Dorchester Minerals, LP
Annual Meeting

May 12, 2010

Forward-Looking Statements

Portions of this document may constitute "forward-looking statements" as defined by federal law. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. Examples of such uncertainties and risk factors include, but are not limited to, changes in the price or demand for oil and natural gas, changes in the operations on or development of the Partnership's properties, changes in economic and industry conditions and changes in regulatory requirements (including changes in environmental requirements) and the Partnership's consolidated financial position, business strategy and other plans and objectives for future operations. These and other factors are set forth in the Partnership's filings with the Securities and Exchange Commission.

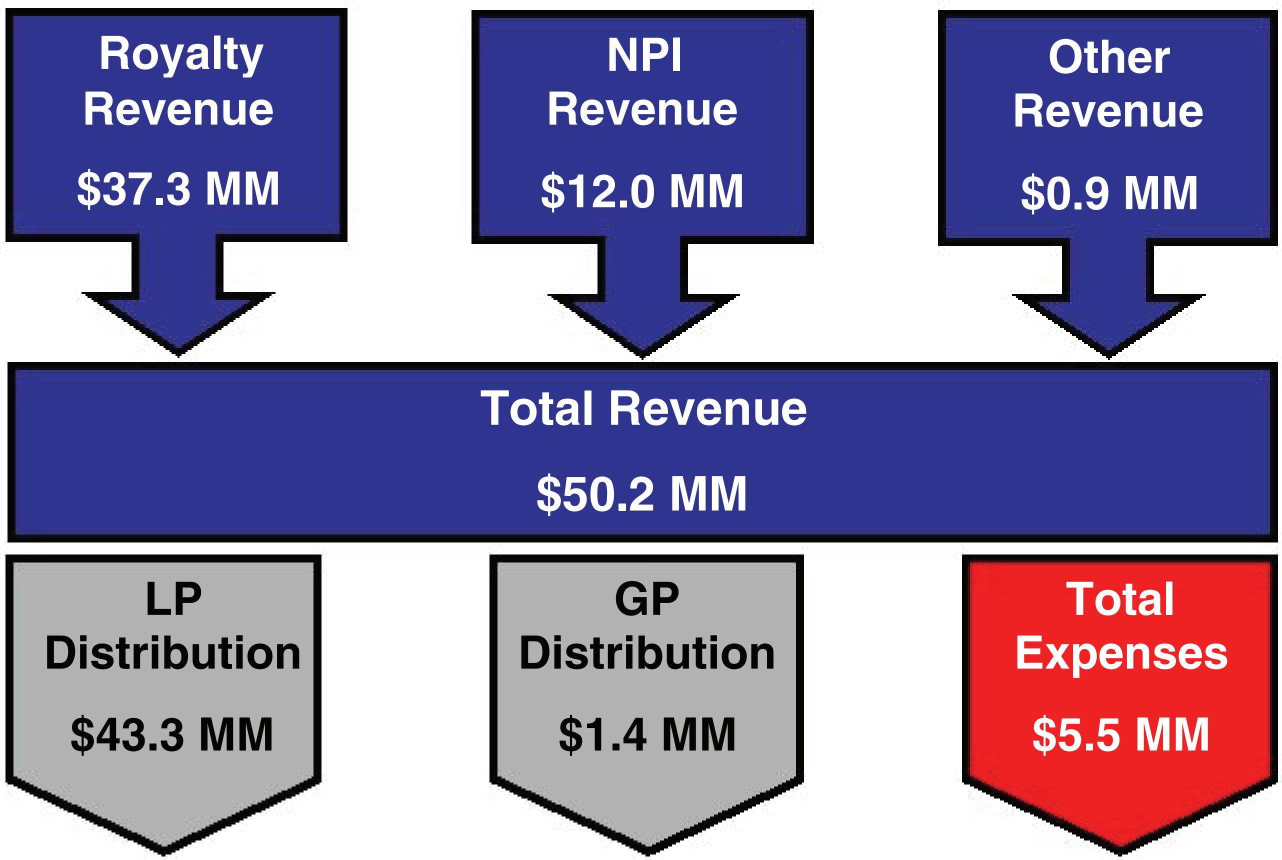
Presentation Outline

- Overview of 2009
  - Distributions and Financial Results
  - Production and Reserves
  - Peer Group Analysis
  - Royalty Cash Receipts
- Maecenas Minerals Acquisition
- Property Highlights
  - Portfolio Overview
  - Royalty Properties
  - Net Profits Interests
- Developing Plays

Overview of 2009 Results

2009 Distributions

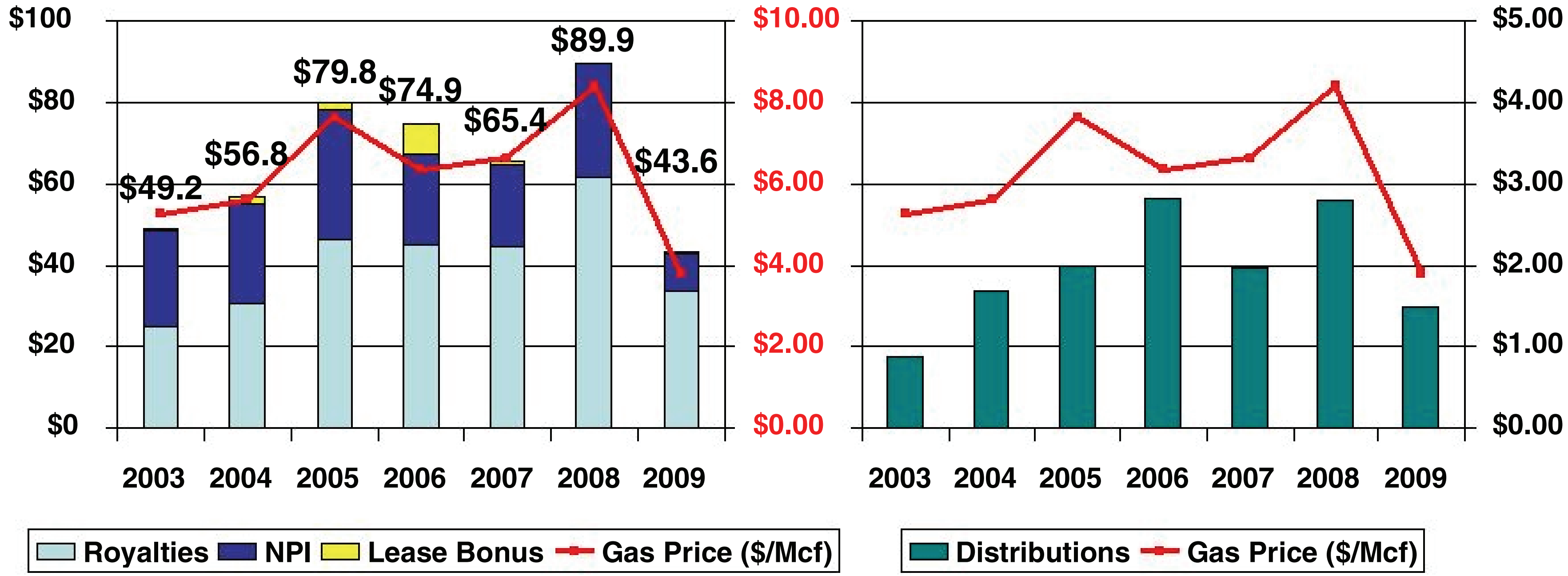
- Cash Distributions Paid in Calendar 2009
  - Reflects Q4 2008 to Q3 2009 activity



2009 Financial Results

- Revenue – Price – Distributions
  - Royalty properties contributed 77% to total operating revenues
  - Gross Revenue → 63% gas sales, 36% oil sales, 1% other revenue
  - NPI and lease bonuses have become a smaller portion of revenues

Operating Revenue ($MM) **Gas Price ($/Mcf)** **Distributions ($/unit)**



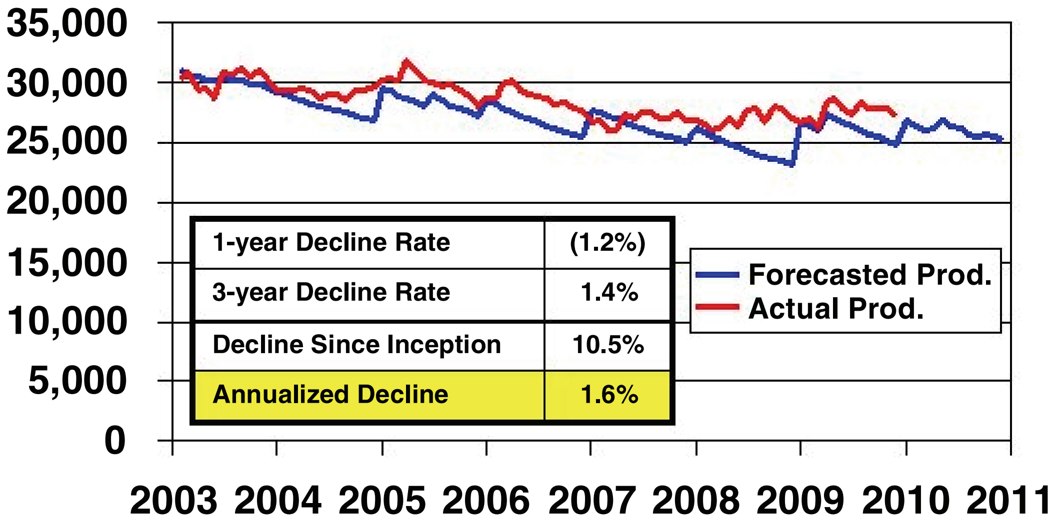
Note: Gross Revenue does not reflect production costs or other expenses incorporated in calculating the net profits interest payments to LP distributions

2009 Production Overview

- Total Production of 10.33 Bcfe
  - 82% of total production was natural gas, 18% oil and condensate
  - High quality properties + Diverse portfolio → Low decline rate
  - Year-over-year production rate increased 1.2%

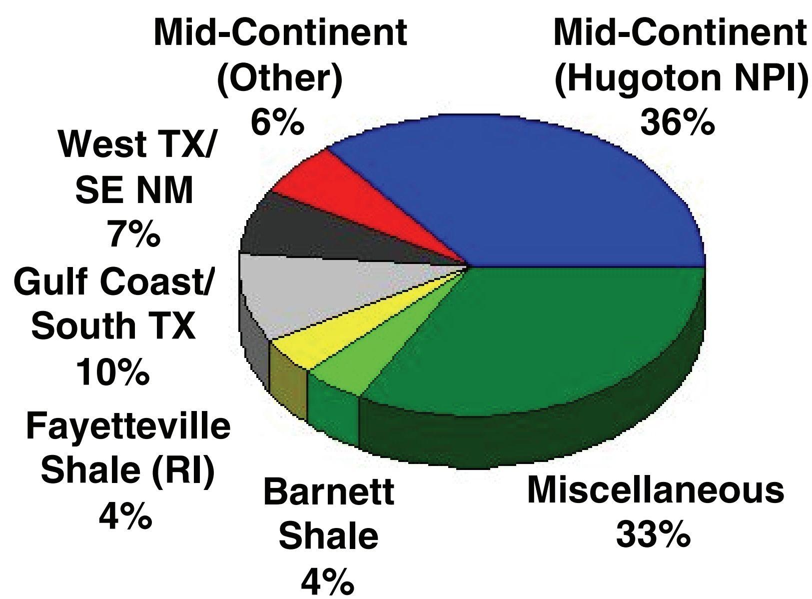
Production Profile

Daily Production (MMcfepd)



1-year Decline Rate	(1.2%)
3-year Decline Rate	1.4%
Decline Since Inception	10.5%
Annualized Decline	1.6%

