Targa Resources

Investor Presentation

Second Quarter 2015

August 4, 2015

Forward Looking Statements

Certain statements in this presentation are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this presentation that address activities, events or developments that Targa Resources Partners LP (NYSE: NGLS; “TRP” or the “Partnership”) or Targa Resources Corp. (NYSE: TRGP; “TRC” or the “Company”) (together “Targa”) expect, believe or anticipate will or may occur in the future are forward-looking statements. These forward-looking statements rely on a number of assumptions concerning future events and are subject to a number of uncertainties, factors and risks, many of which are outside the Partnership’s and the Company’s control, which could cause results to differ materially from those expected by management of Targa Resources Partners LP and Targa Resources Corp. Such risks and uncertainties include, but are not limited to, weather, political, economic and market conditions, including declines in the production of natural gas or in the price and market demand for natural gas and natural gas liquids, the timing and success of business development efforts, the credit risk of customers and other uncertainties. These and other applicable uncertainties, factors and risks are described more fully in the Partnership's and the Company’s Annual Reports on Form 10-K for the year ended December 31, 2014 and other reports filed with the Securities and Exchange Commission. The Partnership and the Company undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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Targa Resources' Two Public Companies

Targa Resources Partners LP
(NYSE: NGLS; "TRP" or the "Partnership")

- IPO February 2007
- MLP
- Owner/Operator of all assets

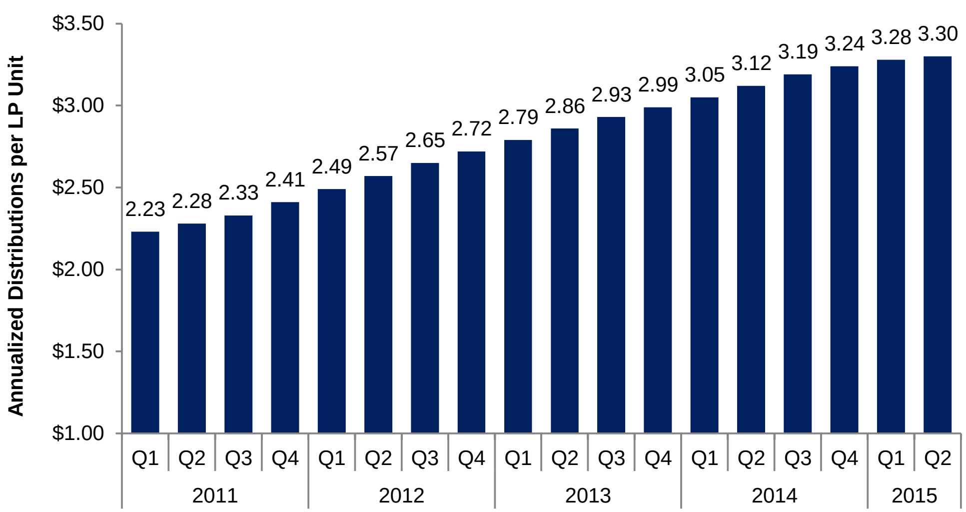
Market Cap:	$6.5 billion
Enterprise Value:	$12.0 billion
Unit Price:	$34.99
Yield:	9.4%
Current Annualized Distribution:	$3.30
Sequential / YoY Growth:	1% / 6%

Targa Resources Corp.
(NYSE: TRGP; "TRC" or the "Company")

