



Third Quarter 2015 Review

October 29, 2015

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



- **Raised WES Distribution to 77.5 Cents per Unit**
 - 15% growth over 3Q14
- **Raised WGP Distribution to 38.125 Cents per Unit**
 - 31% growth over 3Q14
- **Announced New Delaware Basin Growth Project (Ramsey VI Processing Train)**
- **Launched Non-binding Open Season for Delaware Basin Express Pipeline**
- **Announced Intention to Extend DJ and Hugoton Fixed Price Agreements through December 31, 2016**

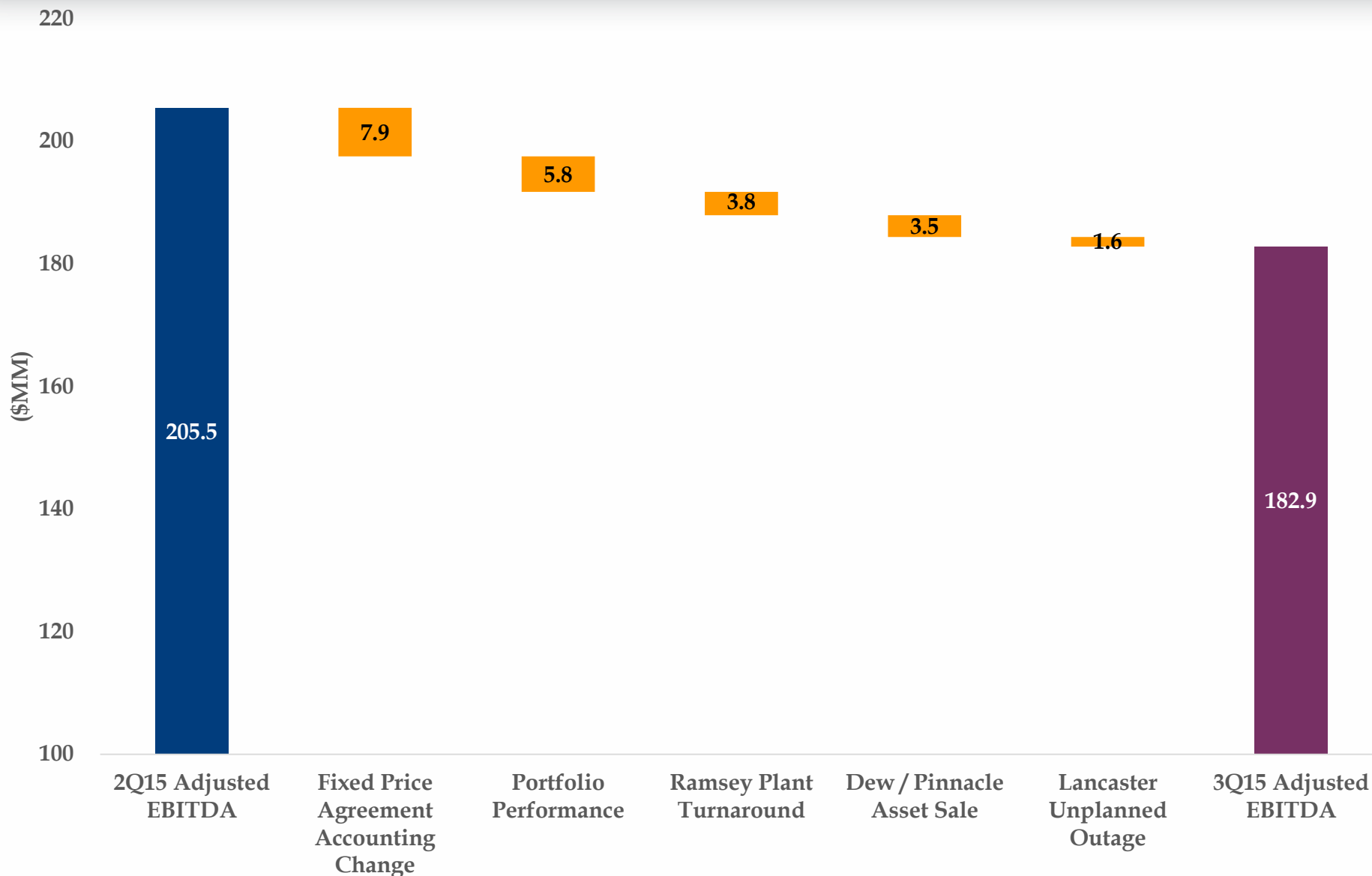
WES Financial Summary – 3Q15 vs. 2Q15



<i>(\$ in millions)</i>	3Q15	2Q15
Adjusted EBITDA	\$182.9	\$205.5
Total Capex⁽¹⁾	\$128.5	\$120.2
Maintenance Capex⁽¹⁾	\$13.7	\$10.3
Maint. Capex as % of EBITDA	7%	5%
Distributable Cash Flow	\$152.8	\$173.3
Coverage Ratio	1.05x	1.24x

