



Fourth Quarter and Full Year 2015 Review

February 25, 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.

2015 WES Performance vs. Guidance



<i>(\$ in millions)</i>	Actual	Guidance⁽¹⁾
Adjusted EBITDA	\$758	\$745 – 770
Total Capex⁽²⁾	\$536	\$580 – 620
Maint. Capex as % of EBITDA	7%	7 – 10%
Coverage Ratio	1.11x	NA
WES Distribution Growth	15%	Min 15%
WGP Distribution Growth	33%	Min 30%

(1) *Provided during the third-quarter 2015 earnings conference call*

(2) *Accrual basis; includes equity investments*

WES Financial Summary – 4Q15 vs. 3Q15



<i>(\$ in millions)</i>	4Q15	3Q15
Adjusted EBITDA	\$188.7	\$182.9
Total Capex⁽¹⁾	\$119.9	\$128.5
Maintenance Capex⁽¹⁾	\$12.7	\$13.7
Maint. Capex as % of EBITDA	7%	7%
Distributable Cash Flow	\$162.2	\$152.8
Coverage Ratio	1.06x	1.05x

(1) *Attributable to WES; includes equity investments*

WES Operating Summary – 4Q15 vs. 3Q15

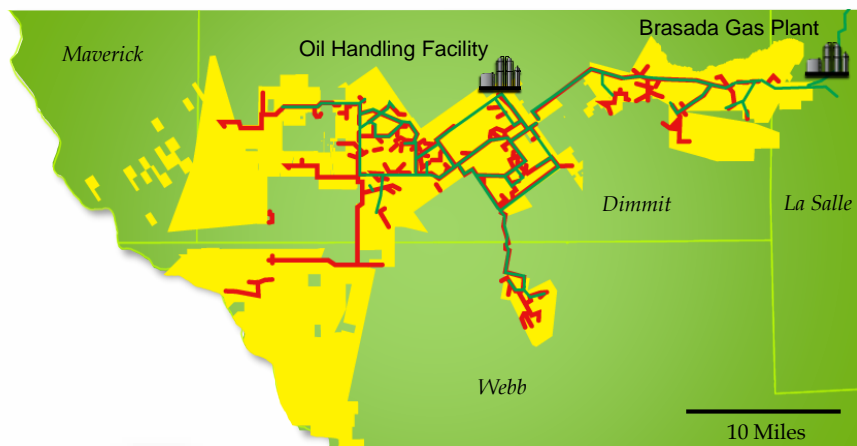


	4Q15	3Q15	Key Drivers
Natural Gas Throughput (Bcf/d)	3.64	3.78	Sequentially flat when adjusted for Ramsey downtime and Dew/Pinnacle divestiture in mid-July
Crude / NGL Throughput (MBbls/d)	142	145	Lower volumes at Greater Natural Buttes NGL Pipeline
Adjusted Gross Margin / Mcf for Natural Gas Assets	\$0.72	\$0.69	Changes in throughput mix; non-recurring higher margins at DJ Basin Complex
Adjusted Gross Margin / Bbl for Crude & NGL Assets	\$1.76	\$1.76	

Maverick Basin Acquisition






Acquisition of 50.1% interest in Springfield Oil and Gas Gathering System Expands Eagleford Position