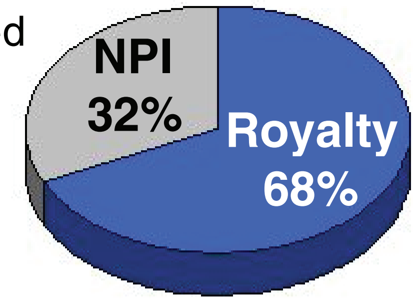
Geographic Breakdown

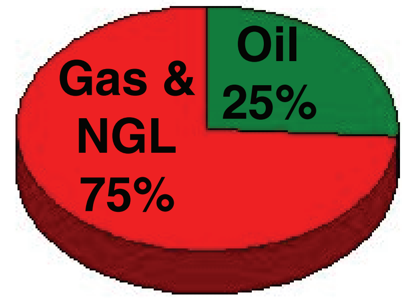


Note: Total production on wellhead basis, daily production on sales basis, gas-oil equivalency based on 6:1 ratio

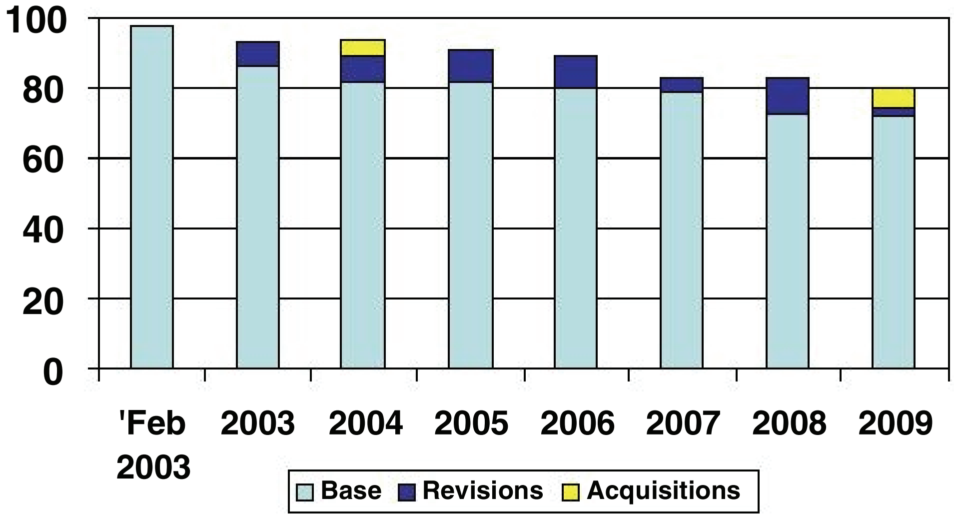
2009 Reserves Overview

- Total Proved Reserves of 79.9 Bcfe on 12/31/09
  - All reported reserves are Proved Developed
  - Demonstrated history of positive revisions
  - Revisions and acquisitions account for 73% of current reserves
  - Driven by new plays, field extensions, infill drilling, new technology, etc.
  - 2.8% of reserves from Fayetteville Shale (RI only)

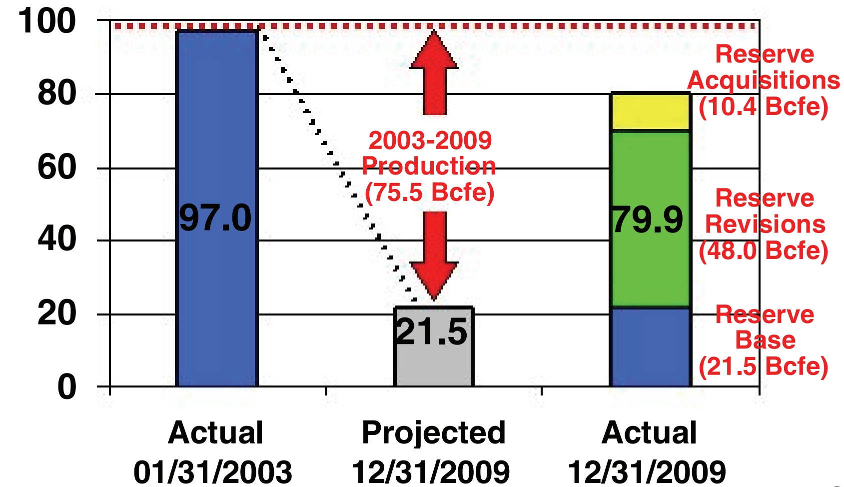




Year-end Reserves (Bcfe)



Cumulative Reserve Revisions (Bcfe)

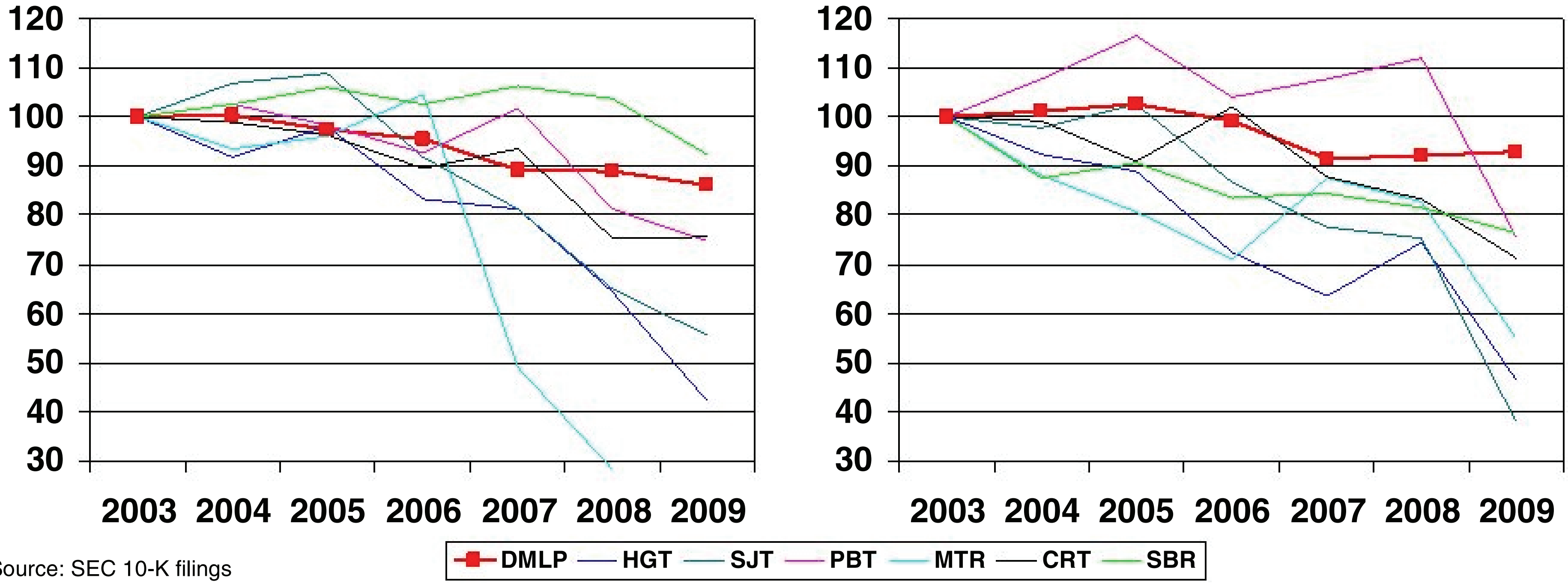


Note: 10.4 Bcf of acquired reserves at time transactions closed.

Peer Group Comparison

- Reserves and Production Performance
  - DMLP is a cross between a royalty trust with 100% net profits interests (SJT) and one with 100% royalties (SBR), plus the upside of a large non-producing mineral portfolio with potential for future drilling and development
  - DMLP has the ability to expand its portfolio of assets through acquisitions

Normalized Reserves (Indexed to 2003) **Normalized Production (Indexed to 2003)**

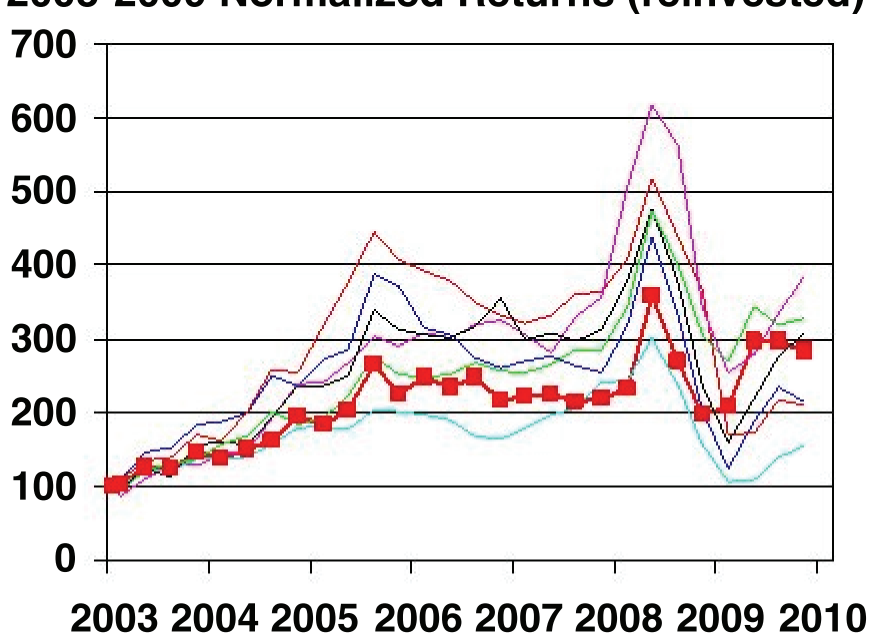


Source: SEC 10-K filings

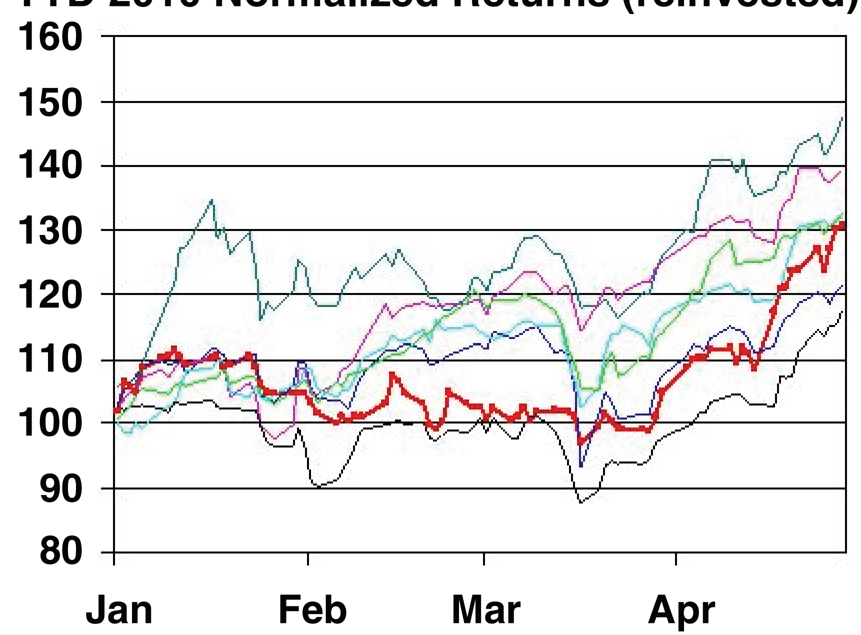
Peer Group Comparison

- Market Performance
  - Pure royalties lack operating leverage inherent in net profits interests → Less volatility
    - Underperforming in high price environment (mid-2008)
    - Outperforming in low price environment (mid-2009) due to lower fixed cost structure

2003-2009 Normalized Returns (reinvested)



YTD 2010 Normalized Returns (reinvested)

