



Westlake
Chemical Partners



Westlake Chemical Partners LP

June 2017

Westlake Chemical Partners LP

Strategic Relationship to Promote Stable Growth of Cash Flows

The partnership, through its contract structure, provides a predictable and stable level of cash flows. The strategies for growth are fully aligned with the partnership's parent company, Westlake Chemical Corporation.

Stable and Predictable Cash Flows

Ethylene Sales Agreement designed to provide stable 10 cents per pound margin on 95% of processed NGL's, with 5% sold to third parties at currently higher market margin

Strategic Relationship with Westlake Fosters Operational Alignment

Completed expansions, plus a multi-year drop down inventory of high-quality, well-maintained assets will drive WLKP's growth
Westlake Chemical's joint venture with Lotte Chemical to build a new 2.2 billion pound ethylene cracker will be eligible in 2019 to be included in Westlake OpCo

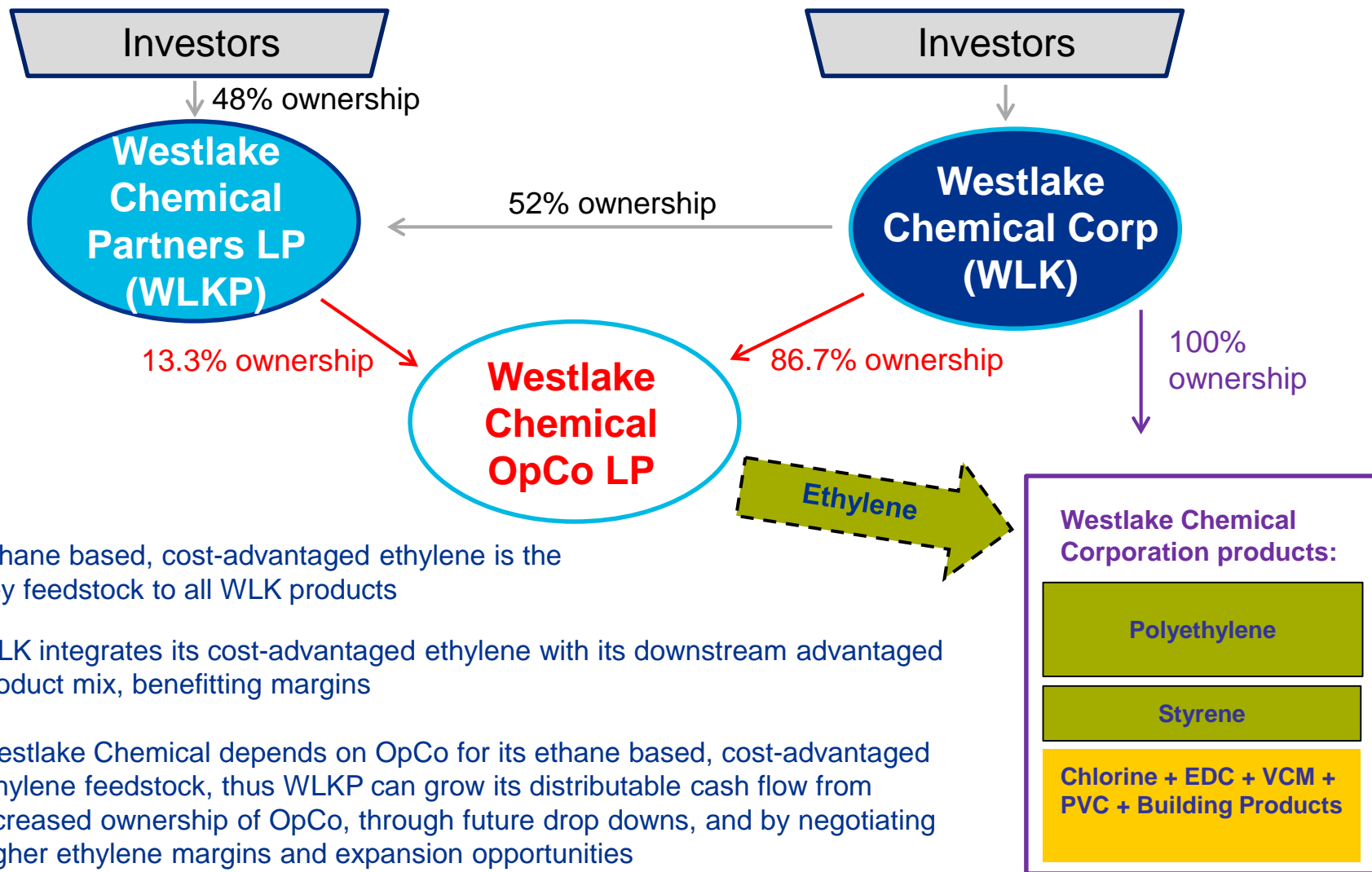
Strategically Located Assets with Long History of Reliable Operations

