

NYSE WES



Barclays Capital CEO Energy-Power Conference

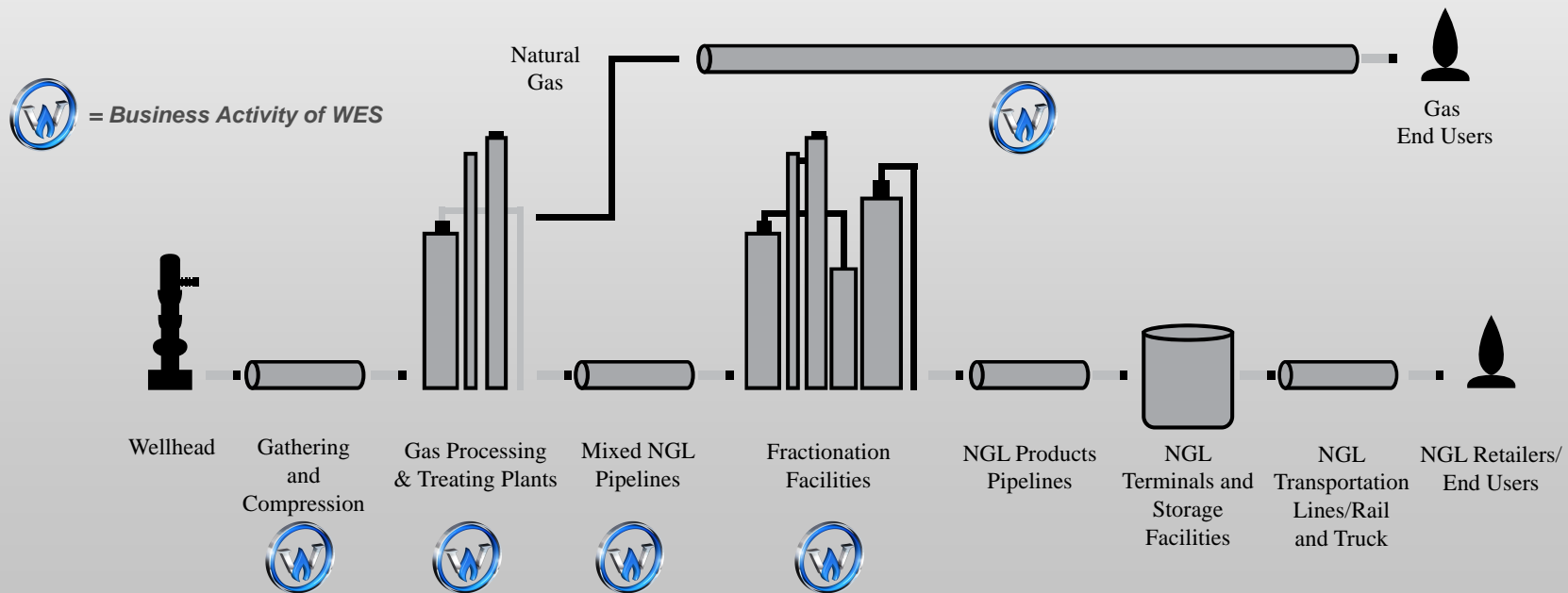
September 8, 2011

Cautionary Language Re: Forward-Looking Statements

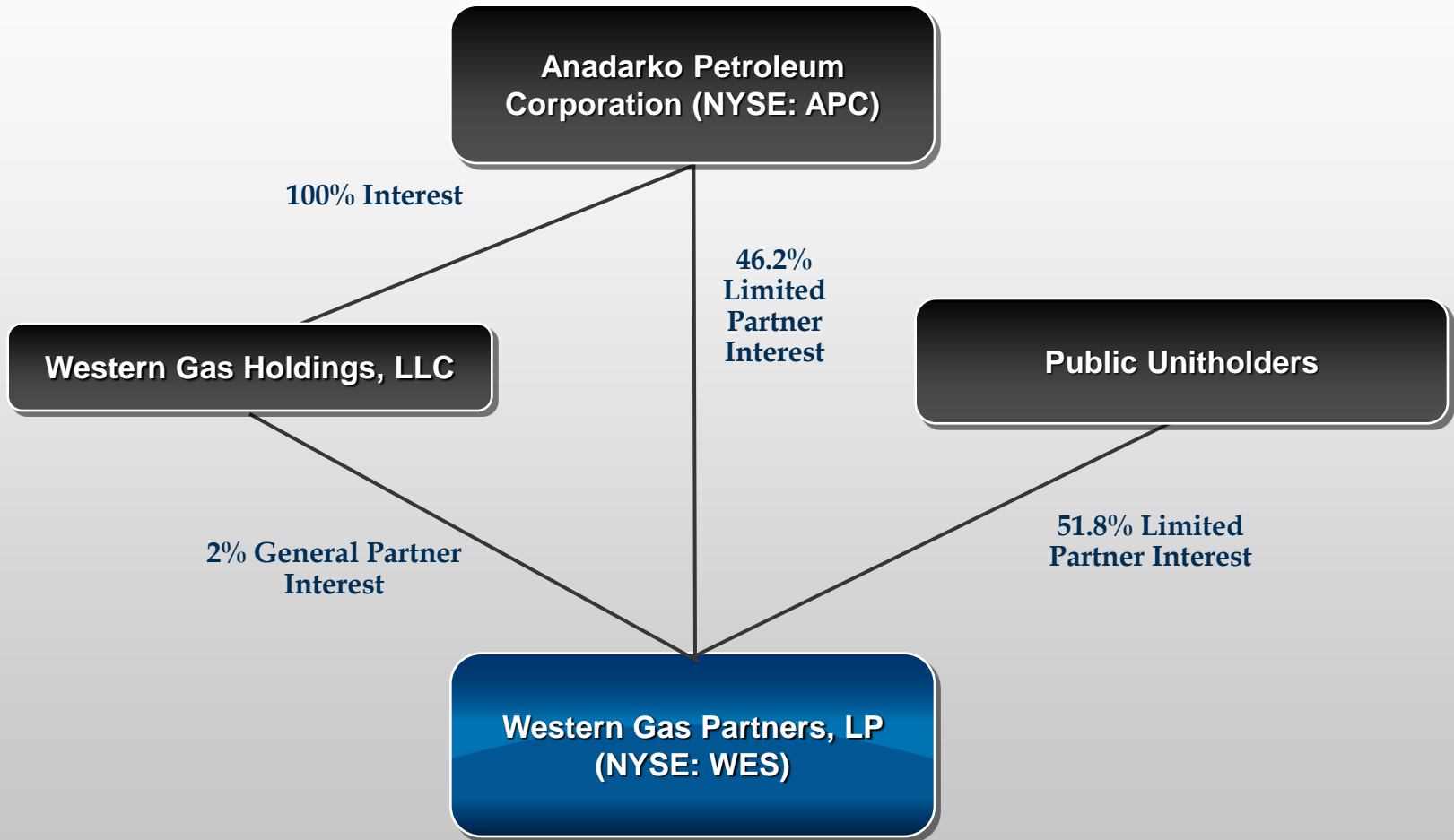
This presentation contains forward-looking statements. Western Gas Partners, LP believes that its expectations are based on reasonable assumptions. No assurance, however, can be given that such expectations will prove to have been correct. A number of factors could cause actual results to differ materially 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 obtain new sources of natural gas supplies; the effect of fluctuations in commodity prices and the demand for natural gas and related products; and construction costs or capital expenditures exceeding estimated or budgeted costs or expenditures, as well as other factors described in the “Risk Factors” section of the Partnership’s 2010 Annual Report on Form 10-K filed with the Securities and Exchange Commission and other public filings and press releases by Western Gas Partners. Western Gas Partners undertakes 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.