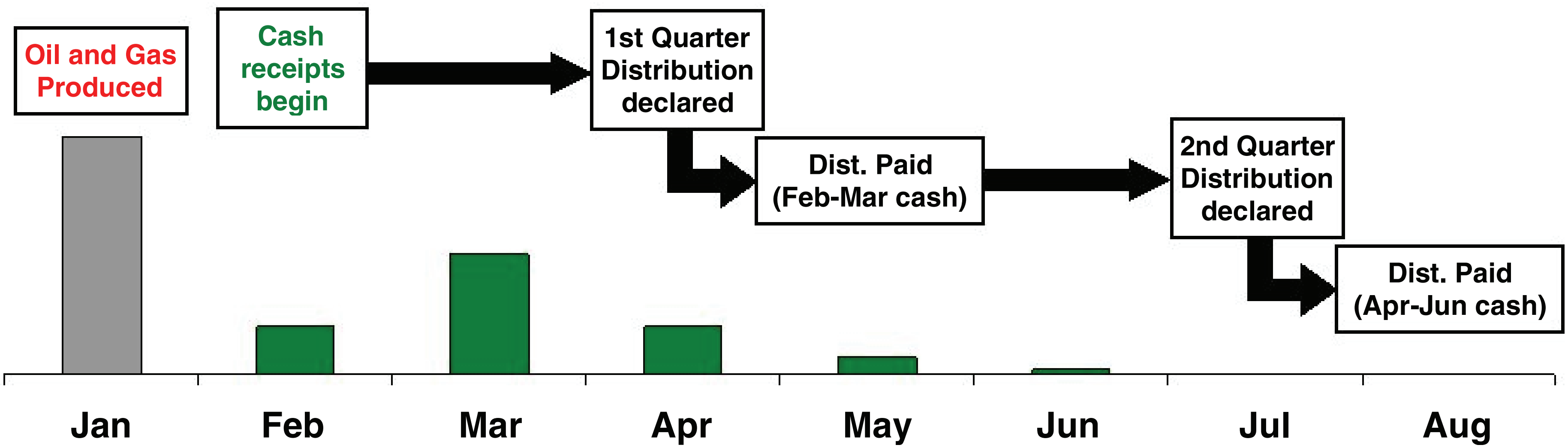


Note: Dist. reinvested on last day of quarter

DMLP — HGT — SJT — PBT — MTR — CRT — SBR

Royalty Cash Receipts

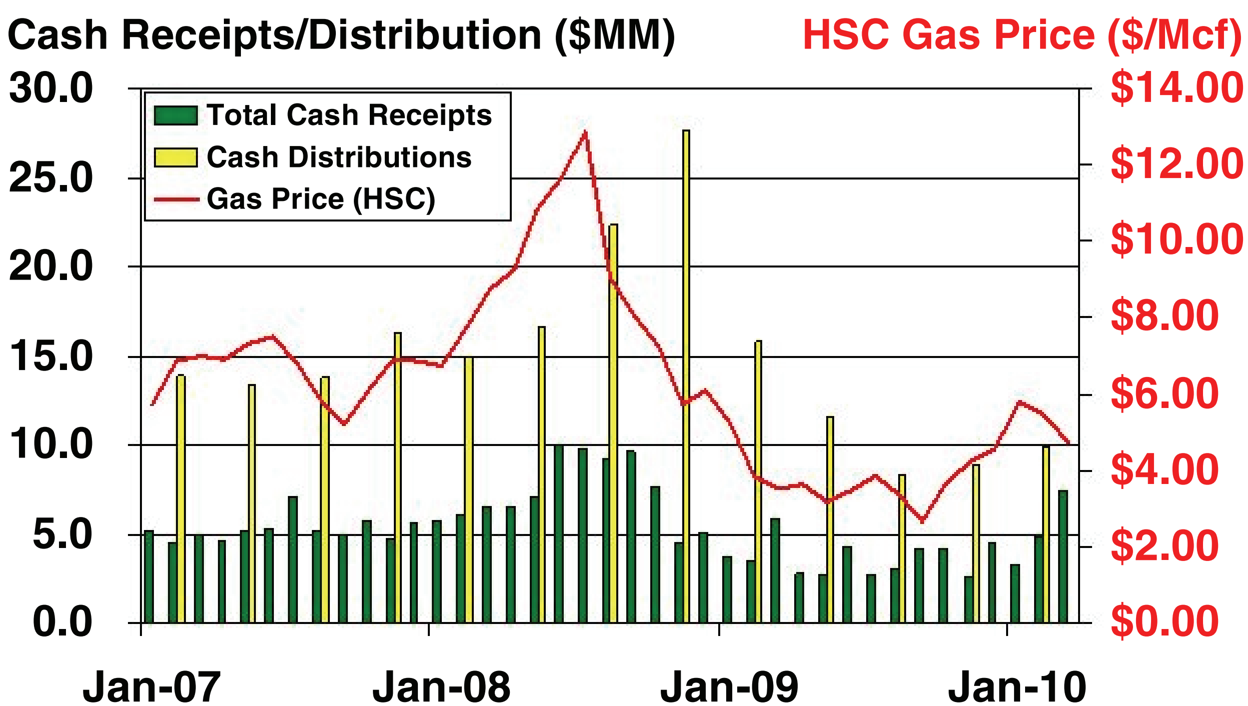
- Long delay between production and cash distribution
  - Cash receipts extend over multiple months due to adjustments, releases, etc.
  - Prices can change dramatically between production and payment of distribution
  - Example of a typical cash receipt cycle :



LP distribution of all cash attributable to January production may occur as late as August , a 7-month time lag

Royalty Cash Receipts

- Long delay between production and cash distribution
  - Peak cash receipt month was June 2008
  - Peak distribution was paid in November 2008
  - Actual cash receipts, distributions and gas price:



Maecenas Minerals Acquisition

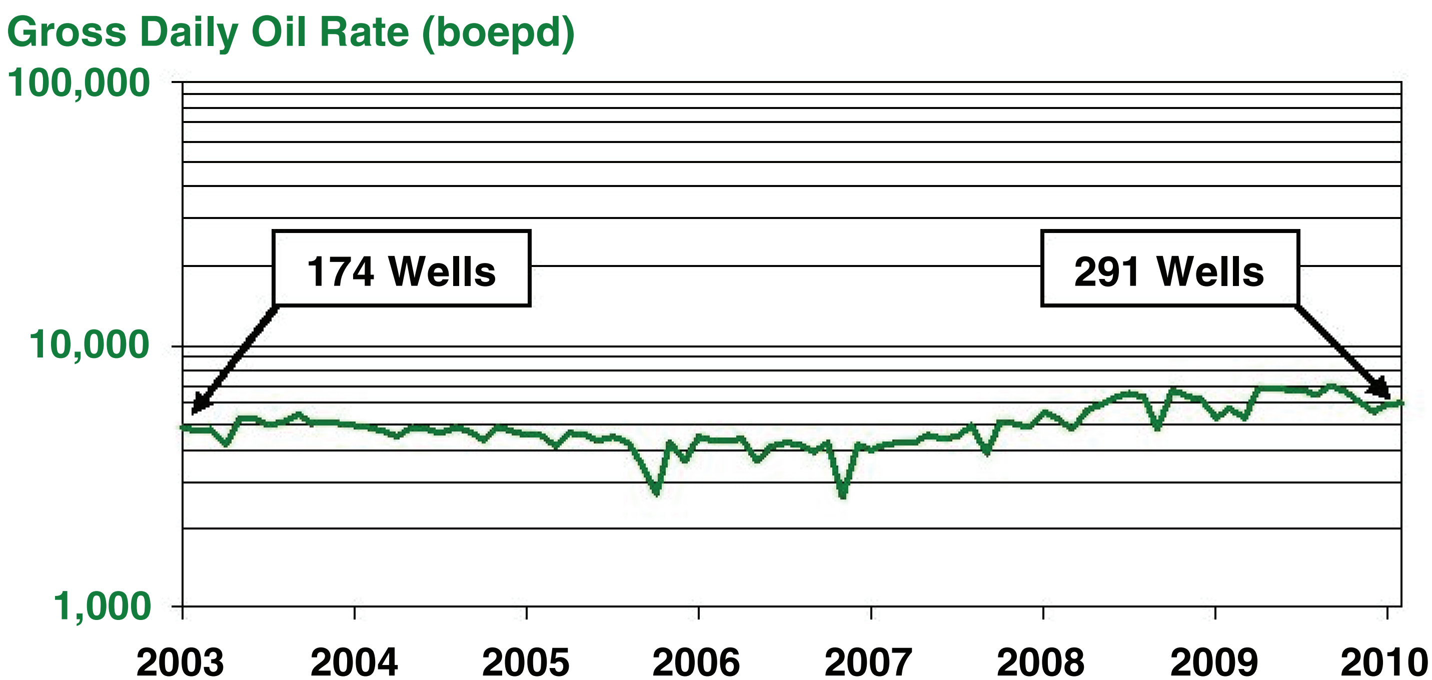
Maecenas Minerals Acquisition

- Minerals and Royalties – 206 counties in 17 states
  - Closed transaction on 03/31/10 as a non-taxable exchange for 835,000 units
  - Assets concentrated in Texas and North Dakota with increased exposure to oil plays
    - Permian Basin → Seminole (San Andres), Goldsmith, Wolfberry potential
    - Williston Basin → Cedar Hills South Unit, Bakken and Three Forks/Sanish potential
  - DMLP already owns interests in all acquired properties – no additional overhead
  - Simple integration into existing accounting and land systems
  - Portfolio includes significant undeveloped acreage with upside potential
  - Analysis of Q1 2010 cash receipts:

	Units	Cash to LP	Cash per Unit	Accretion
DMLP (stand-alone)	29,840,431	$12.13 MM	$0.406	
Maecenas Minerals	835,000	$0.39 MM	$0.468	**15.3%**

Maecenas Minerals Acquisition

- Goldsmith Andector Unit – Ector County, Texas
  - Representative of assets in the Maecenas portfolio
  - Substantial production from large multi-well units with little concentration of risk
  - Long-life reserves + Diversified base + Development potential → Stable decline profile
  - Adding high quality properties improves DMLP's decline curve

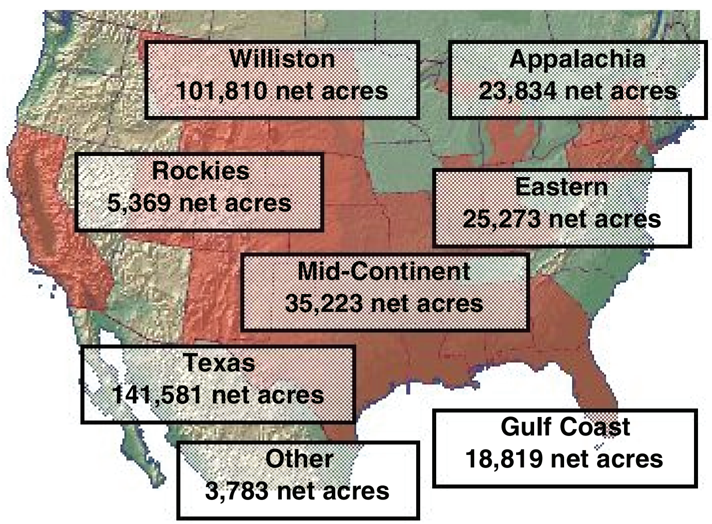


Property Highlights

Royalty Properties

Property Highlights

- Mineral Portfolio Overview
  - 355,692 net acres (3,122,867 gross acres) – 574 counties in 25 states
  - Majority of acreage is undeveloped
  - Wide geographic spread including most major producing basins
  - Assets range from mature legacy production to areas with exploratory potential



Basin/Area	Legacy Production	Ongoing Development	Expansion Potential
West Texas Southeast NM	Denver Unit Wasson	Wolfberry	Delaware Basin West TX Overthrust
Gulf Coast South Texas	Jeffress McAllen Ranch	Bob West	Horizontal Wilcox
Mid-Continent	Hugoton	Fayetteville	Horizontal Granite Wash
Williston Basin	Nesson Anticline	Bakken Red River	Three Forks Sanish
Appalachia			Marcellus/Utica Upper Devonian

Note: Acreage count as of 12/31/2009, excludes Maecenas transaction

Royalty Properties

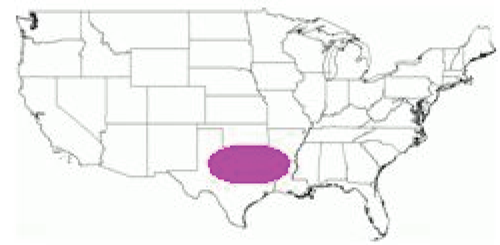
- Leasing and Development Activity
  - Consummated 53 leases/elections on 1,724 net acres in 22 counties/ parishes in four states
  - Lease bonus payments up to $1,200/acre
  - Initial royalty terms up to 30%
  - 92 active lease offers as of May 2010
  - Identified 353 new wells on royalty properties in 11 states
  - Fayetteville Shale activity continued to ramp up in 2009
  - Low price environment reduced infill drilling and redevelopment on legacy properties

