



Westlake Chemical Partners LP

June 2016

Westlake Chemical Partners LP

Assets and Strategies to Promote Stable Growth of Cash Flows



Contract structure with Westlake Chemical and capacity expansions provide Westlake Partners with the means to make consistent growth in distributions since IPO.

Map of WLKP Operations



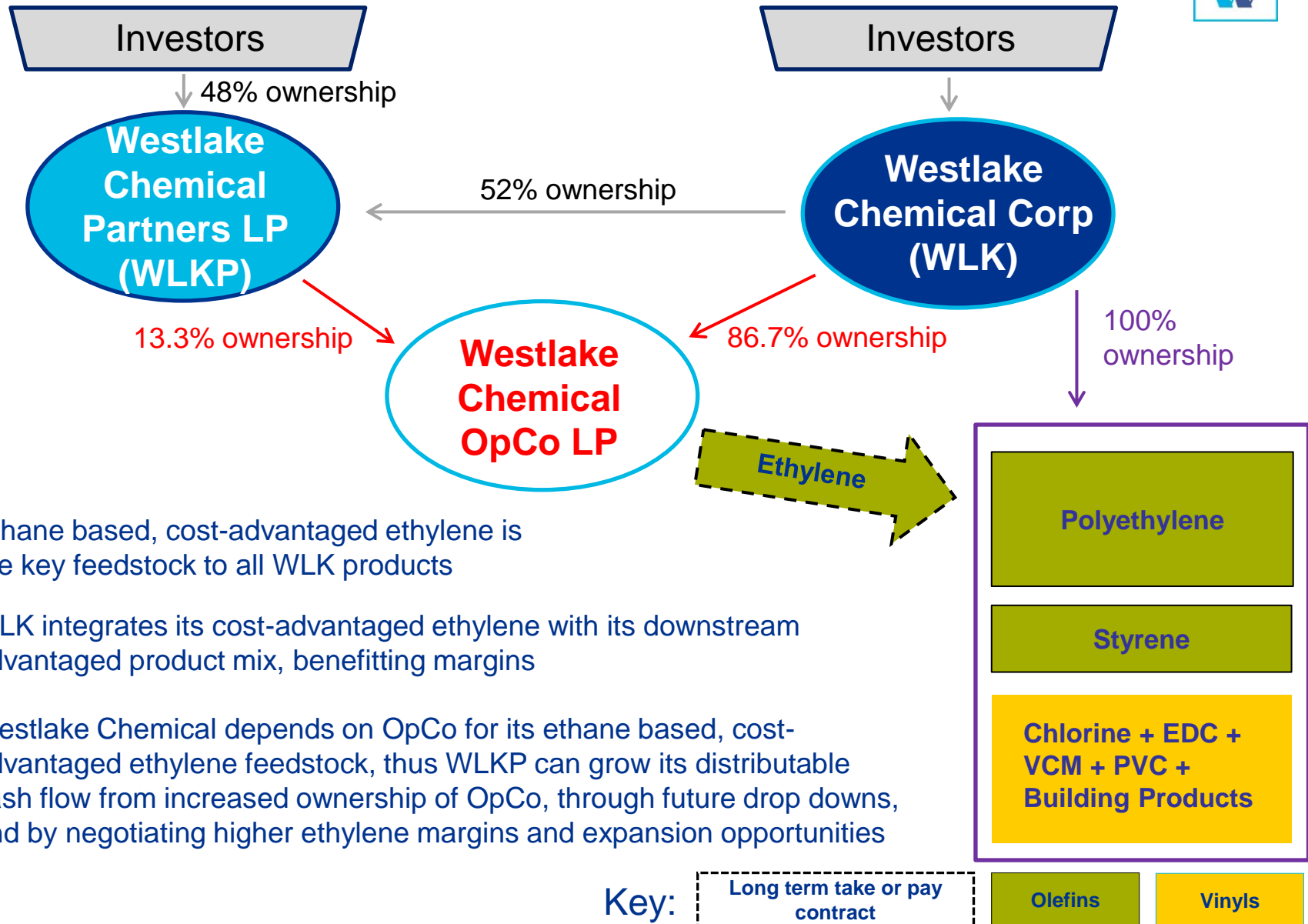
Four potential levers of distributable cash flow growth for WLKP

- Expansion opportunities
- Periodic drop downs from OpCo
- Acquisition opportunities, either as WLKP or jointly with WLK
- Negotiate higher ethylene margins

Westlake Chemical Partners Assets

- **Lake Charles Petro 1 & 2-** Two ethane-based NGL processing facilities that will have a combined capacity of ~3 billion pounds after the Petro 1 expansion is complete in 3Q 2016.
- **Calvert City Olefins-** One ethane-based NGL processing facility located in Calvert City, Kentucky, with a processing capacity of ~630 million pounds of ethylene per year, plus 100 million pound expansion planned for 2017
- **Longview Pipeline-** A 200-mile common carrier ethylene pipeline that runs from Mont Belvieu, Texas to the Longview, Texas chemical complex, which includes Westlake's Longview PE production facility

Westlake Chemical Partners LP & Westlake Chemical Corporation Organizationally Aligned for Profitable Growth