WES Overview

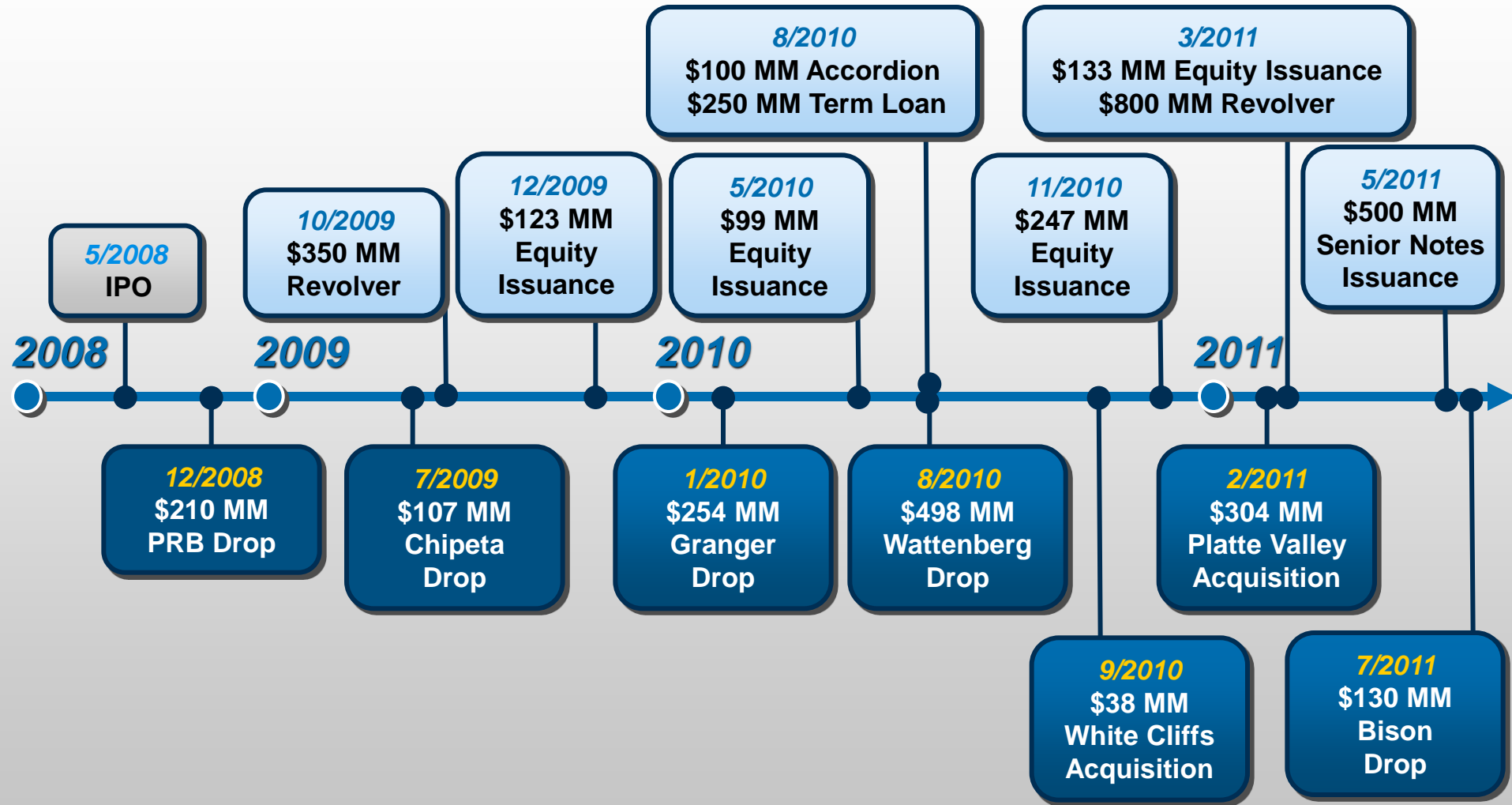
- Owner and operator of gathering, processing, and transportation assets serving seven basins
- Sponsor-based MLP
 - *Designed to acquire, over time, midstream assets from both Anadarko and third parties*