Property Highlights

Barnett Shale

Royalty Properties

- Barnett Shale – Tarrant County, Texas



  - Closed transaction on 06/30/09 as a non-taxable exchange for 1,600,000 units
  - Producing and non-producing royalty and ORRI's
  - 100% undivided mineral interest in 6 tracts totaling 1,824 acres and overriding royalty interests in 2 of these tracts
  - NRIs range from 0.5% to 20%
  - High quality, long-life reserves with development potential
  - Properties integrated into DMLP royalty system with minimal additional overhead
  - New play adds diversification to DMLP's existing portfolio
  - Analysis of Q2 2009 to Q1 2010 cash receipts:

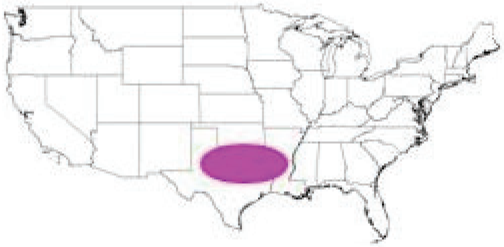
	Units	Cash to LP	Cash per Unit	Accretion
DMLP (stand-alone)	28,240,431	$36.09 MM	$1.278	
Barnett Shale	1,600,000	$2.68 MM	$1.675	**31.1%**

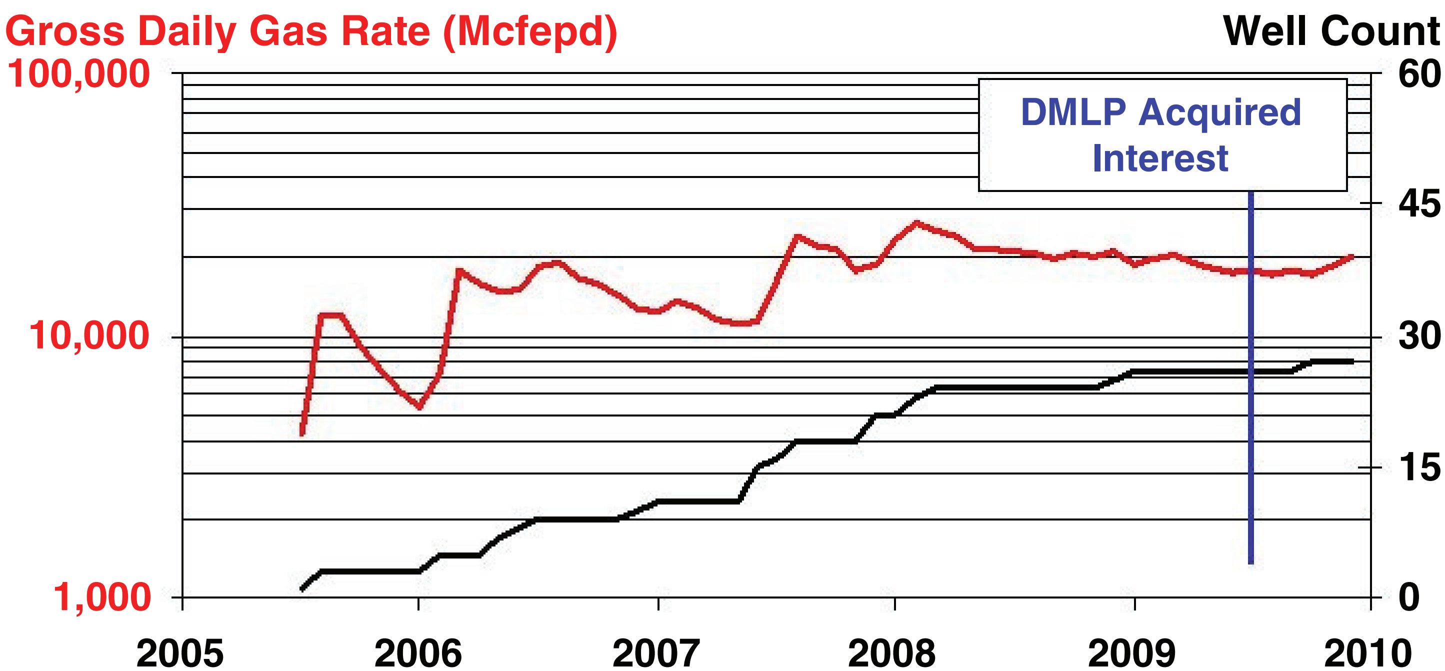
Royalty Properties

- Barnett Shale – Tarrant County, Texas
  - Current Development Activity (CHK Operated)
    - 29 producing wells
    - 7 wells drilling or waiting on pipeline
    - 5 permitted locations

    41 wells/permits

  - Upside potential in undeveloped acreage, downspacing and improved stimulation





Property Highlights

Net Profits Interests

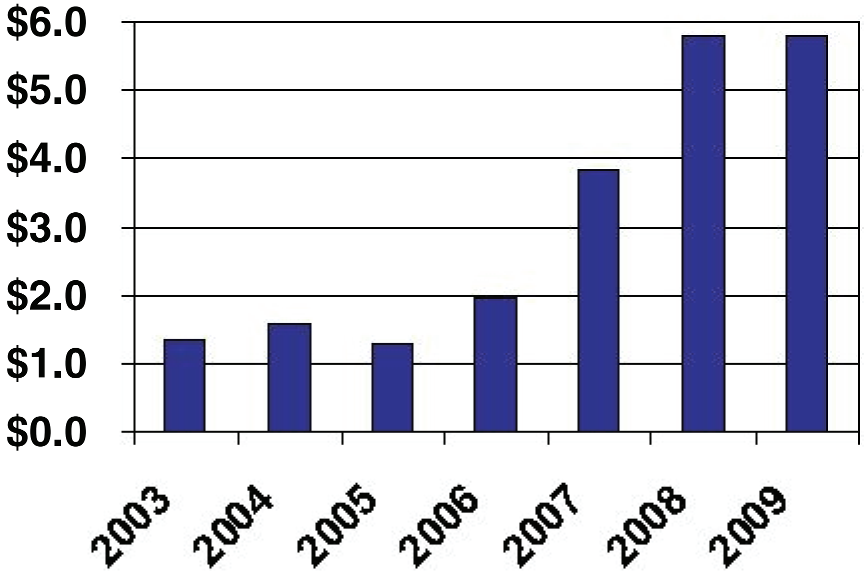
Net Profits Interests

- NPI Provides LP Exposure to Working Interest Potential Without Generating UBTI
  - Four NPI groups were created at the time of formation in 2003
  - Capitalize on strong negotiating position to capture additional value
  - Leverage information franchise
  - Optional working interest participation in numerous leases
  - Minerals NPI represents the majority of new development activity
  - Elected to participated in 56 wells in Arkansas and Oklahoma
    - 30 wells completed in 2009
    - 11 wells in various stages of drilling or completion at year-end 2009
    - 15 wells waiting to spud at year-end 2009

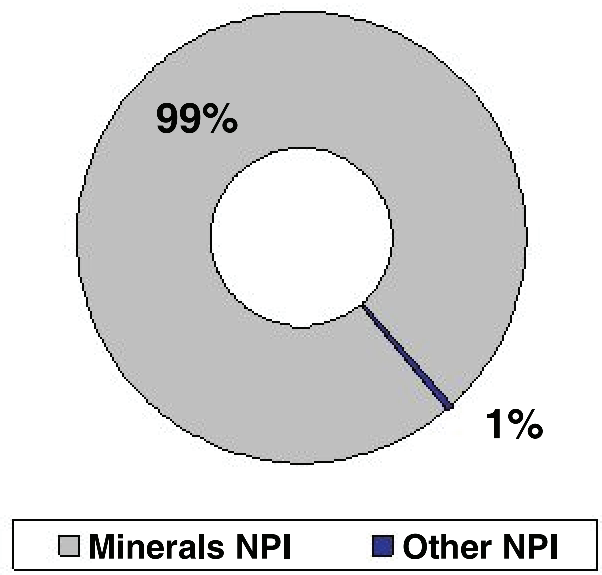
Net Profits Interests

- Capital Expenditures Through Year-end 2009
  - $21.6 million of cumulative investments in all net profits interest properties
  - 2009 capital investments virtually unchanged from 2008
  - Majority of CAPEX was used to drill new wells in the Minerals NPI
  - Continue to reinvest Minerals NPI cash flow

Historical NPI CAPEX ($MM)



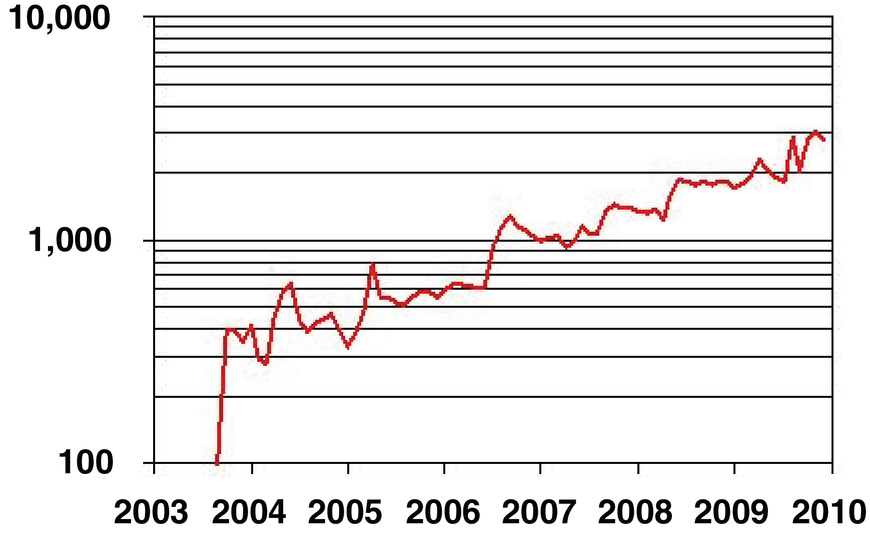
2009 NPI CAPEX



Net Profits Interests

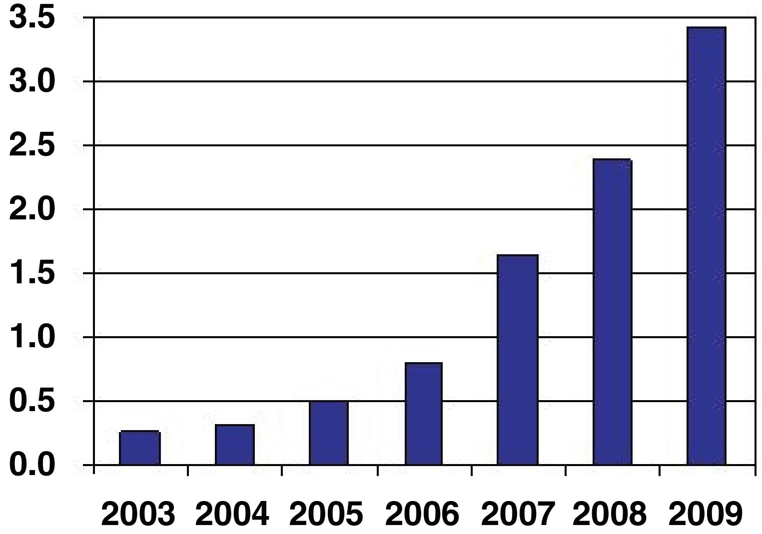
- Minerals NPI Performance
  - Production and reserves growing steadily since inception
  - 204 wells/units producing in Q4 2009 (175 in pay status)
  - 2.6 Bcfe in production receipts through year-end 2009
  - Total proved reserves of 3.4 Bcfe at year-end 2009, a 43% increase over 2008
  - Minerals NPI production and reserves are not included in DMLP results

Net Daily Gas Rate (Mcfd)



Note: Gas rate based on sales volumes

Proved Reserves (Bcfe)