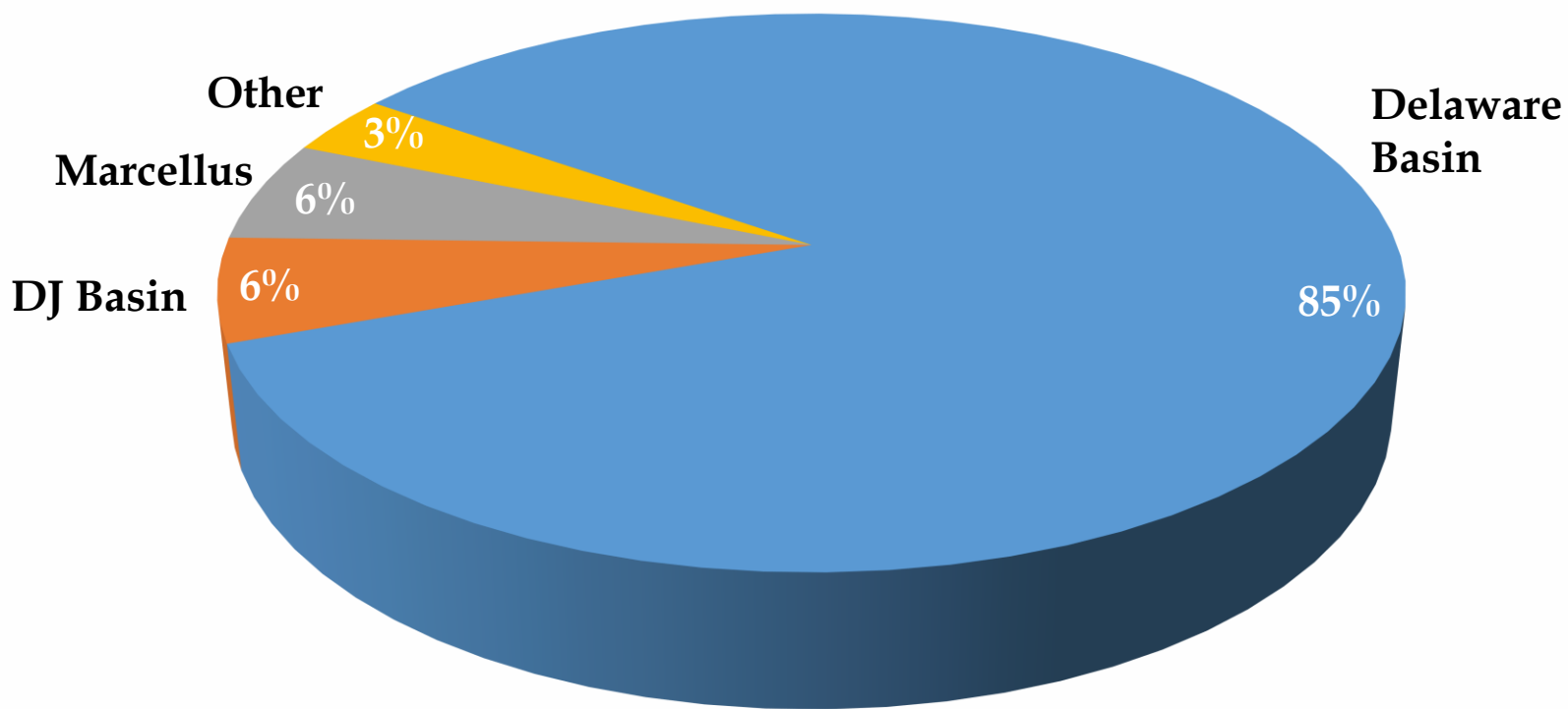


- Expected to close by 3/15/2016
- Immediately accretive acquisition
 - \$750MM purchase price
 - Represents ~5.8x 2016E EBITDA
 - 100% fee-based cash flows
 - 75% of forecast volumes covered under MVC
 - Cost-of-service commercial agreements in place
 - Recently negotiated term extension through 2034
- High-quality addition to midstream asset portfolio
 - Mature assets with significant cash flow
 - Minimal ongoing capital requirements



APC Acreage 
Gas Gathering 
Oil Gathering 
Oil Handling Facility 

Maverick Gathering Asset Overview	
<i>Gas, condensate and oil gathering systems located in Maverick Basin</i>	
Gas Gathering	548 mi of pipeline, 219,000 HP compression, 795 MMcf/d capacity
Oil Gathering	241 mi of pipeline, 130 MBbl/d capacity, 260,000 Bbl of oil storage, 75,000 Bbls/d oil stabilization
Facilities	24 compressor stations with centralized delivery points



Note: Excludes acquisition capital



- **Incident on December 3, 2015**
 - No significant injuries
 - No material impact to Ramsey IV and V construction timetable
- **Train III (200 MMcf/d) expected to be in limited service in April**
 - Full service expected by end of 2Q16
- **Train II (100MMcf/d) to be repaired later in year**
- **WES property insurance expected to cover repair costs**
 - \$1MM deductible
- **WES business interruption insurance expected to cover losses**
 - Begins January 2, 2016

