

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2016

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from _____ to _____

Commission File No. 001-36567

Westlake Chemical Partners LP

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

32-0436529
(I.R.S. Employer
Identification Number)

2801 Post Oak Boulevard, Suite 600
Houston, Texas 77056
(Address of principal executive offices, including zip code)

(713) 585-2900
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes No

The registrant had 14,373,615 common units and 12,686,115 subordinated units outstanding as of August 2, 2016 .

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

**WESTLAKE CHEMICAL PARTNERS LP
CONSOLIDATED BALANCE SHEETS
(Unaudited)**

	June 30, 2016	December 31, 2015
(in thousands of dollars, except unit amounts)		
ASSETS		
Current assets		
Cash and cash equivalents	\$ 151,257	\$ 169,559
Accounts receivable—Westlake Chemical Corporation ("Westlake")	59,118	39,655
Accounts receivable, net—third parties	9,620	11,927
Inventories	2,493	3,879
Prepaid expenses and other current assets	73	267
Total current assets	222,561	225,287
Property, plant and equipment, net	1,203,249	1,020,469
Receivable from Westlake	28,248	—
Other assets, net		
Goodwill	5,814	5,814
Deferred charges and other assets, net	92,362	38,779
Total other assets, net	98,176	44,593
Total assets	\$ 1,552,234	\$ 1,290,349
LIABILITIES		
Current liabilities		
Accounts payable—Westlake	\$ 26,558	\$ 15,550
Accounts payable—third parties	67,167	18,737
Accrued liabilities	77,069	23,407
Total current liabilities	170,794	57,694
Long-term debt payable to Westlake	515,338	384,006
Deferred income taxes	1,712	1,392
Other liabilities	640	90
Total liabilities	688,484	443,182
Commitments and contingencies (Notes 9 and 15)		
EQUITY		
Common unitholders—public (12,937,500 units issued and outstanding)	296,704	294,565
Common unitholder—Westlake (1,436,115 units issued and outstanding)	4,739	4,502
Subordinated unitholder—Westlake (12,686,115 units issued and outstanding)	41,882	39,786
General partner—Westlake	(242,526)	(242,572)
Accumulated other comprehensive (loss) income	(624)	280
Total Westlake Chemical Partners LP partners' capital	100,175	96,561
Noncontrolling interest in Westlake Chemical OpCo LP ("OpCo")	763,575	750,606
Total equity	863,750	847,167
Total liabilities and equity	\$ 1,552,234	\$ 1,290,349

The accompanying notes are an integral part of these consolidated financial statements.

WESTLAKE CHEMICAL PARTNERS LP
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
(in thousands of dollars, except unit amounts and per unit data)				
Revenue				
Net sales—Westlake	\$ 181,635	\$ 204,669	\$ 412,895	\$ 413,582
Net co-product, ethylene and other sales—third parties	29,206	47,036	50,550	96,514
Total net sales	210,841	251,705	463,445	510,096
Cost of sales	122,460	157,177	264,650	319,341
Gross profit	88,381	94,528	198,795	190,755
Selling, general and administrative expenses	5,848	5,995	11,945	11,995
Income from operations	82,533	88,533	186,850	178,760
Other income (expense)				
Interest expense—Westlake	(1,203)	(1,364)	(2,434)	(2,740)
Other income, net	159	33	243	38
Income before income taxes	81,489	87,202	184,659	176,058
Provision for (benefit from) income taxes	297	(41)	696	426
Net income	81,192	87,243	183,963	175,632
Less: Net income attributable to noncontrolling interest in OpCo	71,848	76,800	162,535	156,689
Net income attributable to Westlake Chemical Partners LP	\$ 9,344	\$ 10,443	\$ 21,428	\$ 18,943
Net income per limited partner unit attributable to Westlake Chemical Partners LP (basic and diluted)				
Common units	\$ 0.34	\$ 0.39	\$ 0.79	\$ 0.70
Subordinated units	\$ 0.34	\$ 0.39	\$ 0.79	\$ 0.70
Weighted average limited partner units outstanding (basic and diluted)				
Common units—public	12,937,500	12,937,500	12,937,500	12,937,500
Common units—Westlake	1,436,115	1,436,115	1,436,115	1,436,115
Subordinated units—Westlake	12,686,115	12,686,115	12,686,115	12,686,115

The accompanying notes are an integral part of these consolidated financial statements.

WESTLAKE CHEMICAL PARTNERS LP
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	(in thousands of dollars)			
Net income	\$ 81,192	\$ 87,243	\$ 183,963	\$ 175,632
Other comprehensive loss				
Cash flow hedge				
Interest rate contract				
Change in fair value of cash flow hedge	(267)	—	(1,094)	—
Reclassification of loss to net income	94	—	190	—
Total other comprehensive loss	(173)	—	(904)	—
Comprehensive income	81,019	87,243	183,059	175,632
Comprehensive income attributable to noncontrolling interest in OpCo	71,848	76,800	162,535	156,689
Comprehensive income attributable to Westlake Chemical Partners LP	\$ 9,171	\$ 10,443	\$ 20,524	\$ 18,943

The accompanying notes are an integral part of these consolidated financial statements.

WESTLAKE CHEMICAL PARTNERS LP
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)

	Common Unitholders — Public	Common Unitholder — Westlake	Subordinated Unitholder — Westlake	General Partner — Westlake	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests in OpCo	Total
(in thousands of dollars)							
Balances at December 31, 2014	\$ 290,377	\$ 4,038	\$ 35,681	\$ (242,572)	\$ —	\$ 747,426	\$ 834,950
Net income	9,057	1,005	8,881	—	—	156,689	175,632
Quarterly distributions to unitholders	(7,218)	(801)	(7,078)	—	—	—	(15,097)
Quarterly distribution to noncontrolling interest retained in OpCo by Westlake	—	—	—	—	—	(169,101)	(169,101)
Balances at June 30, 2015	<u>\$ 292,216</u>	<u>\$ 4,242</u>	<u>\$ 37,484</u>	<u>\$ (242,572)</u>	<u>\$ —</u>	<u>\$ 735,014</u>	<u>\$ 826,384</u>
Balances at December 31, 2015	\$ 294,565	\$ 4,502	\$ 39,786	\$ (242,572)	\$ 280	\$ 750,606	\$ 847,167
Net income	10,222	1,135	10,023	48	—	162,535	183,963
Net effect of cash flow hedge	—	—	—	—	(904)	—	(904)
Quarterly distributions to unitholders	(8,083)	(898)	(7,927)	(2)	—	—	(16,910)
Quarterly distribution to noncontrolling interest retained in OpCo by Westlake	—	—	—	—	—	(149,566)	(149,566)
Balances at June 30, 2016	<u>\$ 296,704</u>	<u>\$ 4,739</u>	<u>\$ 41,882</u>	<u>\$ (242,526)</u>	<u>\$ (624)</u>	<u>\$ 763,575</u>	<u>\$ 863,750</u>

The accompanying notes are an integral part of these consolidated financial statements.

WESTLAKE CHEMICAL PARTNERS LP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30,	
	2016	2015
	(in thousands of dollars)	
Cash flows from operating activities		
Net income	\$ 183,963	\$ 175,632
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	41,182	40,195
Provision for doubtful accounts	37	170
Loss from disposition of property, plant and equipment	2,467	124
Deferred income taxes	320	(234)
Changes in operating assets and liabilities		
Accounts receivable—third parties	2,270	15,275
Net accounts receivable—Westlake	(36,703)	(10,300)
Inventories	1,386	2,778
Prepaid expenses and other current assets	194	182
Accounts payable	24,833	4,407
Accrued and other liabilities	26,905	2,379
Other, net	(61,577)	(709)
Net cash provided by operating activities	185,277	229,899
Cash flows from investing activities		
Additions to property, plant and equipment	(168,533)	(95,514)
Proceeds from disposition of assets	98	—
Net cash used for investing activities	(168,435)	(95,514)
Cash flows from financing activities		
Proceeds from debt payable to Westlake	131,832	188,695
Repayment of debt payable to Westlake	(500)	(135,341)
Quarterly distributions to noncontrolling interest retained in OpCo by Westlake	(149,566)	(169,101)
Quarterly distributions to unitholders	(16,910)	(15,097)
Net cash used for financing activities	(35,144)	(130,844)
Net (decrease) increase in cash and cash equivalents	(18,302)	3,541
Cash and cash equivalents at beginning of period	169,559	133,750
Cash and cash equivalents at end of period	\$ 151,257	\$ 137,291

The accompanying notes are an integral part of these consolidated financial statements.

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(in thousands of dollars, except unit amounts and per unit data)

1. Description of Business and Basis of Presentation

Description of Business

Westlake Chemical Partners LP (the "Partnership") is a Delaware limited partnership formed in March 2014 to operate, acquire and develop facilities and related assets for the processing of natural gas liquids. On August 4, 2014, the Partnership completed its initial public offering (the "IPO") of 12,937,500 common units representing limited partner interests. In connection with the IPO, the Partnership acquired a 10.6% interest in Westlake Chemical OpCo LP ("OpCo") and a 100% interest in Westlake Chemical OpCo GP LLC ("OpCo GP"), which is the general partner of OpCo. On April 29, 2015, the Partnership purchased an additional 2.7% newly-issued limited partner interest in OpCo for approximately \$135,341, resulting in an aggregate 13.3% limited partner interest in OpCo effective April 1, 2015. OpCo owns three natural gas liquids processing facilities and a common carrier ethylene pipeline.

Basis of Presentation

The accompanying unaudited consolidated interim financial statements were prepared in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC") for interim periods. Accordingly, certain information and footnotes required for complete financial statements under generally accepted accounting principles in the United States ("U.S. GAAP") have not been included. These interim consolidated financial statements should be read in conjunction with the December 31, 2015 combined and consolidated financial statements and notes thereto of the Partnership included in the annual report on Form 10-K for the fiscal year ended December 31, 2015 (the "2015 Form 10-K"), filed with the SEC on March 8, 2016. These financial statements have been prepared in conformity with the accounting principles and practices as disclosed in the notes to the combined and consolidated financial statements of the Partnership for the fiscal year ended December 31, 2015.

References to "Westlake" refer collectively to Westlake Chemical Corporation and its subsidiaries, other than the Partnership, OpCo and OpCo GP.

The Partnership holds a 13.3% limited partner interest and the entire non-economic general partner interest in OpCo. The remaining 86.7% limited partner interest in OpCo is owned by Westlake, which has no rights to direct the activities that most significantly impact the economic performance of OpCo. As a result of the fact that substantially all of OpCo's activities are conducted on behalf of Westlake, and the fact that OpCo exhibits disproportionality of voting rights to economic interest, OpCo was deemed to be a variable interest entity. The Partnership, through its ownership of OpCo's general partner, has the power to direct the activities that most significantly impact the economic performance of OpCo, and it also has the obligation or right to absorb losses or receive benefits from OpCo that could potentially be significant to OpCo. As such, the Partnership was determined to be OpCo's primary beneficiary and therefore consolidates OpCo's results of operations and financial position. The Partnership's operations consist exclusively of the variable interest entity's operations and, as such, no additional variable interest entity disclosures are considered necessary. Westlake's retained interest of 86.7% is recorded as noncontrolling interest in the Partnership's consolidated financial statements.

In the opinion of the Partnership's management, the accompanying unaudited consolidated interim financial statements reflect all adjustments (consisting only of normal recurring adjustments) that are necessary for a fair statement of the Partnership's financial position as of June 30, 2016, its results of operations for the three and six months ended June 30, 2016 and 2015 and the changes in its cash position for the six months ended June 30, 2016 and 2015.

Results of operations and changes in cash position for the interim periods presented are not necessarily indicative of the results that will be realized for the fiscal year ending December 31, 2016 or any other interim period. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Actual results could differ materially from those estimates.