Public Ownership of WES



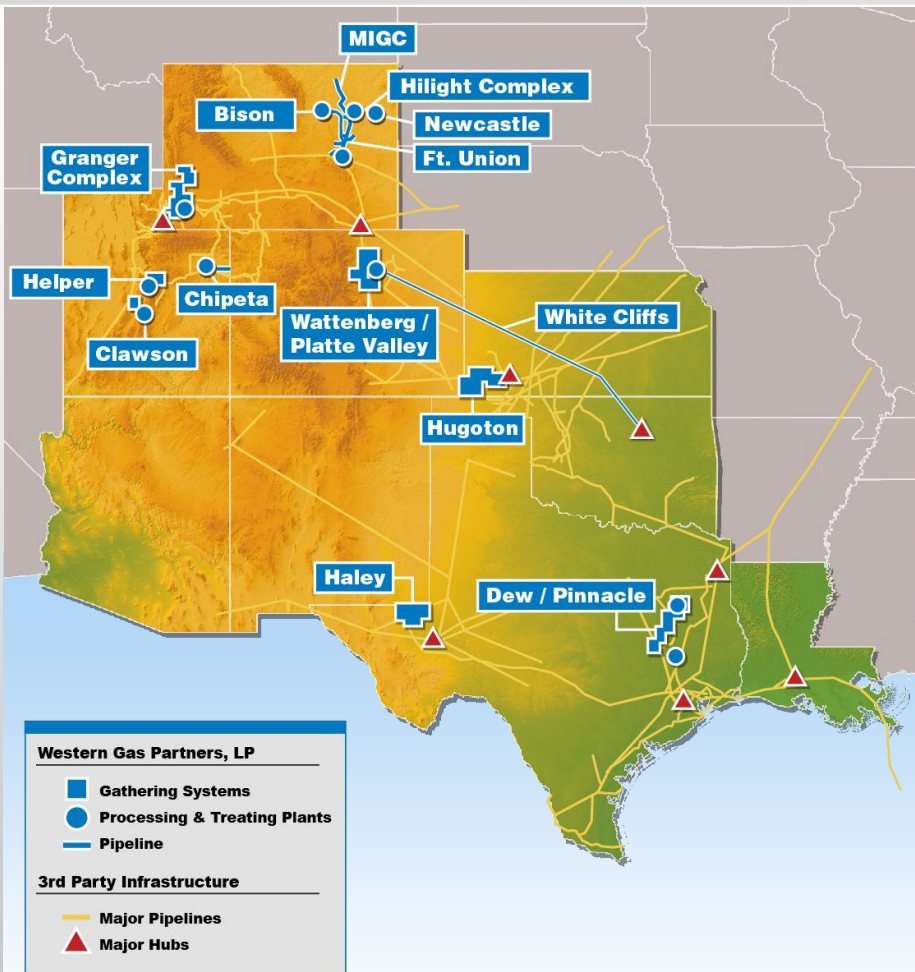
WES History



YTD Highlights

- **Closed First Major Third Party Acquisition in February**
 - *\$303MM Platte Valley Acquisition from Encana*
- **Completed Fifth Acquisition From Anadarko in July**
 - *\$130MM Bison Acquisition*
- **Increased Quarterly Distribution to \$0.405/Unit**
 - *Ninth consecutive quarterly increase*
- **Generated 2Q Quarterly Distribution Coverage of 1.57x**
 - *Includes full effect of 3MM units issued to Anadarko as part of the Bison Acquisition*
- **Upsized Existing Unsecured Credit Facility to \$800MM**
 - *Extended maturity to 2016*
- **Completed First Public Debt Offering**
 - *10-year tenure, 5.375% coupon*
 - *Rated BBB-/BB+ (Fitch/S&P)*

The WES Asset Portfolio



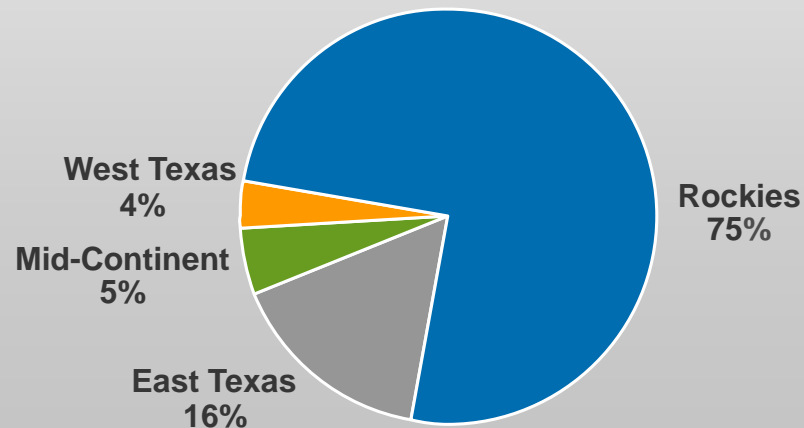
Current Assets / Investments

- 12 natural gas gathering systems
- 8 natural gas treating facilities
- 7 processing facilities
- 1 natural gas pipeline
- 1 NGL pipeline
- 1 crude oil pipeline

2Q11 Throughput Attributable to WES

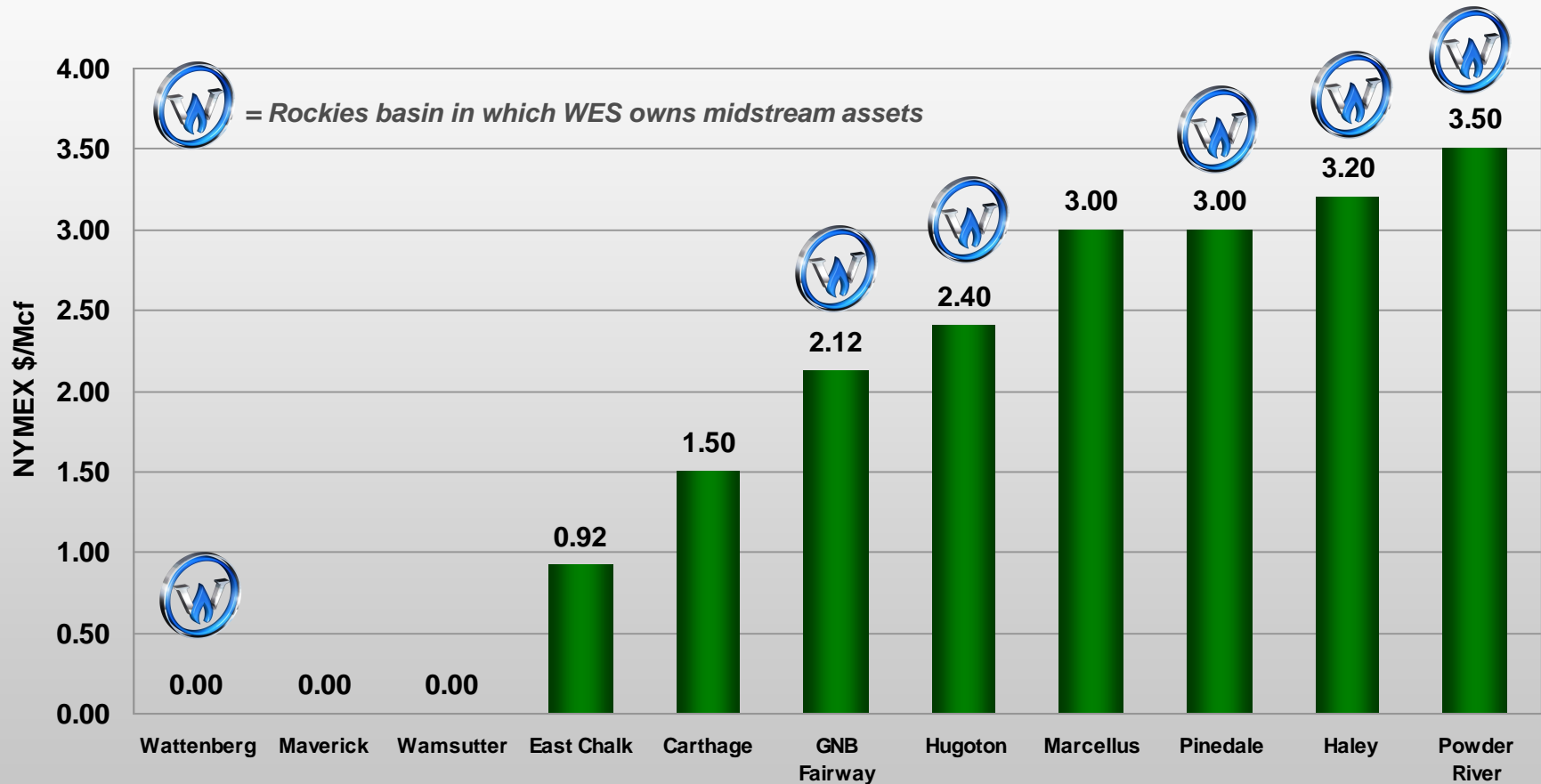
- Average daily throughput of 1.55 Bcf/d