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

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

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

Key:

Long term take or pay contract

Olefins

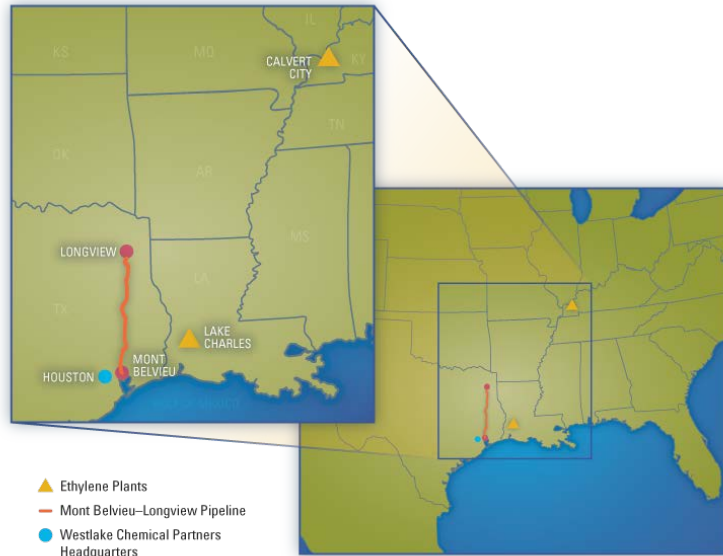
Vinyls

Westlake Chemical Partners LP

Strategic Relationship 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



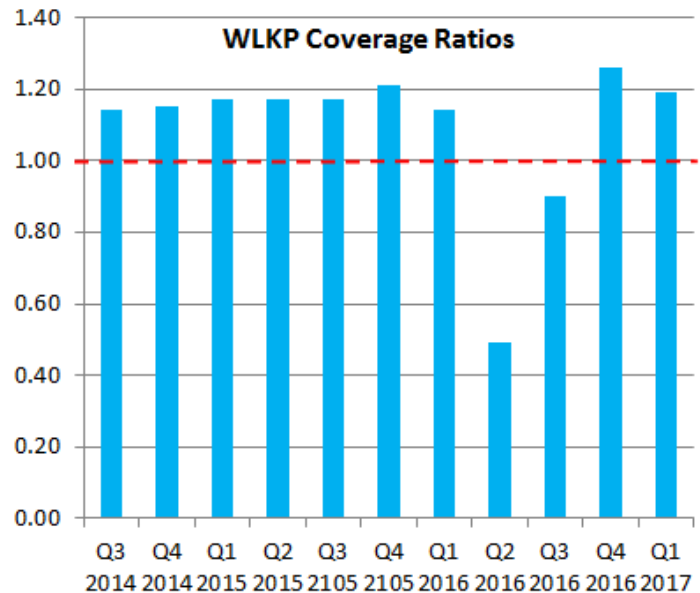
Four potential levers of distributable cash flow growth for WLKP