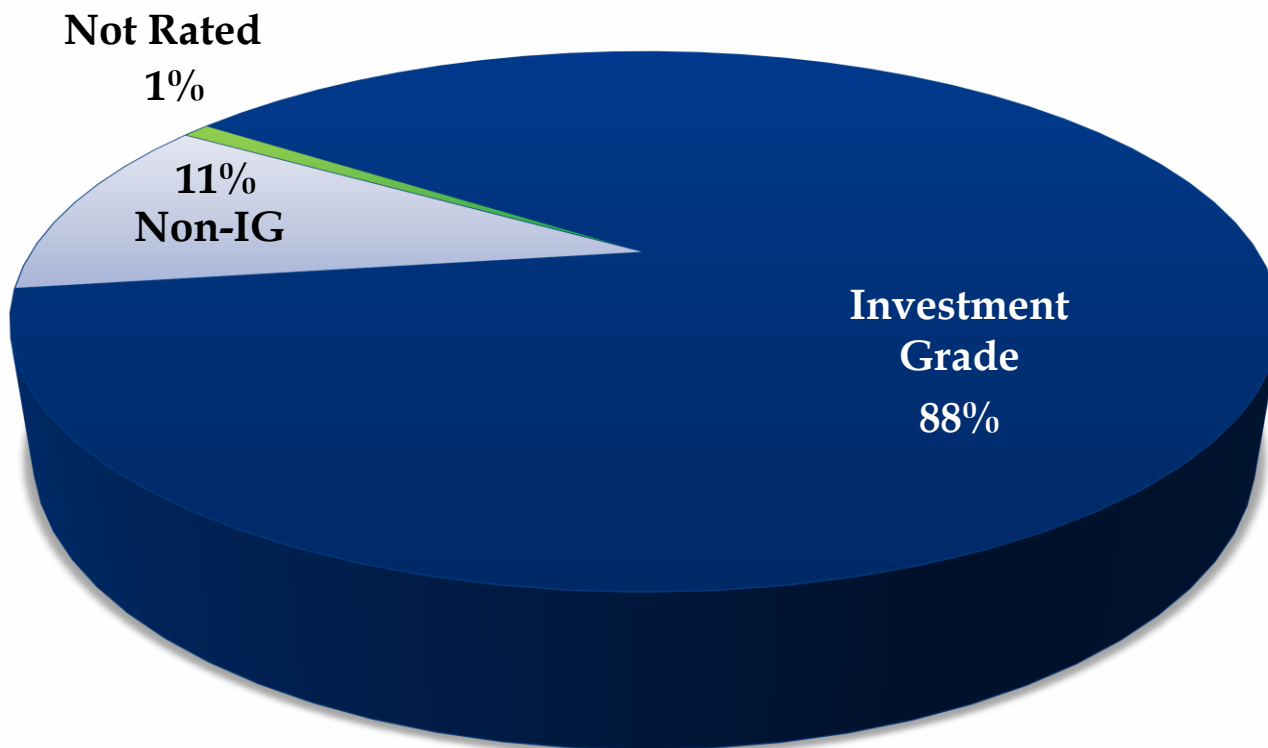


<i>(\$ in millions)</i>	Full-Year 2016
WES Adjusted EBITDA⁽¹⁾	\$860 – 950
WES Total Capex⁽¹⁾	\$450 - 490
WES Maint. Capex as % of Adj. EBITDA	7 – 10%
WES Distribution Growth	10%
WGP Distribution Growth	20%

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



Producer Credit Ratings¹



Note:

1) Credit ratings as of February 23, 2016; includes split-rated entities



Reconciliations

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 gain (loss) on divestiture and other, net, income from equity investments, interest income, income tax benefit, and other income.

	Three Months Ended December 31,		Year Ended December 31,	
	2015	2014 ⁽¹⁾	2015	2014 ⁽¹⁾
<i>thousands</i>				
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	\$ (171,661)	\$ 94,460	\$ (73,538)	\$ 393,842
Add:				
Distributions from equity investees	25,244	23,574	98,298	81,022
Non-cash equity-based compensation expense	979	907	4,402	4,095
Interest expense	31,535	21,063	113,872	76,766
Income tax expense	—	3,460	5,285	11,659
Depreciation and amortization ⁽²⁾	59,792	53,635	241,556	183,945
Impairments	237,867	653	514,096	3,084
Other expense ⁽²⁾	1,290	—	1,290	—
Less:				
Gain (loss) on divestiture and other, net	(20,224)	—	57,020	—
Equity income, net	12,114	16,514	71,251	57,836
Interest income – affiliates	4,225	4,225	16,900	16,900
Other income ^{(2) (3)}	—	74	219	325
Income tax benefit	195	—	1,905	—
Adjusted EBITDA attributable to Western Gas Partners, LP	\$ 188,736	\$ 176,939	\$ 757,966	\$ 679,352

- (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 WES's 75% share of depreciation and amortization; other expense; and other income attributable to Chipeta. For the three months and year ended December 31, 2015, other expense also includes \$0.4 million of lower of cost or market inventory adjustments at WES's DBM complex.
- (3) Excludes income of zero for each of the three months ended December 31, 2015 and 2014, and zero and \$0.5 million for the years ended December 31, 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”

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.