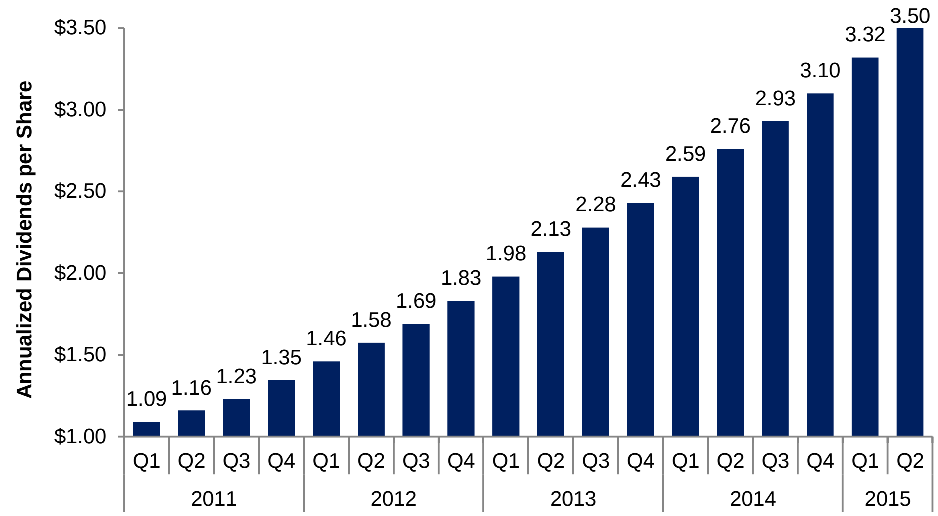
- IPO December 2010
- C-Corp
- General Partner of NGLS

Market Cap:	$4.8 billion
Enterprise Value:	$5.4 billion
Share Price:	$84.89
Yield:	4.1%
Current Annualized Dividend:	$3.50
Sequential / YoY Growth:	5% / 27%