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — Continued
(Unaudited)
(in thousands of dollars, except unit amounts and per unit data)

Recent Accounting Pronouncements

Revenue from Contracts with Customers (ASU No. 2014-09)

In May 2014, the Financial Accounting Standards Board ("FASB") issued an accounting standards update on a comprehensive new revenue recognition standard that will supersede the existing revenue recognition guidance. The new accounting guidance creates a framework by which an entity will allocate the transaction price to separate performance obligations and recognize revenue when each performance obligation is satisfied. Under the new standard, entities will be required to use judgment and make estimates, including identifying performance obligations in a contract, estimating the amount of variable consideration to include in the transaction price, allocating the transaction price to each separate performance obligation and determining when an entity satisfies its performance obligations. The standard allows for either "full retrospective" adoption, meaning that the standard is applied to all of the periods presented with a cumulative catch-up as of the earliest period presented, or "modified retrospective" adoption, meaning the standard is applied only to the most current period presented in the financial statements with a cumulative catch-up as of the current period. In 2016, the FASB issued various additional authoritative guidance for the new revenue recognition standard. The accounting standard will be effective for reporting periods beginning after December 15, 2017. The Partnership is in the process of evaluating the impact that the new accounting guidance will have on its consolidated financial position, results of operations and cash flows.

Leases (ASU No. 2016-02)

In February 2016, the FASB issued an accounting standards update on a new lease standard that will supersede the existing lease guidance. The standard requires a lessee to recognize assets and liabilities related to long-term leases that are classified as operating leases under current guidance on its balance sheet. An asset would be recognized related to the right to use the underlying asset and a liability would be recognized related to the obligation to make lease payments over the term of the lease. The standard also requires expanded disclosures related to leases. The accounting standard will be effective for reporting periods beginning after December 15, 2018. The Partnership is in the process of evaluating the impact that the new accounting guidance will have on its consolidated financial position, results of operations and cash flows.

Stock Compensation (ASU No. 2016-09)

In March 2016, the FASB issued an accounting standards update to simplify several aspects of the accounting for share-based payment transactions, including income tax consequences, classifications of awards as either equity or liabilities and certain related classifications on the statement of cash flows. In addition, the new guidance permits entities to make an accounting policy election for the impact of forfeitures on the recognition of expense for share-based payment awards. Forfeitures can be estimated, as required today, or recognized when they occur. The accounting standard is effective for reporting periods beginning after December 15, 2016 and is not expected to have an impact on the Partnership's consolidated financial position, results of operations and cash flows.

Credit Losses (ASU No. 2016-13)

In June 2016, the FASB issued an accounting standards update providing new guidance for the accounting for credit losses on loans and other financial instruments. The new guidance introduces an approach based on expected losses to estimate credit losses on certain types of financial instruments. The standard also modifies the impairment model for available-for-sale debt securities and provides for a simplified accounting model for purchased financial assets with credit deterioration since their origination. The accounting standard will be effective for reporting periods beginning after December 15, 2019. The Partnership is in the process of evaluating the impact that the new accounting guidance will have on its consolidated financial position, results of operations and cash flows.

2. Financial Instruments

Cash Equivalents

The Partnership had \$29,994 of held-to-maturity securities with original maturities of three months or less, primarily consisting of corporate debt securities, classified as cash equivalents at June 30, 2016. The Partnership's investments in held-to-maturity securities are held at amortized cost, which approximates fair value. There were no held-to-maturity securities, classified as cash equivalents, at December 31, 2015.

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — Continued
(Unaudited)
(in thousands of dollars, except unit amounts and per unit data)

3. Accounts Receivable—Third Parties

Accounts receivable—third parties consist of the following:

	June 30, 2016	December 31, 2015
Trade customers	\$ 9,827	\$ 12,097
Allowance for doubtful accounts	(207)	(170)
Accounts receivable, net—third parties	<u>\$ 9,620</u>	<u>\$ 11,927</u>

4. Inventories

Inventories consist of the following:

	June 30, 2016	December 31, 2015
Finished products	\$ 2,259	\$ 3,527
Feedstock, additives and chemicals	234	352
Inventories	<u>\$ 2,493</u>	<u>\$ 3,879</u>

5. Property, Plant and Equipment

As of June 30, 2016, the Partnership had property, plant and equipment, net totaling \$1,203,249. The Partnership assesses these assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, including when negative conditions such as significant current or projected operating losses exist. Other factors considered by the Partnership when determining if an impairment assessment is necessary include, but are not limited to, significant changes or projected changes in supply and demand fundamentals (which would have a negative impact on operating rates or margins), new technological developments, new competitors with significant raw material or other cost advantages, adverse changes associated with the U.S. and world economies and uncertainties associated with governmental actions. Long-lived assets assessed for impairment are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities.

Depreciation expense on property, plant and equipment of \$17,094 and \$16,182 is included in cost of sales in the consolidated statements of operations for the three months ended June 30, 2016 and 2015, respectively. Depreciation expense on property, plant and equipment of \$33,647 and \$31,775 is included in cost of sales in the consolidated statements of operations for the six months ended June 30, 2016 and 2015, respectively.

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — Continued
(Unaudited)
(in thousands of dollars, except unit amounts and per unit data)

6. Other Assets

Other assets consist of the following:

	June 30, 2016			December 31, 2015		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Intangible asset—Goodwill	\$ 5,814	\$ —	\$ 5,814	\$ 5,814	\$ —	\$ 5,814
Deferred charges and other assets, net						
Interest rate contract	—	—	—	436	—	436
Turnaround costs	138,924	(52,347)	86,577	100,020	(67,767)	32,253
Other	8,710	(2,925)	5,785	8,710	(2,620)	6,090
Total deferred charges and other assets, net	147,634	(55,272)	92,362	109,166	(70,387)	38,779
Other assets, net	<u>\$ 153,448</u>	<u>\$ (55,272)</u>	<u>\$ 98,176</u>	<u>\$ 114,980</u>	<u>\$ (70,387)</u>	<u>\$ 44,593</u>

Amortization expense on other assets of \$3,692 and \$4,210 is included in the consolidated statements of operations for the three months ended June 30, 2016 and 2015, respectively. Amortization expense on other assets of \$7,535 and \$8,420 is included in the consolidated statements of operations for the six months ended June 30, 2016 and 2015, respectively.

7. Distributions and Net Income Per Limited Partner Unit

On July 27, 2016, the board of directors of Westlake Chemical Partners GP LLC ("Westlake GP"), the Partnership's general partner, declared a quarterly cash distribution for the period from April 1, 2016 through June 30, 2016 of \$0.3259 per unit and of \$46 to the holders of the Partnership's incentive distribution rights ("IDR Holders"). This distribution is payable on August 23, 2016 to unitholders and IDR Holders of record as of August 9, 2016.

The Partnership Agreement provides that the Partnership will distribute cash each quarter during the subordination period in the following manner: first, to the holders of common units, until each common unit has received the minimum quarterly distribution of \$0.2750, plus any arrearages from prior quarters; second, to the holders of subordinated units, until each subordinated unit has received the minimum quarterly distribution of \$0.2750; and third, to the holders of common and subordinated units, pro-rata, until each unit has received a distribution of \$0.3163. If cash distributions to the Partnership's unitholders exceed \$0.3163 per common unit and subordinated unit in any quarter, the Partnership's unitholders and Westlake, as the holder of the Partnership's incentive distribution rights, will receive distributions according to the following percentage allocations:

Total Quarterly Distribution Per Unit	Marginal Percentage Interest in Distributions	
	Unitholders	IDR Holders
Above \$0.3163 up to \$0.3438	85.0%	15.0%
Above \$0.3438 up to \$0.4125	75.0%	25.0%
Above \$0.4125	50.0%	50.0%

For the three months ended June 30, 2016, the Partnership's distribution exceeded the \$0.3163 per common and subordinated unit target, which resulted in distributions to the IDR Holders.

The distributions are declared subsequent to quarter end; therefore, the table below represents total cash distributions and the related periods pertaining to such distributions.

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — Continued
(Unaudited)
(in thousands of dollars, except unit amounts and per unit data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net income attributable to the Partnership	\$ 9,344	\$ 10,443	\$ 21,428	\$ 18,943
Less:				
Limited partners' distribution declared on common units	4,684	4,183	9,238	8,248
Limited partners' distribution declared on subordinated units	4,134	3,691	8,153	7,281
Distribution declared with respect to the incentive distribution rights	46	—	48	—
Net income in excess of distribution	\$ 480	\$ 2,569	\$ 3,989	\$ 3,414

Net income per unit applicable to common limited partner units and to subordinated limited partner units is computed by dividing the respective limited partners' interest in net income by the weighted-average number of common units and subordinated units outstanding for the period. Because the Partnership has more than one class of participating securities, it uses the two-class method when calculating the net income per unit applicable to limited partners. The classes of participating securities include common units, subordinated units and incentive distribution rights. Net income attributable to the Partnership is allocated to the unitholders in accordance with their respective ownership percentages in preparation of the consolidated statement of equity. However, when distributions related to the incentive distribution rights are made; net income equal to the amount of those distributions is first allocated to the general partner before the remaining net income is allocated to the unitholders based on their respective ownership percentages. Basic and diluted net income per unit is the same because the Partnership does not have any potentially dilutive units outstanding for the periods presented.

	Three Months Ended June 30, 2016			
	Limited Partners' Common Units	Limited Partners' Subordinated Units	Incentive Distribution Rights	Total
Net income attributable to the Partnership:				
Distribution declared	\$ 4,684	\$ 4,134	\$ 46	\$ 8,864
Net income in excess of distribution	255	225	—	480
Net income	\$ 4,939	\$ 4,359	\$ 46	\$ 9,344
Weighted average units outstanding:				
Basic and diluted	14,373,615	12,686,115		27,059,730
Net income per limited partner unit:				
Basic and diluted	\$ 0.34	\$ 0.34		

	Three Months Ended June 30, 2015			
	Limited Partners' Common Units	Limited Partners' Subordinated Units	Incentive Distribution Rights	Total
Net income attributable to the Partnership:				
Distribution declared	\$ 4,183	\$ 3,691	\$ —	\$ 7,874
Net income in excess of distribution	1,365	1,204	—	2,569
Net income	\$ 5,548	\$ 4,895	\$ —	\$ 10,443
Weighted average units outstanding:				
Basic and diluted	14,373,615	12,686,115		27,059,730
Net income per limited partner unit:				
Basic and diluted	\$ 0.39	\$ 0.39		

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — Continued
(Unaudited)
(in thousands of dollars, except unit amounts and per unit data)

	Six Months Ended June 30, 2016			
	Limited Partners' Common Units	Limited Partners' Subordinated Units	Incentive Distribution Rights	Total
Net income attributable to the Partnership:				
Distribution declared	\$ 9,238	\$ 8,153	\$ 48	\$ 17,439
Net income in excess of distribution	2,119	1,870	—	3,989
Net income	<u>\$ 11,357</u>	<u>\$ 10,023</u>	<u>\$ 48</u>	<u>\$ 21,428</u>
Weighted average units outstanding:				
Basic and diluted	<u>14,373,615</u>	<u>12,686,115</u>		<u>27,059,730</u>
Net income per limited partner unit:				
Basic and diluted	<u>\$ 0.79</u>	<u>\$ 0.79</u>		

	Six Months Ended June 30, 2015			
	Limited Partners' Common Units	Limited Partners' Subordinated Units	Incentive Distribution Rights	Total
Net income attributable to the Partnership:				
Distribution declared	\$ 8,248	\$ 7,281	\$ —	\$ 15,529
Net income in excess of distribution	1,816	1,598	—	3,414
Net income	<u>\$ 10,064</u>	<u>\$ 8,879</u>	<u>\$ —</u>	<u>\$ 18,943</u>
Weighted average units outstanding:				
Basic and diluted	<u>14,373,615</u>	<u>12,686,115</u>		<u>27,059,730</u>
Net income per limited partner unit:				
Basic and diluted	<u>\$ 0.70</u>	<u>\$ 0.70</u>		

8. Related Party Transactions

The Partnership and OpCo regularly enter into related party transactions with Westlake. See below for a description of transactions with related parties.