2Q11 Throughput by Region



Strong APC Drilling Economics

Minimum Gas Price for a 10% Before-Tax Rate of Return¹

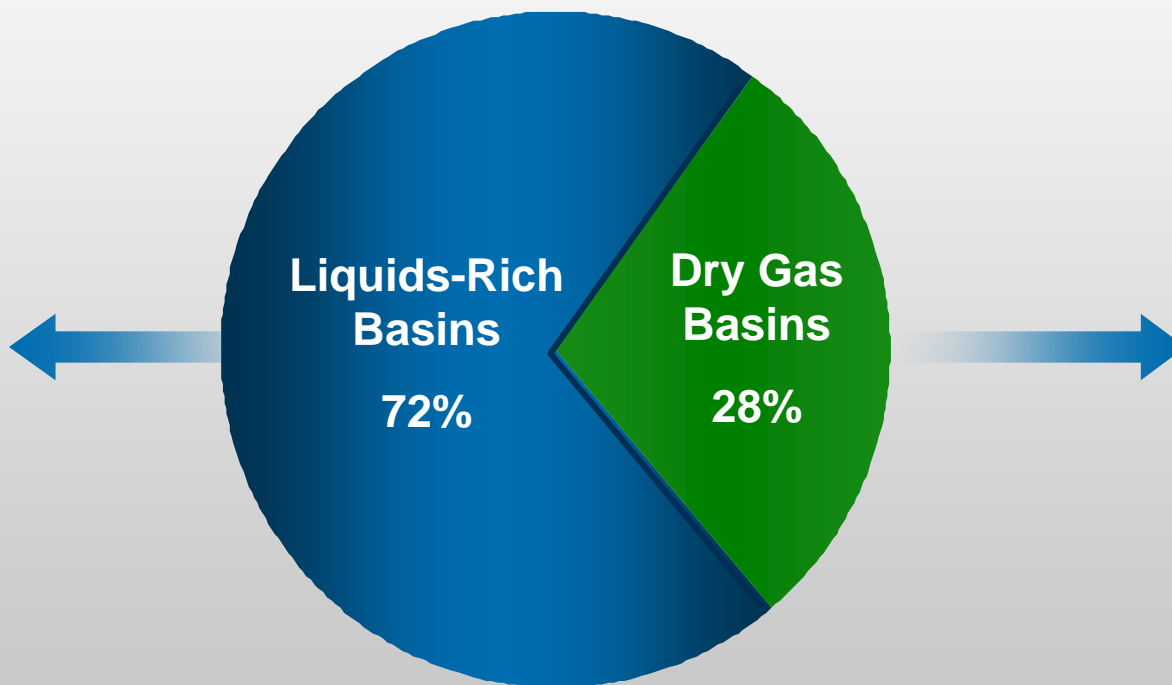


¹ Assumes \$90/Bbl Oil

Liquids-Rich Basins

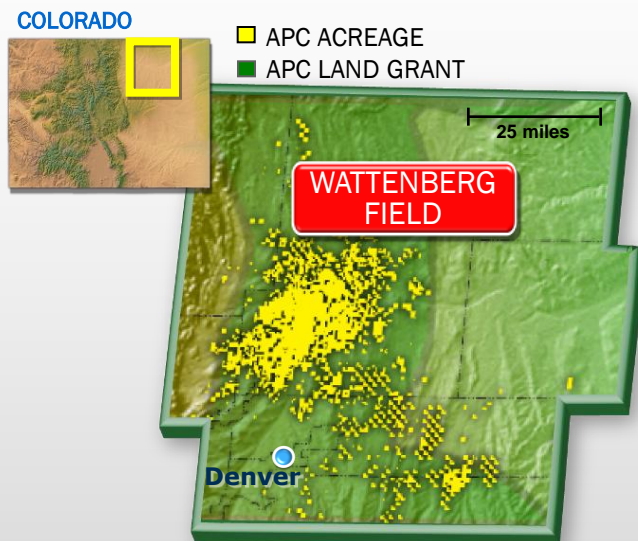
2Q11 Gross Margin

High gross margin assets; continued drilling as producers seek to capture high NGL prices, which are tied to crude oil