TRP Distributions



TRC Dividends



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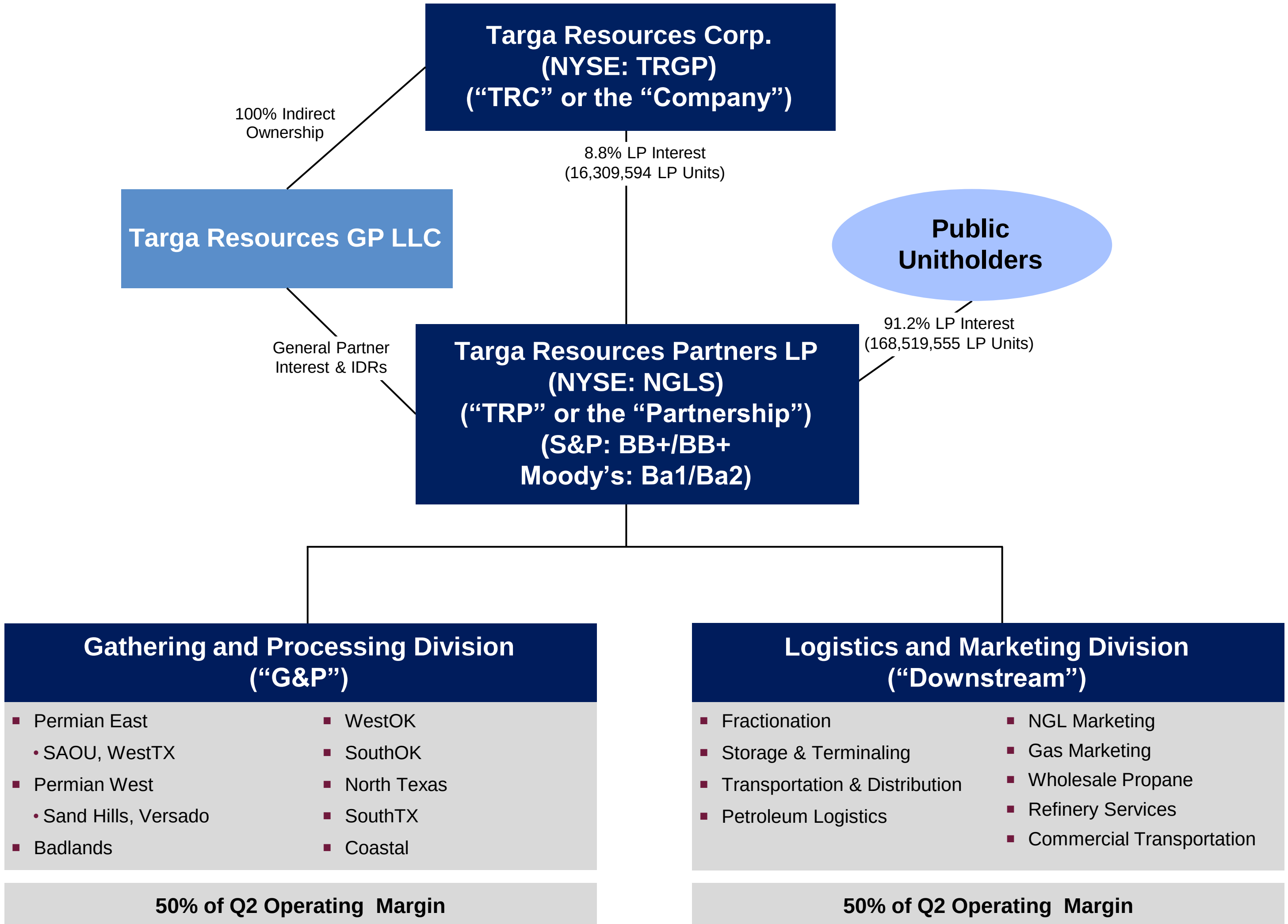
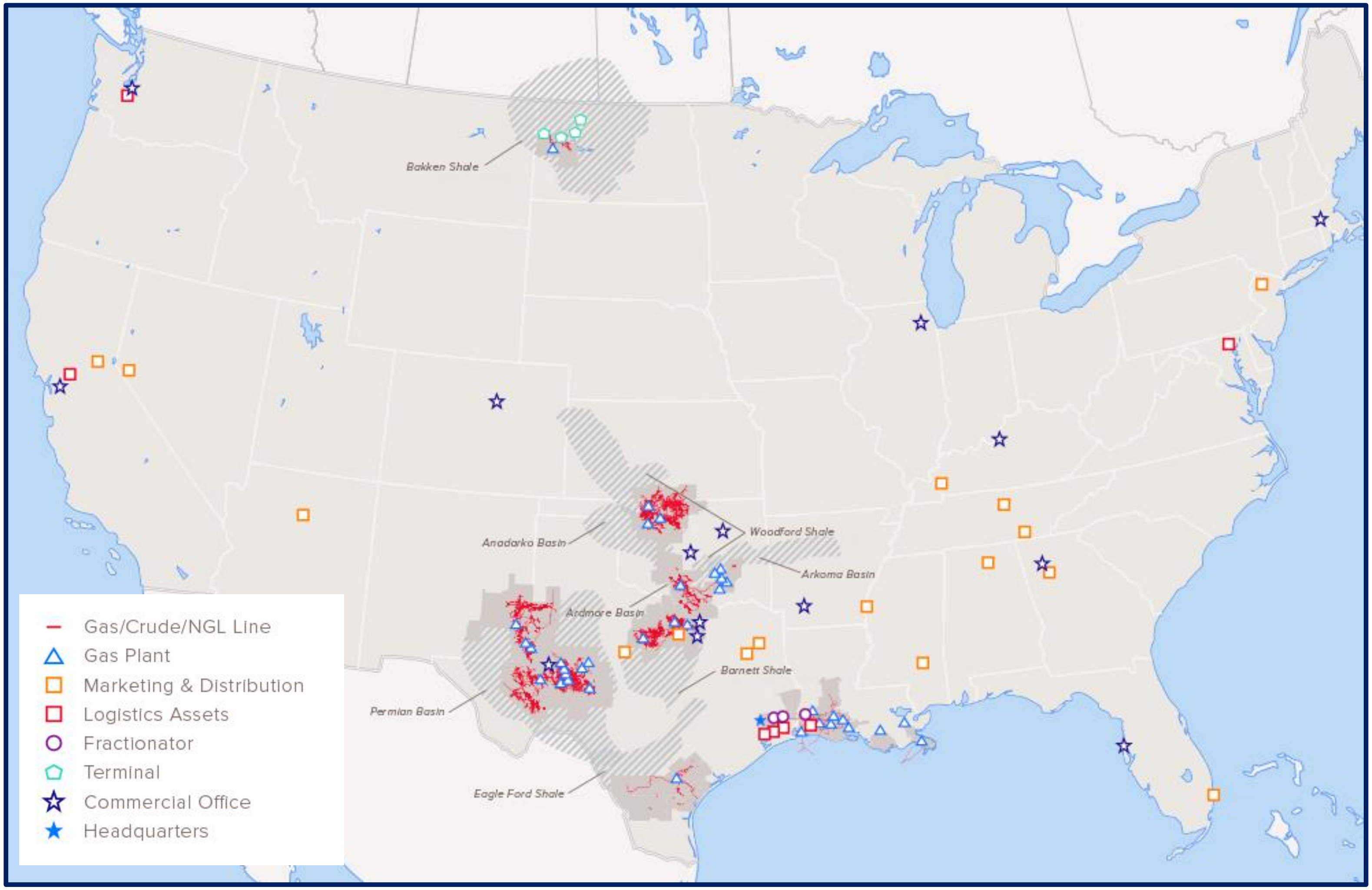
Note: Market Cap, Unit/Share Price and Yield as of August 3, 2015. Enterprise Value calculated using current Market Cap as of August 3, 2015 and balance sheet data as of June 30, 2015