Sales to Related Parties

OpCo sells ethylene to Westlake under the Ethylene Sales Agreement. Additionally, the Partnership and OpCo from time to time provide other services or products for which each charges Westlake a fee.

Sales to related parties were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net sales—Westlake	\$ 181,635	\$ 204,669	\$ 412,895	\$ 413,582

Cost of Sales from Related Parties

Charges for goods and services purchased by the Partnership and OpCo from Westlake and included in cost of sales relate primarily to feedstock purchased under the Feedstock Supply Agreement and services provided under the Services and Secondment Agreement.

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Charges from related parties in cost of sales were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Feedstock purchased from Westlake and included in cost of sales	\$ 51,373	\$ 76,013	\$ 117,481	\$ 156,832
Other charges from Westlake and included in cost of sales	19,665	19,595	40,118	33,491
Total	\$ 71,038	\$ 95,608	\$ 157,599	\$ 190,323

Services from Related Parties Included in Selling, General and Administrative Expenses

Charges for services purchased by the Partnership from Westlake and included in selling, general and administrative expenses primarily relate to services Westlake performs on behalf of the Partnership under the Omnibus Agreement, including the Partnership's finance, legal, information technology, human resources, communication, ethics and compliance, and other administrative functions.

Charges from related parties included within selling, general and administrative expenses were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Services received from Westlake and included in selling, general and administrative expenses	\$ 5,003	\$ 4,971	\$ 10,471	\$ 10,119

Goods and Services from Related Parties Capitalized as Assets

Charges for goods and services purchased by the Partnership and OpCo from Westlake which were capitalized as assets relate primarily to the services of Westlake employees under the Services and Secondment Agreement.

Charges from related parties for goods and services capitalized as assets were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Goods and services purchased from Westlake and capitalized as assets	\$ 11,074	\$ 975	\$ 13,081	\$ 1,937

Accounts Receivable from and Accounts Payable to Related Parties

The Partnership's accounts receivable from Westlake result primarily from ethylene sales to Westlake and the shortfall recoverable from Westlake under the Ethylene Sales Agreement. Under the Ethylene Sales Agreement, if production costs billed to Westlake on an annual basis are less than 95% of the actual production costs incurred by OpCo during the year, OpCo is entitled to recover the shortfall in the subsequent year. The shortfall is recognized in the period when such production activities occur. The Partnership's accounts payable to Westlake result primarily from feedstock purchases under the Feedstock Supply Agreement and services provided under the Services and Secondment Agreement and the Omnibus Agreement.

The related party accounts receivable and accounts payable balances were as follows:

	June 30, 2016	December 31, 2015
Accounts receivable—Westlake, current and non-current	\$ 87,366	\$ 39,655
Accounts payable—Westlake	(26,558)	(15,550)

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Debt Payable to Related Parties

In connection with the IPO, OpCo assumed promissory notes payable to Westlake ("the August 2013 Promissory Notes") and entered into a senior unsecured revolving credit facility with Westlake. In April 2015, the Partnership entered into an unsecured revolving credit facility with Westlake. See Note 9 for a description of related party debt payable balances. Interest on related party debt payable balances for the three months ended June 30, 2016 and 2015 were \$1,203 and \$1,364, respectively, and for the six months ended June 30, 2016 and 2015 were \$2,434 and \$2,740, respectively. Interest on related party debt payable is presented as interest expense—Westlake in the consolidated statements of operations. Interest capitalized as a component of plant and equipment on related party debt was \$3,050 and \$895 for the three months ended June 30, 2016 and 2015, respectively, and \$5,436 and \$2,110 for the six months ended June 30, 2016 and 2015, respectively. At June 30, 2016 and December 31, 2015, accrued interest on related party debt was \$4,236 and \$2,879, respectively, and is reflected as a component of accrued liabilities in the consolidated balance sheets.

Debt payable to related parties was as follows:

	June 30, 2016	December 31, 2015
Long-term debt payable to Westlake	\$ 515,338	\$ 384,006

General

OpCo, together with other subsidiaries of Westlake not included in these consolidated financial statements, are guarantors under Westlake's revolving credit facility and the indentures governing its senior notes. As of June 30, 2016 and December 31, 2015, Westlake had outstanding letters of credit totaling \$18,545 and \$30,098, respectively, under its revolving credit facility and \$754,000 principal amount outstanding under its senior notes (less the unamortized discount and debt issuance costs of \$6,436 and \$6,741, as of June 30, 2016 and December 31, 2015, respectively).

The indentures governing Westlake's senior notes prevent OpCo from making distributions to the Partnership if any default or event of default (as defined in the indentures) exists. However, Westlake's credit facility does not prevent OpCo from making distributions to the Partnership.

In 2015, the Partnership entered into an interest rate contract with Westlake to fix the London Interbank Offered Rate ("LIBOR") component of the interest rate for a portion of the MLP Revolver balance. See Note 11 for additional information on the interest rate contract.

OpCo has two site lease agreements with Westlake, and each has a term of 50 years. Pursuant to the site lease agreements, OpCo pays Westlake one dollar per site per year.

9. Long-term Debt Payable to Westlake

Long-term debt payable to Westlake consists of the following:

	June 30, 2016	December 31, 2015
August 2013 Promissory Notes (variable interest rate of prime plus 1.5%, original scheduled maturity of August 1, 2023)	\$ 31,775	\$ 31,775
OpCo Revolver (variable interest rate of LIBOR plus 3.0%, original scheduled maturity of August 4, 2019)	348,222	216,890
MLP Revolver (variable interest rate of LIBOR plus 2.0%, original scheduled maturity of April 29, 2018)	135,341	135,341
	<u>\$ 515,338</u>	<u>\$ 384,006</u>

The weighted average interest rate on all long-term debt was 3.45% and 3.30% at June 30, 2016 and December 31, 2015, respectively.

As of June 30, 2016, the Partnership was in compliance with all of the covenants under the August 2013 Promissory Notes, the OpCo Revolver and the MLP Revolver.

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10. Accumulated Other Comprehensive (Loss) Income

Accumulated other comprehensive income or loss primarily reflects the effective portion of the gain or loss on derivative instrument designated and qualified as a cash flow hedge. Gain or loss amounts related to a cash flow hedge recorded in accumulated other comprehensive income or loss are reclassified to income in the same period in which the underlying hedged forecasted transaction affects income. If it becomes probable that a forecasted transaction will not occur, the related net gain or loss in accumulated other comprehensive income or loss is immediately reclassified into income.

The following sets forth the changes in accumulated other comprehensive income (loss) for the six months ended June 30, 2016 :

	Six Months Ended June 30, 2016
Balances at December 31, 2015	\$ 280
Interest rate contract—Other comprehensive loss before reclassification	(1,094)
Interest rate contract—Amounts reclassified from accumulated other comprehensive loss into net income	190
Balances at June 30, 2016	\$ (624)

11. Derivative Instruments

The accounting guidance for derivative instruments and hedging activities requires that the Partnership recognize all derivative instruments on the balance sheet at fair value, and changes in the derivative's fair value must be currently recognized in earnings or comprehensive income, depending on the designation of the derivative. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and of the hedged item attributable to the hedged risk are recognized in earnings. If the derivative is designated as a cash flow hedge, the effective portion of the change in the fair value of the derivative is recorded in comprehensive income and is recognized in the statement of operations when the hedged item affects earnings. Ineffective portions of changes in the fair value of cash flow hedges are recognized in earnings currently.

Interest Rate Risk Management

During August 2015, the Partnership entered into an interest rate contract with Westlake designed to reduce the risks of variability of the interest rate under the MLP Revolver. The interest rate contract fixed the LIBOR component of the interest rate for a portion of the MLP Revolver balance. This contract was designated as a cash flow hedge. With the exception of this interest rate contract, the Partnership did not have any other derivative financial instruments during the three and six months ended June 30, 2016 . The Partnership did not have any interest rate contracts for the three and six months ended June 30, 2015 .

The fair values of the derivative instrument on the Partnership's consolidated balance sheets were as follows:

		Derivative Assets	
		Fair Value as of	
Derivative in Cash Flow Hedging Relationship	Balance Sheet Location	June 30, 2016	December 31, 2015
Interest rate contract	Deferred charges and other assets, net	\$ —	\$ 436
		Derivative Liabilities	
		Fair Value as of	
Derivative in Cash Flow Hedging Relationship	Balance Sheet Location	June 30, 2016	December 31, 2015
Interest rate contract	Other liabilities	\$ 502	\$ —

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The following tables present the effect of the derivative instrument designated as cash flow hedge on the consolidated statements of operations and the consolidated statements of comprehensive income for the three and six months ended June 30, 2016 :

Derivative in Cash Flow Hedging Relationship	Location of Gain (Loss) Recognized in Statement of Operations	Three Months Ended June 30, 2016	Six Months Ended June 30, 2016
Interest rate contract—Loss reclassified from accumulated other comprehensive loss	Interest expense	\$ (94)	\$ (190)
Derivative in Cash Flow Hedging Relationship		Three Months Ended June 30, 2016	Six Months Ended June 30, 2016
Interest rate contract—Change in value recognized in other comprehensive loss		\$ 267	\$ 1,094

There was no ineffective portion of the derivative instrument during the three and six months ended June 30, 2016 .

See Note 12 for the fair value of derivative instruments.

12. Fair Value Measurements

The Partnership reports certain assets and liabilities at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). Under the accounting guidance for fair value measurements, inputs used to measure fair value are classified in one of three levels:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The following tables summarize, by level within the fair value hierarchy, the Partnership's liability and asset under the interest rate contract that was accounted for at fair value on a recurring basis:

	June 30, 2016	
	Level 2	Total
Derivative instruments		
Liability—Interest rate contract	\$ 502	\$ 502
December 31, 2015		
	Level 2	Total
Derivative instruments		
Asset—Interest rate contract	\$ 436	\$ 436

The fair value of the Level 2 interest rate contract is determined using standard valuation methodologies which incorporate relevant contract terms along with readily available market data (i.e. the 3-month LIBOR forward curve). There were no transfers in or out of Levels 1 and 2 of the fair value hierarchy during the six months ended June 30, 2016 .

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The Partnership has other financial assets and liabilities subject to fair value measures. These financial assets and liabilities include accounts receivable, net, accounts payable and long-term debt payable to Westlake, all of which are recorded at carrying value. The amounts reported in the consolidated balance sheets for accounts receivable, net and accounts payable approximate their fair value due to the short maturities of these instruments. The carrying and fair values of the Partnership's long-term debt at June 30, 2016 and December 31, 2015 are summarized in the table below. The Partnership's long-term debt includes the August 2013 Promissory Notes, the OpCo Revolver and the MLP Revolver. The fair value of debt is determined based on the present value of expected future cash flows using a discounted cash flow methodology. Because the Partnership's valuation methodology used for long-term debt requires the use of significant unobservable inputs, the inputs used to measure the fair value of the Partnership's long-term debt are classified as Level 3 within the fair value hierarchy. Inputs used to estimate the fair values of the Partnership's long-term debt include the selection of an appropriate discount rate.

	June 30, 2016		December 31, 2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value
August 2013 Promissory Notes	\$ 31,775	\$ 31,775	\$ 31,775	\$ 31,775
OpCo Revolver	348,222	352,986	216,890	215,738
MLP Revolver	135,341	132,625	135,341	130,439

13. Supplemental Information

Accrued Liabilities

Accrued liabilities were \$77,069 and \$23,407 at June 30, 2016 and December 31, 2015, respectively. The accruals related to capital expenditures and turnaround costs, which are components of accrued liabilities, were \$47,985 and \$13,702, respectively, at June 30, 2016, and \$14,745 and zero, respectively, at December 31, 2015. No other component of accrued liabilities was more than five percent of total current liabilities.

