Western Gas Partners, LP | Western Gas Equity Partners, LP

First Quarter 2016 Review

May 4, 2016

Cautionary Language Re: Forward-Looking Statements

This presentation contains forward-looking statements. Western Gas Partners, LP and Western Gas Equity Partners, LP believe that their expectations are based on reasonable assumptions. No assurance, however, can be given that such expectations will prove to have been correct. A number of factors could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this presentation. These factors include the ability to meet financial guidance or distribution growth expectations; the ability to safely and efficiently operate WES's assets; the ability to obtain new sources of natural gas supplies; the effect of fluctuations in commodity prices and the demand for natural gas and related products; the ability to meet projected in-service dates for capital growth projects; construction costs or capital expenditures exceeding estimated or budgeted costs or expenditures; and the other factors described in the "Risk Factors" section of WES's and WGP's most recent Forms 10-K and Forms 10-Q filed with the Securities and Exchange Commission and in their other public filings and press releases. Western Gas Partners, LP and Western Gas Equity Partners, LP undertake no obligation to publicly update or revise any forward-looking statements. Please also see our earnings release, posted on our website at www.westerngas.com, and the information provided at the end of this presentation for reconciliations of the differences between any non-GAAP financial measures used in this presentation and the most directly comparable GAAP financial measures.

Recent Highlights

- Closed Springfield Acquisition
- Ramsey III Back in Service
- Full Exercise of Convertible Preferred Overallotment
  - Total of $688MM of net proceeds received from offering
- Raised WES Distribution to 81.5 Cents per Unit
  - 12% growth over 1Q15
- Raised WGP Distribution to 42.375 Cents per Unit
  - 24% growth over 1Q15

WES Financial Summary – 1Q16 vs. 4Q15

($ in millions)	1Q16[1]	4Q15[2]
Adjusted EBITDA	**$231.1**	**$188.7**
Total Capex[3]	**$139.0**	**$119.9**
Maintenance Capex[3]	**$18.9**	**$12.7**
Maint. Capex as % of EBITDA	**8%**	**7%**
Distributable Cash Flow	**$191.9**	**$162.2**
Coverage Ratio	**1.21x[4]**	**1.06x**

(1) *Results recasted to include full-quarter impact of the Springfield acquisition*
(2) *As reported*
(3) *Attributable to WES; includes equity investments*
(4) *Would be 1.29x if adjusted for estimated recoverable amounts under the business interruption insurance policy*

WES Operating Summary – 1Q16 vs. 4Q15

	1Q16(1)	4Q15(2)	Key Drivers
Natural Gas Throughput (Bcf/d)	3.78	3.64	Springfield Acquisition; DJ Basin & Marcellus increases offset by DBM decreases
Crude / NGL Throughput (MBbls/d)	184	142	Springfield Acquisition
Adjusted Gross Margin / Mcf for Natural Gas Assets	$0.80	$0.72	Springfield Acquisition
Adjusted Gross Margin / Bbl for Crude & NGL Assets	$2.07	$1.76	Springfield Acquisition

(1) *Results recasted to include full-quarter impact of the Springfield acquisition*
(2) *As reported*

2016 Outlook Unchanged

($ in millions)	**Full-Year 2016**
WES Adjusted EBITDA[1]	**$860 – 950**
WES Total Capex[1]	**$450 - 490**
WES Maint. Capex as % of Adj. EBITDA	**7 – 10%**
WES Distribution Growth	**10%**
WGP Distribution Growth	**20%**

(1) Includes the full year effect of the Springfield acquisition

Reconciliations

WES Non-GAAP Reconciliation

"Adjusted EBITDA"

WES defines Adjusted EBITDA as net income (loss) attributable to Western Gas Partners, LP, plus distributions from equity investees, non-cash equity-based compensation expense, interest expense, income tax expense, depreciation and amortization, impairments, and other expense (including lower of cost or market inventory adjustments recorded in cost of product, less gain (loss) on divestiture and other, net, income from equity investments, interest income, income tax benefit, and other income.

	Three Months Ended March 31,	
thousands	**2016**	**2015** [(1)]
Reconciliation of Net income (loss) attributable to Western Gas Partners, LP to Adjusted EBITDA attributable to Western Gas Partners, LP		
Net income (loss) attributable to Western Gas Partners, LP	**$ 116,060**	$ (156,493)
Add:		
Distributions from equity investees	**24,639**	21,670
Non-cash equity-based compensation expense	**1,303**	1,112
Interest expense	**32,036**	22,960
Income tax expense	**6,633**	12,270
Depreciation and amortization [(2)]	**64,439**	68,327
Impairments	**6,518**	272,624
Less:		
Gain (loss) on divestiture and other, net	**(632)**	(6)
Equity income, net	**16,814**	18,220
Interest income – affiliates	**4,225**	4,225
Other income [(2)]	**122**	69
Adjusted EBITDA attributable to Western Gas Partners, LP	**$ 231,099**	$ 219,962

(1) *In March 2016, WES acquired Springfield Pipeline LLC ("Springfield") from Anadarko. Springfield owns a 50.1% interest in an oil gathering system and a gas gathering system, such interest being referred to as the "Springfield system." Financial information has been recast to include the financial position and results attributable to the Springfield system.*

(2) *Includes WES's 75% share of depreciation and amortization and other income attributable to Chipeta.*

WES Non-GAAP Reconciliation

"Adjusted EBITDA"

The Partnership defines Adjusted EBITDA as net income (loss) attributable to Western Gas Partners, LP, plus distributions from equity investees, non-cash equity-based compensation expense, interest expense, income tax expense, depreciation and amortization, impairments, and other expense (including lower of cost or market inventory adjustments recorded in cost of product), less gains (loss) on divestiture and other, net, income from equity investments, interest income, income tax benefit, and other income.