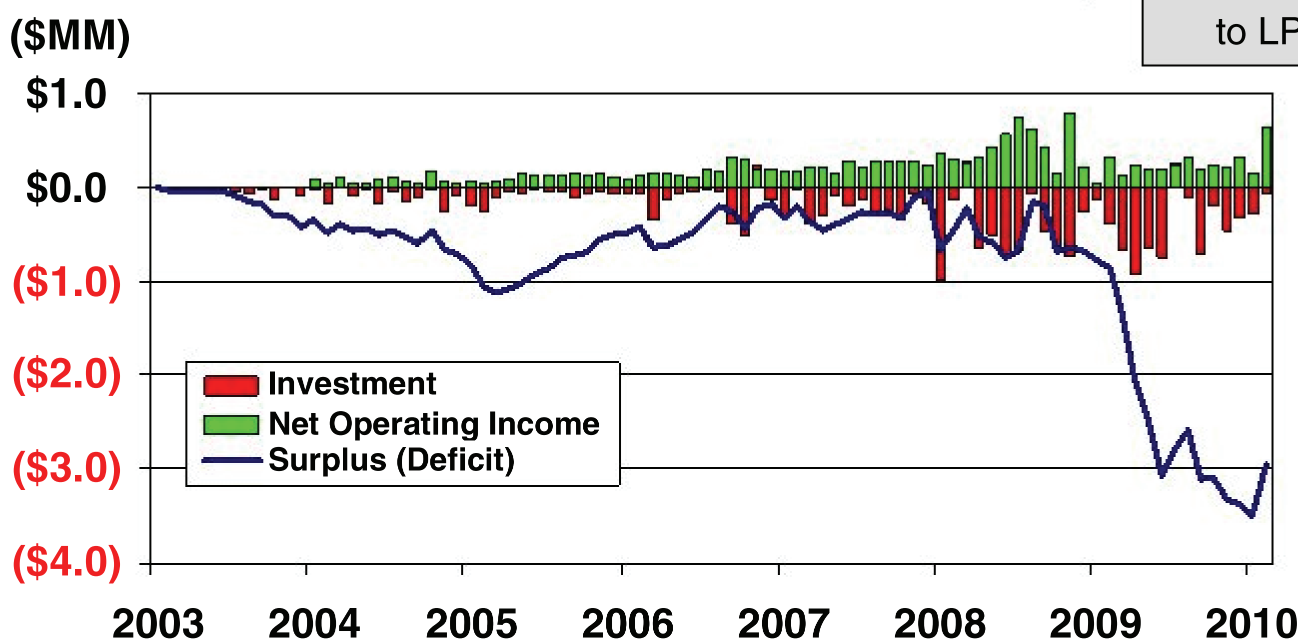


Net Profits Interests

- Minerals NPI Cash Flow – Inception through Q1 2010

Cumulative Revenue	$19.1 MM
Cumulative Expense (LOE, taxes, etc)	($3.4 MM)
Cumulative Operating Income	$15.7 MM
Cumulative Investment	($18.7 MM)
Cumulative Surplus (Deficit)	($3.0 MM)

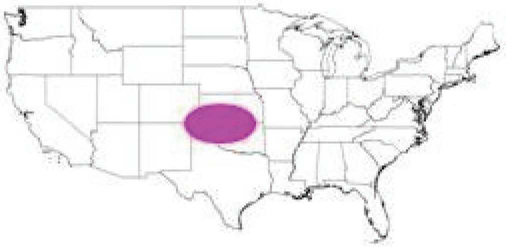
Surplus balance must be positive before the Minerals NPI contributes to LP distributions

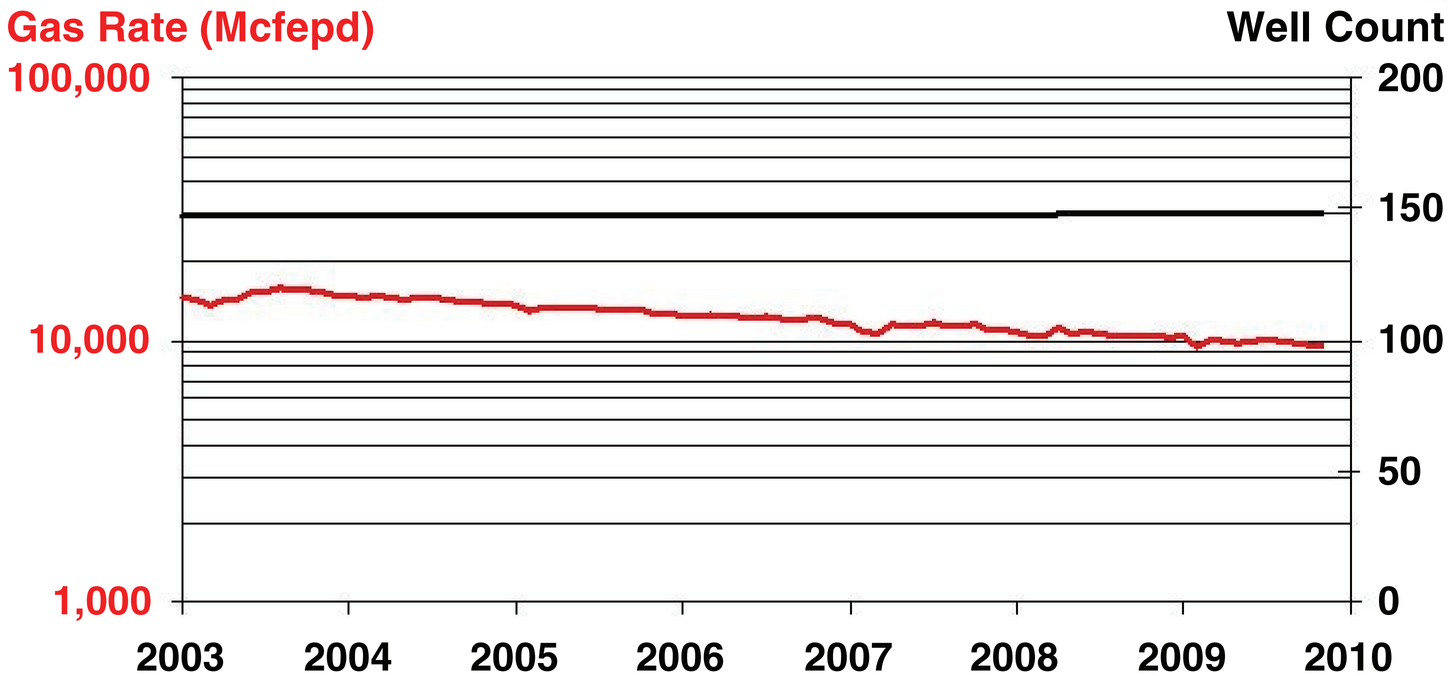


Note: Figures provide on a cash basis

Net Profits Interests

- Hugoton Area – Operated Properties
  - 2009 production within 1% of projection
  - Year-over-year decline of 7.2%
  - World-class asset but limited upside potential





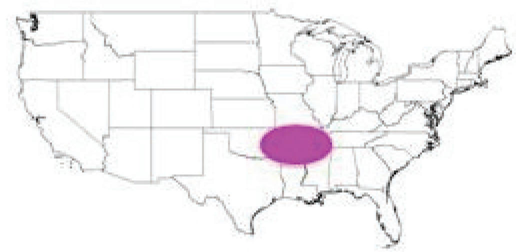
Note: Gas rate based on sales volumes

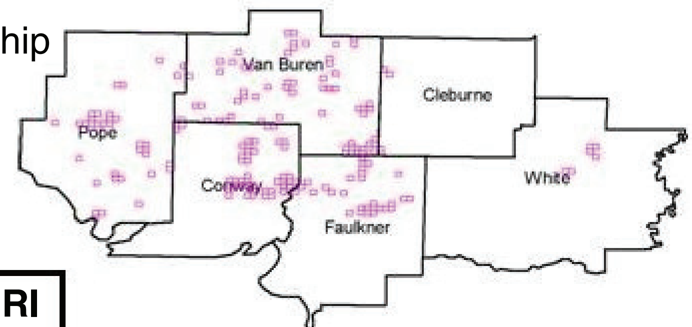
Property Highlights

Fayetteville Shale

Fayetteville Shale

- Eastern Arkoma Basin – Northern Arkansas
  - Ownership summary
    - 23,336 gross/11,464 net acres in trend
    - 196 sections in 8 counties
  - "Hybrid" leases in 179 sections (9,800 net acres)
    - Bonus and 25% royalty retained by DMLP
    - Participation option owned by the operating partnership
    - Option may be exercised on a well-by-well basis
    - Leverage data gained through mineral ownership
    - Working interests subject to Minerals NPI



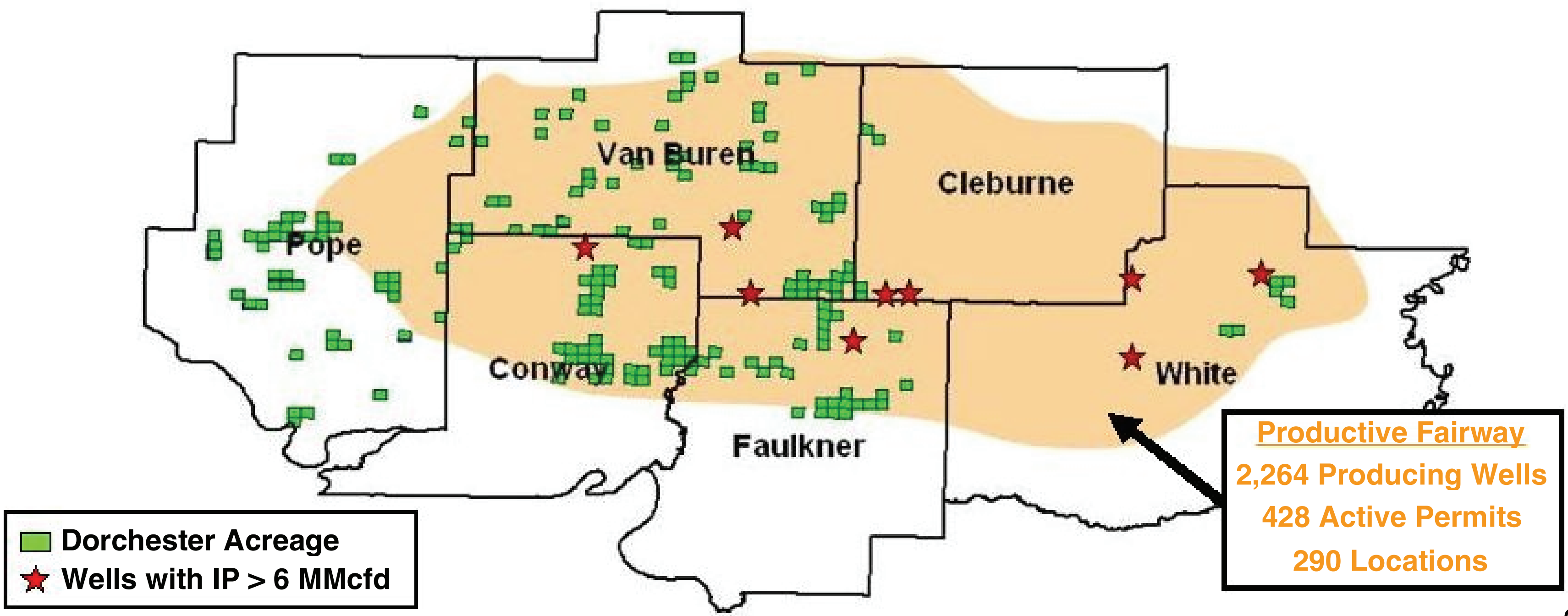


Interest Type	Sections	Avg. WI	Avg. NRI
Royalty (DMLP)	179	0.0%	2.1%
Optional WI (NPI)	111	3.5%	2.6%
Unleased MI (NPI)	4	4.7%	4.7%

Fayetteville Shale

- Six County Core Area
  - Current development activity on DMLP acreage
    - 142 wells completed as producers (110 in pay status)
    - 58 wells in various stages of drilling or completion
    - 27 wells permitted and/or proposed by operator