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

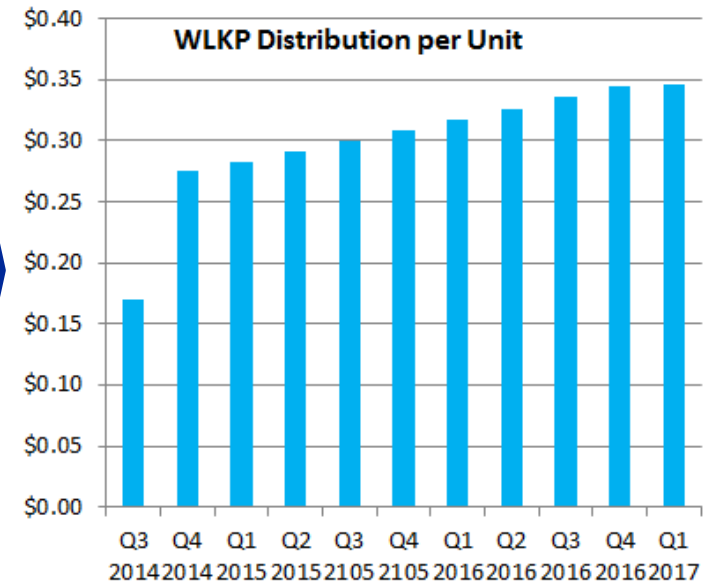
Westlake Chemical Partners Assets

- **Lake Charles Petro 1 & 2-** Two ethane-based NGL processing facilities that have a combined capacity of 3 billion pounds .
- **Calvert City Olefins-** One ethane-based NGL processing facility located in Calvert City, Kentucky, with a processing capacity of 730 million pounds of ethylene per year
- **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

Strong Distribution Growth with Substantial Drop Down Capacity



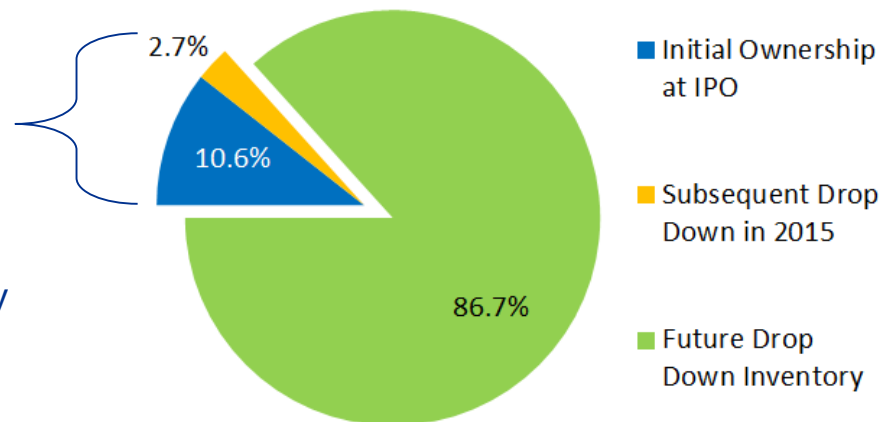
The 2Q 2016 ethylene expansion created additional earnings capability to fuel further growth in distributable cash flows and preserved our large drop down inventory for future growth



Westlake Partners Ownership of OpCo

Westlake Partners:

- LTM 1Q 2017 distributable cash flow of **\$34.3MM** at current 13.3% ownership of OpCo
- Still have over 86% of drop down inventory available to foster future growth



Key Investment Drivers

Strategically Located Assets

Lake Charles Olefins

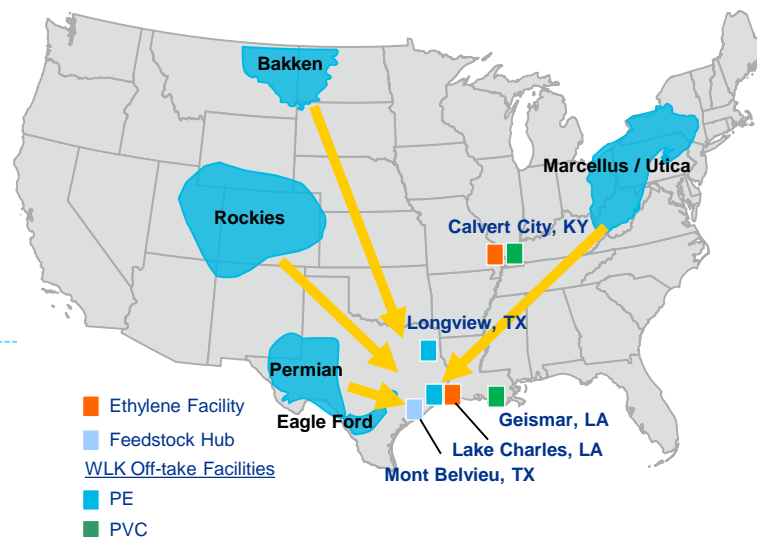
- Two ethane-based processing facilities at Westlake's Lake Charles, Louisiana complex
- Combined capacity of 3 billion pounds of ethylene
 - Primarily consumed by Westlake in the production of chemicals including PE and PVC