Targa Current Corporate Structure



- *TRC had 56,031,679 common shares outstanding as of July 31, 2015*
- *TRP ownership as of July 31, 2015*
- *G&P division includes "Other" operating margin*

Targa's Diversified Midstream Platform



- Well positioned in U.S. shale / resource plays
- Leadership position at Mont Belvieu
- Increasing scale, diversity and fee-based margin
- Over $1 billion of projects in service in 2013 and ~$1 billion in 2014
- $700 - $900 million of capex spending in 2015
- Additional projects under development
- Strong financial profile
- Strong track record of distribution and dividend growth
- Experienced management team

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Investment Highlights

Leading Asset Position

- One of the largest Permian G&P positions across premier acreage
- 2nd largest fractionation presence in Mont Belvieu
- 2nd largest LPG export presence on U.S. Gulf Coast
- Mont Belvieu / Galena Park footprint not easily replicated

Diversified Business Mix

- Expect at least 70% 2015E margin from fee-based operations
- 2015E margin split ~50% / ~50% between G&P and Downstream
- Organic growth capex split 50% / 50% between G&P and Downstream over last 3 years

Demonstrated Track Record

- Over $2 billion of quality organic capex since 2012
- Placed $1 billion of projects in-service in both 2013 and 2014
- Over $8 billion of third party acquisitions since 2012
- Strong dividend and distribution growth - 2015E growth of 25%+ at TRC and growth of 4-7% at TRP

Positioned for Long-Term Growth

- ~$700 million to $900 million of growth capex in 2015, with significant additional projects under development
- Well positioned financially, with 3.8x Q2 2015 Debt / EBITDA[(1)]
- Well positioned, diversified asset base, with long-term fundamentals attractive for continued opportunities