Non-cash Investing Activity

The change in capital expenditure accrual reducing additions to property, plant and equipment was \$50,354 for the six months ended June 30, 2016. The change in capital expenditure accrual reducing additions to property, plant and equipment was \$8,594 for the six months ended June 30, 2015.

14. Major Customer and Concentration of Credit Risk

During the three months ended June 30, 2016 and 2015, Westlake accounted for approximately 86.1% and 81.3%, respectively, of the Partnership's net sales. During the six months ended June 30, 2016 and 2015, Westlake accounted for approximately 89.1% and 81.1%, respectively, of the Partnership's net sales.

15. Commitments and Contingencies

The Partnership is subject to environmental laws and regulations that can impose civil and criminal sanctions and that may require the Partnership to mitigate the effects of contamination caused by the release or disposal of hazardous substances into the environment. These laws include the federal Clean Air Act, the federal Water Pollution Control Act, the Resource Conservation and Recovery Act ("RCRA"), the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), the Toxic Substances Control Act and various other federal, state and local laws and regulations. Under CERCLA, an owner or operator of property may be held strictly liable for remediating contamination without regard to whether that person caused the contamination, and without regard to whether the practices that resulted in the contamination were legal at the time they occurred. Because the Partnership's production sites have a history of industrial use, it is impossible to predict precisely what effect these legal requirements will have on the Partnership. Westlake will indemnify the Partnership for liabilities that occurred or existed prior to August 4, 2014.

Contract Disputes with Goodrich and PolyOne. In connection with the 1990 and 1997 acquisitions of the Goodrich Corporation ("Goodrich") chemical manufacturing facility in Calvert City, Kentucky, which is a portion of the B.F. Goodrich superfund site, Goodrich agreed to indemnify Westlake for any liabilities related to preexisting contamination at the site. Westlake agreed to indemnify Goodrich for post-closing contamination caused by Westlake's operations. The soil and groundwater at the site had been extensively contaminated under Goodrich's operations. In 1993, Goodrich spun off the

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predecessor of PolyOne Corporation ("PolyOne"), and that predecessor assumed Goodrich's indemnification obligations relating to preexisting contamination.

In 2003, litigation arose among Westlake, Goodrich and PolyOne with respect to the allocation of the cost of remediating contamination at the site. The parties settled this litigation in December 2007, and the case was dismissed. In the settlement the parties agreed that, among other things: (1) PolyOne would pay 100% of the costs (with specified exceptions), net of recoveries or credits from third parties, incurred with respect to environmental issues at the Calvert City site from August 1, 2007 forward; (2) either Westlake or PolyOne might, from time to time in the future (but not more than once every five years), institute an arbitration proceeding to adjust that percentage; and (3) Westlake and PolyOne would negotiate a new environmental remediation utilities and Services and Secondment Agreement to cover Westlake's provision to or on behalf of PolyOne of certain environmental remediation services at the site. The current environmental remediation activities at the Calvert City site do not have a specified termination date but are expected to last for the foreseeable future. The costs incurred by Westlake that have been invoiced to PolyOne to provide the environmental remediation services were \$2,210 in 2015. By letter dated March 16, 2010, PolyOne notified Westlake that it was initiating an arbitration proceeding under the settlement agreement. In this proceeding, PolyOne sought to readjust the percentage allocation of costs and to recover approximately \$1,400 from Westlake in reimbursement of previously paid remediation costs. In December 2015, the arbitration panel dismissed the proceeding with prejudice. In a separate proceeding in Ohio state court, Westlake is seeking certain insurance documents from PolyOne.

Westlake will indemnify the Partnership for liabilities that occurred or existed prior to August 4, 2014.

State Administrative Proceedings. There are several administrative proceedings in Kentucky involving Westlake, Goodrich and PolyOne related to the same manufacturing site in Calvert City, which includes OpCo's natural gas liquids processing facility in Calvert City. In 2003, the Kentucky Environmental and Public Protection Cabinet (the "Cabinet") re-issued Goodrich's RCRA permit which requires Goodrich to remediate contamination at the Calvert City manufacturing site. Both Goodrich and PolyOne challenged various terms of the permit in an attempt to shift Goodrich's clean-up obligations under the permit to Westlake. Westlake intervened in the proceedings. The Cabinet has suspended all corrective action under the RCRA permit in deference to a remedial investigation and feasibility study ("RIFS") being conducted, under the auspices of the U.S. Environmental Protection Agency ("EPA") pursuant to an Administrative Settlement Agreement ("AOC"), which became effective on December 9, 2009. See "Federal Administrative Proceedings" below. Periodic status conferences will be held to evaluate whether additional proceedings will be required.

Federal Administrative Proceedings. In May 2009, the Cabinet sent a letter to the EPA requesting the EPA's assistance in addressing contamination at the Calvert City site under CERCLA. In its response to the Cabinet, the EPA stated that it concurred with the Cabinet's request and would incorporate work previously conducted under the Cabinet's RCRA authority into the EPA's cleanup efforts under CERCLA. Since 1983, the EPA has been addressing contamination at an abandoned landfill adjacent to the Partnership's plant which had been operated by Goodrich and which was being remediated pursuant to CERCLA. The EPA has directed Goodrich and PolyOne to conduct additional investigation activities at the landfill and at the Calvert City site. In June 2009, the EPA notified Westlake that Westlake may have potential liability under section 107(a) of CERCLA at its plant site. Liability under section 107(a) of CERCLA is strict and joint and several. The EPA also identified Goodrich and PolyOne, among others, as potentially responsible parties at the plant site. Westlake negotiated, in conjunction with the other potentially responsible parties, an AOC and an order to conduct an RIFS. Due to the Partnership's ownership and current operation of the property, the Partnership may be subject to additional requirements and liabilities under CERCLA.

Potential Flare Modifications. For several years, the EPA has been conducting an enforcement initiative against petroleum refineries and petrochemical plants with respect to emissions from flares. A number of companies have entered into consent agreements with the EPA requiring both modifications to reduce flare emissions and the installation of additional equipment to better track flare operations and emissions. On April 21, 2014, Westlake received a Clean Air Act Section 114 Information Request from the EPA which sought information regarding flares at the Calvert City and Lake Charles facilities. Westlake submitted information pursuant to such request, including information regarding three flares that the Partnership owns. The EPA has informed Westlake that the information provided leads the EPA to believe that some of the flares are out of compliance with applicable standards. The EPA has demanded that Westlake conduct additional flare sampling and provide supplemental information. Westlake is currently in negotiations with the EPA regarding these demands, some of which are applicable to the Partnership's flares. The EPA has indicated that it is seeking a consent decree with that would obligate Westlake to take corrective actions relating to the alleged noncompliance. Westlake has not agreed that any flares are out of compliance or that

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any corrective actions are warranted. Depending on the outcome of Westlake's negotiations with the EPA, additional controls on emissions from the Partnership's flares may be required and these could result in increased capital and operating costs.

Louisiana Notice of Violations . The Louisiana Department of Environmental Quality ("LDEQ") has issued notices of violations ("NOVs") regarding the Partnership's assets, and those of Westlake, for various air compliance issues. The Partnership and Westlake are working with LDEQ to settle these claims, and a global settlement of all claims is being discussed. While settlement may result in a total civil penalty in excess of \$100 , such a settlement will likely cover assets owned by the Partnership and Westlake, and to the extent it covers the Partnership's assets, Westlake will indemnify the Partnership for liabilities that occurred or existed prior to August 4, 2014. Westlake has reached a verbal agreement with the LDEQ to settle various NOVs in two separate settlements for a combined \$192 in civil penalties.

In addition to the matters described above, the Partnership is involved in various legal proceedings incidental to the conduct of its business. The Partnership does not believe that any of these legal proceedings will have a material adverse effect on its financial condition, results of operations or cash flows.

16. Subsequent Events

On July 27, 2016 , the board of directors of Westlake GP declared a quarterly distribution for the period from April 1, 2016 through June 30, 2016 of \$0.3259 per unit and \$46 to IDR Holders. This distribution is payable on August 23, 2016 to unitholders and IDR Holders of record as of August 9, 2016 .

On August 4, 2016, OpCo and Westlake entered into an amendment to the Ethylene Sales Agreement in order to provide that certain of the pricing components that make up the price for ethylene sold thereunder would be grossed up to reflect the portion of OpCo's production capacity that is used to process Westlake's purge gas instead of producing ethylene and to clarify that costs specific to the processing of Westlake's purge gas would be recovered under the Services and Secondment Agreement, and not the Ethylene Sales Agreement.

Subsequent events were evaluated through the date on which the financial statements were issued.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Management's Discussion and Analysis of Financial Condition and Results of Operations section should be read in conjunction with the accompanying consolidated financial statements and the notes thereto and the combined and consolidated financial statements and notes thereto included in Westlake Chemical Partners LP's annual report on Form 10-K for the fiscal year ended December 31, 2015 (the "2015 Form 10-K"), as filed with the SEC on March 8, 2016. Unless otherwise indicated, references in this report to "we," "our," "us" or like terms, refer to Westlake Chemical Partners LP (the "Partnership"), Westlake Chemical OpCo LP ("OpCo") and Westlake Chemical OpCo GP LLC ("OpCo GP"). References to "Westlake" refer to Westlake Chemical Corporation and its consolidated subsidiaries other than the Partnership, OpCo GP and OpCo.

The following discussion contains forward-looking statements. Please read "Forward-Looking Statements" for a discussion of limitations inherent in such statements.

Partnership Overview

On August 4, 2014, we closed our initial public offering (the "IPO") of 12,937,500 common units. We are a Delaware limited partnership formed by Westlake to operate, acquire and develop facilities and related assets for the processing of natural gas liquids. Currently, our sole revenue generating asset is our 13.3% limited partner interest in OpCo, a limited partnership formed by Westlake and us in anticipation of the IPO to own and operate a natural gas liquids processing business. We control OpCo through our ownership of its general partner. Westlake retains the remaining 86.7% limited partner interest in OpCo as well as significant interest in us through its ownership of our general partner, 52.2% of our limited partner units (consisting of 1,436,115 common units and all of the subordinated units) and our incentive distribution rights. OpCo's assets include (1) two natural gas liquids processing facilities ("Petro 1" and "Petro 2" and, collectively, "Lake Charles Olefins") at Westlake's Lake Charles, Louisiana site; (2) one natural gas liquids processing facility ("Calvert City Olefins") at Westlake's Calvert City, Kentucky site; and (3) a 200-mile common carrier ethylene pipeline (the "Longview Pipeline") that runs from Mont Belvieu, Texas to Westlake's Longview, Texas facility.

How We Generate Revenue

We generate revenue primarily by selling ethylene and the resulting co-products we produce. In connection with the IPO, OpCo and Westlake entered into an ethylene sales agreement (the "Ethylene Sales Agreement") pursuant to which we generate a substantial majority of our revenue. The Ethylene Sales Agreement is a long-term, fee-based agreement with a minimum purchase commitment and includes variable pricing based on OpCo's actual feedstock and natural gas costs and estimated other costs of producing ethylene (including OpCo's estimated operating costs and a five-year average of OpCo's expected future maintenance capital expenditures and other turnaround expenditures based on OpCo's planned ethylene production capacity for the year), plus a fixed margin per pound of \$0.10 less revenue from co-products sales. Westlake has an option to take 95% of volumes in excess of the minimum commitment on an annual basis under the Ethylene Sales Agreement if we produce more than our planned production. Under the Ethylene Sales Agreement, the price for the sale of such excess ethylene to Westlake is based on a formula similar to that used for the minimum purchase commitment, with the exception of certain fixed costs. In addition, under the Ethylene Sales Agreement, if production costs billed to Westlake on an annual basis are less than 95% of the actual production costs incurred by OpCo during the contract year, OpCo is entitled to recover the shortfall in such production costs (proportionate to the volume sold to Westlake) in the subsequent year ("Shortfall"). The Shortfall is recognized during the period in which the related operating, maintenance or turnaround activities occur.

