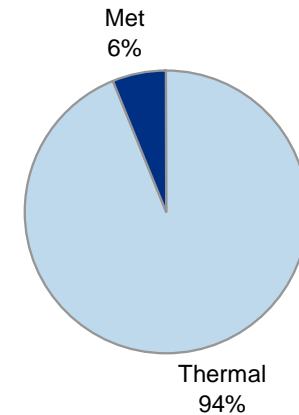
Source: Company filings.



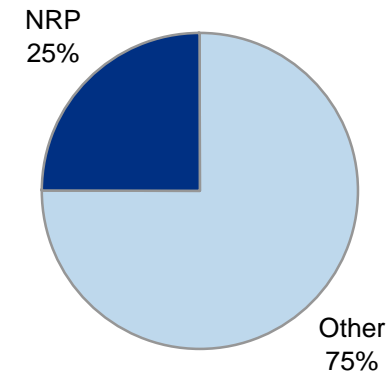
## NRP – Significant Metallurgical Exposure

- 20-25% of all the metallurgical coal produced in the U.S. is produced from NRP properties
  - In 2006, it was as high as 30%
- Historically metallurgical coal has made up a significant portion of NRP's coal royalty revenue
  - 22% to 33% of production
  - 29% to 40% of coal royalty revenues
  - Currently 34% of production and 42% of coal royalty revenues
- 14 lessees currently produce metallurgical coal from NRP properties
- Increases in metallurgical demand or prices can have a profound impact on NRP

### U.S. Coal Production



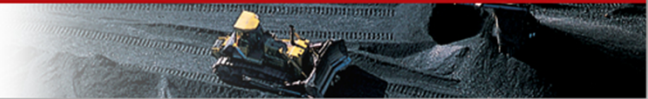
### NRP's % of U.S. Met Production (5-Year Average)





## Poised for Growth

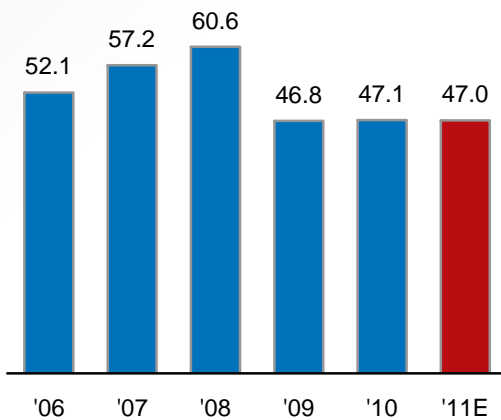
- **Improving coal market and higher production**
  - Met prices stabilized at significantly higher prices than 2009
  - Global met market strong
  - Steam coal prices and demand increased during the last year
  - Increasing ILB tonnage in 2011, 2012, and 2013 based on earlier acquisitions
- **Growth in infrastructure and transportation**
  - Increasing throughput from rising coal tonnage in ILB
  - New infrastructure assets in aggregates
- **Increased aggregates platform**
  - Since 2009 acquired 8 properties for ~\$87 million
  - Combination of producing and greenfield projects
  - Providing growth in 2011 and beyond
- **New mineral venture with International Paper (BRP LLC)**
- **Expansion of portfolio through acquisitions of other qualifying minerals such as oil and gas properties**



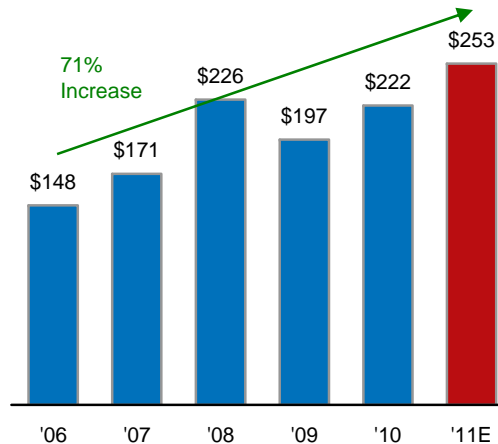
# Stable Cash Flow Generation

- Royalty structure supports stable cash flow
- Downside price protection without limiting upside
- Long-term coal lessees with diverse marketing strategies
- Recent acquisitions have added new sources of royalty revenue

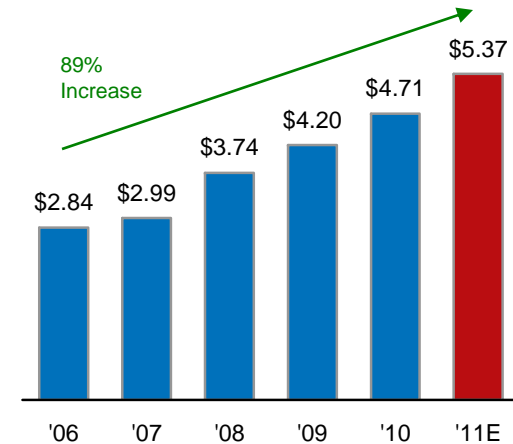
Coal Production (mt)



Coal Royalties (\$ mm)



Average Coal Royalty Per Ton





## Strong First Quarter 2011

- Record quarterly revenues of \$84.9 million, up 34% from first quarter 2010
- Record coal royalty revenues of \$65.4 million
- Record average gross royalty revenue per ton of \$5.47, up 25%
- Metallurgical coal accounted for 34% of production and 42% of coal royalty revenue
- Net income attributable to the limited partners of \$44.4 million, up 163%
- Net income per unit of \$0.42, up 75%
- Distributable cash flow of \$39.0 million, up 15%



## Key Highlights

- Proxy for the coal industry
- Over 70 lessees and over 200 leases in three major producing basins
- Balanced portfolio of reserves with strategic weighting toward metallurgical coal
- ~ 20-25% of all U.S. metallurgical coal production from NRP's properties
- Increasing Illinois Basin presence
- Small but growing aggregate business
- Other ventures such as BRP LLC, provide long-term opportunities
- Demonstrated ability to expand asset base and generate cash flow
- Well positioned for future due to assets in development, market recovery and coal, aggregate and infrastructure acquisitions