    227 wells/permits
  - Drilling or permitting activity has occurred on 48% of DMLP sections (28% in 2008)

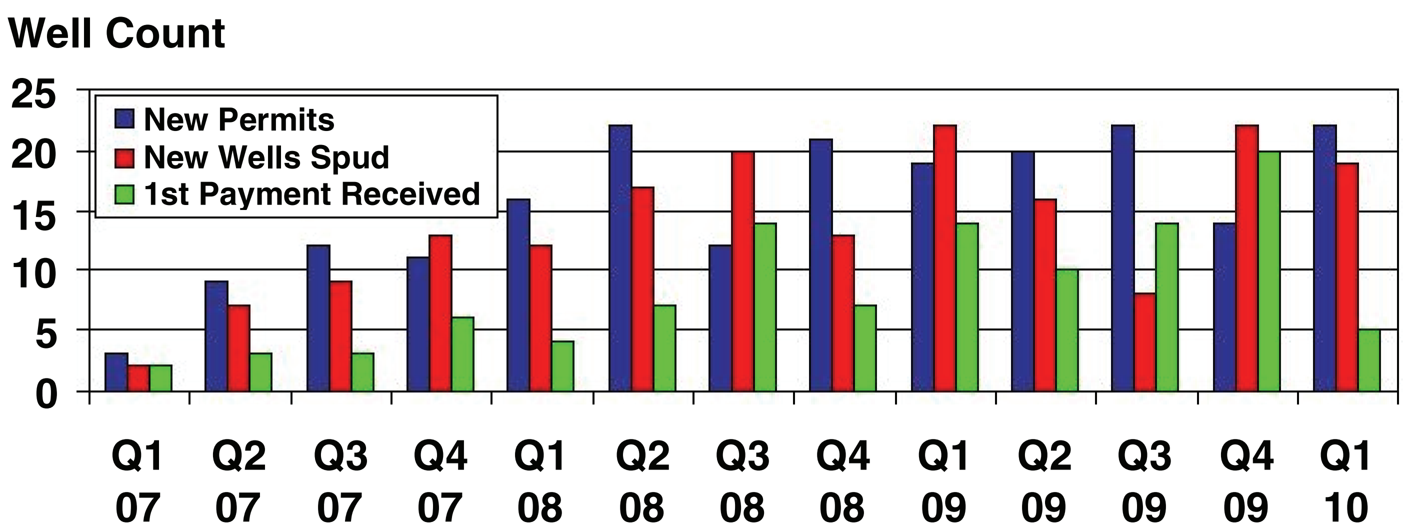


Note: Data from HPDI, "Active Permit" – well spud but not completed, "Location" – well permitted but not spud

Fayetteville Shale

- Permitting, Drilling and Payment History
  - Development activity remains at high levels, driven by SWN and CHK
  - Well spuds have been outpaced by well permits, a leading indicator
  - Substantial time-lag between permit and first payment → 359 days

Well Permitted → 54 days → **Well Spud** → 118 days → **First Production** → 187 days → **First Payment**

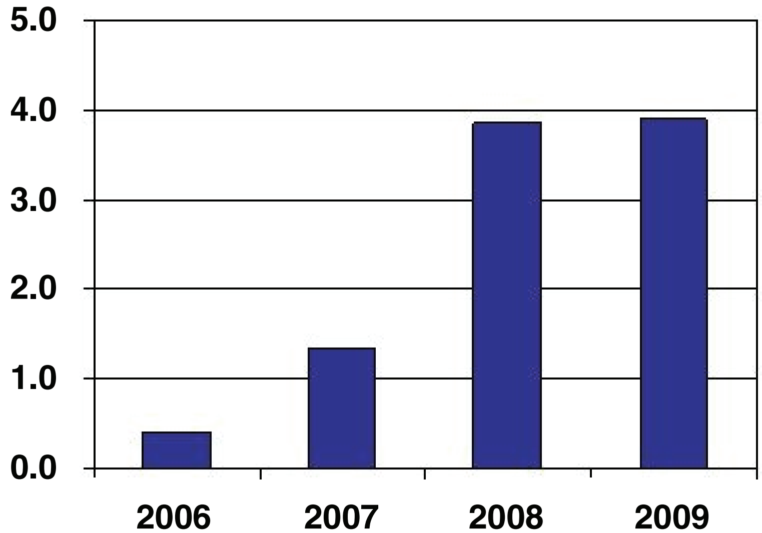


Fayetteville Shale

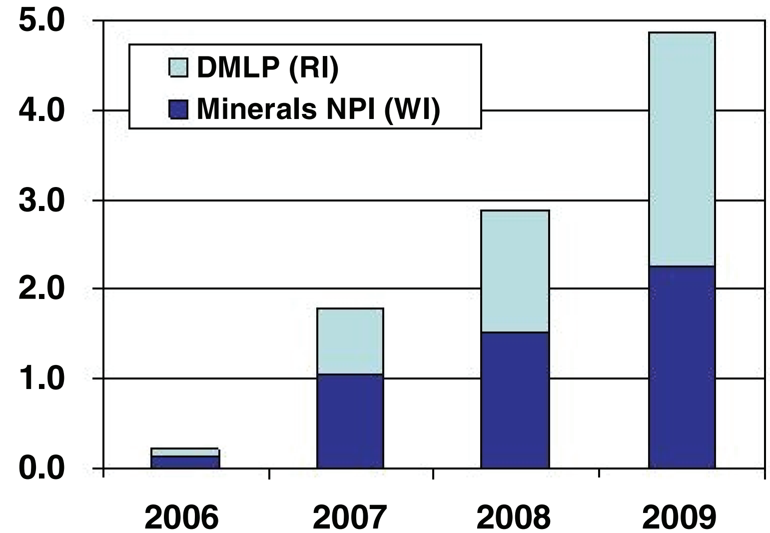
- Capital Expenditures
  - All expenditures within Minerals NPI
  - Total Fayetteville investments of $10.4 MM through Q1 2010
  - Average $3.1 MM per well in 2009
  - Drilling and completion costs may increase with longer lateral lengths

- 2009 Reserves
  - Year-end reserves of 4.9 Bcf (124 wells)
    - 2.3 Bcf (WI)
    - 2.6 Bcf (RI)
  - 69% Year-over-year reserve increase
  - Only completed wells with test rates are included in reserve estimates (no PUDs)

Capital Expenditures ($MM)



Proved Reserves (Bcf)



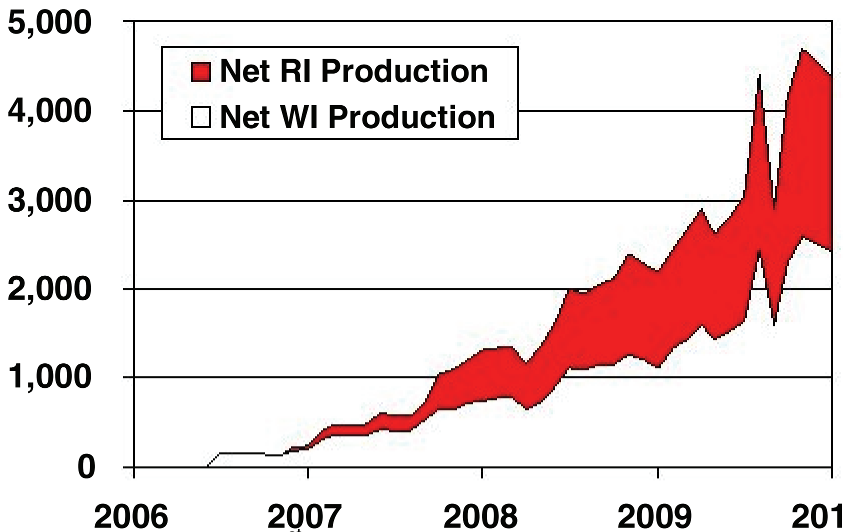
Fayetteville Shale

- Production Results
  - 123 wells producing at year-end 2009
    - 2.4 MMcfd (WI)
    - 2.0 MMcfd (RI)

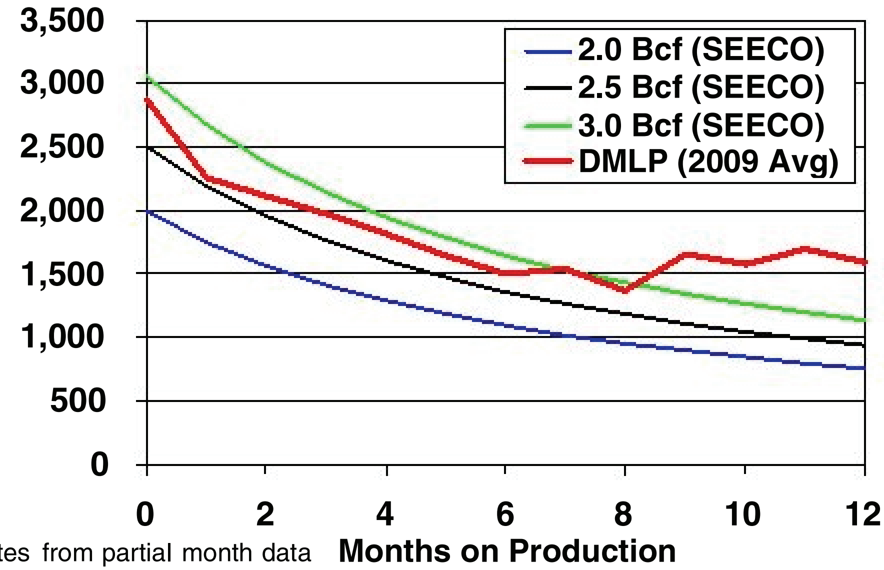
    } **4.4 MMcfd**
  - 91% Year-over-year rate increase
  - Produced 1.2 Bcf in 2009
  - 54% from working interest wells

- Well Performance
  - Improved stimulation and longer laterals have increased average initial rate
    - 2006 1.9 MMcfd (Max 2.9 MMcfd)
    - 2007 1.7 MMcfd (Max 3.5 MMcfd)
    - 2008 2.4 MMcfd (Max 5.5 MMcfd)
    - 2009 3.1 MMcfd (Max 5.9 MMcfd)

Net Daily Production (Mcfd)



Normalized Production Rate (Mcfd)



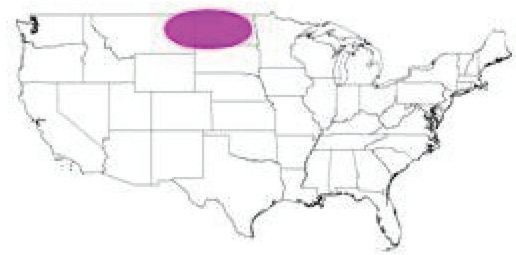
Note: Volumes from AOGC, 1st point on DMLP normalize curve based on estimates from partial month data

