FREQUENTLY ASKED QUESTIONS AND ANSWERS

Q. Why am I receiving a Schedule K-1 rather than Form 1099?

A. Form 1099 is used to report interest and dividend income (among other items). Westlake Chemical Partners, LP is a publicly traded limited partnership consisting of a general partner and many limited partners . All income and expenses from the Partnership flow through to the unitholders to be reported on their individual tax returns. The Partnership is required to file Form 1065 with the IRS which includes a Schedule K-1 for each unitholder reporting their respective tax information.

Q. What is Unrelated Business Taxable Income (UBTI)?

A. UBTI is relevant for a tax-exempt organization (including IRAs, Keogh and other qualified retirement plans). It represents the distributive share of gross income and allocable deductions of a publicly traded partnership which is considered to be unrelated to the regular activities of the tax-exempt organization and therefore includable in taxable income. UBTI may be offset by a $1,000 annual deduction. Please see form 990-T Exempt Organization Business Income Tax Return.

Q. Are the cash distributions I received from the Partnership taxable?

A. In general, cash distributions received from the Partnership are not taxable. The cash you received represents your share of the Partnership's available cash and should be treated as return of capital to the extent of your tax basis. You are required to report in your tax return only those items of income, gain, loss, deduction or credit as reflected on your Schedule K-1. However, if the cumulative cash distributions received from the Partnership exceed your tax basis in the Partnership you may have a taxable gain to report. You should consult your tax advisor for proper reporting of such gain.

Q. Why is the amount of cash I received different than my allocable share of Partnership income, gain, loss, deduction or credit?

A. The Partnership distributes available cash determined by the Partnership agreement. The calculation of cash available for distribution differs from the calculation of taxable income to be reported to the partners. For example, depreciation is an expense that reduces taxable income reported to the partners but does not reduce cash available for distribution.

Q. If I sell my Partnership units at a gain, why is part of the gain treated as ordinary income rather than capital gain?

A. A sale of Partnership units is treated as if there were a sale of the partner's allocable share of each of the Partnership's assets. Gain on the sale of assets for which depreciation deductions have been taken is treated as ordinary income rather than capital gain. The ordinary income on sale of assets represents the depreciation deductions previously allocated to you.

Q. If I sell my Partnership units, how is my tax basis determined for computing gain or loss?

A. Your tax basis is the original amount paid for the Partnership units, adjusted as follows:

- Increased by the cumulative amounts of income and gain reported to you on Schedule K-1;
- Reduced by the cumulative amounts of loss, deduction, and credit reported to you on Schedule K-1;
- Reduced, but not below zero, by the cumulative amounts of cash distributions received from the Partnership; and
- Increased by the nonrecourse debt (if any) allocated to you on the Schedule K-1.

Q. Does the Schedule K-1 show my tax basis in Partnership units?

A. No. However, the Schedule K-1 Box L-Partner's Capital Account Analysis, may provide an approximation of your ending tax basis for all units owned at December 31. The amount reflected in the Ending Capital Account includes your original cost of units, as reported to the Partnership by your broker, and other adjustments affecting tax basis. However, brokers do not always report original cost to the Partnership, the low closing price for the month in which you purchased units is assumed to be the cost. The assumption, or incorrect reporting by the broker, can cause this year end amount to be different than your actual tax basis at December 31.

Q. What is nonrecourse debt?

A. A partnership's liability is treated as nonrecourse debt to the extent that no partner or related person bears the economic risk of loss for the liability. A partner's share of partnership liabilities is included in the partner's adjusted basis in his partnership interest A partner may deduct partnership losses allocated to him only to the extent of his adjusted basis.

Q. What is Alternative Minimum Tax (AMT) Depreciation Adjustment?

A. The AMT depreciation adjustment amount represents the difference between depreciation for AMT purposes and depreciation for regular tax purposes. This adjustment is necessary in the calculation of your alternative minimum tax.

Q. Am I required to file tax returns in any state in which I do not live?

A. The requirement to file a tax return in any state is based on that state's rules and regulations. Please consult your tax advisor advisor regarding your requirement to file state and/or local tax returns.