- Ethane based, cost-advantaged ethylene is the key feedstock to all WLK products
- WLK integrates its cost-advantaged ethylene with its downstream advantaged product mix, benefitting margins
- Westlake Chemical depends on OpCo for its ethane based, cost-advantaged ethylene feedstock, thus WLKP can grow its distributable cash flow from increased ownership of OpCo, through future drop downs, and by negotiating higher ethylene margins and expansion opportunities

Westlake Chemical Corporation

A Leading Integrated Plastics Materials Company



- C Corporation parent is strategically aligned with Westlake Partners
- C Corporation parent is investment grade rated with strong liquidity

(LTM 1Q 2016)

Net Sales	\$4,335 Million
EBITDA ^(1,2)	\$1,217 Million
Net Income ⁽³⁾	\$623 Million

Olefins

\$822 million

67%

EBITDA ⁽¹⁾

% of Total

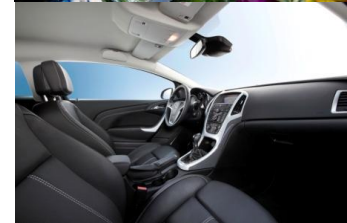
Vinyls

\$410 million

33%

OUR MISSION

- profitable growth ...
- in businesses we understand...
- globally in areas we can gain an edge...
- in a disciplined and opportunistic manner



Pictures: Raumedic, Benecke

- (1) See page 19.
 (2) Includes WLK Corporate EBITDA
 (3) Net Income attributable to WLK

Recent IRS Proposed Regulations



- Westlake Partners (WLKP) believes that the IRS was correct in providing a favorable Private Letter Ruling in 2013 qualifying our income stream for MLP treatment and this was the basis for WLKP's initial public offering in 2014
- WLKP filed our comment letter addressing the proposed regulations on July 28, 2015 and also provided testimony at the IRS hearings on October 27, 2015
- If the proposed regulations stand and become final, WLKP will have a 10 year grandfather period from the time the IRS regulations would take effect and we are working with the IRS to develop guidelines for qualifying income that are consistent with the tax statute and in the best interest of all stakeholders

Westlake Chemical Partners LP

Key Investment Highlights



The Partnership was formed to operate, acquire and develop permitted income streams from the processing of NGL's and related assets to sell ethylene to Westlake Chemical Corporation (WLK), via an affiliate (OpCo) on a stable, fee-based price for WLK to produce its polymer products of PVC and PE

Positive Industry Fundamentals

Shale gas plays are providing low cost ethylene. Industry consultants forecast continued advantaged feedstock to benefit North American ethane-based ethylene crackers

Strategic Relationship with Westlake

Upcoming expansion, plus a multi-year drop down inventory of high-quality, well-maintained assets will drive WLKP's growth

Stable and Predictable Cash Flows

Ethylene Sales Agreement designed to provide stable margin on 95% of processed NGL's, with 5% sold to third parties at currently higher market prices and margins

Strategically Located Assets with Long History of Reliable Operations

Reliable, efficient assets located near ample feedstock supply with high historical utilization and operating rates exceeding North American industry average