We sell ethylene production in excess of volumes sold to Westlake, as well as all associated co-products resulting from the ethylene production, directly to third parties on either a spot or contract basis. Net proceeds (after transportation and other costs) from the sales of associated co-products that result from the production of ethylene purchased by Westlake are netted against the ethylene price charged to Westlake under the Ethylene Sales Agreement, thereby substantially reducing our exposure to fluctuations in the market prices of these co-products. During 2015, all the third-party ethylene and associated co-products sales generated greater than 17% of our total revenues. In the first six months of 2016, the third-party ethylene and associated co-product sales were 11% of our total revenues. The significant drop in crude oil prices since the third quarter of 2014 and continuing through the first half of 2016 may create volatility in the North American and global markets, which may result in reduced prices and margins with respect to third-party ethylene and co-products sales in 2016.

On August 4, 2016, OpCo and Westlake entered into an amendment to the Ethylene Sales Agreement in order to provide that certain of the pricing components that make up the price for ethylene sold thereunder would be grossed up to reflect the portion of OpCo's production capacity that is used to process Westlake's purge gas instead of producing ethylene and to clarify that costs specific to the processing of Westlake's purge gas would be recovered under the Services and Secondment Agreement, and not the Ethylene Sales Agreement.

How We Source Feedstock

In connection with the IPO, OpCo entered into a 12-year feedstock supply agreement (the "Feedstock Supply Agreement") with Westlake Petrochemicals LLC, a wholly owned subsidiary of Westlake, under which Westlake Petrochemicals LLC supplies OpCo with ethane and other feedstocks that OpCo uses to produce ethylene under the Ethylene Sales Agreement. OpCo may purchase the ethane and other feedstocks to produce ethylene and resulting co-products to sell to unrelated third parties from Westlake Petrochemicals LLC.

How We Evaluate Operations

Our management uses a variety of financial and operating metrics to analyze our performance. These metrics are significant factors in assessing our operating results and profitability and include: (1) production volumes, (2) operating and maintenance expenses, including turnaround costs, and (3) MLP distributable cash flow and EBITDA.

Production Volumes

The amount of profit we generate primarily depends on the volumes of ethylene and resulting co-products we are able to produce at Calvert City Olefins and Lake Charles Olefins. Although Westlake has committed to purchasing minimum volumes from us under the Ethylene Sales Agreement, our results of operations are impacted by our ability to:

- produce sufficient volumes of ethylene to meet our commitments under the Ethylene Sales Agreement or recover our estimated costs through the pricing provisions of the Ethylene Sales Agreement;
- contract with third parties for the remaining uncommitted processing capacity;
- add or increase capacity at our existing processing facilities, or add additional processing capacity via organic expansion projects and acquisitions; and
- achieve or exceed the specified yield factors for natural gas, ethane and other feedstock under the Ethylene Sales Agreement.

Operating Expenses, Maintenance Capital Expenditures and Turnaround Costs

Our management seeks to maximize the profitability of our operations by effectively managing operating expenses, maintenance capital expenditures and turnaround costs. Our operating expenses are comprised primarily of feedstock costs and natural gas, labor expenses (including contractor services), utility costs (other than natural gas) and turnaround and maintenance expenses. With the exception of feedstock, including natural gas, and utilities-related expenses, operating expenses generally remain relatively stable across broad ranges of production volumes but can fluctuate from period to period depending on the circumstances, particularly maintenance and turnaround activities. Our maintenance capital expenditures and turnaround costs are comprised primarily of maintenance of our processing facilities and the amortization of capitalized turnaround costs. These capital expenditures relate to the maintenance and integrity of our facilities. We capitalize the costs of major maintenance activities, or turnarounds, and amortize the costs over the period until the next planned turnaround of the affected facility.

Operating expenses, maintenance capital expenditures and turnaround costs are built into the price per pound of ethylene charged to Westlake under the Ethylene Sales Agreement. Because the expenses other than feedstock costs and natural gas are based on forecasted amounts and remain a fixed component of the price per pound of ethylene sold under the Ethylene Sales Agreement for any given 12-month period, our ability to manage operating expenses, maintenance expenditures and turnaround cost may directly affect our profitability and cash flows. The impact on profitability is partially mitigated by the fact that we recognize any Shortfall as revenue in the period such costs and expenses are incurred. We seek to manage our operating and maintenance expenses on our natural gas liquids processing facilities by scheduling maintenance and turnarounds over time to avoid significant variability in our operating margins and minimize the impact on our cash flows, without compromising our commitment to safety and environmental stewardship. In addition, we reserve cash on an annual basis from what we would otherwise distribute to minimize the impact of turnaround costs in the year of incurrence. The purchase price under the Ethylene Sales Agreement is not designed to cover capital expenditures for expansions.

MLP Distributable Cash Flow and EBITDA

We use each of MLP distributable cash flow and EBITDA to analyze our performance. We define distributable cash flow as net income plus depreciation and amortization, less contributions for turnaround reserves and maintenance capital expenditures. We define MLP distributable cash flow as distributable cash flow less distributable cash flow attributable to Westlake's noncontrolling interest in OpCo and distributions attributable to the incentive distribution rights holder. MLP distributable cash flow does not reflect changes in working capital balances. We define EBITDA as net income before interest expense, income taxes, depreciation and amortization. MLP distributable cash flow and EBITDA are non-GAAP supplemental

financial measures that management and external users of our consolidated financial statements, such as industry analysts, investors, lenders and rating agencies, may use to assess:

- our operating performance as compared to other publicly traded partnerships;
- our ability to incur and service debt and fund capital expenditures;
- the viability of acquisitions and other capital expenditure projects and the returns on investment of various investment opportunities.

We believe that the presentation of MLP distributable cash flow and EBITDA provides useful information to investors in assessing our financial condition and results of operations. The GAAP measures most directly comparable to MLP distributable cash flow are net income and net cash provided by operating activities. MLP distributable cash flow should not be considered as an alternative to GAAP net income or net cash provided by operating activities. MLP distributable cash flow has important limitations as an analytical tool because it excludes some but not all items that affect net income and net cash provided by operating activities. The GAAP measures most directly comparable to EBITDA are net income and net cash provided by operating activities, but EBITDA should not be considered an alternative to such GAAP measures. EBITDA has important limitations as an analytical tool because it excludes (1) interest expense, which is a necessary element of our costs and ability to generate revenues because we have borrowed money to finance our operations, (2) depreciation, which is a necessary element of our costs and ability to generate revenues because we use capital assets and (3) income taxes. MLP distributable cash flow and EBITDA should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. See reconciliations for each of MLP distributable cash flow and EBITDA under "Results of Operations" below.

Factors Affecting Our Business

Supply and Demand for Ethylene and Resulting Co-products

We generate a substantial majority of our revenue from the Ethylene Sales Agreement. This contract is intended to promote cash flow stability and minimize our direct exposure to commodity price fluctuations in the following ways: (1) the cost-plus pricing structure of the Ethylene Sales Agreement is expected to generate a fixed margin of \$0.10 per pound, adjusting automatically for changes in feedstock costs; and (2) Westlake is committed to purchase 95% of the annual planned output, subject to a maximum commitment of 3.8 billion pounds of ethylene per year, with an option to purchase an additional 95% of actual production in excess of the planned output on a contract year basis. As a result, our direct exposure to commodity price risk is limited to approximately 5% of our total ethylene output, which is that portion sold to third parties, assuming Westlake exercises its option to purchase 95% of the over production, as well as to our co-products sales.

We also have indirect exposure to commodity price fluctuations to the extent such fluctuations affect the ethylene consumption patterns of third-party purchasers. Demand for ethylene exhibits cyclical commodity characteristics as margins earned on ethylene derivative products are influenced by changes in the balance between supply and demand, the resulting operating rates and general economic activity. While we believe we have substantially mitigated our indirect exposure to commodity price fluctuations during the term of the Ethylene Sales Agreement through the minimum commitment and the cost-plus based pricing, our ability to execute our growth strategy in our areas of operation will depend, in part, on the demand for ethylene derivatives in the geographical areas served by our processing facilities.

Recent Developments

In July 2016, we completed planned major maintenance activities, or a turnaround, of our Lake Charles Petro 1 ethylene unit in Lake Charles, Louisiana. In conjunction with this turnaround, we also completed an upgrade and capacity expansion of the Lake Charles Petro 1 ethylene unit. The Lake Charles Petro 1 expansion project is expected to increase ethylene capacity by approximately 250 million pounds annually.

Our Calvert City Olefins unit experienced an unexpected shutdown that occurred on June 1, 2016. We restarted the unit in mid July 2016 (after 46 days). The unplanned outage was caused by a mechanical failure, which resulted in a force majeure event under the Ethylene Sales Agreement with Westlake. Pursuant to the Ethylene Sales Agreement, Westlake's obligation to pay for the annual minimum commitment (95% of OpCo's budgeted ethylene production), which will be measured at the end of the year, will generally not be reduced for the first 45 days of a force majeure event, but will be reduced for the portion of a force majeure event extending beyond the 45th day.

Results of Operations

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
(dollars in thousands)				
Revenue				
Net sales—Westlake	\$ 181,635	\$ 204,669	\$ 412,895	\$ 413,582
Net co-product, ethylene and other sales—third parties	29,206	47,036	50,550	96,514
Total net sales	210,841	251,705	463,445	510,096
Cost of sales	122,460	157,177	264,650	319,341
Gross profit	88,381	94,528	198,795	190,755
Selling, general and administrative expenses	5,848	5,995	11,945	11,995
Income from operations	82,533	88,533	186,850	178,760
Other income (expense)				
Interest expense—Westlake	(1,203)	(1,364)	(2,434)	(2,740)
Other income, net	159	33	243	38
Income before income taxes	81,489	87,202	184,659	176,058
Provision for (benefit from) income taxes	297	(41)	696	426
Net income	81,192	87,243	183,963	175,632
Less: Net income attributable to noncontrolling interest in OpCo	71,848	76,800	162,535	156,689
Net income attributable to Westlake Chemical Partners LP	\$ 9,344	\$ 10,443	\$ 21,428	\$ 18,943
MLP distributable cash flow ⁽¹⁾	\$ 4,295	\$ 9,235	\$ 13,810	\$ 18,196
EBITDA ⁽²⁾	\$ 103,478	\$ 108,958	\$ 228,275	\$ 218,993

(1) See "Reconciliation of MLP Distributable Cash Flow to Net Income and Net Cash Provided by Operating Activities" below.

(2) See "Reconciliation of EBITDA to Net Income and Net Cash Provided by Operating Activities" below.

	Three Months Ended June 30, 2016		Six Months Ended June 30, 2016	
	Average Sales Price	Volume	Average Sales Price	Volume
Product sales prices and volume percentage change from prior year period	+17.8%	-34.0 %	+7.3%	-16.5 %

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Average industry prices ⁽¹⁾				
Ethane (cents/lb)	6.8	6.2	6.1	6.2
Propane (cents/lb)	11.7	10.8	10.4	11.7
Ethylene (cents/lb) ⁽²⁾	25.9	36.1	23.5	36.3

(1) Industry pricing data was obtained through IHS Chemical. We have not independently verified the data.

(2) Represents average North American spot prices of ethylene over the period as reported by IHS Chemical.