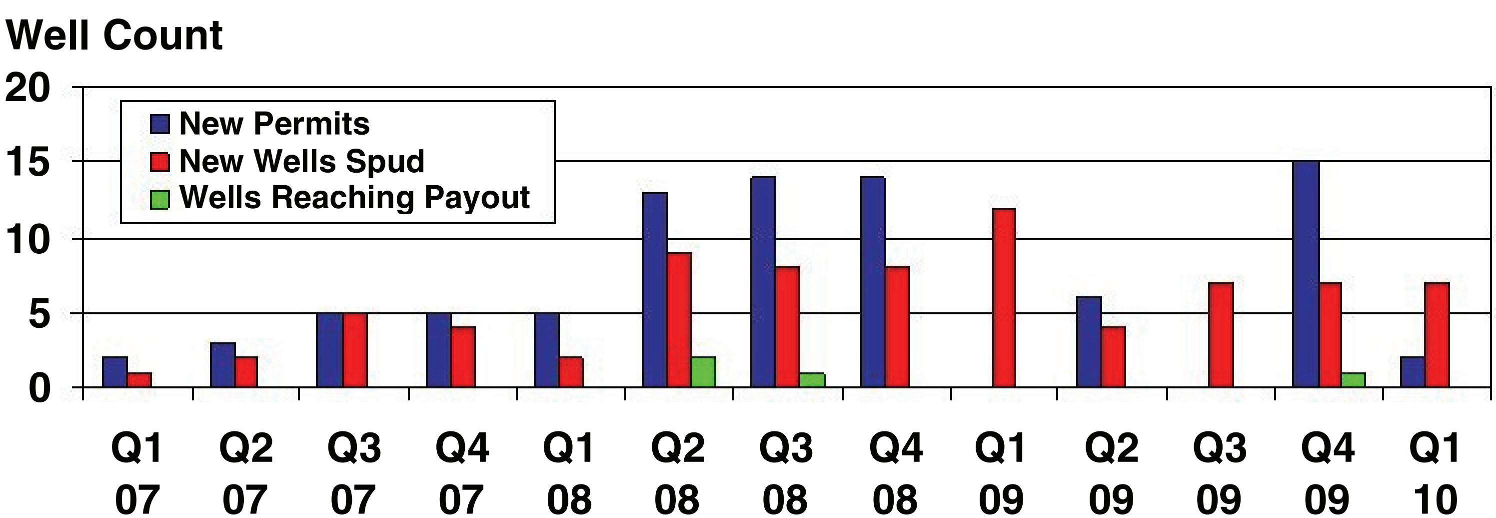
Property Highlights

Horizontal Bakken

Horizontal Bakken

- Williston Basin – Northwestern North Dakota
  - – Diversified acreage position
    - 70,390 gross acres/9,503 net acres
  - – Operators: Continental, EOG, Whiting, Marathon
  - – Elected non-consent option in 88 wells to date
    - Average royalty of all leases in unit (~15% royalty)
    - Back-in for 100% WI after payout + 50% penalty
    - Working interest subject to Minerals NPI
  - – Historical activity trend:





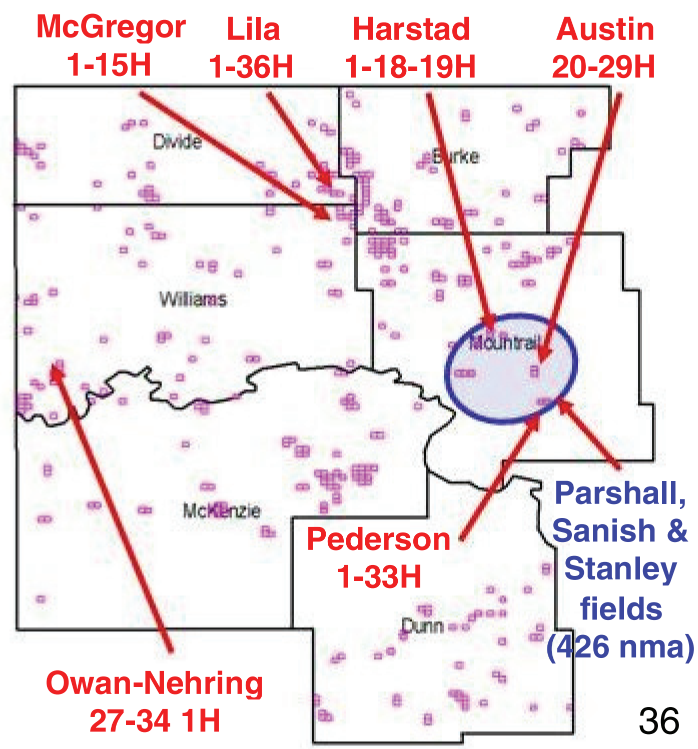
Horizontal Bakken

- Six County Core Area
  - Current development activity on DMLP acreage
    - 64 wells completed as producers (4 reached payout status)
    - 14 wells in various stages of drilling or completion
    - 10 wells permitted and/or proposed by operator

88 wells/permits

  - Rig count has increased 268% since May 2009
  - Three rigs currently drilling on DMLP acreage

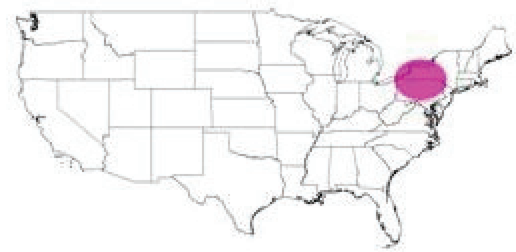
Well Name (Operator)	Test Rate (boepd)	BPO NRI	APO NRI
Austin 20-29H (EOG)	1,693	4.15%	19.76%
Pederson 1-33H (EOG)	1,639	0.52%	2.47%
Harstad 18-19H (Fidelity)	681	0.73%	5.82%
Lila 1-36H (Continental)	561	0.42%	2.45%
Owan-Nehring 27-34 1H (BEXP)	2,513	0.21%	1.65%
McGregor 1-15H (Continental)	1,476	0.02%	0.11%

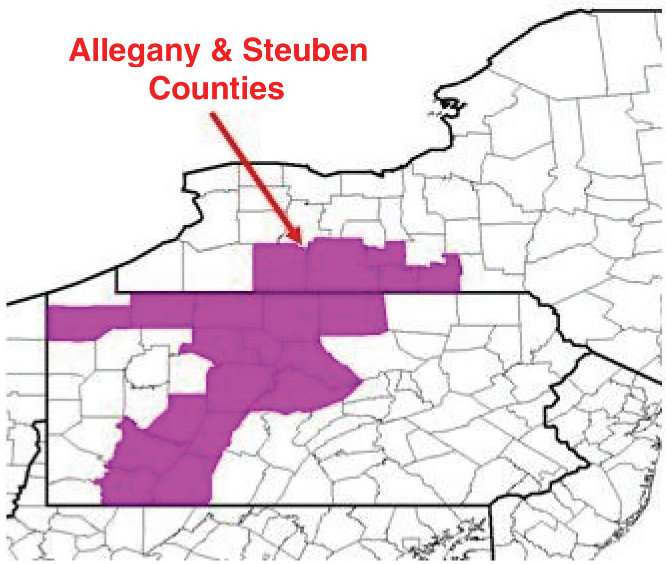


Developing Play Highlights

Developing Play Highlights

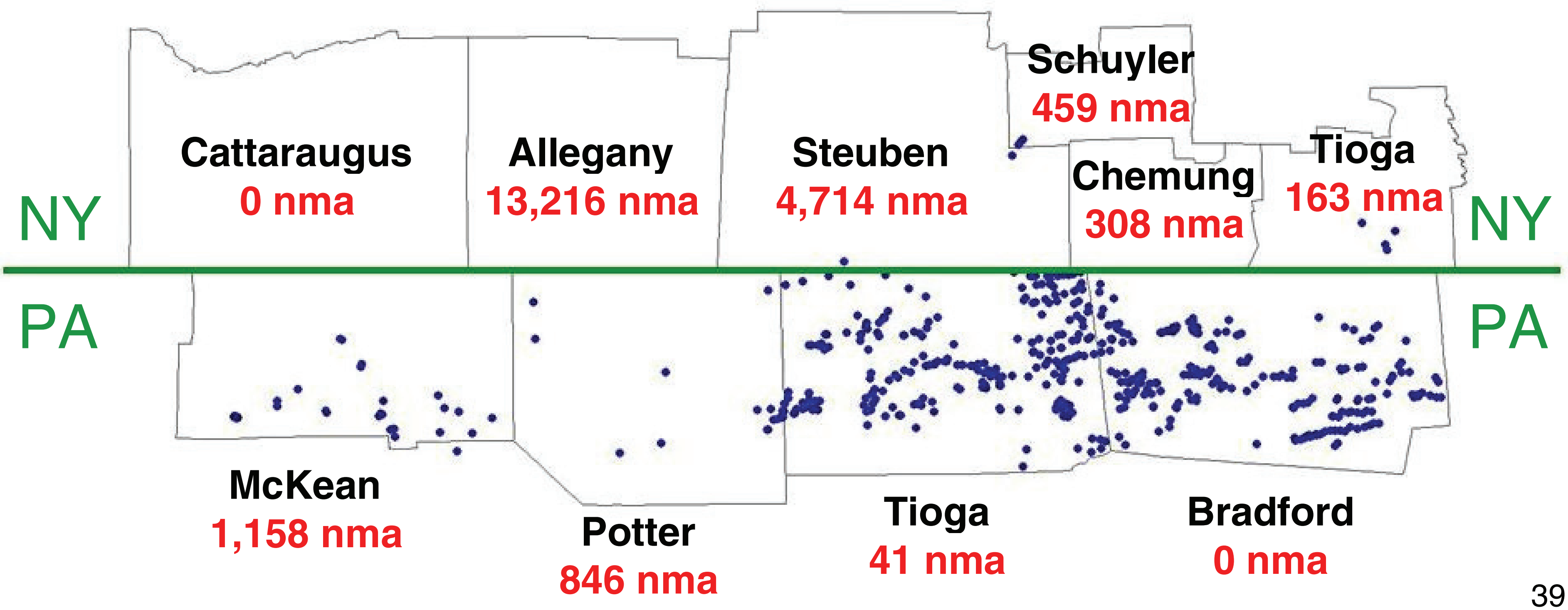
- Devonian Shale (Appalachia)
  - New York and Pennsylvania
  - Concentrated acreage position
    - 32,447 gross acres
    - 24,774 net acres
    - 70% in Allegany and Steuben Counties, NY
  - Challenging political environment in New York
  - Potential targets
    - Upper Devonian oil (shallow)
    - Marcellus/Devonian shale gas (middle)
    - Trenton-Black River gas (deep)
  - Operators: Anadarko, Cabot, Chesapeake, EOG, EXCO, Fortuna Energy, Range, XTO
  - No reserves booked in 2009





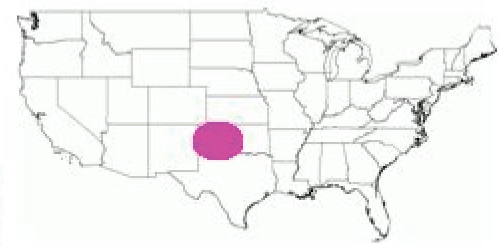
Developing Play Highlights

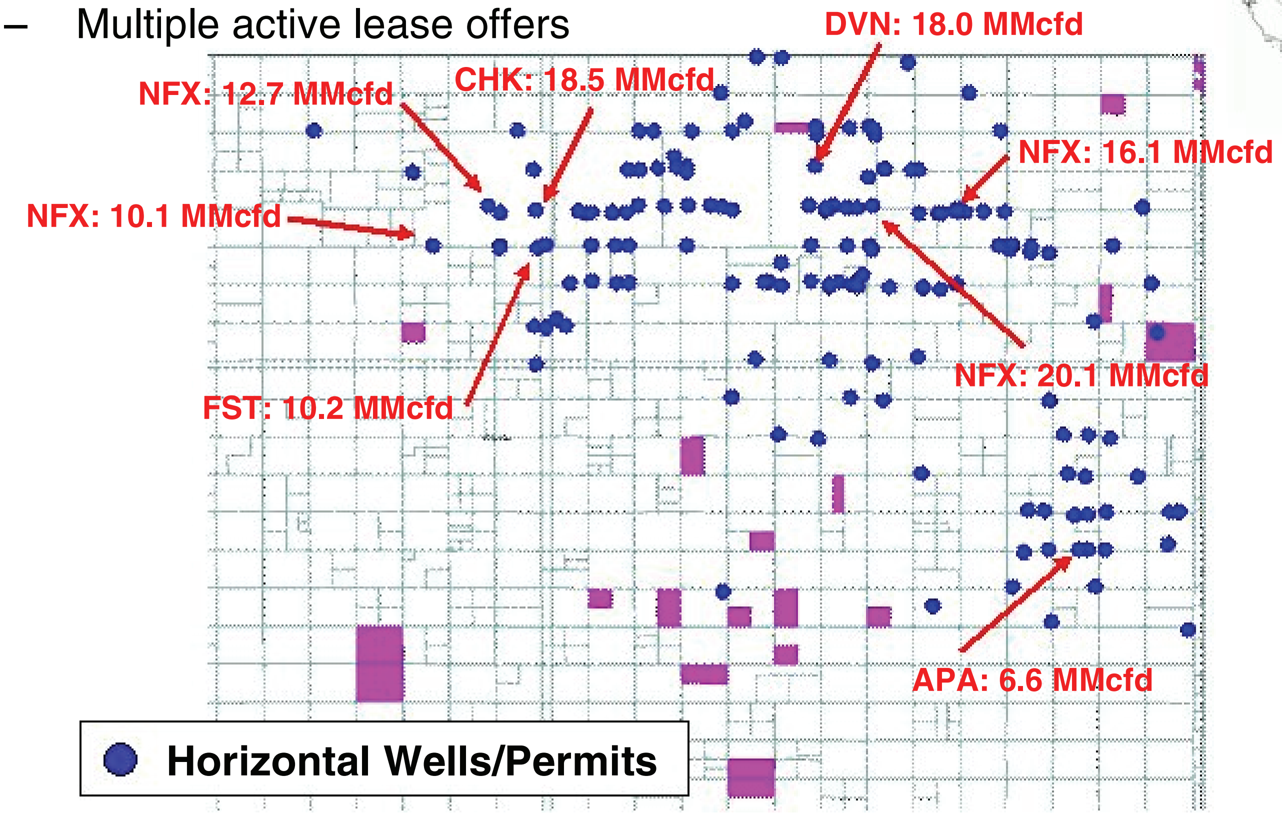
- Southern Tier NY & Northern Tier PA
  - Regulatory environment in New York has limited activity relative to Pennsylvania
  - Prospectivity of acreage in Allegany and Steuben Counties is undetermined due to limited testing of potential shale gas zones
  - Continuing to monitor industry activity in the area