Lower gross margin assets; cash flow protection through rate resets

Wattenberg/Platte Valley/White Cliffs - DJ Basin



Inventory and Activity

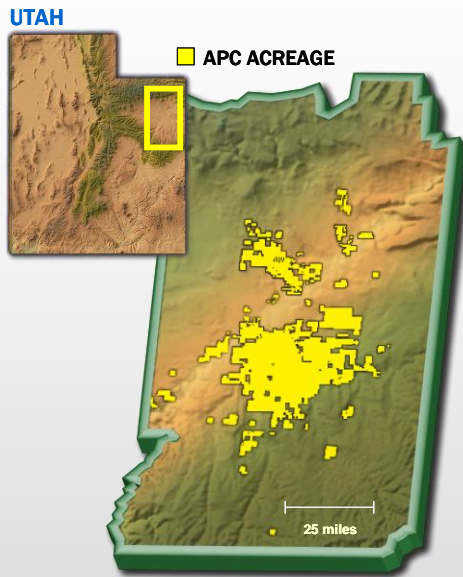
- **Extensive APC high-quality inventory**
 - 6,000+ Vertical New Drills
 - 6,000+ Recompletions/Refracs
- **2011 planned APC activity**
 - Drill 470 - 500 Vertical Wells
 - Drill 20 - 30 Horizontal Wells
 - Recomplete/Refrac 500+ Zones

Description and Overview

- 2,814 mile gathering system
- 526 mile oil pipeline (10% interest)
- 2,630 receipt points
- Delivers gas to five processing plants
 - Ft. Lupton and Platte Valley plants owned by WES
- Largest customers: Anadarko, Encana, Noble
- Encana system purchased 2/11
 - No APC throughput
- White Cliffs Pipeline improves producer netbacks by \$12+

¹ Source: Anadarko 2011 Investor Book.

Chipeta/NGL Pipeline – Uintah Basin (Greater Natural Buttes)



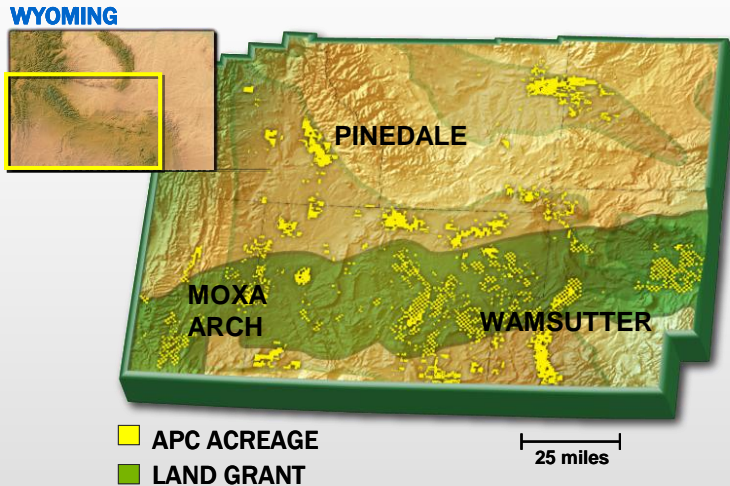
Inventory and Activity

- **Lower risk with deep zone potential**
 - 6,000+ Drill Sites
- **2011 planned APC activity**
 - 5 – 8 Drilling Rigs
 - Drill 250+ Wells
- **Improving type curve**
 - 2008 initial production rate: 1.7 MMcf/d
 - 2010 initial production rate: 2.2 MMcf/d

Description and Overview

- **51% Ownership of Chipeta Processing, LLC**
 - 24% owned by APC, 25% owned by Ute Energy
- **Chipeta Processing Plant**
 - 240 Mmcf/d Refrigeration train
 - 250 Mmcf/d Cryogenic train
- **Natural Buttes Plant**
 - 180 Mmcf/d refrigeration
- **17 Mile NGL pipeline**
 - Connects to MAPL and ultimately to Mont Belvieu
- **Third train sanctioned in FY 2011**
 - APC commitment plus capacity to serve third parties
 - Total cost (net to WES) of \$56MM split between 2011 and 2012. 3Q12 start-up.
 - Expected IRR 18-25%

Granger – Green River Basin (Moxa/Jonah/Pinedale)



Inventory and Activity

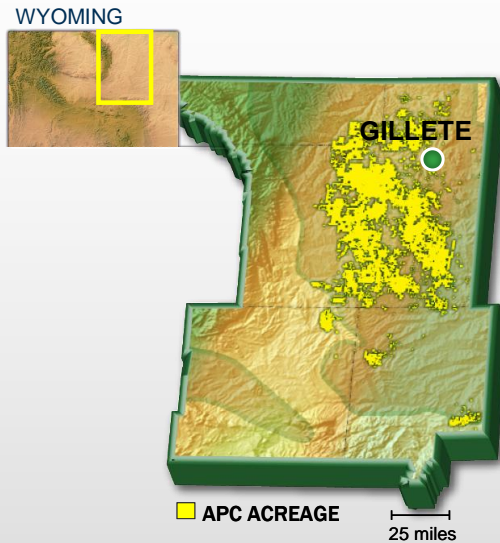
- **Lower-risk drilling**
 - 6,000+ Drill Sites (5,000+ at Pinedale)
- **Pinedale – A world class asset**
 - 38.2 TCF Recoverable
- **2011 planned Ultra activity**
 - 229 Pinedale and Jonah Wells

Description and Overview

- 815 mile gathering system
- Two cryogenic trains (200 MMcf/d capacity)
- Two refrigeration Trains (100 Mmcf/d capacity)
- 9,500 Bopd fractionation facility
- 663 receipt points
- **Delivers gas to five major pipelines**
 - Access to two additional gas pipelines via Rendezvous
- **MAPL transports NGLs to Mont Belvieu**
- **Ultra & Shell largest operators**
 - APC has 12% Working Interest

¹ Source: Anadarko 2011 Investor Book.