Reconciliation of MLP Distributable Cash Flow to Net Income and Net Cash Provided by Operating Activities

The following table presents reconciliations of MLP distributable cash flow to net income and net cash provided by operating activities, the most directly comparable GAAP financial measures, for each of the periods indicated.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
MLP distributable cash flow	\$ 4,295	\$ 9,235	\$ 13,810	\$ 18,196
Add:				
Distributable cash flow attributable to noncontrolling interest in OpCo	39,171	68,908	113,087	152,732
Incentive distribution rights	46	—	48	—
Maintenance capital expenditures ⁽¹⁾	48,252	22,515	81,862	30,801
Contribution to turnaround reserves	10,214	6,977	16,338	14,098
Less:				
Depreciation and amortization	(20,786)	(20,392)	(41,182)	(40,195)
Net income	81,192	87,243	183,963	175,632
Changes in operating assets and liabilities and other	(10,771)	29,586	(1,473)	54,377
Deferred income taxes	141	(288)	320	(234)
Loss from disposition of property, plant and equipment	2,140	123	2,467	124
Net cash provided by operating activities	\$ 72,702	\$ 116,664	\$ 185,277	\$ 229,899

- (1) Higher maintenance capital expenditures in the second quarter of 2016 and the first six months of 2016 as compared to the second quarter of 2015 and the first six months of 2015 are primarily related to the Lake Charles Petro 1 facility maintenance capital expenditures incurred.

Reconciliation of EBITDA to Net Income and Net Cash Provided by Operating Activities

The following table presents reconciliations of EBITDA to net income and net cash provided by operating activities, the most directly comparable GAAP financial measures, for each of the periods indicated.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
EBITDA	\$ 103,478	\$ 108,958	\$ 228,275	\$ 218,993
Less:				
(Provision for) benefit from income taxes	(297)	41	(696)	(426)
Interest expense	(1,203)	(1,364)	(2,434)	(2,740)
Depreciation and amortization	(20,786)	(20,392)	(41,182)	(40,195)
Net income	81,192	87,243	183,963	175,632
Changes in operating assets and liabilities and other	(10,771)	29,586	(1,473)	54,377
Deferred income taxes	141	(288)	320	(234)
Loss from disposition of property, plant and equipment	2,140	123	2,467	124
Net cash provided by operating activities	\$ 72,702	\$ 116,664	\$ 185,277	\$ 229,899

Summary

For the quarter ended June 30, 2016, net income was \$81.2 million on net sales of \$210.8 million. This represents a decrease in net income of \$6.0 million as compared to the quarter ended June 30, 2015 net income of \$87.2 million on net sales of \$251.7 million. Net sales for the second quarter of 2016 decreased by \$40.9 million as compared to net sales for the second quarter of 2015 mainly attributable to lower overall sales volumes to Westlake and third parties, partially offset by the Shortfall recognized for the period and higher ethylene sales prices to Westlake. Income from operations was \$82.5 million for the second quarter of 2016 as compared to \$88.5 million for the second quarter of 2015. Income from operations for the second quarter of 2016 decreased mainly as a result of the lower volume of ethylene sales to Westlake, partially offset by the Shortfall recognized during the period and higher volume of ethylene sales to third parties as compared to the second quarter of 2015.

For the six months ended June 30, 2016, net income was \$184.0 million on net sales of \$463.4 million. This represents an increase in net income of \$8.4 million as compared to the six months ended June 30, 2015 net income of \$175.6 million on net sales of \$510.1 million. Net sales for the six months ended June 30, 2016 decreased by \$46.7 million as compared to net sales for the second quarter of 2015 mainly attributable to lower overall sales volumes to Westlake and third parties, partially offset by the Shortfall recognized for the period and higher ethylene sales prices to Westlake. Income from operations was \$186.9 million for the six months ended June 30, 2016 as compared to \$178.8 million for the six months ended June 30, 2015. Income from operations for the six months ended June 30, 2016 increased mainly as a result of the Shortfall recognized during the period, partially offset by the lower volume of ethylene sales to Westlake and third parties and lower ethylene sales prices to third parties as compared to the six months ended June 30, 2015.

RESULTS OF OPERATIONS

Second Quarter 2016 Compared with Second Quarter 2015

Net Sales. Total net sales decreased by \$40.9 million, or 16.2%, to \$210.8 million in the second quarter of 2016 from \$251.7 million in the second quarter of 2015. Lower sales volumes for the second quarter of 2016 resulted in a decrease in net sales by 34.0% as compared to the second quarter of 2015. The decrease in sales volume for the second quarter of 2016 was primarily due to a decrease in ethylene production as a result of our upgrade and capacity expansion project at the Lake Charles Petro I facility and lower ethylene production at the Calvert City Olefins facility due to an unplanned outage during the quarter. The increase in average sales price of ethylene and related co-products for the second quarter of 2016 resulted in an increase in net sales by 17.8% as compared to the second quarter of 2015. The increase in average sales price for the second quarter of 2016 was primarily due to the Shortfall of \$47.3 million, resulting from the higher maintenance capital expenditures, recognized for the second quarter of 2016 and higher ethylene sales prices to Westlake, partially offset by lower ethylene sales price to third parties, as compared to the second quarter of 2015.

Gross Profit. Gross profit decreased to \$88.4 million for the second quarter of 2016 from \$94.5 million for the second quarter of 2015, primarily due to the lower operating rates at the Lake Charles Petro I and Calvert City Olefins processing facilities in the three months ended June 30, 2016, which resulted in lower ethylene sales volume to Westlake, as compared to the prior-year period. Additionally, ethylene sales prices to third parties were lower for the three months ended June 30, 2016 as compared to the prior-year period. These decreases were partially offset by the Shortfall recognized for the second quarter of 2016 as compared to the second quarter of 2015. The increase in gross profit margin to 41.9% for the second quarter of 2016 from 37.5% for the second quarter of 2015 was primarily due to the Shortfall recognized during the second quarter of 2016.

Selling, General and Administrative Expenses. Selling, general and administrative expenses decreased by \$0.2 million, or 3.3%, to \$5.8 million in the second quarter of 2016 as compared to \$6.0 million in the second quarter of 2015. The decrease in selling, general and administrative expenses in the second quarter of 2016 as compared to the second quarter of 2015 was mainly attributable to lower professional fees, partially offset by an increase in general and administrative expense allocation from Westlake.

Interest Expense. Interest expense decreased by \$0.2 million to \$1.2 million in the second quarter of 2016 from \$1.4 million in the second quarter of 2015, primarily due to the lower weighted average interest rate and increased capitalized interest on major capital projects in the second quarter of 2016 as compared to the prior-year period. The lower average interest rate in the second quarter of 2016 was due to the April 2015 repayment of a significant portion of the August 2013 Promissory Notes, which bear a higher interest rate as compared to our other outstanding debt. This decrease was mostly offset by an increase in average debt balance, primarily to fund the capital expenditures related to the Lake Charles Petro I upgrade and expansion.

Six Months Ended June 30, 2016 Compared with Six Months Ended June 30, 2015

Net Sales. Total net sales decreased by \$46.7 million, or 9.2%, to \$463.4 million for the six months ended June 30, 2016 from \$510.1 million for the six months ended June 30, 2015. Lower sales volumes for the six months ended June 30, 2016 resulted in a decrease in net sales by 16.5% as compared to the six months ended June 30, 2015. The decrease in sales volume to Westlake and third parties during the six months ended June 30, 2016 was primarily due to a decrease in ethylene production. The ethylene production in the six months ended June 30, 2016 was lower as compared to the six months ended June 30, 2015 due to our upgrade and capacity expansion project at the Lake Charles Petro I facility and lower ethylene production at the Calvert City Olefins facility due to an unplanned outage during the 2016 period. The increase in average sales price of ethylene and related co-products for the six months ended June 30, 2016 resulted in an increase in net sales by 7.3% as compared to the six months ended June 30, 2015. The increase in average sales price for the six months ended June 30, 2016 was primarily due to the Shortfall of \$56.5 million, resulting from the higher maintenance capital expenditures, recognized for the six months ended June 30, 2016 and higher ethylene sales price to Westlake, partially offset by lower ethylene sales price to third parties, as compared to the six months ended June 30, 2015.

Gross Profit. Gross profit increased to \$198.8 million , or 42.9% , for the six months ended June 30, 2016 from \$190.8 million , or 37.4% , for the six months ended June 30, 2015 , primarily due to the Shortfall recognized for the six months ended June 30, 2016 , partially offset by the lower operating rates at the Lake Charles Petro 1 and Calvert City Olefins processing facilities during the six months ended June 30, 2016 , which resulted in lower ethylene sales volumes to Westlake and third parties, as compared to the six months ended June 30, 2015 .

Selling, General and Administrative Expenses. Selling, general and administrative expenses decreased by \$0.1 million , or 0.8% , to \$11.9 million for the six months ended June 30, 2016 as compared to \$12.0 million for the six months ended June 30, 2015 . The decrease in selling, general and administrative expenses for the six months ended June 30, 2016 as compared to the six months ended June 30, 2015 was mainly attributable to lower professional fees, partially offset by an increase in general and administrative expense allocation from Westlake.

Interest Expense. Interest expense decreased by \$0.3 million to \$2.4 million for the six months ended June 30, 2016 from \$2.7 million for the six months ended June 30, 2015 , primarily due to the lower weighted average interest rate and increased capitalized interest on major capital projects for the six months ended June 30, 2016 as compared to the prior-year period. The lower average interest rate for the six months ended June 30, 2016 was due to the April 2015 repayment of a significant portion of the August 2013 Promissory Notes, which bear a higher interest rate as compared to our other outstanding debt. This decrease was mostly offset by an increase in our average debt balance, primarily to fund the capital expenditures related to the Lake Charles Petro 1 upgrade and expansion.

CASH FLOW DISCUSSION FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015

Operating Activities

Operating activities provided cash of \$185.3 million in the first six months of 2016 compared to cash provided by operating activities of \$229.9 million in the first six months of 2015 . The \$44.6 million decrease in cash flows from operating activities was mainly due to the Lake Charles Petro 1 facility turnaround resulting in a net cash used of \$61.6 million during the first six months of 2016 as compared to \$0.7 million of net cash used in the first six months of 2015 . This decrease was largely offset by an increase in income from operations for the first six months of 2016 and a decrease in the use of cash for working capital purposes, as compared to the prior-year period. Changes in components of working capital, which we define for the purposes of this cash flow discussion as accounts receivable—Westlake, accounts receivable, net—third parties, inventories, prepaid expenses and other current assets less accounts payable—Westlake, accounts payable—third parties and accrued liabilities, provided cash of \$18.9 million in the first six months of 2016 as compared to \$14.8 million of cash provided in the first six months of 2015 , resulting in an overall favorable change of \$4.1 million . The change in working capital is mainly attributable to favorable changes in third party payable and accrued liabilities balances at June 30, 2016 as compared to the prior-year period and unfavorable changes in Westlake and third party accounts receivable balances as compared to the prior-year period.

Investing Activities

Net cash used for investing activities during the first six months of 2016 was \$168.4 million as compared to net cash used for investing activities of \$95.5 million in the first six months of 2015 mainly due to increased capital expenditures in the first six months of 2016 as compared to the prior-year period. Capital expenditures during the first six months of 2016 and the first six months of 2015 were primarily incurred for our upgrade and expansion of the Lake Charles Petro 1 facility, which was completed in July 2016, to increase ethylene production capacity as further discussed under "Recent Developments" above.