Developing Play Highlights

- Granite Wash – Texas Panhandle
  - Concentrated acreage position in Northeast Wheeler County
    - DMLP owns 5,444 gross/1,189 net acres
  - Substantial liquids component to production
  - Multiple active lease offers





Dorchester Minerals, LP
Annual Meeting

May 12, 2010

Appendix

Appendix

- What is the Minerals NPI and How Does it Work?

  – **Upon its formation, Dorchester Minerals, LP (DMLP, the public partnership and owner of the mineral interests) provided for future development opportunities on its undeveloped mineral interests by the creation of the Minerals Net Profits Interest (Minerals NPI).**

  – **DMLP has negotiated and may continue to negotiate the right but not the obligation to participate in development activity in addition to retaining a royalty interest.**

  – **This right may take the form of an optional heads-up (unpromoted) working interest, carried working interest or reversionary (back-in) working interest. In some instances, an unleased mineral interest may be treated as a working interest subject to statutory non-consent provisions.**

  – **DMLP assigns this right to Dorchester Minerals Operating LP (the operating partnership or DMOLP) subject to the terms of the Minerals NPI.**

  – **DMOLP is an indirect wholly owned affiliate of DMLP’s General Partner.**

  – **DMOLP funds all costs associated with this right, including drilling and completion costs.**

  – **DMLP and its partners are not liable for any costs or expenses.**

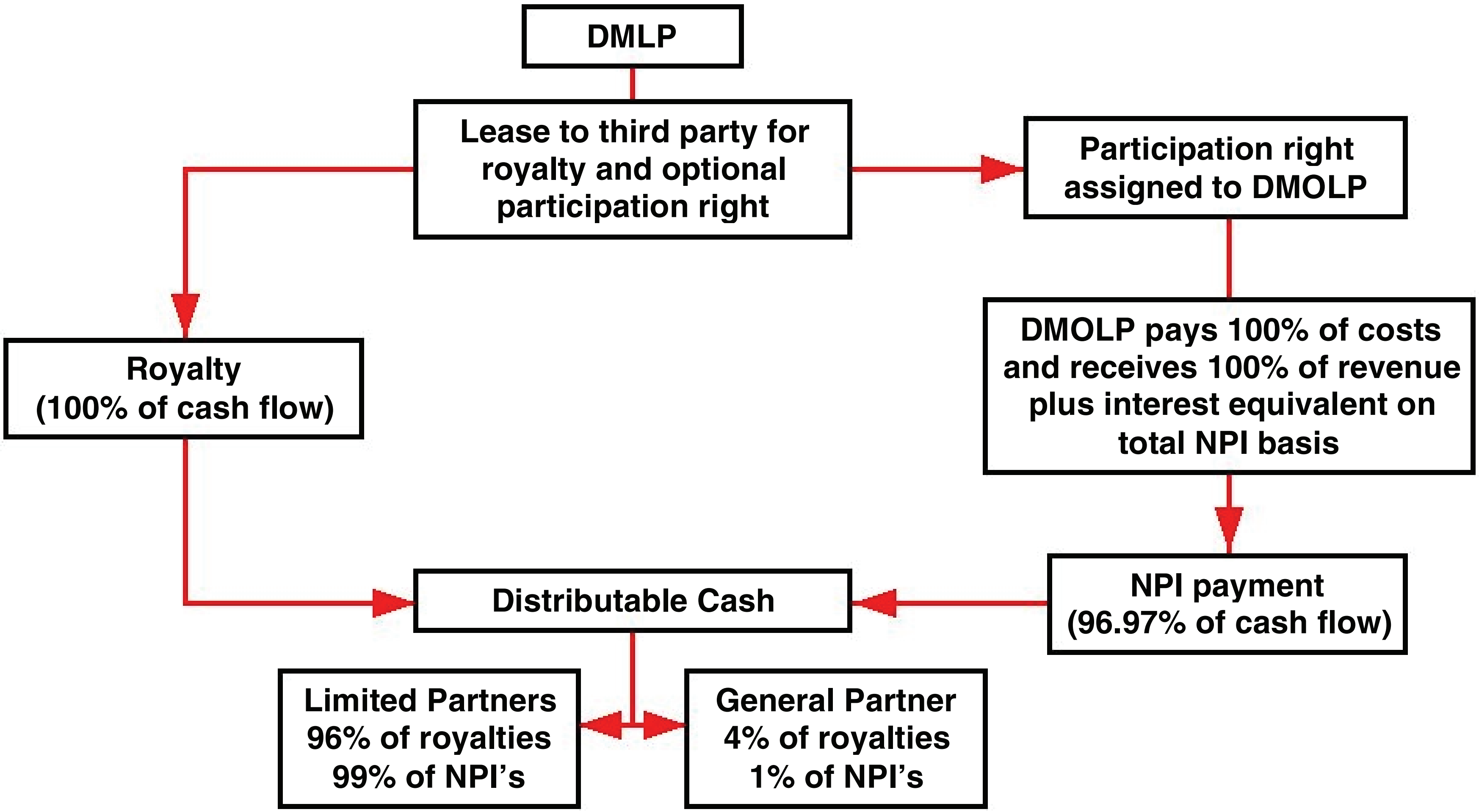
  – **DMOLP pays to DMLP 96.97% of the monthly “Net Proceeds” attributable to the properties subject to the Minerals NPI.**

  – **Net Proceeds is defined as total revenues less total expenses plus an amount equivalent to interest at a prevailing rate on any prior period deficit balance. In other words, DMOLP pays 100% of all costs, receives 100% of all revenues plus interest, and thereafter (sometimes called “Payout”) pays 96.97% of net cashflow to DMLP.**

  – **LP distributions reflect 96% of royalty net cashflow and 99% of NPI net cashflow → 99% x 96.97% = 96%.**

Appendix

- What is the Minerals NPI and How Does it Work?



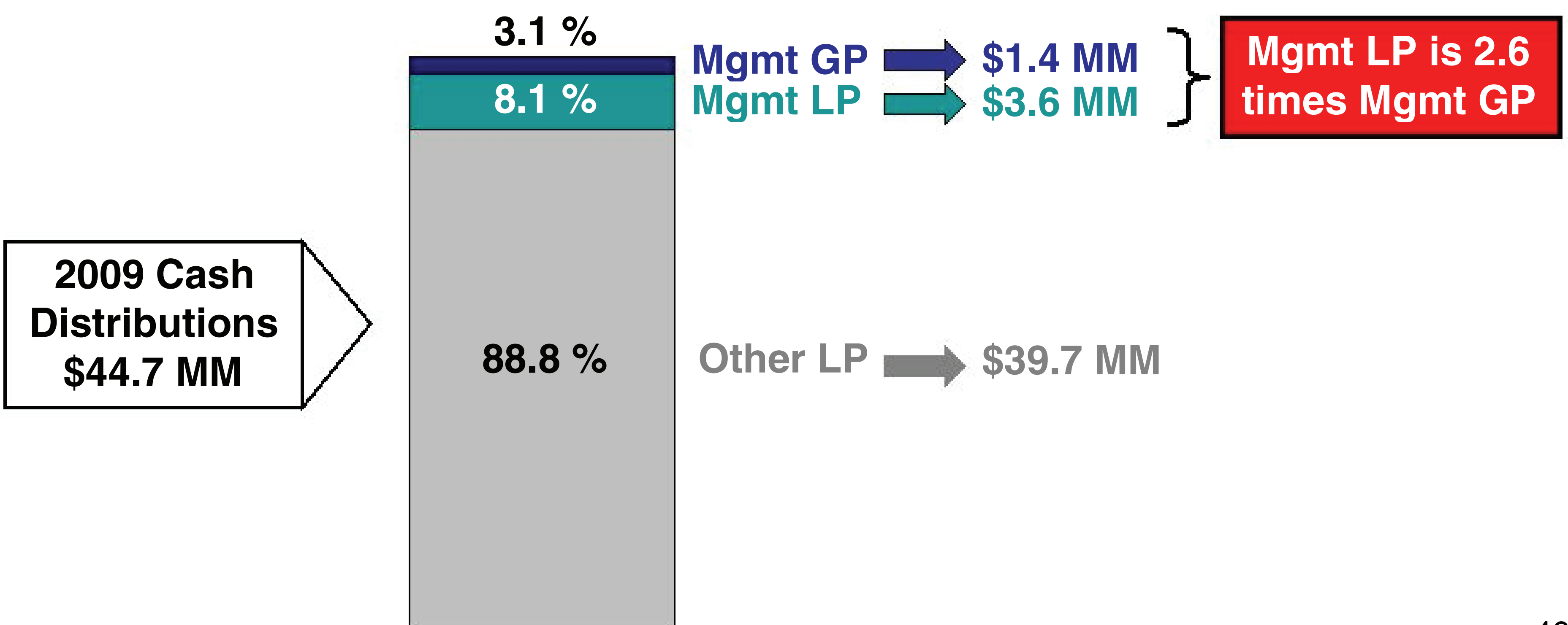
Appendix

- Distribution Determinations
  - Period from October 2008 through September 2009

	($ thousands) Limited Partners	General Partner
4% of Net Cash Receipts from Royalty Properties	$ --------	$1,309
96% of Net Cash Receipts from Royalty Properties	$31,416	$ --------
1% of Net Profits Interests Paid to our Partnership	$ --------	$120
99% of Net Profits Interests Paid to our Partnership	$11,883	$ --------
Total Distributions	**$43,299**	$1,429
Operating Partnership Share (3.03% of Net Proceeds)	$ --------	$375
Total General Partner Share		**$1,804**
% Total	**96%**	**4%**

Appendix

- Alignment of GP and LP interests
  - GP has no incentive distribution rights – fixed sharing ratio
  - Management's LP interest exceeds its GP interest
  - Not incentivized to make dilutive transactions



Appendix

- Operating Leverage – Royalty Interest vs. NPI

	Royalty Interest	Net Profits Interest
Production Volume	1,000 Mcf	1,000 Mcf
Gas Price	$6.00/Mcf	$6.00/Mcf
Revenue	$6,000	$6,000
Fixed Production Costs	($0)	($1,000)
Operating Income	$6,000	$5,000
Net Interest	25% Royalty	25% NPI
Net Cash Flow	$1,500	$1,250

30% Increase in Gas Price

	Royalty Interest	Net Profits Interest
Production Volume	1,000 Mcf	1,000 Mcf
Gas Price	$7.80/Mcf	$7.80/Mcf
Revenue	$7,800	$7,800
Fixed Production Costs	($0)	($1,000)
Operating Income	$7,800	$6,800
Net Interest	25% Royalty	25% NPI
Net Cash Flow	$1,950	$1,700

30% Increase in Royalty Cash Flow

36% Increase in NPI Cash Flow