<i>thousands</i>	Three Months Ended December 31,		Year Ended December 31,	
	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	\$ 188,736	\$ 176,939	\$ 757,966	\$ 679,352
Adjusted EBITDA attributable to noncontrolling interest	2,526	3,661	12,699	16,583
Interest income (expense), net	(27,310)	(16,838)	(96,972)	(59,866)
Uncontributed cash-based compensation awards	(48)	(197)	(214)	(175)
Accretion and amortization of long-term obligations, net	5,402	691	17,698	2,736
Current income tax benefit (expense)	(369)	5,841	(1,448)	1,666
Other income (expense), net ⁽²⁾	(846)	76	(619)	336
Distributions from equity investments in excess of cumulative earnings	(3,835)	(3,668)	(16,244)	(18,055)
Changes in operating working capital:				
Accounts receivable, net	18,490	45,968	(5,614)	(6,691)
Accounts and imbalance payables and accrued liabilities, net	(12,565)	(74,969)	3,154	(39,162)
Other	1,020	1,840	(797)	3,485
Net cash provided by operating activities	\$ 171,201	\$ 139,344	\$ 669,609	\$ 580,209
Cash flow information of Western Gas Partners, LP				
Net cash provided by operating activities			\$ 669,609	\$ 580,209
Net cash used in investing activities			\$ (466,424)	\$ (2,670,998)
Net cash provided by (used in) financing activities			\$ (172,206)	\$ 2,057,115

(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 December 31, 2015 and 2014, and zero and \$0.5 million for the years ended December 31, 2015 and 2014, respectively, related to a component of a gas processing agreement accounted for as a capital lease.

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 WES’s 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 December 31,		Year Ended December 31,	
	2015	2014 ⁽¹⁾	2015	2014 ⁽¹⁾
<i>thousands except Coverage ratio</i>				
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	\$ (171,661)	\$ 94,460	\$ (73,538)	\$ 393,842
Add:				
Distributions from equity investees	25,244	23,574	98,298	81,022
Non-cash equity-based compensation expense	979	907	4,402	4,095
Interest expense, net (non-cash settled) ⁽²⁾	4,480	—	14,400	—
Income tax (benefit) expense	(195)	3,460	3,380	11,659
Depreciation and amortization ⁽³⁾	59,792	53,635	241,556	183,945
Impairments	237,867	653	514,096	3,084
Above-market component of swap extensions with Anadarko	10,533	—	18,449	—
Other expense ⁽³⁾	1,290	—	1,290	—
Less:				
Gain (loss) on divestiture and other, net	(20,224)	—	57,020	—
Equity income, net	12,114	16,514	71,251	57,836
Cash paid for maintenance capital expenditures ⁽³⁾	12,711	13,009	49,300	48,563
Capitalized interest	1,492	2,485	8,318	9,832
Cash paid for (reimbursement of) income taxes	—	250	(138)	(90)
Other income ⁽³⁾⁽⁴⁾	—	74	219	325
Distributable cash flow	\$ 162,236	\$ 144,357	\$ 636,363	\$ 561,181
Distributions declared ⁽⁵⁾				
Limited partners	\$ 102,862		\$ 392,077	
General partner	49,726		179,610	
Total	\$ 152,588		\$ 571,687	
Coverage ratio	1.06	x	1.11	x

(1) 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 and amortization; other expense; cash paid for maintenance capital expenditures; and other income attributable to Chipeta. For the three months and year ended December 31, 2015, other expense also includes \$0.4 million of lower of cost or market inventory adjustments at WES’s DBM complex.

(4) Excludes income of zero for each of the three months ended December 31, 2015 and 2014, and zero and \$0.5 million for the years ended December 31, 2015 and 2014, respectively, related to a component of a gas processing agreement accounted for as a capital lease.

(5) Reflects cash distributions of \$0.800 and \$3.050 per unit declared for the three months and year ended December 31, 2015, respectively.

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 December 31,		Year Ended December 31,	
	2015	2014 ⁽¹⁾	2015	2014 ⁽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	\$ 242,235	\$ 229,414	\$ 971,639	\$ 876,210
Adjusted gross margin for crude/NGL assets	22,933	22,022	88,642	73,714
Adjusted gross margin attributable to Western Gas Partners, LP	\$ 265,168	\$ 251,436	\$ 1,060,281	\$ 949,924
Adjusted gross margin attributable to noncontrolling interest	\$ 3,557	\$ 4,572	\$ 16,779	\$ 20,183
Gain (loss) on divestiture and other, net	(20,224)	—	57,020	—
Equity income, net	12,114	16,514	71,251	57,836
Reimbursed electricity-related charges recorded as revenues	13,752	10,764	54,175	39,338
Less:				
Distributions from equity investees	25,244	23,574	98,298	81,022
Operation and maintenance	78,134	71,821	296,774	255,844
General and administrative	9,611	10,535	38,108	36,223
Property and other taxes	4,892	4,723	30,533	26,066
Depreciation and amortization	60,448	54,278	244,163	186,514
Impairments	237,867	653	514,096	3,084
Operating income (loss)	\$ (141,829)	\$ 117,702	\$ 37,534	\$ 478,528

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



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