Financing Activities

Net cash used for financing activities during the first six months of 2016 was \$35.1 million as compared to net cash used for financing activities of \$130.8 million in the first six months of 2015 . The cash outflows during the first six months of 2016 were related to the distribution of \$149.6 million to Westlake and of \$16.9 million to other unitholders by the Partnership and OpCo and the repayment of \$0.5 million of borrowings under the OpCo Revolver to fund our working capital requirement as compared to the distribution of \$169.1 million to Westlake and of \$15.1 million to other unitholders and the repayment of \$135.3 million of the August 2013 Promissory Notes during the first six months of 2015 . The distributions and repayment in the first six months of 2016 were partially offset by the borrowings under the OpCo Revolver of \$131.8 million to fund capital expenditures and our working capital requirements. The repayment and distributions in the first six months of 2015 were partially offset by the borrowings under the OpCo Revolver of \$53.4 million , primarily to fund capital expenditures, and by the borrowings of \$135.3 million under the MLP Revolver to fund the purchase of an additional 2.7% limited partner interest in OpCo.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity and Financing Arrangements

Based on the terms of our cash distribution policy, we expect that we will distribute to our partners most of the excess cash generated by our operations. To the extent we do not generate sufficient cash flow to fund capital expenditures; we expect to fund them primarily from external sources, including borrowing directly from Westlake, as well as future issuances of equity and debt interests.

The Partnership maintains separate bank accounts, but Westlake continues to provide treasury services on our behalf under the Services and Secondment Agreement. Our sources of liquidity include cash generated from operations, the OpCo Revolver, the MLP Revolver and, if necessary and possible under then current market conditions, the issuance of additional equity interests or debt. We believe that cash generated from these sources will be sufficient to meet our short-term working capital requirements and long-term capital expenditure requirements and to make quarterly cash distributions. Westlake may also provide other direct and indirect financing to us from time to time although it is not required to do so.

In order to fund non-annual turnaround expenditures, we cause OpCo to reserve approximately \$30.0 million during each twelve-month period for turnaround activities. Each of OpCo's processing facilities requires turnaround maintenance approximately every five years. By reserving additional cash annually, we intend to reduce the variability in OpCo's cash flow. Westlake's purchase price for ethylene purchased under the Ethylene Sales Agreement includes a component (adjusted annually) designed to cover, over the long term, substantially all of OpCo's turnaround expenditures.

Our cash is generated from cash distributions from OpCo. OpCo is a restricted subsidiary and guarantor under Westlake's credit facility and the indentures governing its senior notes. The indentures governing Westlake's senior notes prevent OpCo from making distributions to us if any default or event of default (as defined in the indentures) exists. Westlake's credit facility does not prevent OpCo from making distributions to us.

On July 27, 2016, the board of directors of Westlake Chemical Partners GP LLC, our general partner, approved a quarterly distribution of \$0.3259 per unit payable on August 23, 2016 to unitholders of record as of August 9, 2016 and a distribution to the incentive distribution rights holders ("IDR Holders"), which equates to a total amount of approximately \$8.9 million per quarter, or approximately \$35.6 million per year in aggregate (in each case, including the distribution to the IDR Holders), based on the number of common and subordinated units outstanding on June 30, 2016. We do not have a legal or contractual obligation to pay distributions on a quarterly basis or any other basis at our minimum quarterly distribution rate or any other rate.

Capital Expenditures

In January 2016, we announced an expansion project to increase the ethylene capacity of our ethylene processing facility at Calvert City Olefins. The expansion is expected to increase ethylene capacity by approximately 70 million pounds annually and is targeted for completion during the first half of 2017. This capital project is currently estimated to cost in the range of \$70.0 million to \$80.0 million and is expected to be funded solely with borrowings under the OpCo Revolver. Combined with other incremental capacity increases which we have undertaken, the total ethylene capacity of Calvert City Olefins is expected to increase to 730 million pounds annually at the completion of this project. As of June 30, 2016, we had incurred a total cost of approximately \$21.8 million on the Calvert City Olefins expansion project.

Westlake has historically funded expansion capital expenditures related to Lake Charles Olefins and Calvert City Olefins. During the six months ended June 30, 2016 and 2015, Westlake loaned OpCo \$131.8 million and \$188.7 million, respectively, of which \$117.4 million and \$53.4 million was used to fund the expansion capital expenditures in the first six months of 2016 and in the first six months of 2015, respectively. The total capital expenditures, which includes the expansion, capital maintenance and turnaround costs, for 2016 are expected to be approximately \$293.0 million, of which \$218.9 million was spent during the six months ended June 30, 2016. We expect that Westlake will loan additional cash to OpCo to fund its expansion capital expenditures in the future.

Cash and Cash Equivalents

As of June 30, 2016, our cash and cash equivalents totaled \$151.3 million. In addition, we have a revolving credit facility with Westlake available to supplement cash if needed, as described under "Indebtedness" below.

Indebtedness

August 2013 Promissory Notes

In connection with the closing of the IPO, OpCo assumed \$246.1 million of indebtedness under three intercompany promissory notes (the "August 2013 Promissory Notes"). As of June 30, 2016, \$31.8 million of the principal amount of the August 2013 Promissory Notes was still outstanding. The August 2013 Promissory Notes have a ten-year term and bear interest at the prime rate plus a 1.5% margin, which is accrued in arrears quarterly. OpCo has the right at any time to prepay the August 2013 Promissory Notes, in whole or in part, without any premium or penalty. The August 2013 Promissory Notes mature in August 2023.

OpCo Revolver

In connection with the IPO, OpCo entered into a \$600.0 million revolving credit facility with Westlake (OpCo Revolver") that may be used to fund growth projects and working capital needs. As of June 30, 2016, outstanding borrowings under the OpCo Revolver totaled \$348.2 million and bore interest at the LIBOR rate plus 3.0%, which is accrued in arrears quarterly. The OpCo Revolver matures in 2019.

MLP Revolver

In 2015, we entered into a \$300.0 million senior, unsecured revolving credit agreement with Westlake Chemical Finance Corporation, an affiliate of Westlake ("MLP Revolver"). The MLP Revolver is scheduled to mature on April 29, 2018. Borrowings under the MLP Revolver bear interest at LIBOR plus a spread ranging from 2.0% to 3.0% (depending on our consolidated leverage ratio), payable quarterly. The MLP Revolver provides that we may pay all or a portion of the interest on any borrowings in kind, in which case any such amounts would be added to the principal amount of the loan. The MLP Revolver requires that we maintain a consolidated leverage ratio of either (1) during any one-year period following certain types of acquisitions (including acquisitions of additional interests in OpCo), 5.50:1.0 or less, or (2) during any other period, 4.50:1.0 or less. The MLP Revolver also contains certain other customary covenants. The repayment of borrowings under the MLP Revolver is subject to acceleration upon the occurrence of an event of default. As of June 30, 2016, outstanding borrowings under the MLP Revolver totaled \$135.3 million. We intend to use the MLP Revolver to purchase additional limited partnership interests in OpCo in the future, in the event OpCo desires to sell such additional interests to us.

Off-Balance Sheet Arrangements

None.

FORWARD-LOOKING STATEMENTS

Certain of the statements contained in this report are forward-looking statements. All statements, other than statements of historical facts, included in this report that address activities, events or developments that we expect, project, believe or anticipate will or may occur in the future are forward-looking statements. Forward-looking statements can be identified by the use of words such as "believes," "intends," "may," "should," "could," "anticipates," "expects," "will" or comparable terminology, or by discussions of strategies or trends. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we cannot give any assurances that these expectations will prove to be correct. Forward-looking statements relate to matters such as:

- the amount of ethane that we are able to process, which could be adversely affected by, among other things, operating difficulties;
- the volume of ethylene that we are able to sell;
- the price at which we are able to sell ethylene;
- industry market outlook, including prices and margins in third-party ethylene and co-products sales;
- the parties to whom we will sell ethylene and on what basis;
- volumes of ethylene that Westlake may purchase, in addition to the minimum commitment under the Ethylene Sales Agreement;
- timing, funding and results of capital projects, such as OpCo's plan to increase the ethylene capacity of the ethylene processing facility at Calvert City Olefins;
- our intended minimum quarterly distributions and the manner of making such distributions;
- our ability to meet our liquidity needs;

- timing of and amount of capital expenditures;
- potential loans from Westlake to OpCo to fund OpCo's expansion capital expenditures in the future;
- expected mitigation of exposure to commodity price fluctuations;
- turnaround activities and the variability of OpCo's cash flow;
- compliance with present and future environmental regulations and costs associated with environmentally related penalties, capital expenditures, remedial actions and proceedings, including any new laws, regulations or treaties that may come into force to limit or control carbon dioxide and other greenhouse gas emissions or to address other issues of climate change; and
- effects of pending legal proceedings.

We have based these statements on assumptions and analysis in light of our experience and perception of historical trends, current conditions, expected future developments and other factors we believe were appropriate in the circumstances when the statements were made. Forward-looking statements by their nature involve substantial risks and uncertainties that could significantly impact expected results, and actual future results could differ materially from those described in such statements. These statements are subject to a number of assumptions, risks and uncertainties, including those described in in "Risk Factors" in the 2015 Form 10-K and the following:

- 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 and worldwide economies, including those due to political tensions and unrest in the Middle East, the Commonwealth of Independent States (including Ukraine) and elsewhere;
- current and potential governmental regulatory actions in the United States and regulatory actions and political unrest in other countries;
- industry production capacity and operating rates;
- the supply/demand balance for our product;
- 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 integrate acquired businesses;
- foreign currency exchange risks;
- our ability to implement our business strategies; and
- creditworthiness of our customers.

Many of these factors are beyond our ability to control or predict. Any of the 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 or projecting any future results based on such statements or present or prior earnings levels. 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.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Commodity Price Risk

A substantial portion of the Partnership's products and raw materials are commodities whose prices fluctuate as market supply and demand fundamentals change. However, our direct exposure to commodity price risk is limited to approximately 5% of our total ethylene production, which is the portion sold to third parties. We believe we have substantially mitigated our indirect exposure to commodity price fluctuations during the term of the Ethylene Sales Agreement through the minimum commitment and the cost-plus based pricing.

Interest Rate Risk

We are exposed to interest rate risk with respect to our outstanding debt, all of which is variable rate debt. At June 30, 2016, we had variable rate debt of \$515.3 million outstanding, all of which was owed to wholly owned subsidiaries of Westlake, \$31.8 million of which accrues interest at a variable rate of prime plus 150 basis points, \$348.2 million of which accrues interest at a variable rate of LIBOR plus 300 basis points and the remaining \$135.3 million of which accrues interest at a variable rate of LIBOR plus 200 basis points. During August 2015, the Partnership entered into an interest rate contract with Westlake to fix the LIBOR component of the interest rate for a portion of the debt. The weighted average variable interest rate of our debt (excluding the effectively fixed rate portion through the interest rate contract) as of June 30, 2016 was 3.57%. We will continue to be subject to interest rate risk with respect to our variable rate debt as well as the risk of higher interest cost if and when this debt is refinanced. A hypothetical increase in our average interest rate on variable rate debt (excluding the effectively fixed rate debt portion through the interest rate contract) by 100 basis points would increase our annual interest expense by approximately \$4.5 million, based on the June 30, 2016 debt balance.

Item 4. Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our President and Chief Executive Officer and our Senior Vice President and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures pursuant to Rules 13a-15 or 15d-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this report. Based upon that evaluation, our President and Chief Executive Officer and our Senior Vice President, Chief Financial Officer and Treasurer concluded that our disclosure controls and procedures are effective with respect to (i) the accumulation and communication to our management, including our Chief Executive Officer and our Chief Financial Officer, of information required to be disclosed by us in the reports that we submit under the Exchange Act, and (ii) the recording, processing, summarizing and reporting of such information within the time periods specified in the SEC's rules and forms.

There were no changes in our internal control over financial reporting that occurred during the three months ended June 30, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The 2015 Form 10-K, filed on March 8, 2016, contained a description of various legal proceedings in which we are involved, including environmental proceedings. See Note 15 to the unaudited consolidated financial statements within this Quarterly Report on Form 10-Q for a description of certain of those proceedings, which information is incorporated by reference herein. In addition, under the Omnibus Agreement, Westlake has agreed to indemnify the Partnership for certain environmental and other liabilities relating to OpCo's processing facilities and related assets.