Calvert City Olefins

- One ethane-based processing facility located in Calvert City, Kentucky, with a capacity of 730 million pounds of ethylene per year
 - 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	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)	730	ethane or propane	PVC

Westlake Chemical Partners LP

Business Strategies For Stable Growth of Cash Flows

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 margin
Focus on Operational Excellence	Maximize the throughput of our processing facilities while providing safe, reliable and efficient operations
Increase our Ownership of OpCo	<p>Increase our ownership interest in OpCo over time either by dropping down interests from OpCo or by purchasing outstanding interests in OpCo from WLK</p> <ul style="list-style-type: none"> Purchased 2.7% of OpCo for \$135 million in May 2015, with substantial drop down capacity remaining
Pursue Growth Opportunities Through Acquisitions	Pursue acquisitions of complementary assets from third parties
Pursue Organic Growth Opportunities	<p>Enhance the profitability of OpCo's existing assets by pursuing growth opportunities including capacity expansion projects</p> <ul style="list-style-type: none"> Expanded Petro1 by approximately 250MM pounds of ethylene in 2016 Expanded Calvert City by approximately 100MM pounds of ethylene Westlake Chemical is participating in a joint venture with Lotte Chemical to build a new 2.2 billion pound ethylene cracker
Expand Margin	Negotiate higher ethylene margin

Key Investment Drivers

Pricing Formula Promotes Stable & Predictable Cash Flows

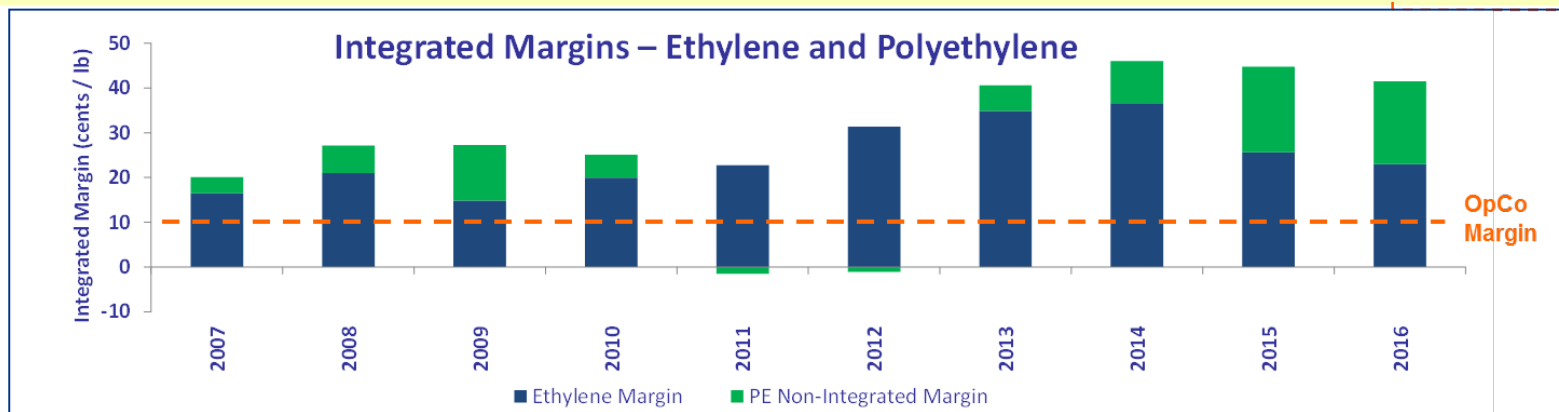
Overview

- 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 margin

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

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



WLKP Financial Strategy

Provides Stability and Growth

Protect and Grow Distributions

- Maintain financial flexibility to protect and grow distributions
 - Since IPO WLKP has demonstrated a history of double-digit growth in distributions with a commitment to maintaining a strong target coverage ratio of 1.10x
- Expand production capacity of ethylene through cost effective debottlenecks
 - Approximately 250MM pounds completed in Lake Charles in 2016
 - Approximately 100MM pounds 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, with substantial drop down capacity remaining
 - JV with Lotte to build new ethylene cracker in Lake Charles will add future drop down capacity