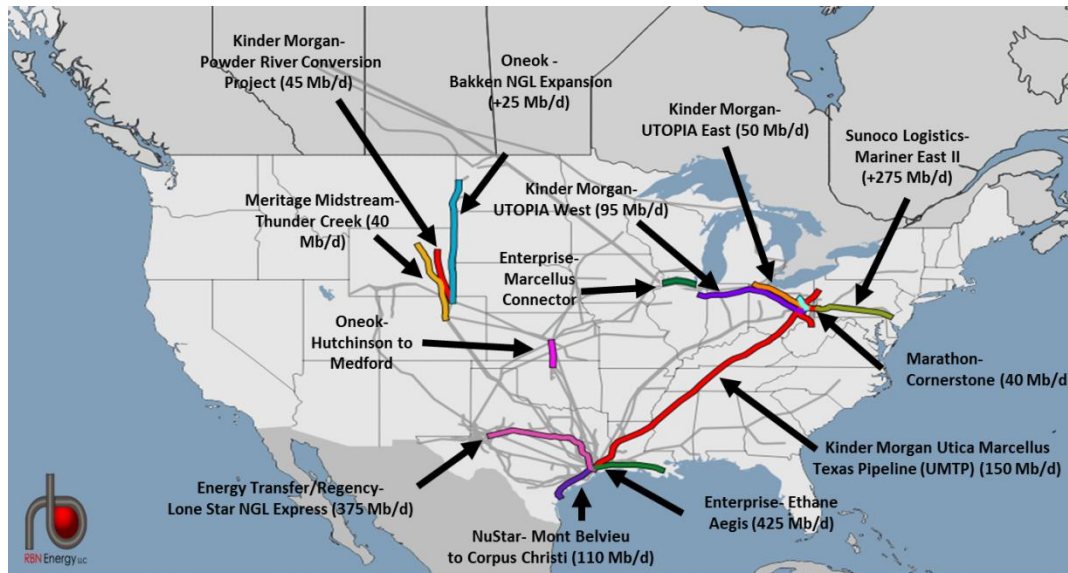
Westlake Chemical Partners LP

Business Strategies



Generate Stable, Fee-Based Cash Flow	Ethylene Sales Agreement is designed to provide stable margin on 95% of processed NGL's, with 5% sold to third parties at currently higher market prices and margins
Focus on Operational Excellence	Maximize the throughput of our processing facilities while providing safe, reliable and efficient operations
Pursue Organic Growth Opportunities	Enhance the profitability of OpCo's existing assets by pursuing growth opportunities including capacity expansion projects <ul style="list-style-type: none">Expanding Petro1 by approximately 250MM pounds of ethylene in 2016Expanding Calvert City by approximately 100MM pounds of ethylene in 2017
Increase our Ownership of OpCo	Increase our ownership interest in OpCo over time either by dropping down interests from OpCo or by purchasing outstanding interests in OpCo from WLK <ul style="list-style-type: none">Purchased 2.7% of OpCo for \$135 million in May 2015
Pursue Growth Opportunities Through Acquisitions	Pursue acquisitions of complementary assets from third parties
Expand Margin	Negotiate higher ethylene margins

NGL Feedstock Flexibility & Infrastructure

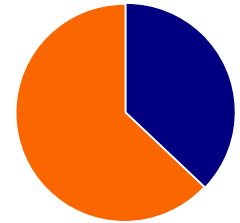


Westlake



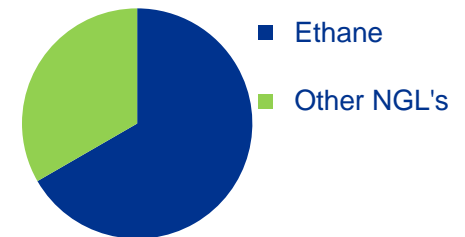
Ethane

World Ethane

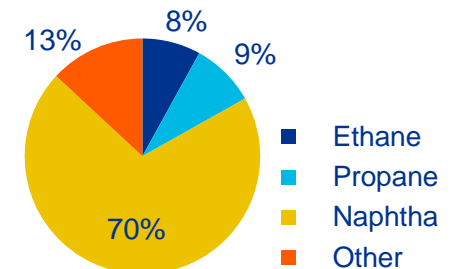


Non-Ethane Feed

Westlake's North American Feedslate Capability



Western Europe Ethylene Industry Feedslate



Well positioned to take advantage of ethane and other NGL's:

- The shale gas revolution has triggered an increase in infrastructure build over the last several years
- The continuing NGL's flowing from these basins will drive further pipeline and infrastructure expansion through 2018 and beyond.
- Westlake OpCo ethylene plants are fully capable to use ethane and have some NGL flexibility
 - Lake Charles ethylene plants are able to access ethane from basins and shale plays with Eagle Ford, Permian, Rockies, Marcellus and Utica
 - Calvert City ethylene plant is now receiving ethane from the Marcellus and Utica basins
 - Westlake Chemical Corp.'s European business (Vinnolit) purchases ethylene which is naphtha based and provides further feedstock diversification

Source: IHS

Ethylene Prices Set on Global Basis

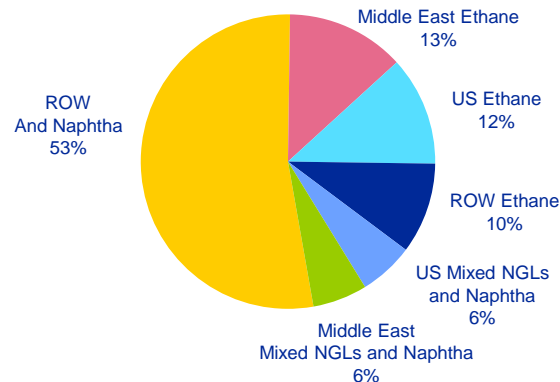
Positive Industry Fundamentals



Ethylene Industry Overview

- World's most widely used petrochemical
 - Building block for a number of derivatives such as PE and PVC
- Principal feedstocks are petroleum liquids (e.g. naphtha) and NGLs (e.g. ethane)
 - Ethylene derivatives are widely transported globally, establishing a global price for key derivatives and consequently for feedstock ethylene
 - 64.8% of the world's ethylene is derived from higher priced naphtha-based feedstocks
 - Naphtha-based feedstocks are currently more expensive in the US, where US ethane prices are highly correlated to natural gas prices
 - With naphtha-based ethylene representing ~2/3 of the world's ethylene setting the global price for ethylene, US ethane-based ethylene processors enjoy comparatively higher margins
- WLKP can process ethane and propane to maximize the amount of ethylene from its units
- **US ethane-based ethylene margins are forecasted to remain attractive and well in excess of \$0.10 per pound**