Hilight and Newcastle – Powder River Basin (East)



Inventory and Activity

- Conventional oil-driven plays
- Diverse customer base
- EOG and Resolute Resources operators – drilling in 2011; APC non-op interests
- Increasing volumes under favorable POP contracts

Description and Overview

- 1,282 mile gathering system
- Two refrigeration processing plants in service
- Hilight delivers gas to MIGC (owned by WES), Newcastle to MGTC (owned by APC)
- Liquids sold locally
- Largest customers – Resolute, EOG, Devon
- Conventional gas fields
 - *Johnson, Campbell, Natrona and Converse counties*
- High margin contracts

¹ Source: Anadarko 2011 Investor Book. Figure represents entire Powder River Basin

WES Strategic Principles

Maximize Liquidity

**Minimize
Commodity Risk**

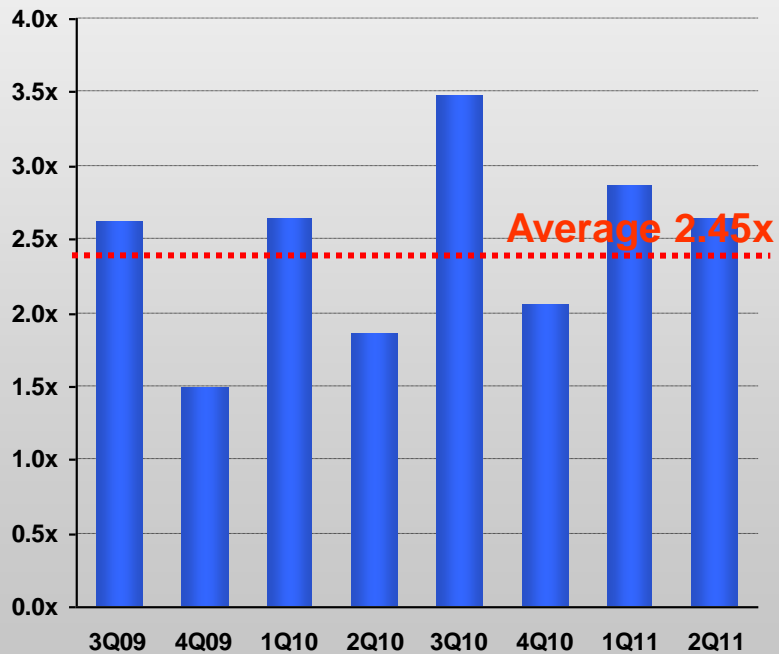


**Maintain Capital
Maturity**

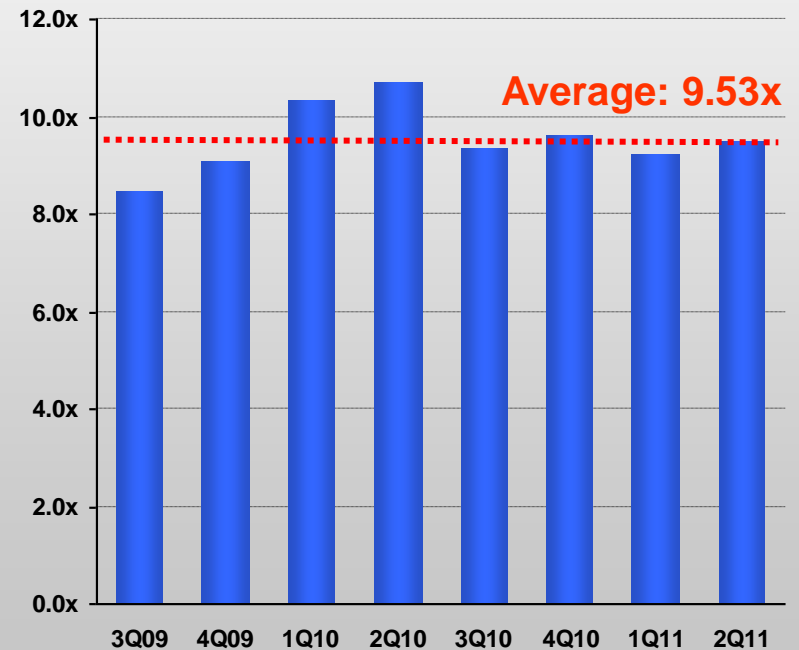
**Demonstrate
Sponsor Support**

Significant Liquidity

Debt / EBITDA ¹



Reported EBITDA / Interest Expense

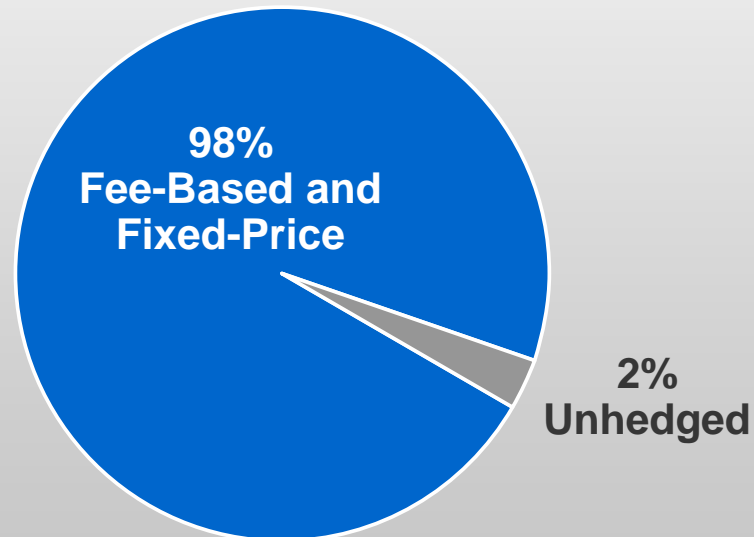


¹ Quarter-end Debt Divided by (Reported EBITDA * 4)