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
- Established a \$300MM line of credit in May 2015 to fund additional growth
- Established a \$500MM equity and debt shelf to fund future growth

Comparable Leverage Metrics

Well Capitalized for Financial Stability

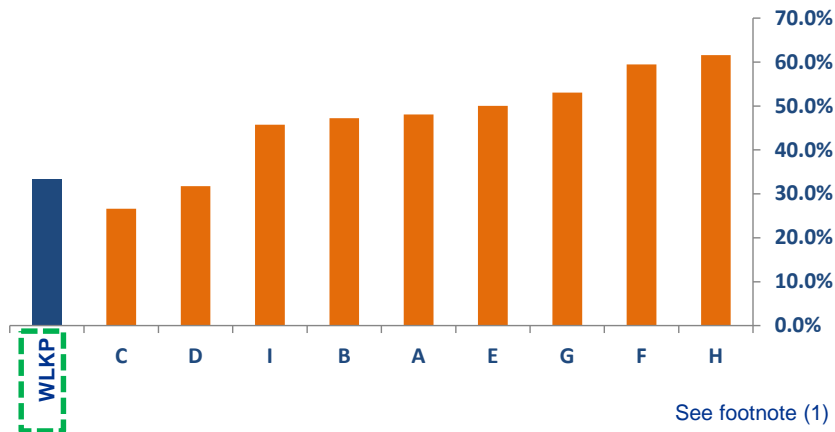
WLKP is well capitalized and has significant financial flexibility to fund future growth with its strong and supportive Parent WLK

Westlake Partners Liquidity

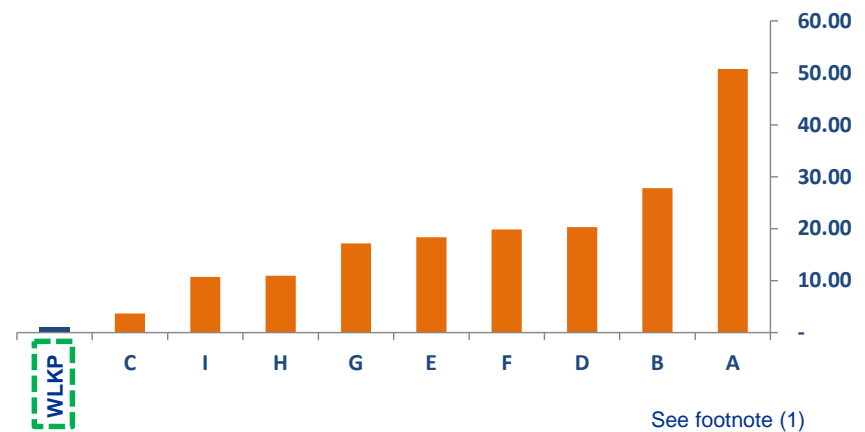
Liquidity (in millions)	March 31, 2017
Cash and Equivalents	\$123.0
Plus: Available Credit Facilities	\$331.6
Total Available Liquidity	\$454.5

A Strong Balance Sheet to Provide Financial Stability

Net Debt / Capitalization (%)



Net Debt / EBITDA ⁽¹⁾ Ratio



(1) Peers: ACMP, DPM, EQM, MPLX, PSXP, SUSP, SXCP, TLLP, WES, as of latest date information is available in Bloomberg

Westlake Partners' Strategy is Highly Aligned with its Investment Grade Parent

Westlake Chemical Corporation

(LTM 1Q 2017)

Net Sales	\$6,043 Million
EBITDA ^(1,2)	\$1,136 Million
Net Income ⁽³⁾	\$414 Million