2015 Global Ethylene Volume by Feedstock



**64.8% Non-Ethane Derived
Production = 312 Billion Pounds**

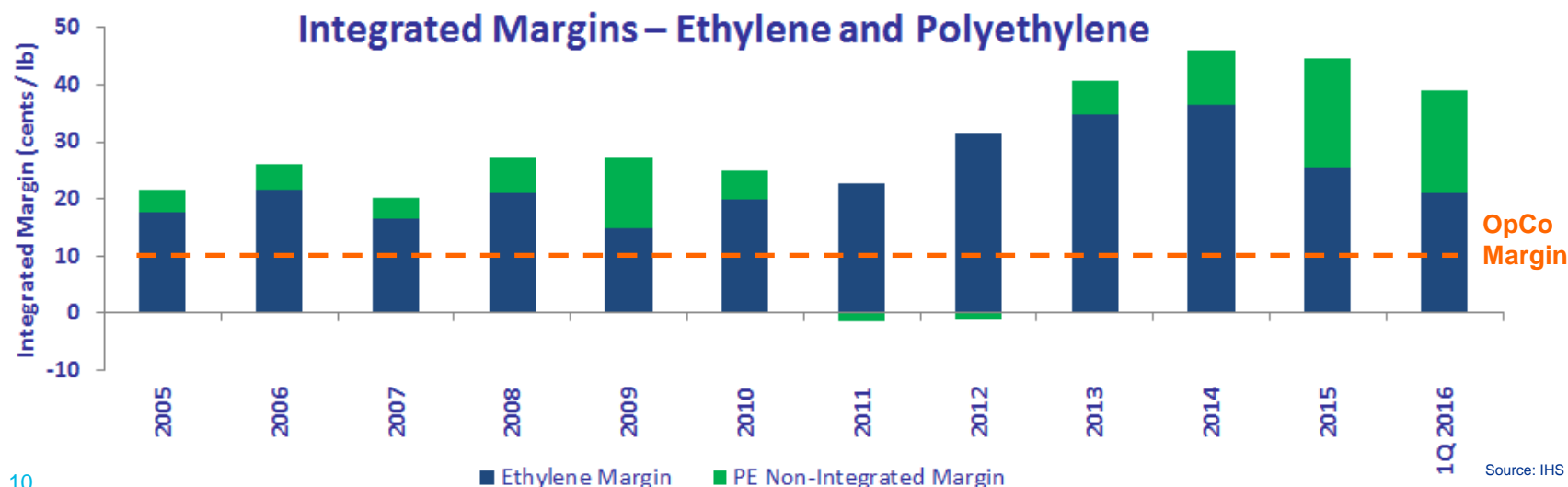
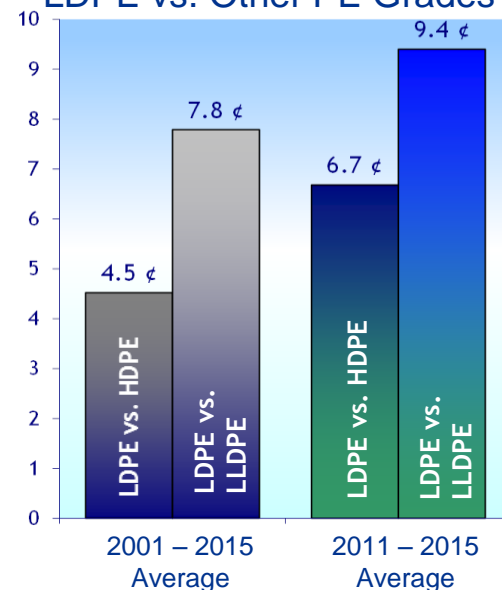
Source: IHS

WLK: Advanced Product Mix and Positive Industry Fundamentals



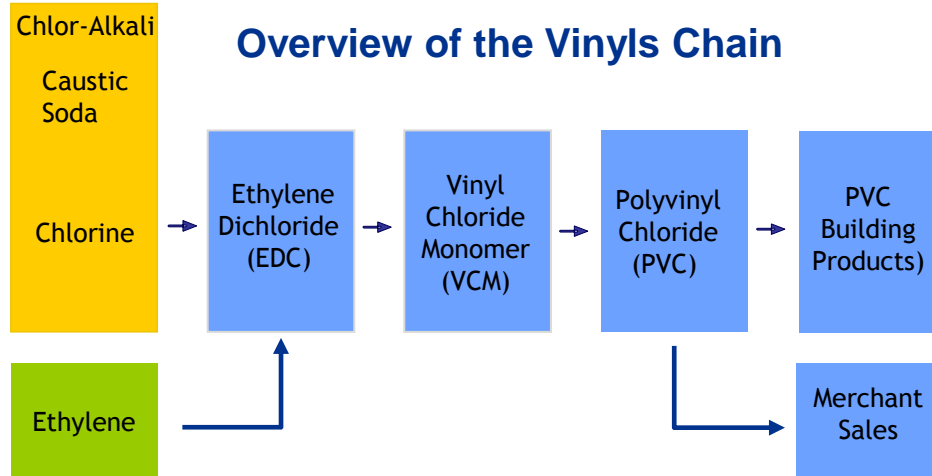
- Integration is critical as the vast majority of PE profitability is captured in ethylene, not the downstream polymer
- WLK's PE production is focused on LDPE, not HDPE and LLDPE
 - 58% of WLK's PE capacity is LDPE, and the remainder is LLDPE
 - Global capacity increases in PE are more heavily weighted toward more commoditized HDPE and LLDPE
 - LDPE tends to command higher margins in the US

