

Westlake Chemical Partners LP (“Partners”)
Westlake Chemical Corporation (“Westlake”)
Resetting of the IDR tiers to enhance the long-term value of the
Partnership benefitting both Partners and Westlake

July 30, 2018



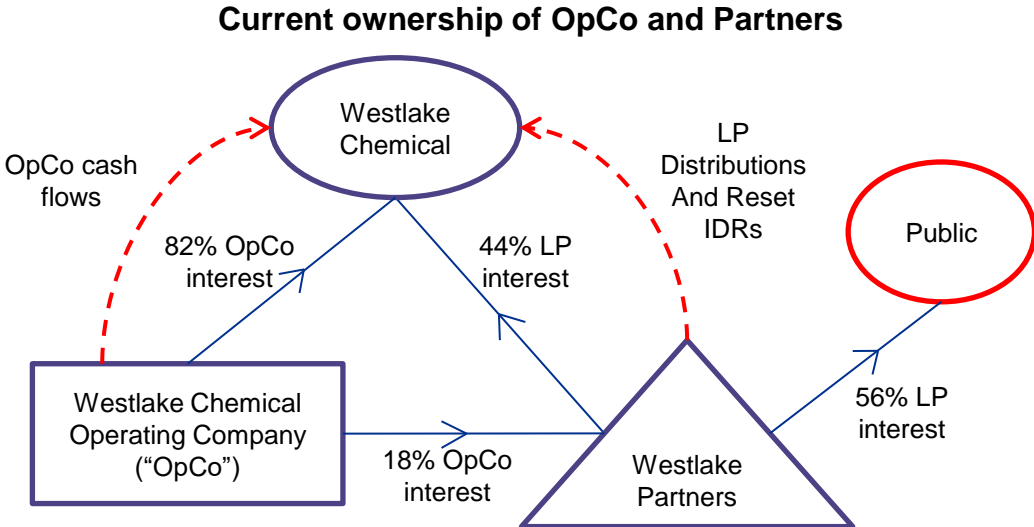
Reset of Westlake Chemical Partners LP IDR Tiers Effective July 27, 2018



Westlake Chemical Corporation (“Westlake”) and Westlake Chemical Partners LP (“Partners”) have agreed to reset the distribution tiers for incentive distribution rights (“IDRs”), relieving Partners of the IDR cash flow burden for over 10 years⁽¹⁾.

- First target distribution tier has been reset to \$1.2938 from \$0.3163 per unit per quarter
- This reset improves Partners’ distributable cash flow⁽²⁾ and cost of capital allowing it to continue to grow distributions in-line with historical growth rates for many years

With or without IDRs, we expect over time Westlake will continue to receive the **same** cash flows from OpCo and Partners



1) Based on historical growth rates for quarterly Limited Partner distributions.
2) Partners’ distributable cash flow represents net income plus depreciation, amortization and disposition of property, plant and equipment, less contributions for turnaround reserves, maintenance capital expenditures, distributable cash flow attributable to Westlake’s non-controlling interest in OpCo, and distributions attributable to the incentive distribution rights holder.

Benefits of the IDR Tier Reset



Benefits to Westlake Partners

- 1 Immediately accretive to cash flow per unit and coverage with no units issued
- 2 Lengthens the runway of dropdown inventory from current ethylene assets
- 3 Reduces frequency and size of capital market needs
- 4 Improves Partners' cost of capital, increasing its ability to pursue accretive investments
- 5 Highlights alignment between Westlake and Partners with "win-win" reset

Benefits to Westlake Chemical

- 1 With or without IDRs, we expect over time Westlake will continue to receive the same cash flows from OpCo and Partners
- 2 Supports a lengthened inventory of accretive drop-down transactions at attractive valuations
- 3 Keeps Partners' capital cost competitive and bolster Westlake's MLP strategy
- 4 Enhances the value of Partners, which benefits Westlake as Partners' largest unitholder
- 5 Retains the future option of the IDR structure without the current cash flow burden on Partners

Partners Long-Term Success is Important to Westlake



Partners remains a valuable asset to Westlake:

- Trades at a premium multiple to Westlake
- Tax-advantaged company structure
- Lower cost of equity capital

Strategy for Partners has not changed:

- Continue to target low double digit distribution growth per year
- Continued planned use of our four levers of growth: (1) acquire additional interests in OpCo, (2) increase in contracted margin in sales of ethylene to Westlake, (3) increase in capacity at OpCo, (4) accretive M&A

The premium valuation from Partners has been reinvested in Westlake's chemical business growing the earnings and cash flow available to Westlake.

The resetting of the IDR tiers enhances the long-term value of the Partnership benefitting both Partners and Westlake.

Reset IDR Tiers for Westlake Chemical Partners



IDR Tiers		Initial distribution structure			Newly reset distribution structure		
		Quarterly distribution	Annualized distribution	% distribution to IDRs	Quarterly distribution	Annualized distribution	% distribution to IDRs
First target distribution	up to:	\$ 0.3163	\$ 1.2652	0%	\$ 1.2938	\$ 5.1752	0%
Second target distribution	up to:	\$ 0.3438	\$ 1.3752	15%	\$ 1.4063	\$ 5.6252	15%
Third target distribution	up to:	\$ 0.4125	\$ 1.6500	25%	\$ 1.6875	\$ 6.7500	25%
Thereafter				50%			50%

- The reset of the IDR Tiers permits the first quarter 2018 distribution of \$0.3975 per unit (\$1.59 annualized distribution) to grow **325%** before it would trigger any IDR payments.
- This reset extends the runway for attractive drop down transactions and expands Partners' ability to pursue accretive investments.



The statements in this presentation relating to matters that are not historical facts, such as distribution growth, our ability to complete drop-down and other acquisitions or accretive investments and the potential benefits to Westlake and the Partnership, are forward-looking statements. These forward-looking statements are subject to significant risks and uncertainties. Actual results could differ materially, based on factors including, but not limited to, operating difficulties; the volume of ethylene that we are able to sell; the price at which we are able to sell ethylene; changes in the price and availability of feedstocks; changes in prevailing economic conditions; actions of Westlake Chemical Corporation; actions of third parties; inclement or hazardous weather conditions, including flooding, and the physical impacts of climate change; environmental hazards; changes in laws and regulations (or the interpretation thereof); inability to acquire or maintain necessary permits; inability to obtain necessary production equipment or replacement parts; technical difficulties or failures; labor disputes; difficulty collecting receivables; inability of our customers to take delivery; fires, explosions or other industrial accidents; our ability to borrow funds and access capital markets; and other risk factors. For more detailed information about the factors that could cause actual results to differ materially, please refer to the Partnership's Annual Report on Form 10-K for the year ended December 31, 2017, which was filed with the Securities and Exchange Commission in March 2018.

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