	Three Months Ended March 31,	
thousands	**2016**	2015 [1]
Reconciliation of Adjusted EBITDA attributable to Western Gas Partners, LP to Net cash provided by operating activities		
Adjusted EBITDA attributable to Western Gas Partners, LP	**$ 231,099**	$ 219,962
Adjusted EBITDA attributable to noncontrolling interest	**3,677**	3,872
Interest income (expense), net	**(27,811)**	(18,735)
Uncontributed cash-based compensation awards	**(72)**	(77)
Accretion and amortization of long-term obligations, net	**5,467**	2,112
Current income tax benefit (expense)	**(4,781)**	(6,461)
Other income (expense), net	**124**	71
Distributions from equity investments in excess of cumulative earnings	**(4,784)**	(2,964)
Changes in operating working capital:		
Accounts receivable, net	**12,558**	(14,633)
Accounts and imbalance payables and accrued liabilities, net	**17,978**	12,796
Other	**3,048**	(1,110)
Net cash provided by (used in) operating activities	**$ 236,503**	$ 194,833
Cash flow information of Western Gas Partners, LP		
Net cash provided by (used in) operating activities	**$ 236,503**	$ 194,833
Net cash provided by (used in) investing activities	**$ (842,818)**	$ (214,224)
Net cash provided by (used in) financing activities	**$ 616,761**	$ 10,976

(1) Financial information has been recast to include the financial position and results attributable to the Springfield system.

WES Non-GAAP Reconciliation

"Distributable Cash Flow"

WES defines Distributable cash flow as Adjusted EBITDA, plus interest income and the net settlement amounts from the sale and/or purchase of natural gas, condensate and NGLs under WES's commodity price swap agreements to the extent such amounts are not recognized as Adjusted EBITDA, less net cash paid (or to be paid) for interest expense (including amortization of deferred debt issuance costs originally paid in cash, offset by non-cash capitalized interest), maintenance capital expenditures, Series A Preferred unit distributions and income taxes.

	Three Months Ended March 31,	
thousands except Coverage ratio	**2016**	**2015 (1)**
Reconciliation of Net income (loss) attributable to Western Gas Partners, LP to Distributable cash flow and calculation of the Coverage ratio		
Net income (loss) attributable to Western Gas Partners, LP	**$ 116,060**	$ (156,493)
Add:		
Distributions from equity investees	**24,639**	21,670
Non-cash equity-based compensation expense	**1,303**	1,112
Interest expense, net (non-cash settled) (2)	**4,537**	1,420
Income tax (benefit) expense	**6,633**	12,270
Depreciation and amortization (3)	**64,439**	68,327
Impairments	**6,518**	272,624
Above-market component of swap extensions with Anadarko	**6,813**	—
Less:		
Gain (loss) on divestiture and other, net	**(632)**	(6)
Equity income, net	**16,814**	18,220
Cash paid for maintenance capital expenditures (3)	**18,897**	14,113
Capitalized interest	**1,849**	3,094
Cash paid for (reimbursement of) income taxes	**67**	(138)
Series A Preferred unit distributions	**1,887**	—
Other income (3)	**122**	69
Distributable cash flow	**$ 191,938**	$ 185,578
Distributions declared (4)		
Limited partners - common units	**$ 106,493**	
General partner	**52,412**	
Total	**$ 158,905**	
Coverage ratio	**1.21 x**	

(1) Financial information has been recast to include the financial position and results attributable to the Springfield system.
(2) Includes accretion expense related to the Deferred purchase price obligation – Anadarko associated with the acquisition of DBJV.
(3) Includes WES's 75% share of depreciation and amortization; cash paid for maintenance capital expenditures; and other income attributable to Chipeta.
(4) Reflects cash distributions of $0.815 per unit declared for the three months ended March 31, 2016.

WES Non-GAAP Reconciliation

"Adjusted gross margin"

WES defines Adjusted gross margin as total revenues and other, less cost of product and reimbursements for electricity-related expenses recorded as revenue, plus distributions from equity investees and excluding the noncontrolling interest owner's proportionate share of revenue and cost of product.

	Three Months Ended March 31,	
thousands	**2016**	**2015** (1)
Reconciliation of Adjusted gross margin attributable to Western Gas Partners, LP to Operating income (loss)		
Adjusted gross margin attributable to Western Gas Partners, LP for natural gas assets	**$ 276,529**	$ 271,246
Adjusted gross margin for crude/NGL assets	**34,695**	31,404
Adjusted gross margin attributable to Western Gas Partners, LP	**311,224**	302,650
Adjusted gross margin attributable to noncontrolling interest	**4,421**	4,808
Gain (loss) on divestiture and other, net	**(632)**	(6)
Equity income, net	**16,814**	18,220
Reimbursed electricity-related charges recorded as revenues	**15,668**	11,810
Less:		
Distributions from equity investees	**24,639**	21,670
Operation and maintenance	**76,213**	76,185
General and administrative	**11,277**	11,081
Property and other taxes	**10,350**	9,280
Depreciation and amortization	**65,095**	68,975
Impairments	**6,518**	272,624
Operating income (loss)	**$ 153,403**	$ (122,333)

(1) *Financial information has been recast to include the financial position and results attributable to the Springfield system.*

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