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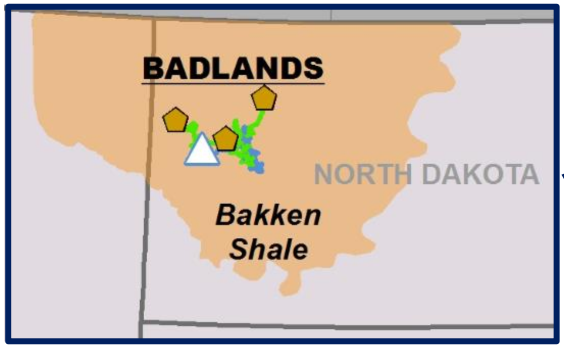
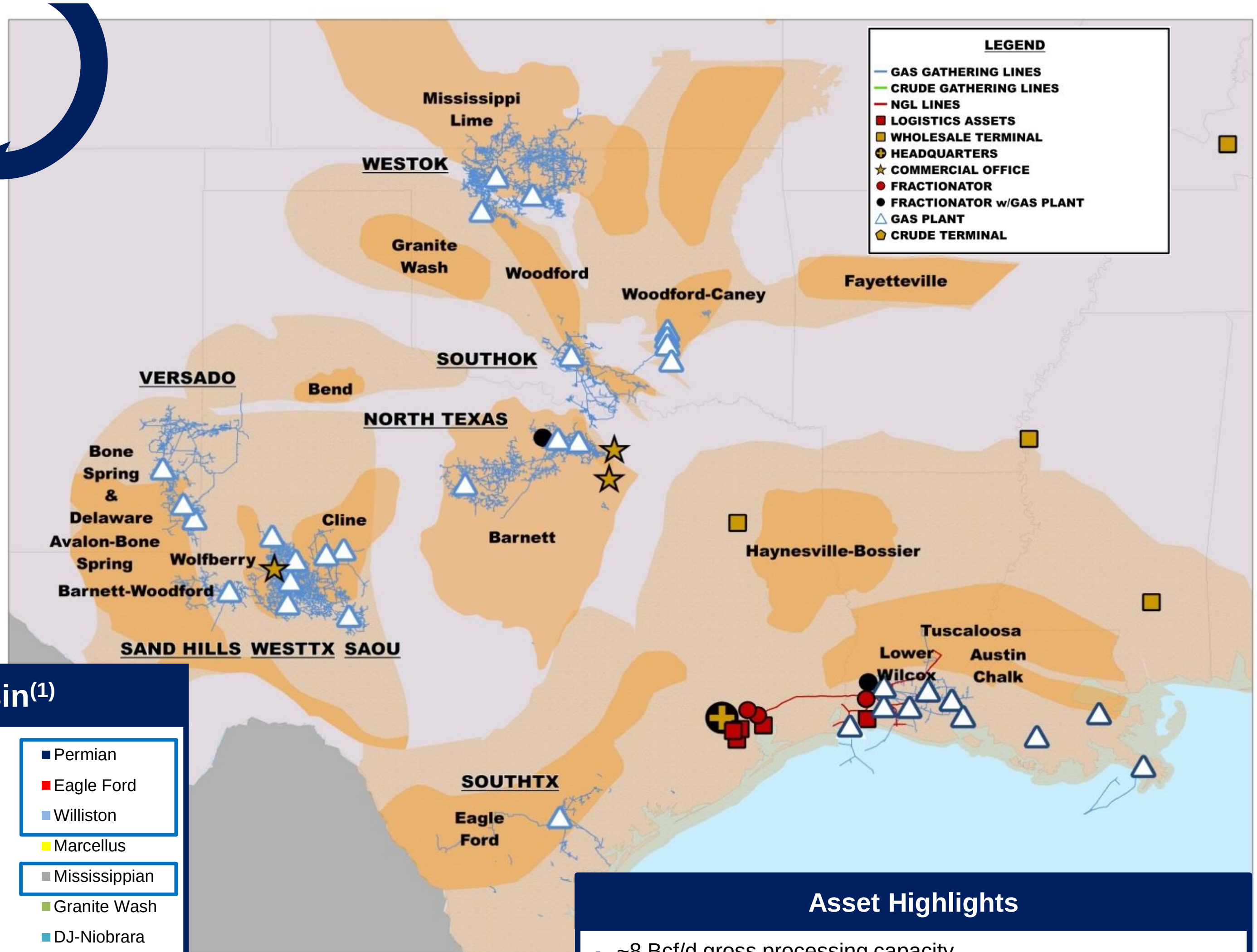
(1) *Calculated on a compliance basis*