Olefins

\$742 million

60%

EBITDA ⁽¹⁾

% of Total

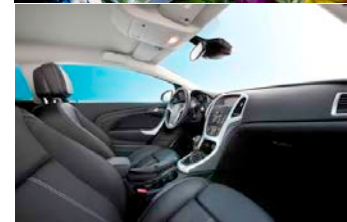
Vinyls

\$501 million

40%

OUR MISSION

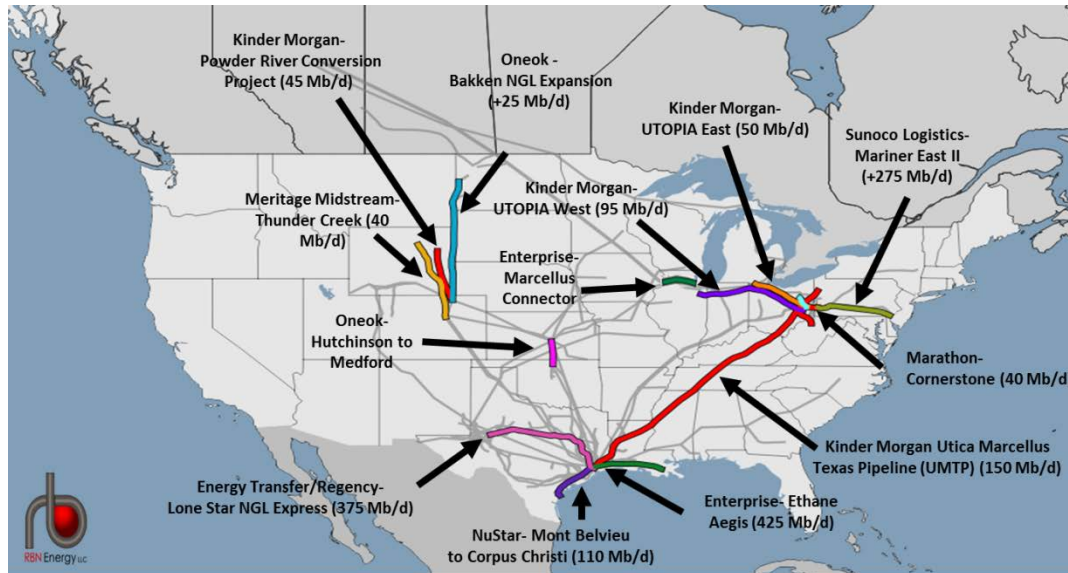
- profitable growth ...
- in businesses we understand...
- globally in areas we can gain an edge...
- in a disciplined and opportunistic manner



Pictures: Raumedic, Benecke



NGL Feedstock Flexibility & Infrastructure

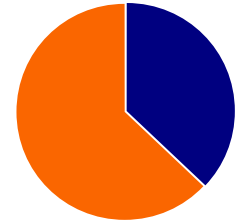


Westlake



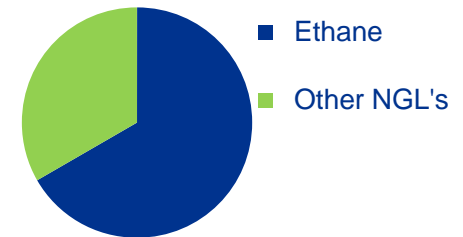
Ethane

World Ethylene



Non-Ethane Feed

Westlake's North American Ethylene Feedslate Capability

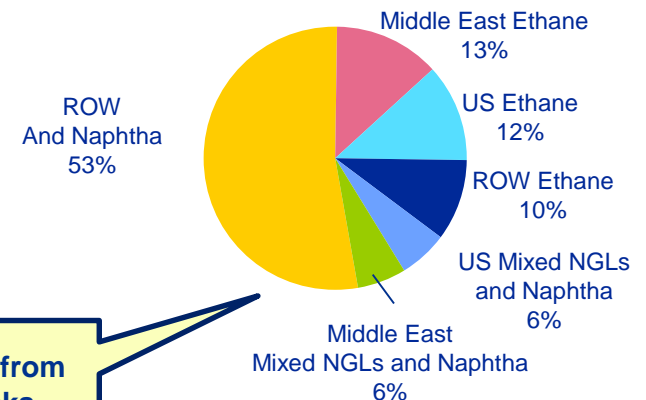


Well positioned to take advantage of ethane and other NGL's:

- The shale oil & 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 ethylene plants are fully capable to use ethane and have some NGL flexibility
 - Lake Charles ethylene plants are able to access ethane in basins and shale plays from Eagle Ford, Permian, Rockies, Marcellus and Utica
 - Calvert City ethylene plant is now receiving ethane from the Marcellus and Utica basins

64.8% of the world's ethylene is derived from higher priced naphtha-based feedstocks