(1) Attributable to WES; includes equity investments

Drivers of EBITDA Variance

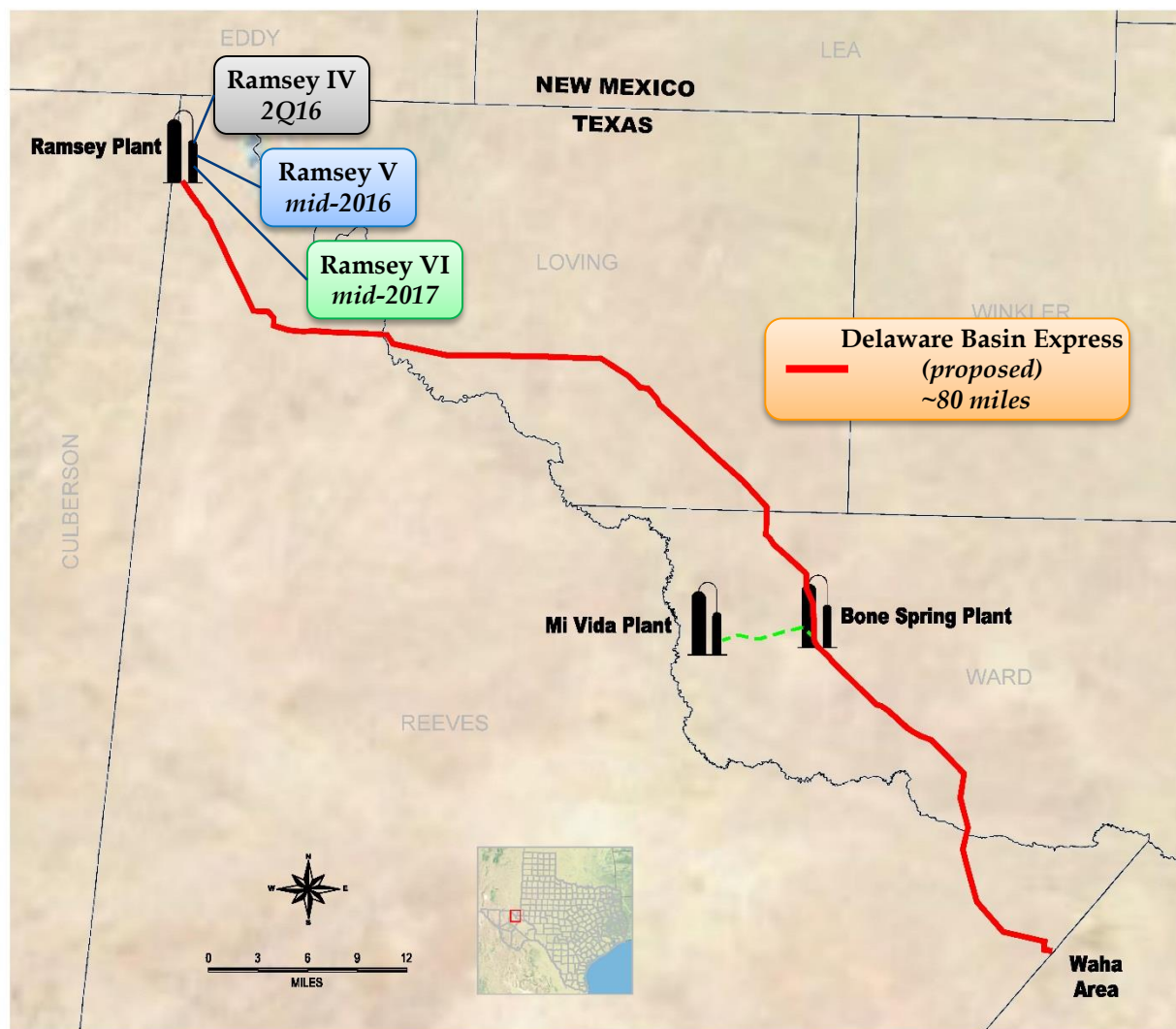


WES Operating Summary – 3Q15 vs. 2Q15



	3Q15	2Q15	Key Drivers
Natural Gas Throughput (Bcf/d)	3.78	4.08	Dew/Pinnacle Divestment; Decreases in Marcellus and Uinta Basins
Crude / NGL Throughput (MBbls/d)	145	134	Increases at Texas Express and Front Range Pipelines
Adjusted Gross Margin / Mcf For Natural Gas Assets	\$0.69	\$0.69	Fixed Price Agreement Accounting Change; Dew/Pinnacle Divestment
Adjusted Gross Margin / Bbl For Crude & NGL Assets	\$1.76	\$1.80	Lower Distribution from White Cliffs