Item 1A. Risk Factors

For a discussion of risk factors, please read Item IA, "Risk Factors" in the 2015 Form 10-K. There have been no material changes from those risk factors.

Item 5. Other Information.

Entry into a Material Definitive Agreement

On August 4, 2016, OpCo and Westlake entered into an amendment to the Ethylene Sales Agreement in order to provide that certain of the pricing components that make up the price for ethylene sold thereunder would be grossed up to reflect the portion of OpCo's production capacity that is used to process Westlake's purge gas instead of producing ethylene and to clarify that costs specific to the processing of Westlake's purge gas would be recovered under the Services and Secondment Agreement, and not the Ethylene Sales Agreement. A description of the relationship between OpCo and Westlake is included under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and such description is incorporated by reference herein.

This summary of the amendment is qualified by reference to the full text of the amendment, a copy of which is filed as Exhibit 10.1 to this report, and is incorporated herein by reference.

Item 6. Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1†	First Amendment to Ethylene Sales Agreement
31.1†	Rule 13a – 14(a) / 15d – 14(a) Certification (Principal Executive Officer)
31.2†	Rule 13a – 14(a) / 15d – 14(a) Certification (Principal Financial Officer)
32.1†	Section 1350 Certification (Principal Executive Officer and Principal Financial Officer)
101.INS†	XBRL Instance Document
101.SCH†	XBRL Taxonomy Extension Schema Document
101.CAL†	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF†	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB†	XBRL Taxonomy Extension Label Linkbase Document
101.PRE†	XBRL Taxonomy Extension Presentation Linkbase Document

† Filed herewith.

EXHIBIT INDEX

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101.CAL†	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF†	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB†	XBRL Taxonomy Extension Label Linkbase Document
101.PRE†	XBRL Taxonomy Extension Presentation Linkbase Document

† Filed herewith.

**FIRST AMENDMENT
TO
ETHYLENE SALES AGREEMENT**

This **FIRST AMENDMENT** , dated as of August 4, 2016 and with effect to January 1, 2016 (this “ **Amendment** ”), to the **ETHYLENE SALES AGREEMENT** , dated as of as of August 4, 2014 (the “ **Agreement** ”), by and among **WESTLAKE CHEMICAL OPCO LP** , a Delaware limited partnership (“ **Seller** ”), and **WPT LLC** , a Delaware limited liability company, **WESTLAKE VINYL, INC.** , a Delaware corporation, and **WESTLAKE PETROCHEMICALS LLC** , a Delaware limited liability company (each, a “ **Buyer Party** ,” and collectively, “ **Buyer** ”). Seller and Buyer hereinafter are referred to each individually as a “ **Party** ” and collectively as the “ **Parties** .”

WITNESSETH:

WHEREAS , the Parties entered into the Agreement in 2014 in order to provide for the purchase by Buyer and the sale by Seller of certain Ethylene produced by Seller at its Plants; and

WHEREAS , Seller also uses its Plants to reprocess certain Poly Purge of Buyer or its affiliates pursuant to the Services Agreement; and

WHEREAS , Section 17.8 of the ESA provides that the ESA may be amended only by a written agreement of all the Parties, designated on its face an “Amendment;” and

WHEREAS , the Parties have determined to amend the Agreement to reflect certain modifications and clarifications to better reflect the original intent of the Parties, including amendments to reflect the interplay of the Parties obligations hereunder and the obligations with respect to Poly Purge under the Services Agreement;

NOW THEREFORE , in consideration of the foregoing and the mutual representations, warranties, covenants and agreements herein contained, and intending to be legally bound hereby, the Parties hereby agrees as follows:

**ARTICLE 1
GENERAL**

1.1 **Defined Terms** . Capitalized terms not otherwise defined herein shall have the meanings set forth therefor in the Agreement.

**ARTICLE 2
AMENDMENTS OF AGREEMENT**

2.1 Section 1.1 of the Agreement is hereby amended to add or restate the following definitions therein:

“ **Annual Output** ” means, for any year or portion thereof, the Annual Production for such year plus the amount of Poly Purge reprocessed during such year.

“ **Annual Planned Output** ” shall have the meaning set forth in Section 3.1.

“ **Annual Planned Production** ” shall have the meaning set forth in Section 3.1.

“ **Buyer Purchase Ratio** ” means:

(a) for purposes of Section 5.1 and Schedule 5.1, (i) actual Production purchased by Buyer plus the amount of Output used for Poly Purge, *divided* by (ii) Production purchased by Buyer;

(b) for purposes of Sections 5.2 or 5.3, (i) forecast Production expected to be purchased by Buyer plus the forecast amount of Output expected to be used for Poly Purge, *divided* by (ii) forecast Production expected to be purchased by Buyer.

“ **Output** ” means, for any period, Production for such period plus the amount of Poly Purge reprocessed during such period.

“ **Poly Purge** ” shall mean the ethylene product recycle stream from certain Downstream Facilities and reprocessed by the Seller pursuant to the Services Agreement.

“ **Production** ” shall mean the aggregate quantities of Ethylene (in pounds) actually produced at the Plants by cracking Feedstock, regardless of whether purchased by Buyer, and, for the avoidance of doubt, excluding any Poly Purge.

2.2 The definition of “ **Metering Point** ” in Section 1.1 is amended to replace the word “deliveries” with the word “sold”.

2.3 Section 3.1 of the Agreement is hereby amended by inserting the following text after the definition of “Annual Planned Production”:

“and the Parties shall agree on a reasonable good faith projection of the total quantity of Poly Purge (in pounds) that will be reprocessed by Seller under the Services Agreement during such Contract Year (such quantity, together with the Annual Planned Production, the “ **Annual Planned Output** ”)”

2.4 The obligation set forth in Section 4.1(a)(ii) of the Agreement shall be subject to the limit of 95% of any Excess Quantity pursuant to Section 4.1(d).

2.5 The price for Excess Quantity under Section 4.1(d) of the Agreement shall be the price set forth in Section 5.1, provided that All Other Cash Production Costs shall only include Variable Cash Conversion Costs and the Prior Year Adjustment shall not apply.

2.6 Section 4.4 is amended to replace the words “a quantity of Ethylene” with “a quantity of Output”.

2.7 Section 5.1 of the Agreement is hereby amended to delete Purge Gas Recovery from the calculation thereof and to provide that the \$0.10/lb component shall be multiplied by the Buyer Purchase Ratio.

2.8 Section 5.2(a) of the Agreement is amended (i) to replace “Annual Planned Production” with “Annual Planned Output”; (ii) to provide that the quotient of the division in the first paragraph thereof shall be multiplied by the Buyer Purchase Ratio; and (iii) to provide that, in all cost categories of AOCPC, incremental costs specific to reprocessing of Poly Purge (i.e. antifoulant and other chemicals) shall be excluded, but costs that would be incurred if additional Ethylene was produced in lieu of reprocessing Poly Purge shall be included.

2.9 Section 5.2(c)(i)(B) and Section 5.2(c)(ii)(B) of the Agreement are amended to replace “Annual Planned Production” with “Annual Planned Output” and, in the case of Section 5.2(c)(ii)(B), to provide that the amount in clause (2) shall include the Seller’s reasonable good faith projection of the total quantity of Ethylene (in pounds) that it will reprocess (i.e. Poly Purge), in addition to the quantity of Ethylene (in pounds) that it will produce.

2.10 Section 5.2(a) of the Agreement is amended to provide that the Prior Year Adjustment shall be calculated as the Shortfall Amount divided by the Annual Planned Output for such Contract Year multiplied by the Buyer Purchase Ratio for such Contract Year.

2.11 Section 9.1 of the Agreement is amended to (i) delete the phrase “Other than in the event of an extended period of Force Majeure pursuant to Section 9.5,” in the second sentence thereof and (ii) capitalize the word “nothing” immediately following such phrase.

2.12 Section 9.5 of the Agreement is amended to delete the following words “(a) the Annual Minimum Quantity shall be reduced by a quantity of Ethylene equal to the annualized average of such shortfall, (b) Buyer shall be credited such portion of the Ethylene Shortfall Fee(s) paid during the Contract Year (if any) for such deficient quantities, and (c)” therefrom.

2.13 Schedule 5.1 of the Agreement is amended to:

(a) Restate clause (ii) of the definition of “Cost of Energy” as “the actual Output of the Plants (lb) during such period, multiplied by the Buyer Purchase Ratio for such period”;

(b) Delete the definitions “Purge Gas Recovery” and “Poly Purge”;

(c) In the definition of “Co-Product Credit”, restate “Seller’s total output” as “Production” and restate “the quantity of Ethylene (in pounds) actually delivered” as “the quantity of Production (in pounds) sold”;

(d) In the definition of “Feedstock Efficiency Adjuster”, in the formula of Actual Yield, adding “Poly Purge (lb)” to the numerator thereof;

(e) In the definition of “Natural Gas”, inserting “and processing of Poly Purge” after “production of Ethylene”;

(f) Replacing the definition of “Ethylene Produced” with the following:

“Ethylene Output (lb) = the total quantity (lb) of Ethylene delivered at the Metering Points during such Period, including both produced at the Plants and Poly Purge reprocessed;”

and replacing the words “Ethylene Produced” with the words “Ethylene Output” in the formulas of Actual Energy and Actual Yield; and

(g) In the definition of “Feedstock Consumed”, deleting the words “, Poly Purge”.

ARTICLE 3 MISCELLANEOUS

3.1 This Amendment shall be subject to and governed by the laws of the State of Texas, excluding any conflicts-of-law rule or principle that might refer the construction or interpretation of this Agreement to the laws of another state.

3.2 Except as hereby amended, the Agreement shall remain in full force and effect.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the party hereto has caused this Amendment to be signed as of the date first written above.

SELLER:

WESTLAKE CHEMICAL OPCO LP
By: Westlake Chemical OpCo GP LLC,
its General Partner

By: /s/ Lawrence E. Teel
Name: Lawrence E. Teel
Title: Principal Operating Officer and Senior Vice President Olefins

BUYER:

WPT LLC
By: Westlake Chemical Investments, Inc.,
its Manager

By: /s/ Albert Chao
Name: Albert Chao
Title: President

WESTLAKE VINYL, INC.

By: /s/ Albert Chao
Name: Albert Chao
Title: President

WESTLAKE PETROCHEMICALS LLC
By: Westlake Chemical Investments, Inc.,
its Manager

By: /s/ Albert Chao
Name: Albert Chao
Title: President

Signature Page to First Amendment to Ethylene Sales Agreement

CERTIFICATIONS

I, Albert Chao, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Westlake Chemical Partners LP;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2016

/ S / A L B E R T C H A O

Albert Chao
President, Chief Executive Officer and Director of
Westlake Chemical Partners GP LLC
(Principal Executive Officer)

CERTIFICATIONS

I, M. Steven Bender, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Westlake Chemical Partners LP;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2016

/ s / M. S TEVEN B ENDER

M. Steven Bender
Senior Vice President, Chief Financial Officer, Treasurer and
Director of
Westlake Chemical Partners GP LLC
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Westlake Chemical Partners LP (the "Partnership") on Form 10-Q for the fiscal quarter ended June 30, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Albert Chao, President, Chief Executive Officer and Director of the Partnership, and I, M. Steven Bender, Senior Vice President, Chief Financial Officer, Treasurer and Director of the Partnership, certify, to the best of our knowledge, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material aspects, the financial condition and results of operations of the Partnership.

Date: August 9, 2016

/ S / A L B E R T C H A O

Albert Chao
President, Chief Executive Officer and Director of
Westlake Chemical Partners GP LLC
(Principal Executive Officer)

Date: August 9, 2016

/ S / M . S T E V E N B E N D E R

M. Steven Bender
Senior Vice President, Chief Financial Officer,
Treasurer and Director of
Westlake Chemical Partners GP LLC
(Principal Financial Officer)