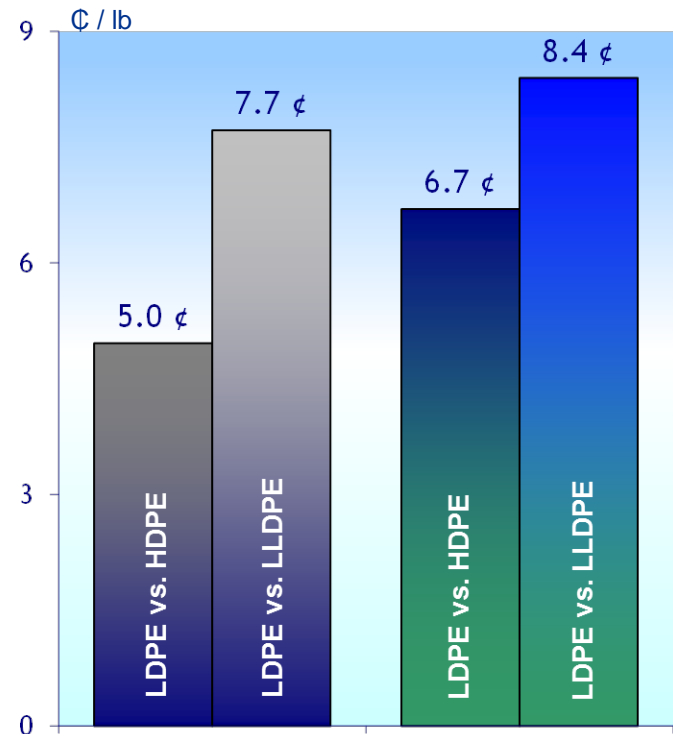
2016 Global Ethylene Volume by Feedstock



Westlake Partners Provides Low-Cost Feedstock to Westlake Chemical to Produce Cost Advantaged Polyethylene

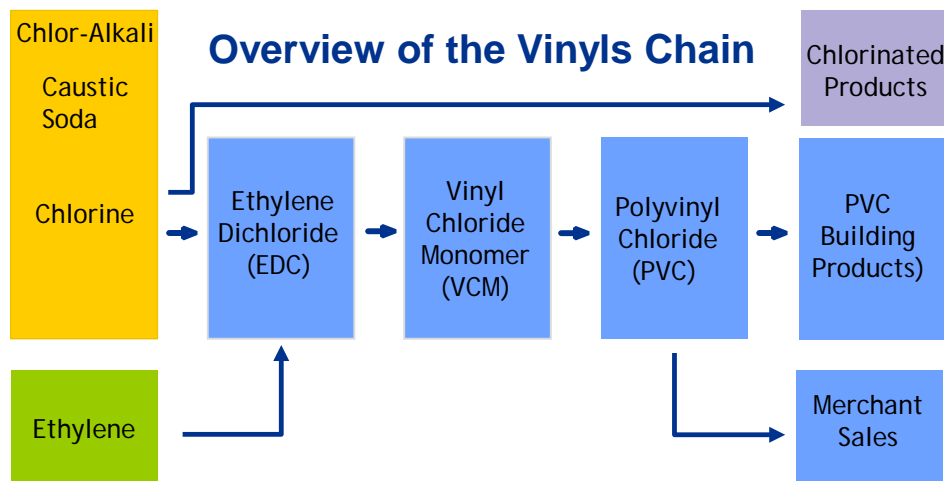
- Integration is critical as the vast majority of PE profitability is captured in ethylene, not the downstream polymer
- WLK's PE production is focused on LDPE, not HDPE and LLDPE
 - 58% of WLK's PE capacity is LDPE, and the remainder is LLDPE
 - Global capacity increases in PE are more heavily weighted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

Average Margin Advantage of LDPE vs. Other PE Grades



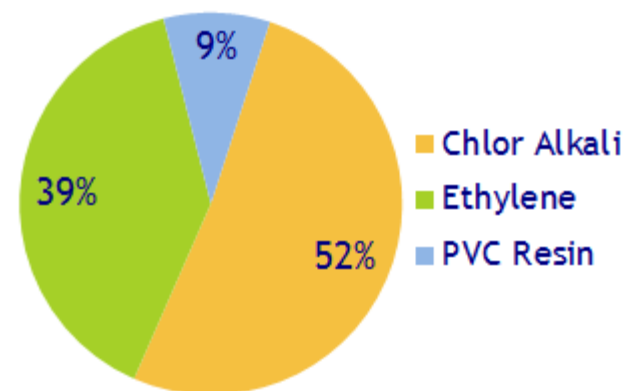
Source: IHS Markit

Westlake Partners Provides Low-Cost Feedstock to Westlake Chemical to Produce Cost Advantaged PVC