Average Margin Advantage of LDPE vs. Other PE Grades



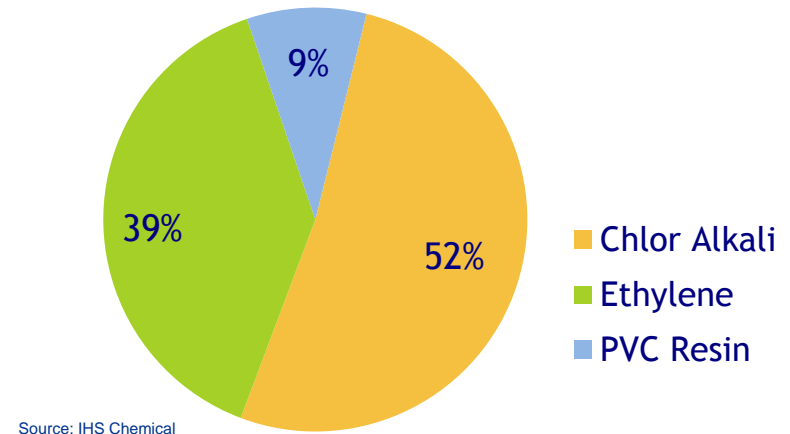
Low Cost Producer of PVC Due to High Integration

Positive Industry Fundamentals

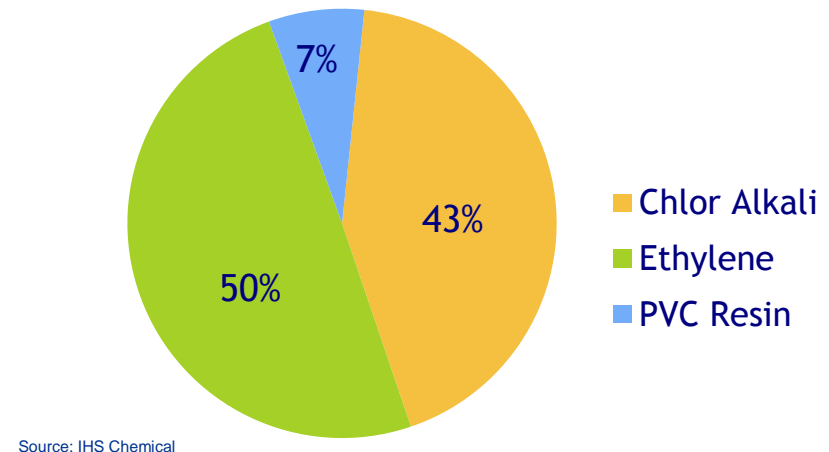


- Majority of Chloro-vinyls margin captured in chlor-alkali and ethylene
 - Resin production generates small portion of total integrated margin
- Most producers are integrated into chlor-alkali, not ethylene
 - In North America, only Westlake in the USA and Formosa are integrated into both
 - Integration has historically allowed Westlake to operate its chloro-vinyls plants at higher operating rates than US industry average and enjoy strong margins
- Through backward integration into chlor-alkali (shale gas based power) and ethylene (shale gas based ethane), Westlake is one of the lowest cost producers globally
 - Able to export cost competitive PVC, minimizing exposure to domestic housing cycle

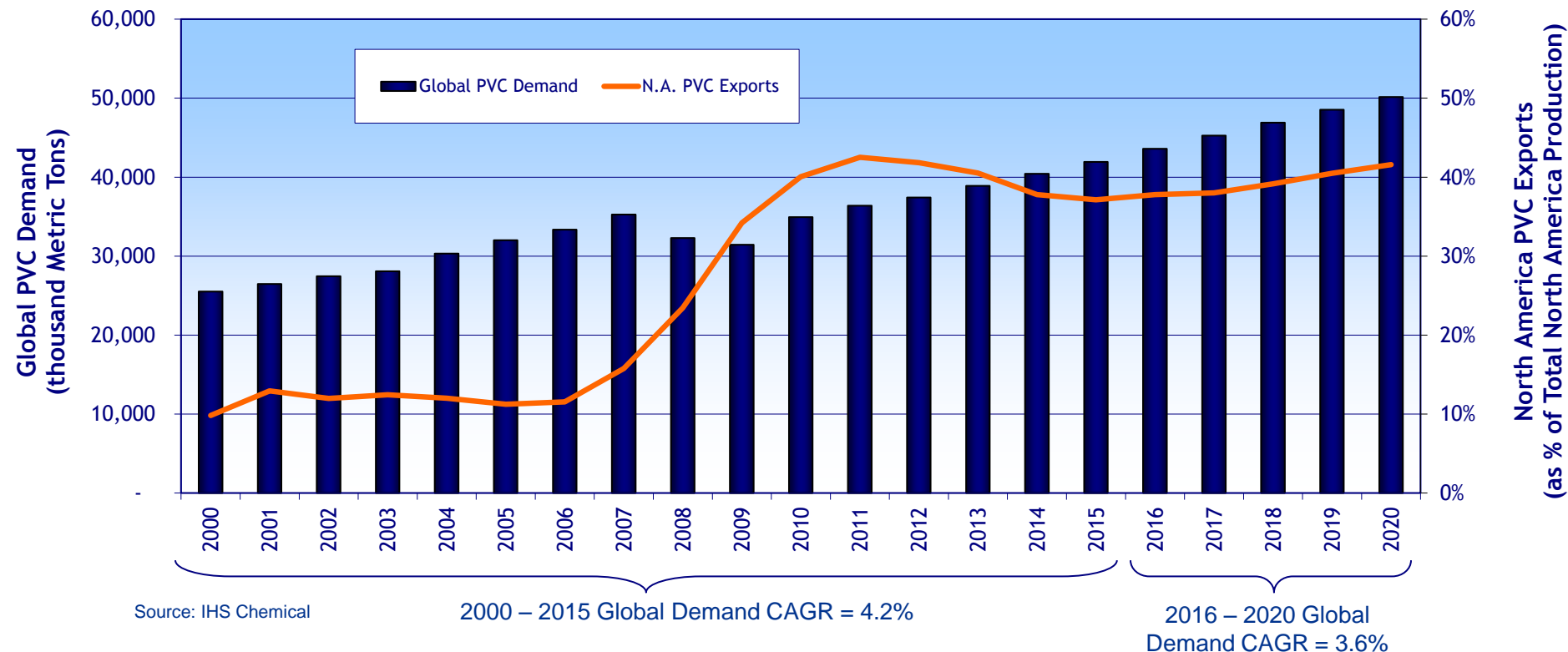
Typical Vinyls Industry Margin Distribution Over the Last Cycle