West Texas Projects



Updated 2015 Outlook



<i>(\$ in millions)</i>	Previously Announced⁽³⁾	Current	Midpoint Variance
Adjusted EBITDA⁽¹⁾	\$725-775	\$745-770	\$7.5
Maint. Capex as % of Adj. EBITDA	7 - 10%	7 - 9%	(0.5%)
Total Capex⁽¹⁾⁽²⁾	\$640-700	\$580-620	(\$70)
Minimum WES Distribution Growth	15%	15%	-
Minimum WGP Distribution Growth	30%	30%	-

(1) Includes full-year results of DBJV Assets

(2) Excludes acquisition capital; includes forecasted equity investments of approximately \$12 million

(3) Announced on second-quarter earnings call on July 30, 2015



Reconciliations

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, drip condensate and NGLs under our commodity price swap agreements to the extent such amounts are not recognized as Adjusted EBITDA, less net cash paid for interest expense (including amortization of deferred debt issuance costs originally paid in cash, offset by non-cash capitalized interest), maintenance capital expenditures, and income taxes.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014 ⁽¹⁾	2015	2014 ⁽¹⁾
<i>thousands except Coverage ratio</i>				
Reconciliation of Net income attributable to Western Gas Partners, LP to Distributable cash flow and calculation of the Coverage ratio				
Net income attributable to Western Gas Partners, LP	\$ 161,306	\$ 109,159	\$ 355,396	\$ 299,382
Add:				
Distributions from equity investees	25,482	20,807	73,054	57,448
Non-cash equity-based compensation expense	1,148	1,034	3,423	3,188
Interest expense, net (non-cash settled) ⁽²⁾	4,310	—	9,920	—
Income tax (benefit) expense	1,661	3,891	4,305	8,199
Depreciation, amortization and impairments ⁽³⁾	65,035	46,631	199,990	132,741
Above-market component of swap extensions with Anadarko	7,916	—	7,916	—
Less:				
Gain on divestiture, net	77,244	—	77,244	—
Equity income, net	21,976	19,063	59,137	41,322
Cash paid for maintenance capital expenditures ⁽³⁾	13,695	12,561	36,589	35,554
Capitalized interest	1,039	1,900	6,826	7,347
Cash paid for (reimbursement of) income taxes	—	—	(138)	(340)
Other income ^{(3) (4)}	82	94	219	251
Distributable cash flow	\$ 152,822	\$ 147,904	\$ 474,127	\$ 416,824
Distributions declared ⁽⁵⁾				
Limited partners	\$ 99,645		\$ 289,215	
General partner	46,515		129,884	
Total	\$ 146,160		\$ 419,099	
Coverage ratio	1.05	x	1.13	x

- (1) In March 2015, WES acquired Anadarko's interest in Delaware Basin JV Gathering LLC, which owns a 50% interest in a gathering system and related facilities (the “DBJV system”). WES will make a cash payment on March 1, 2020, to Anadarko as consideration for the acquisition. The net present value of this future obligation has been recorded on the consolidated balance sheet under Deferred purchase price obligation – Anadarko. Financial information has been recast to include the financial position and results attributable to the DBJV 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, amortization and impairments; cash paid for maintenance capital expenditures; and other income attributable to Chipeta.
- (4) Excludes income of zero for each of the three months ended September 30, 2015 and 2014, and zero and \$0.5 million for the nine months ended September 30, 2015 and 2014, respectively, related to a component of a gas processing agreement accounted for as a capital lease.
- (5) Reflects cash distributions of \$0.775 and \$2.250 per unit declared for the three and nine months ended September 30, 2015, respectively.

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, amortization and impairments, and other expense, less gain on divestiture, income from equity investments, interest income, income tax benefit, and other income.