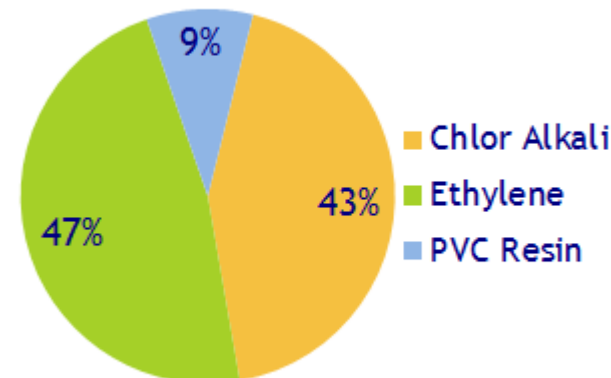
- Majority of margin captured in chlor-alkali and ethylene
- Most producers are integrated into chlor-alkali, not ethylene
 - In North America, only Westlake in the USA and Formosa are integrated into both
 - Integration has historically allowed Westlake to operate its chlorovinyls plants at higher operating 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



Source: IHS Chemical

Vinyls Industry Margin Distribution: 2010 - 2016



Source: IHS Markit

Key Investment Drivers

Westlake Chemical's Increasing Demand for Ethylene

Strategic Relationship with Westlake Chemical

Stable and Predictable Cash Flows

Strategically Located Assets

Experienced & Incentivized Management Team

Global Cost Advantage for Ethylene Production

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

	2009	2010	2011	2012	2013	2014	2015	2016	LTM 1Q 2017
Adjusted EBITDA	\$ 236,909	\$ 511,567	\$ 583,821	\$ 779,841	\$ 1,118,062	\$ 1,329,756	\$ 1,243,854	\$ 1,015,518	\$ 1,135,521
Debt Retirement Cost	-	-	-	(7,082)	-	-	-	-	-
EBITDA	236,909	511,567	583,821	772,759	1,118,062	1,329,756	1,243,854	1,015,518	1,135,521
Less:									
Income Tax (Provision) Benefit	(25,758)	(121,567)	(142,466)	(199,614)	(331,747)	(398,902)	(298,396)	(138,520)	(125,103)
Interest Expense	(34,957)	(39,875)	(50,992)	(43,049)	(18,082)	(37,352)	(34,656)	(79,473)	(112,564)
Depreciation & Amortization	(123,199)	(128,732)	(131,397)	(144,542)	(157,808)	(208,486)	(245,757)	(377,666)	(462,221)
Non Controlling Interest	-	-	-	-	-	(6,493)	(19,035)	(21,000)	(21,712)
Net Income (Loss)	52,995	221,393	258,966	385,555	610,425	678,524	646,010	398,859	413,921
Non Controlling Interest	-	-	-	-	-	6,493	19,035	21,000	21,712
Changes in operating assets & liabilities	151,320	47,412	85,855	232,707	48,572	288,392	374,007	313,316	390,911
Deferred income taxes	31,207	14,153	14,114	5,793	93,732	58,967	39,784	100,677	35,767
Cash flow from operating activities	235,522	282,958	358,935	624,054	752,729	1,032,376	1,078,836	833,852	862,311
Olefins EBITDA	260,493	546,553	548,994	654,568	943,597	1,126,172	862,777	699,463	742,245
Vinyls EBITDA	(17,124)	(19,968)	48,083	130,977	207,197	247,086	397,537	414,866	500,574
Corporate EBITDA	(6,460)	(15,018)	(13,256)	(12,786)	(32,732)	(43,502)	(16,460)	(98,811)	(107,298)
Westlake Adjusted EBITDA	236,909	511,567	583,821	772,759	1,118,062	1,329,756	1,243,854	1,015,518	1,135,521

Note 1 from page 10: 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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