Vinyls Industry Margin Distribution: 2010 - 2015



Growing Global PVC Demand Supports Exports



- Global growth in PVC demand has reverted to pre-recession levels
- Global growth in PVC demand and advantaged feedstocks in PVC production supports North American production
- Producers with a high level of integration benefit with EBITDA margins over the cycle

Key Investment Drivers

Pricing Formula Promotes Stable & Predictable Cash Flows



Overview

- Initial term through December 31, 2026 with an automatic annual renewal mechanism thereafter unless terminated by either party
- Requires WLK to purchase 95% of OpCo's planned ethylene volume each year, with a maximum commitment of 3.8 billion pounds per year
 - If OpCo's actual volume is in excess of planned ethylene volume, WLK will have the option to purchase up to 95% of the excess
 - Remaining 5% of ethylene will be sold to third parties at currently higher market prices and margins

Key Pricing Terms

- WLK's purchase price of ethylene under the Ethylene Sales Agreement will be calculated on a per pound basis and includes:
 - Actual price paid by OpCo for the feedstock and natural gas to process each pound of NGL into ethylene; *plus*
 - Estimated operating costs ("Opex") (including selling, general and administrative expenses) for the year and a 5-year average of future expected maintenance capital expenditures and other turnaround expenditures; *less*
 - Proceeds received by OpCo from the sale of co-products associated with the processing of NGL's purchased by Westlake; *plus*
 - \$0.10 per pound margin

Pricing Formula Promotes Stable Fee-Based Cash Flows

Price = Feedstock Cost + Opex + Maintenance & Turnaround – Co-Product Credits + \$0.10 margin

Key Investment Drivers

Strategically Located Assets



Lake Charles Olefins

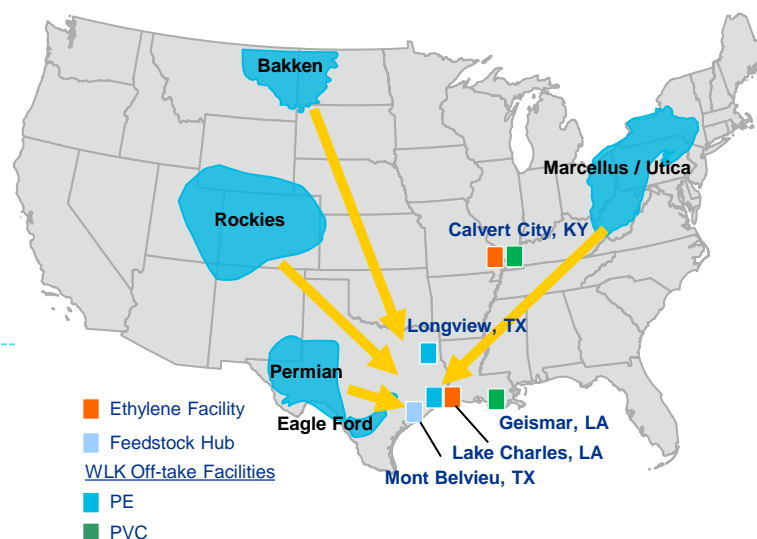
- Two ethane-based processing facilities at Westlake's Lake Charles, Louisiana complex
- Combined capacity of ~3 billion pounds of ethylene per year after the 250MM expansion is completed in 3Q 2016
- Primarily consumed by Westlake in the production of chemicals including PE and PVC

Calvert City Olefins

- One ethane-based processing facility located in Calvert City, Kentucky, with a capacity of ~630 million pounds of ethylene per year, with 100MM additional pounds to be added in 2017
- Primarily consumed by Westlake in the production of higher value-added chemicals including PVC