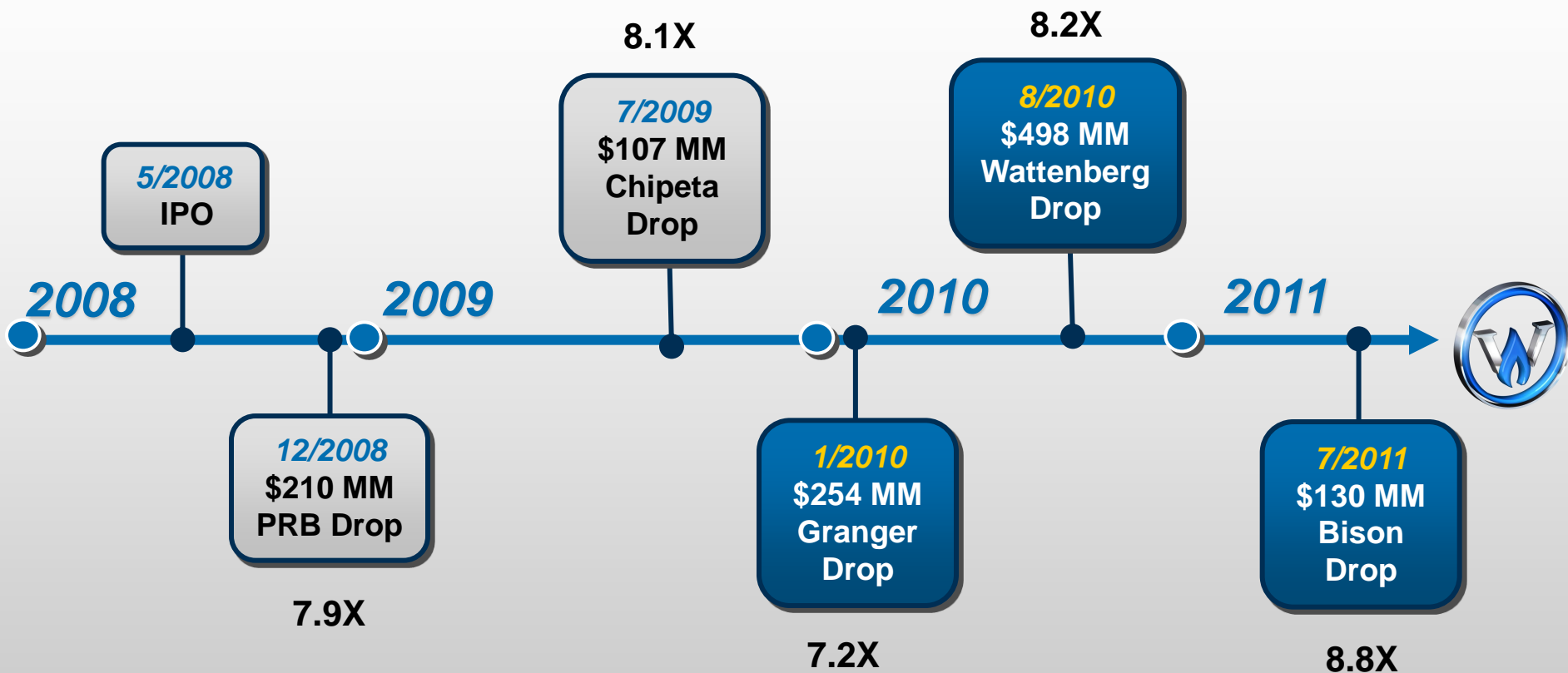
Minimal Commodity Risk

- Long-Term Fee-Based Contracts and Fixed-Price Agreements
- Sponsor has Retained Commodity Price Risk Related to Dropdown Assets

Gross Margin
Last Twelve Months 6/30/2011



Accretive Dropdowns

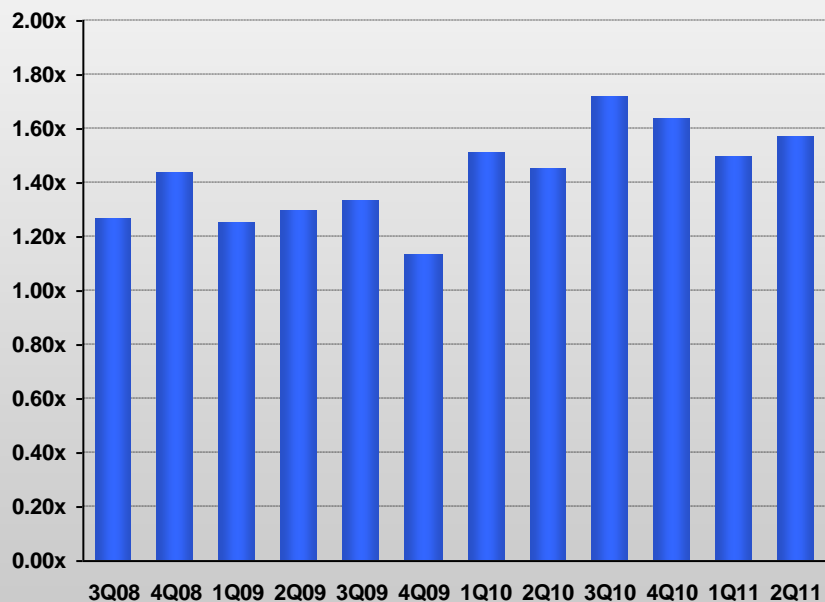


*Sponsor Also Continues to Invest in Midstream:
\$1.1B invested over past three years and \$1B¹ expected in 2011*

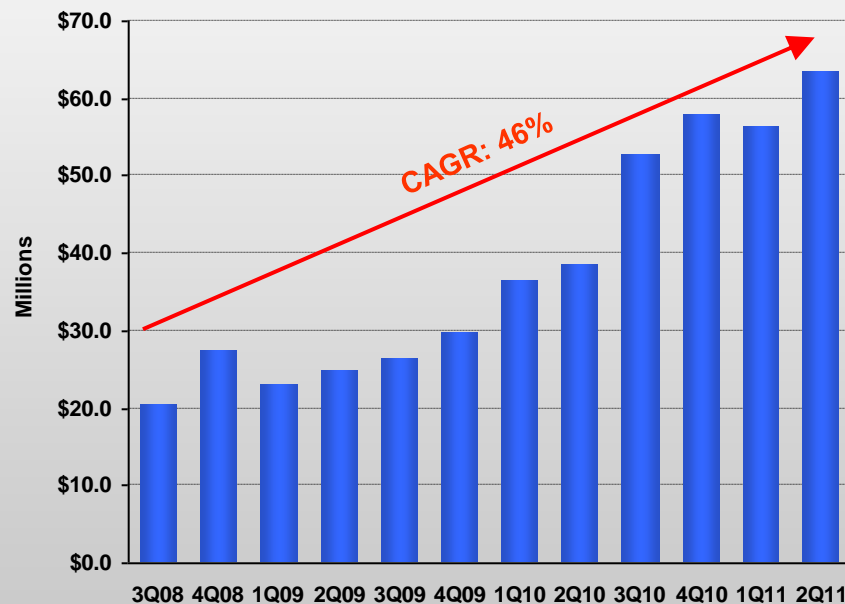
¹ including midstream acquisitions

Strong Financial Results

Coverage Ratio



Reported EBITDA



All figures shown as originally reported

Growth Strategy #1 – More Dropdowns



Midstream Asset Overview*

	Anadarko	Western Gas
Gathering systems	18	12
Processing & treating facilities	9	15
Interstate gas pipelines	--	1
NGL/Crude oil pipelines	2	2
Miles of pipeline	5,900	8,800

*As of June 30, 2011

- Aggregate throughput of approximately 4.1 Bcf/d for 2Q11
- The combined portfolio serves several major producing basins