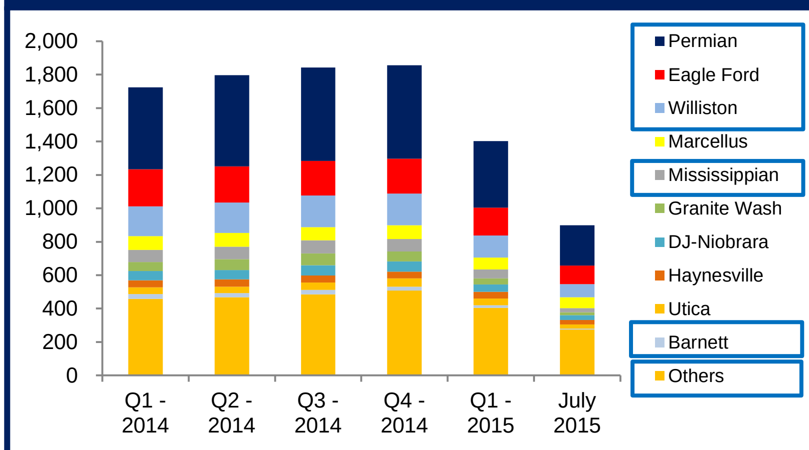
Attractive Positions in Oil and Liquids-Rich Basins



- Rig activity has decreased significantly across the U.S.
- Targa's footprint has been impacted, but positioning in some of the best basins / areas provides resiliency



U.S. Land Rig Count by Basin(1)