<i>thousands</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014 ⁽¹⁾	2015	2014 ⁽¹⁾
Reconciliation of Net income attributable to Western Gas Partners, LP to Adjusted EBITDA attributable to Western Gas Partners, LP				
Net income attributable to Western Gas Partners, LP	\$ 161,306	\$ 109,159	\$ 355,396	\$ 299,382
Add:				
Distributions from equity investees	25,482	20,807	73,054	57,448
Non-cash equity-based compensation expense	1,148	1,034	3,423	3,188
Interest expense	31,773	20,878	82,337	55,703
Income tax expense	1,661	3,891	6,121	8,199
Depreciation, amortization and impairments ⁽²⁾	65,035	46,631	199,990	132,741
Less:				
Gain on divestiture, net	77,244	—	77,244	—
Equity income, net	21,976	19,063	59,137	41,322
Interest income – affiliates	4,225	4,225	12,675	12,675
Other income ^{(2) (3)}	82	94	219	251
Income tax benefit	—	—	1,816	—
Adjusted EBITDA attributable to Western Gas Partners, LP	\$ 182,878	\$ 179,018	\$ 569,230	\$ 502,413

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

(2) Includes WES's 75% share of depreciation, amortization and impairments; and other income attributable to Chipeta

(3) Excludes income of zero for each of the three months ended September 30, 2015 and 2014, and zero and \$0.5 million for the nine months ended September 30, 2015 and 2014, respectively, related to a component of a gas processing agreement accounted for as a capital lease.

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, amortization and impairments, and other expense, less gain on divestiture, income from equity investments, interest income, income tax benefit, and other income.

<i>thousands</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014 ⁽¹⁾	2015	2014 ⁽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	\$ 182,878	\$ 179,018	\$ 569,230	\$ 502,413
Adjusted EBITDA attributable to noncontrolling interest	2,838	4,506	10,173	12,922
Interest income (expense), net	(27,548)	(16,653)	(69,662)	(43,028)
Uncontributed cash-based compensation awards	(21)	(11)	(166)	22
Accretion and amortization of long-term obligations, net	5,226	687	12,296	2,045
Current income tax benefit (expense)	(493)	(2,085)	(1,312)	(4,175)
Other income (expense), net ⁽²⁾	85	97	227	260
Distributions from equity investments in excess of cumulative earnings	(3,871)	(4,539)	(12,409)	(14,387)
Changes in operating working capital:				
Accounts receivable, net	22,031	(28,799)	(24,104)	(52,659)
Accounts and natural gas imbalance payables and accrued liabilities, net	15,669	31,540	15,952	35,807
Other	147	(2,602)	(1,817)	1,645
Net cash provided by operating activities	\$ 196,941	\$ 161,159	\$ 498,408	\$ 440,865
Cash flow information of Western Gas Partners, LP				
Net cash provided by operating activities			\$ 498,408	\$ 440,865
Net cash used in investing activities			\$ (337,989)	\$ (950,282)
Net cash provided by (used in) financing activities			\$ (154,273)	\$ 476,526

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

(2) Excludes income of zero for each of the three months ended September 30, 2015 and 2014, and zero and \$0.5 million for the nine months ended September 30, 2015 and 2014, respectively, related to a component of a gas processing agreement accounted for as a capital lease.

WES Non-GAAP Reconciliation



“Adjusted gross margin”

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

<i>Thousands</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014 ⁽¹⁾	2015	2014 ⁽¹⁾
Reconciliation of Adjusted gross margin attributable to Western Gas Partners, LP to Operating income				
Adjusted gross margin attributable to Western Gas Partners, LP for natural gas assets	\$ 240,210	\$ 228,112	\$ 729,404	\$ 646,796
Adjusted gross margin for crude/NGL assets	23,507	19,396	65,709	51,692
Adjusted gross margin attributable to Western Gas Partners, LP	\$ 263,717	\$ 247,508	\$ 795,113	\$ 698,488
Adjusted gross margin attributable to noncontrolling interest	\$ 3,753	\$ 5,582	\$ 13,222	\$ 15,611
Gain on divestiture, net	77,244	—	77,244	—
Equity income, net	21,976	19,063	59,137	41,322
Reimbursed electricity-related charges recorded as revenues	15,392	12,021	40,423	28,574
Less:				
Distributions from equity investees	25,482	20,807	73,054	57,448
Operation and maintenance	80,633	67,489	218,640	184,023
General and administrative	9,318	8,339	28,497	25,688
Property and other taxes	8,343	6,793	25,641	21,343
Depreciation, amortization and impairments	65,688	47,277	201,941	134,667
Operating income	\$ 192,618	\$ 133,469	\$ 437,366	\$ 360,826

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



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