Most Recent Dropdown - Bison Assets

● Newly-Built Assets

- *Three amine treating units*
- *Three compressor units*
- *Five generators*

● Transaction Highlights

- *\$130MM purchase price*
- *Immediately accretive*
- *APC took 81% of consideration in units*

● Stable Cash flows

- *100% fee-based*
- *100% supported by demand charges*



Growth Strategy #2 – Strategic Expansions

● Chipeta Train III

- *Underwritten by Anadarko volume commitment*
- *Base Case IRR of 18-25%*

● Platte Valley Assets

- *Expanded capacity from 84 to 100 MMcf/d*
- *Completed in June 2011*

● White Cliffs Extension

- *Not in 2011 Budget; likely 2012 or later*
- *Strategic position for Niobrara resource play*

Growth Strategy #3 – Equity Options

White Cliffs Case Study

● APC Negotiates Equity Option

- *Uses negotiating leverage in committing firm transportation*

● WES Acquires Option from APC

- *Subsequent exercise*
- *Immediate accretion*

● Potential for Replication

- *Mid-con, Marcellus, Eagleford, Niobrara*



2011 Outlook

<i>(\$ in millions)</i>	<u>Full-Year 2011</u>
Adjusted EBITDA	\$245 – 260
Total Capex	\$97 – 112
Maint. Capex as % of Adj. EBITDA	8 - 11%

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Non-GAAP Adjusted EBITDA Reconciliation

(in thousands)

Reconciliation of Net Income to Adjusted EBITDA ⁽¹⁾

	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11
Net income	\$17,396	\$20,113	\$16,958	\$18,124	\$17,048	\$19,278	\$22,914	\$23,411	\$31,481	\$35,143	\$34,984	\$33,939
Add:												
Distributions from equity investees	-	1,455	1,111	1,459	1,555	1,363	1,111	1,038	1,381	2,316	2,434	3,013
Non-cash equity-based compensation expense	-	-	846	942	948	844	567	680	570	2,970	1,928	1,918
Expenses in excess of omnibus cap	-	-	-	-	-	842	-	-	-	133	-	-
Interest expense	37	253	1,785	1,786	3,127	3,257	3,528	3,598	5,648	6,019	6,111	6,697
Income tax expense ⁽²⁾	68	2,654	-	55	171	164	957	17	1,505	92	32	94
Depreciation, amortization & impairments ⁽²⁾	7,145	8,395	8,621	8,752	9,586	9,757	12,983	12,849	18,419	17,626	18,853	21,007
Other expense, net ⁽²⁾	-	-	-	-	-	-	-	2,395	-	-	-	3,682
Less:												
Equity Income, net	-	896	1,550	1,985	1,794	1,653	1,340	1,258	1,911	2,042	2,044	2,646
Interest income - affiliate	4,253	4,512	4,225	4,225	4,225	4,225	4,225	4,225	4,225	4,225	4,225	4,225
Other income, net ⁽²⁾	93	21	5	9	12	11	19	-	62	187	1,759	
Income tax benefit	-	-	490	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	\$20,300	\$27,441	\$23,051	\$24,899	\$26,404	\$29,616	\$36,476	\$38,505	\$52,806	\$57,845	\$56,314	\$63,479

1. As reported

2. Includes the Partnership's 51% share of income tax expense; depreciation, amortization and impairment; and other income, net, attributable to Chipeta Processing LLC

Non-GAAP DCF Reconciliation

(in thousands)

Reconciliation of Net Income to Distributable Cash Flow ⁽¹⁾

	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11
Net income	\$ 17,396	\$ 20,113	\$ 16,958	\$ 18,124	\$ 17,048	\$ 19,278	\$ 22,914	\$ 23,411	\$ 31,481	\$ 35,143	\$ 34,984	\$ 33,939
Add:												
Distributions from equity investees	-	1,455	1,111	1,459	1,555	1,363	1,111	1,038	1,381	2,316	2,434	3,013
Non-cash equity-based compensation expense	-	-	846	942	948	844	567	680	570	2,970	1,928	1,918
Expenses in excess of omnibus cap	-	-	-	-	-	842	-	-	-	133	-	-
Income tax expense ⁽²⁾	68	2,654	-	55	171	164	957	17	1,505	92	32	94
Depreciation, amortization & impairments ⁽²⁾	7,145	8,395	8,621	8,752	9,586	9,757	12,983	12,849	18,419	17,626	18,853	21,007
Other expense, net ⁽²⁾	-	-	-	-	-	-	-	2,395	-	-	-	3,682
Less:												
Equity Income, net	-	896	1,550	1,985	1,794	1,653	1,340	1,258	1,911	2,042	2,044	2,646
Cash paid for maintenance capital expenditures ⁽²⁾	3,802	6,908	4,226	4,500	3,288	4,018	3,891	3,742	5,983	5,563	4,702	4,375
Capitalized interest	-	-	-	-	-	-	-	-	-	-	-	13
Cash paid for income taxes	-	-	-	-	-	-	-	-	-	507	-	-
Interest income, net (non-cash settled)	-	324	-	-	-	-	-	-	-	-	-	-
Other income, net ⁽²⁾	93	21	5	9	12	11	19	-	62	187	1,759	-
Income tax benefit	-	-	490	-	-	-	-	-	-	-	-	-
Distributable Cash Flow	\$ 20,714	\$ 24,468	\$ 21,265	\$ 22,838	\$ 24,214	\$ 26,566	\$ 33,282	\$ 35,390	\$ 45,400	\$ 49,981	\$ 49,726	\$ 56,619
Distribution declared, three Months ended												
Limited Partner	15,922	16,689	16,689	17,364	17,924	20,966	21,601	23,838	25,589	29,478	31,756	34,178
General Partner	325	341	341	354	366	428	441	540	792	1,086	1,412	1,885
Total	16,247	17,030	17,030	17,718	18,290	21,394	22,042	24,378	26,381	30,564	33,168	36,063
Distribution Coverage Ratio ⁽³⁾	1.27x	1.44x	1.25x	1.30x	1.32x	1.13x ⁽⁴⁾	1.51x	1.45x	1.72x	1.64x	1.50x	1.57x

1. As reported
2. Includes the Partnership's 51% share of income tax expense; depreciation, amortization and impairment; and other income, net, attributable to Chipeta Processing LLC
3. 3Q08-3Q09 distributions used in the coverage ratio calculation are based on the weighted average units outstanding during the period
4. Excludes \$2.5MM prior-period benefit