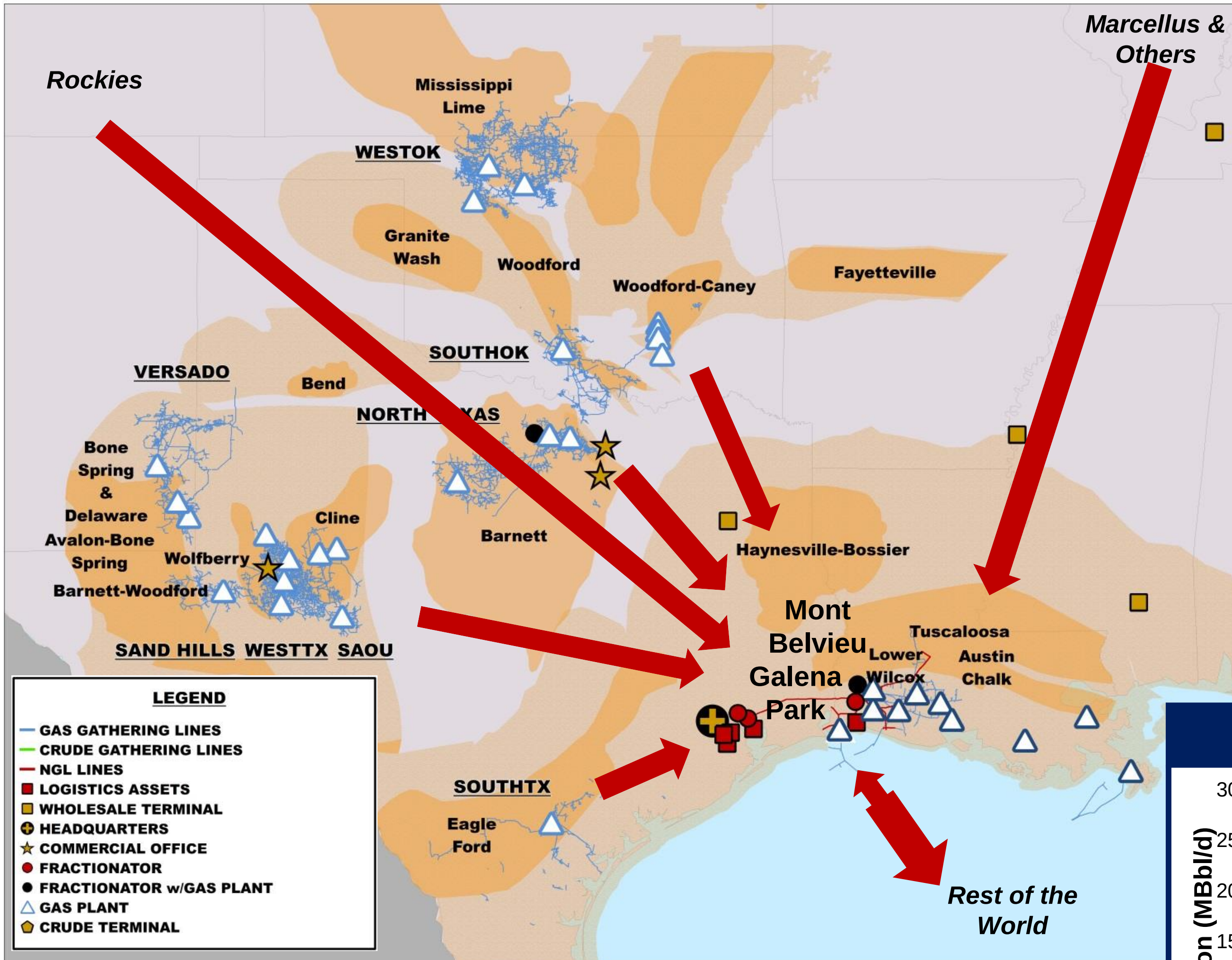


Asset Highlights

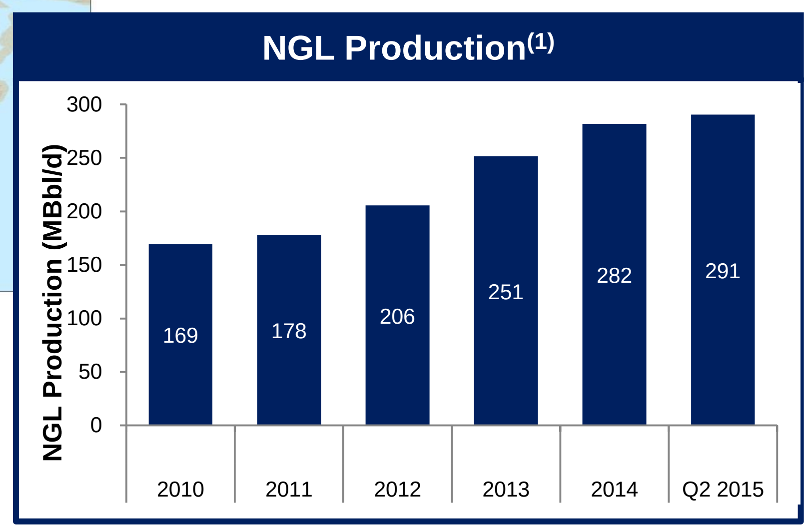
- ~8 Bcf/d gross processing capacity
- 39 natural gas processing plants
- Over 25,000 miles of natural gas and crude oil pipelines
- Gross NGL production of 291 MBbls/d in Q2 2015
- 3 crude and refined products terminals (2.5 MMBbls of storage)
- 17 gas treating facilities
- Over 570 MBbl/d gross fractionation capacity
- ~6.5-7.0 MMBbl/month capacity LPG export terminal

(1) Source: Baker Hughes; data through July 17, 2015

Producer Activity Drives NGL Flows to Mont Belvieu



- Growing field NGL production increases NGL flows to Mont Belvieu
- Increased NGL production could support Targa's existing and expanding Mont Belvieu and Galena Park presence
- Petrochemical investments, fractionation and export services will continue to clear additional supply
- Targa's Mont Belvieu and Galena Park businesses very well positioned



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(1) Pro forma Targa/TPL for all years

Major Announced Capital Projects

- **Expect $700 to $900 million of growth capex in 2015**
  - Continuing to review appropriate sizing and timing of additional plant capacity and related infrastructure in North Dakota (Badlands) and the Permian Basin
  - Spending capital in 2015 on a number of high return G&P projects that individually require relatively small capital outlay

