

Western Midstream Announces Exchange of Occidental Note for Western Midstream Units

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HOUSTON, Sept. 14, 2020 - Today Western Midstream Partners, LP (NYSE: WES) ("WES" or the "Partnership") announced the exchange of its 98% interest in the \$260 million 6.50% fixed-rate note receivable due 2038 from [Occidental Petroleum](#) (NYSE: OXY) ("Occidental") for 27.855 million WES common units owned by Occidental (the "Exchange"). The units will be canceled following the Exchange. The net effect of this transaction increases WES's per-annum Free cash flow¹ after debt by approximately \$18.1 million based on current per-unit annualized distributions.

"This transaction is accretive to free cash flow, which will advance our leverage-reduction efforts," said WES Chief Executive Officer, Michael Ure. "The Exchange also allows both parties to avoid valuation discounts that typically apply to transactions involving the purchase and sale of these types of securities."

"Occidental and WES continue to work together to maximize value for our shareholders and unitholders," said Occidental's President and Chief Executive Officer, Vicki Hollub. "This transaction represents a significant step towards Occidental's intention to reduce its ownership interest in WES to below 50%, while achieving advantageous pricing relative to alternative divestiture options, thereby strengthening WES's financial profile, which in turn benefits Occidental as WES's largest customer and unitholder."

The Exchange was reviewed and approved by the Partnership's Special Committee, which includes only independent members of the board of directors of WES's general partner. The Special Committee was advised by Bracewell LLP as legal counsel and Lazard as financial advisor.

ABOUT WESTERN MIDSTREAM

Western Midstream Partners, LP ("WES") is a Delaware master limited partnership formed to acquire, own, develop, and operate midstream assets. With midstream assets located in the Rocky Mountains, North-central Pennsylvania, Texas, and New Mexico, WES is engaged in the business of gathering, compressing, treating, processing, and transporting natural gas; gathering, stabilizing, and transporting condensate, NGLs, and crude oil; and gathering and disposing of produced water for its customers. In addition, in its capacity as a processor of natural gas, WES also buys and sells natural gas, NGLs, and condensate on its own account, itself and as agent for its customers under certain of its contracts.

For more information about Western Midstream Partners, LP and Western Midstream Flash Feed updates, please visit www.westernmidstream.com.

This news release contains forward-looking statements. WES's management believes that its expectations are based on reasonable assumptions. No assurance, however, can be given that such expectations will prove correct. A number of factors could cause actual results to differ materially from the projections, anticipated results, or other expectations expressed in this release. These factors include the ultimate impact of efforts to fight COVID-19 on the global economy and the timeline for recovery in commodity demand and prices; our ability to meet financial guidance or distribution expectations; our ability to acquire and efficiently operate WES's assets; the supply of, demand for, and price of oil, natural gas, NGLs, and related products and services; our ability to meet projected in-service dates for capital-growth projects; construction costs or capital expenditures exceeding estimated or budgeted costs or expenditures; and the other factors described in the "Risk Factors" section of our most-recent Form 10-K and Form 10-Q filed with the Securities and Exchange Commission and other public filings and releases. WES undertakes no obligation to publicly update or revise any forward-looking statements.

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¹ WES defines "Free cash flow" as net cash provided by operating activities less total capital expenditures and contributions from equity investments, plus distributions from equity investments in excess of cumulative earnings.

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