Longview Pipeline

- A 200-mile common carrier ethylene pipeline that runs from Mont Belvieu, Texas to the Longview, Texas chemical complex, which includes Westlake's Longview PE production facility



Plant Location	Annual Capacity (MMlbs)	Feedstock	Primary Use of Ethylene
Lake Charles, LA (post Petro 1 expansion)	1,500	ethane	PE and PVC
Lake Charles, LA (Petro 2)	1,490	ethane, ethane/propane mix, propane, butane or naphtha	PE and PVC
Calvert City, KY (pre-existing Calvert City Olefins)	630	ethane or propane	PVC

WLKP Financial Strategy



Protect and Grow Distributions

- Maintain financial flexibility to protect and grow distributions
 - Since IPO WLKP has demonstrated a history of substantial growth in distributions while maintaining a strong coverage ratio
- Conservative total unit distribution coverage target of 1.10x at IPO, and 1.16x as of 1Q 2016 ⁽¹⁾
 - Approximately 50% subordination structure
- Expand production capacity of ethylene through cost effective debottlenecks
 - Approximately 250MM pounds being added in Lake Charles to be completed by 3Q 2016
 - Approximately 100MM pounds to be added in Calvert City in 2017
- Increase stake in OpCo and pursue acquisition opportunities
 - Acquired additional 2.7% of OpCo for \$135MM in May 2015 to grow distributions

Conservative Leverage and Financial Flexibility

- Maintain conservative target leverage ratios at WLKP and OpCo
- Substantial liquidity via a \$600 million credit facility between Westlake and OpCo
- Minimal working capital requirements both at OpCo and WLKP
- WLKP has a strong balance sheet and can use leverage to fund future drop downs.
- Established a \$300MM line of credit in May 2015 to fund additional growth

Note: (1) trailing twelve months

Comparable Leverage Metrics



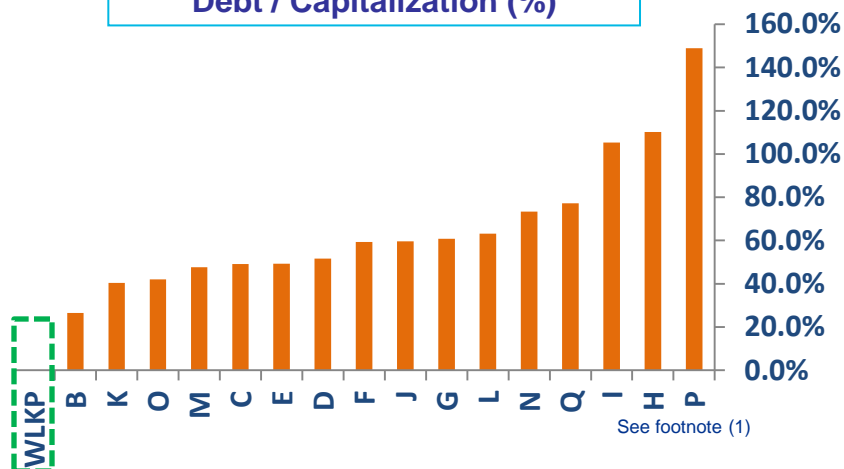
WLKP is well capitalized and has significant financial flexibility to fund future growth with its strong and supportive Parent WLK

Westlake Partners Post IPO Liquidity

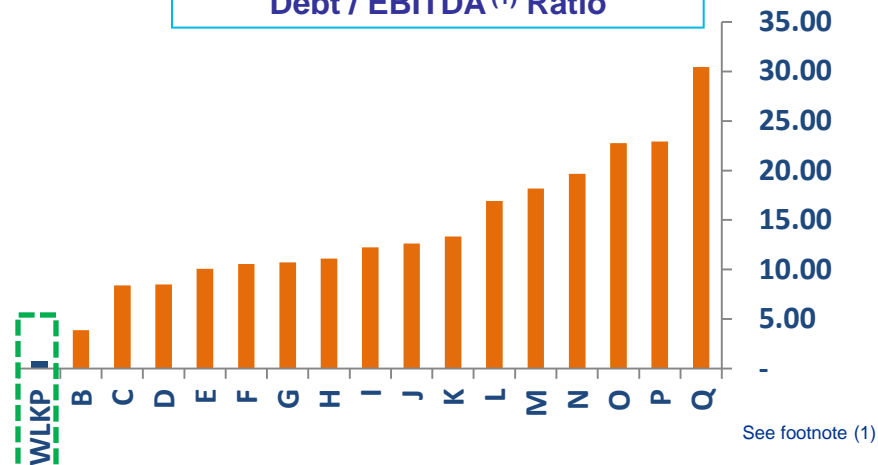
Liquidity (in millions)	Actual as of March 31, 2016
Cash and Equivalents	\$178.7
Plus: Available Credit Facilities	\$488.2
Total Available Liquidity	\$666.9

A Strong Balance Sheet to Provide Financial Stability

Debt / Capitalization (%)



Debt / EBITDA ⁽¹⁾ Ratio



(1) Peers: ACMP, DKL, DPM, EQM, HCLP, LGP, MPLX, PBFX, PSXP, RRMS, SDLP, SUSP, SXCP, TLLP, VLP, WES, WNRL as of latest date information is available in Bloomberg

Key Investment Drivers



Positive
Industry
Fundamentals

Strategic
Relationship
with Westlake

Stable and
Predictable
Cash Flows

Strategically
Located Assets

Experienced &
Incentivized
Management
Team

Capitalize on
Current Ethane
Advantage

Expand
Capacity &
Significant
Dropdown
Inventory

Ethylene Sales
Agreement

Competitive
market position
and asset
integrity

Access to
Operational and
Industry
Expertise

Future Growth

WLKP is well positioned for continued growth...

