

INVESTOR RELATIONS

Jon VandenBrand
Director
832.636.1007

NYSE: WES, WGP
WWW.WESTERNGAS.COM



FIRST QUARTER 2018 REVIEW

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Cautionary Language Regarding 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 the attached Appendix and our earnings release, posted on our website at www.westerngas.com, for reconciliations of the differences between any non-GAAP financial measures used in this presentation and the most directly comparable GAAP financial measures.



1Q18 vs 4Q17 Financial Performance

<i>(\$ in Millions)</i>	1Q18	4Q17
Adjusted EBITDA	\$272.1	\$273.3
Total Capital Expenditures ¹	\$323.4	\$291.6
Maintenance Capital Expenditures	\$16.4	\$16.6
Distributable Cash Flow	\$231.4	\$233.4
Coverage Ratio	1.05x	1.08x

1) Includes Equity Investments.

1Q18 vs 4Q17 Operational Performance

	1Q18	4Q17	Key Drivers
Natural Gas Throughput (<i>Bcf/d</i>)	3.63	3.47	DJ Basin, Delaware Basin, Granger Straddle, and Springfield Growth
Crude, NGL & Produced Water Throughput (<i>MBbls/d</i>)	258	240	DBM Water Services, Springfield, and White Cliffs Growth
Adjusted Gross Margin for Natural Gas Assets (<i>\$/Mcf</i>)	\$1.00	\$1.00	-
Adjusted Gross Margin for Crude, NGL & Produced Water Assets (<i>\$/Bbl</i>)	\$1.84	\$2.21	Normalized DBM Water Services Margin; Lower White Cliffs & Texas Express Per Barrel Distributions

2018 Outlook

<i>(\$ in Millions)</i>	Previously Announced	Current	Midpoint Variance
WES Adjusted EBITDA ¹	\$1,150 - \$1,250	\$1,150 - \$1,250	-
WES Total Capital Expenditures ²	\$1,000 - \$1,100	\$1,350 - \$1,450	\$350
WES Maintenance Capital Expenditures	\$80 - \$90	\$80 - \$90	-
WES 2018 & 2019 Distribution Growth	1.5 cents/quarter	1.5 cents/quarter	-
WGP 2018 & 2019 Annual Distribution Growth	9 - 12% ³	9 - 12% ³	-

1) A reconciliation of the Adjusted EBITDA range to net cash provided by operating activities and net income is not provided because the items necessary to estimate such amounts are not reasonably accessible or estimable at this time.

2) Includes Equity Investments.

3) Based on the expected 2018 and 2019 WES distribution growth and assuming no WES equity issuances.

Appendices



WES Non-GAAP Reconciliation

“Adjusted EBITDA”

WES defines Adjusted EBITDA as net income (loss) attributable to Western Gas Partners, LP, plus distributions from equity investments, 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.

<i>thousands</i>	Three Months Ended	
	March 31, 2018	December 31, 2017
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	\$ 149,363	\$ 148,637
Add:		
Distributions from equity investments	28,954	29,897
Non-cash equity-based compensation expense	2,152	1,468
Interest expense	39,283	35,592
Income tax expense	1,502	—
Depreciation and amortization ⁽¹⁾	76,116	73,874
Impairments	148	8,295
Other expense ⁽¹⁾	143	5
Less:		
Gain (loss) on divestiture and other, net	116	(2,629)
Equity income, net – affiliates	20,424	22,486
Interest income – affiliates	4,225	4,225
Other income ⁽¹⁾	777	323
Income tax benefit	—	39
Adjusted EBITDA attributable to Western Gas Partners, LP	\$ 272,119	\$ 273,324

1) Includes WES's 75% share of depreciation and amortization; other expense; and other income attributable to Chipeta.



WES Non-GAAP Reconciliation

“Adjusted EBITDA”

WES defines Adjusted EBITDA as net income (loss) attributable to Western Gas Partners, LP, plus distributions from equity investments, 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.

<i>thousands</i>	Three Months Ended	
	March 31, 2018	December 31, 2017
Reconciliation of Net cash provided by operating activities to Adjusted EBITDA attributable to Western Gas Partners, LP		
Net cash provided by operating activities	\$ 241,596	\$ 256,396
Interest (income) expense, net	35,058	31,367
Uncontributed cash-based compensation awards	589	119
Accretion and amortization of long-term obligations, net	(1,378)	(1,060)
Current income tax (benefit) expense	171	1,385
Other (income) expense, net	(782)	(330)
Distributions from equity investments in excess of cumulative earnings – affiliates	8,013	6,830
Changes in assets and liabilities:		
Accounts receivable, net	28,648	(30,845)
Accounts and imbalance payables and accrued liabilities, net	(27,075)	10,937
Other items, net	(9,015)	1,426
Adjusted EBITDA attributable to noncontrolling interest	(3,706)	(2,901)
Adjusted EBITDA attributable to Western Gas Partners, LP	\$ 272,119	\$ 273,324
Cash flow information of Western Gas Partners, LP		
Net cash provided by operating activities	\$ 241,596	
Net cash used in investing activities	(294,168)	
Net cash provided by (used in) financing activities	495,184	

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 Service revenues – fee based recognized in Adjusted EBITDA (less than) in excess of customer billings, 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.

<i>thousands except Coverage ratio</i>	Three Months Ended	
	March 31, 2018	December 31, 2017
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	\$ 149,363	\$ 148,637
Add:		
Distributions from equity investments	28,954	29,897
Non-cash equity-based compensation expense	2,152	1,468
Income tax (benefit) expense	1,502	(39)
Depreciation and amortization ⁽¹⁾	76,116	73,874
Impairments	148	8,295
Above-market component of swap agreements with Anadarko	14,282	11,832
Other expense ⁽¹⁾	143	5
Less:		
Recognized Service revenues – fee based (less than) in excess of customer billings	(494)	—
Gain (loss) on divestiture and other, net	116	(2,629)
Equity income, net – affiliates	20,424	22,486
Cash paid for maintenance capital expenditures ⁽¹⁾	16,434	16,569
Capitalized interest	4,054	2,835
Cash paid for (reimbursement of) income taxes	(87)	1,005
Other income ⁽¹⁾	777	323
Distributable cash flow	\$ 231,436	\$ 233,380
Distributions declared ⁽²⁾		
Limited partners – common units	\$ 142,683	\$ 140,394
General partner	78,450	76,192
Total	\$ 221,133	\$ 216,586
Coverage ratio	1.05 x	1.08 x

1) Includes WES's 75% share of depreciation and amortization; other expense; cash paid for maintenance capital expenditures; and other income attributable to Chipeta.

2) Reflects cash distributions of \$0.935 per unit and \$0.920 per unit declared for the three months ended March 31, 2018, and December 31, 2017, 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), less cost of product, plus distributions from equity investments, and excluding the noncontrolling interest owner’s proportionate share of revenue and cost of product.

<i>thousands</i>	Three Months Ended	
	March 31, 2018	December 31, 2017
Reconciliation of Operating income (loss) to Adjusted gross margin attributable to Western Gas Partners, LP		
Operating income (loss)	\$ 188,126	\$ 181,815
Add:		
Distributions from equity investments	28,954	29,897
Operation and maintenance	88,279	86,550
General and administrative	14,132	12,394
Property and other taxes	12,382	11,385
Depreciation and amortization	76,842	74,602
Impairments	148	8,295
Less:		
Gain (loss) on divestiture and other, net	116	(2,629)
Equity income, net – affiliates	20,424	22,486
Reimbursed electricity-related charges recorded as revenues	15,453	14,485
Adjusted gross margin attributable to noncontrolling interest	4,324	3,638
Adjusted gross margin attributable to Western Gas Partners, LP	\$ 368,546	\$ 366,958
Adjusted gross margin attributable to Western Gas Partners, LP for natural gas assets	\$ 325,872	\$ 318,012
Adjusted gross margin for crude oil, NGL and produced water assets	42,674	48,946