Appendix

Reconciliation of EBITDA to Net Income (Loss) and to Cash Flow from Operating Activities (in \$ thousands)



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	LTM 1Q 2016
Adjusted EBITDA	\$ 411,183	\$ 280,893	\$ 87,861	\$ 236,909	\$ 511,567	\$ 583,821	\$ 779,841	\$ 1,118,062	\$ 1,329,756	\$ 1,243,854	\$ 1,217,472
Debt Retirement Cost	(25,853)	-	-	-	-	-	(7,082)	-	-	-	-
EBITDA	385,330	280,893	87,861	236,909	511,567	583,821	772,759	1,118,062	1,329,756	1,243,854	1,217,472
Less:											
Income Tax (Provision) Benefit	(87,990)	(44,228)	28,479	(25,758)	(121,567)	(142,466)	(199,614)	(331,747)	(398,902)	(298,396)	(289,318)
Interest Expense	(16,519)	(18,422)	(33,957)	(34,957)	(39,875)	(50,992)	(43,049)	(18,082)	(37,352)	(34,656)	(31,750)
Depreciation & Amortization	(86,262)	(103,514)	(111,926)	(123,199)	(128,732)	(131,397)	(144,542)	(157,808)	(208,486)	(245,757)	(252,830)
Non Controlling Interest									(6,493)	(19,035)	(20,778)
Net Income (Loss)	194,559	114,729	(29,543)	52,995	221,393	258,966	385,555	610,425	678,524	646,010	622,796
Non Controlling Interest									6,493	19,035	20,778
Changes in operating assets & liabilities	28,773	(57,849)	229,511	151,320	47,412	85,855	232,707	48,572	288,392	374,007	280,551
Deferred income taxes	13,852	5,286	(13,879)	31,207	14,153	14,114	5,793	93,732	58,967	39,784	93,090
Cash flow from operating activities	237,184	62,166	186,089	235,522	282,958	358,935	624,054	752,729	1,032,376	1,078,836	1,017,215
Olefins EBITDA	212,605	220,666	38,090	260,493	546,553	548,994	654,568	943,597	1,126,172	862,777	821,628
Vinyls EBITDA	192,526	65,644	51,540	(17,124)	(19,968)	48,083	130,977	207,197	247,086	397,537	410,248
Corporate EBITDA	(19,801)	(5,417)	(1,769)	(6,460)	(15,018)	(13,256)	(12,786)	(32,732)	(43,502)	(16,460)	(14,404)
Westlake Adjusted EBITDA	385,330	280,893	87,861	236,909	511,567	583,821	772,759	1,118,062	1,329,756	1,243,854	1,217,472

Note 1 from page 4: Non-GAAP Financial Measures

This presentation includes the non-GAAP measure EBITDA. A reconciliation to net income and to cash flow from operating activities is included above.

Safe Harbor Language



This presentation contains certain forward-looking statements, including statements with respect to future growth, potential levers for distributable cash flow, growth for Westlake Chemical partners and the timing and results of a scheduled debottleneck of ethylene cracking unit. Actual results may differ materially depending on factors such as general economic and business conditions; the cyclical nature of the chemical industry; the availability, cost and volatility of raw materials and energy; uncertainties associated with the United States, Europe and worldwide economies, including those due to political tensions in the Middle East, Ukraine and elsewhere; current and potential governmental regulatory actions in the United States and Europe and regulatory actions and political unrest in other countries; industry production capacity and operating rates; the supply/ demand balance for our products; competitive products and pricing pressures; instability in the credit and financial markets; access to capital markets; terrorist acts; operating interruptions (including leaks, explosions, fires, weather-related incidents, mechanical failure, unscheduled downtime, labor difficulties, transportation interruptions, spills and releases and other environmental risks); changes in laws or regulations; technological developments; our ability to implement our business strategies; creditworthiness of our customers; the results of potential negotiations between Westlake Chemical Corporation and Westlake Chemical Partners and other factors described in our reports filed with the Securities and Exchange Commission. Many of these factors are beyond our ability to control or predict. Any of these factors, or a combination of these factors, could materially affect our future results of operations and the ultimate accuracy of the forward-looking statements. These forward-looking statements are not guarantees of our future performance, and our actual results and future developments may differ materially from those projected in the forward-looking statements. Management cautions against putting undue reliance on forward-looking statements. Every forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to publicly update or revise any forward-looking statements.

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