Projects in Progress	Total Capex ($ millions)	2015 Capex ($ millions)	Expected Completion	Primarily Fee-Based
Petroleum Logistics Projects	$190 - $350	$20	2017	✓
CBF Train 5 Expansion (100 MBbl/d)	385	230	Mid 2016	✓
Other	20	20		✓
Total Downstream Projects	$595 - $755	$270		$595 - $755
Badlands Expansion Program	150 - 320	125 - 250	2015+	✓
Permian Expansion Programs	210 - 370	75 - 150	2015+	
Other G&P Expansion Programs	230	230	2015+	
Total G&P Projects	$590 - $920	$430 - $630		$150 - $320
Total Growth Projects	**$1,185 - $1,675**	**$700 - $900**		**$745 - $1,075**

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Major Capital Projects Under Development

- Over $3 billion of additional opportunities are in various stages of development
- Opportunities include additional infrastructure in both G&P and Downstream
- In current environment, Targa is focused on capital efficiency and flexibility – projects below all considered viable, but timing may be delayed

Additional Growth Opportunities	Total Capex ($ millions)	Estimated Timing	Primarily Fee-Based
G&P Expansion Programs			
Train 6 Expansion			✓
Train 7 Expansion			✓
Additional Condensate Splitter/Export Projects			✓
Ethane Export Project			✓
Other Projects			✓
Total	**$3,000+**	**2015 and beyond**	

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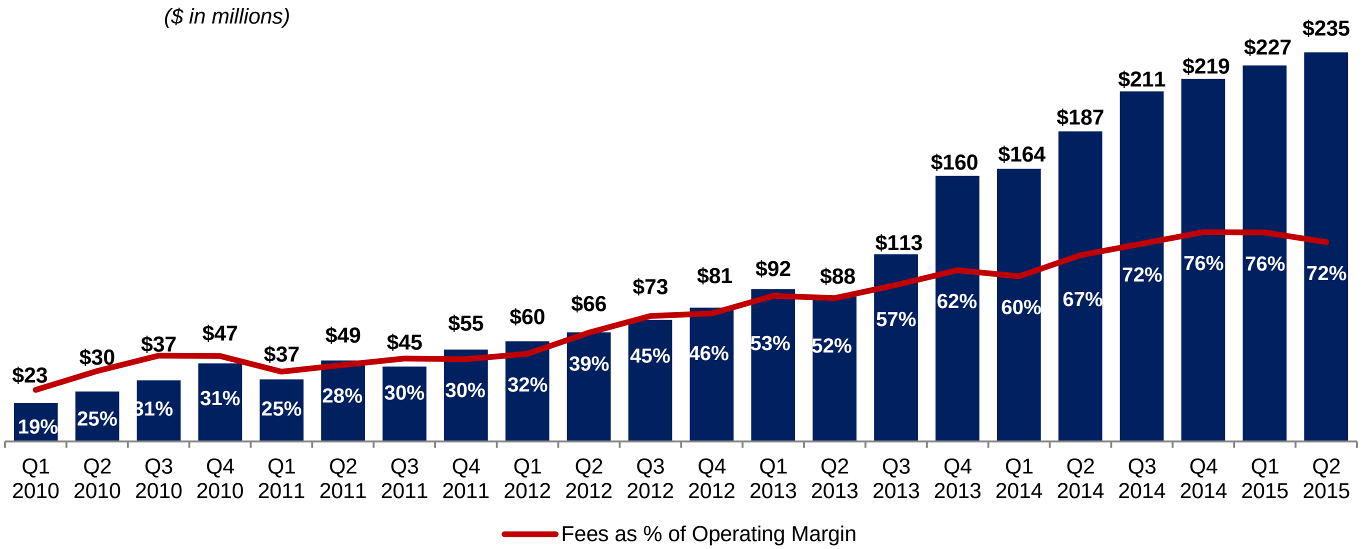
Strong Growth in Fee-Based Margin Continues

Increasing Fee-Based Margin Provides Additional Stability to Our Business



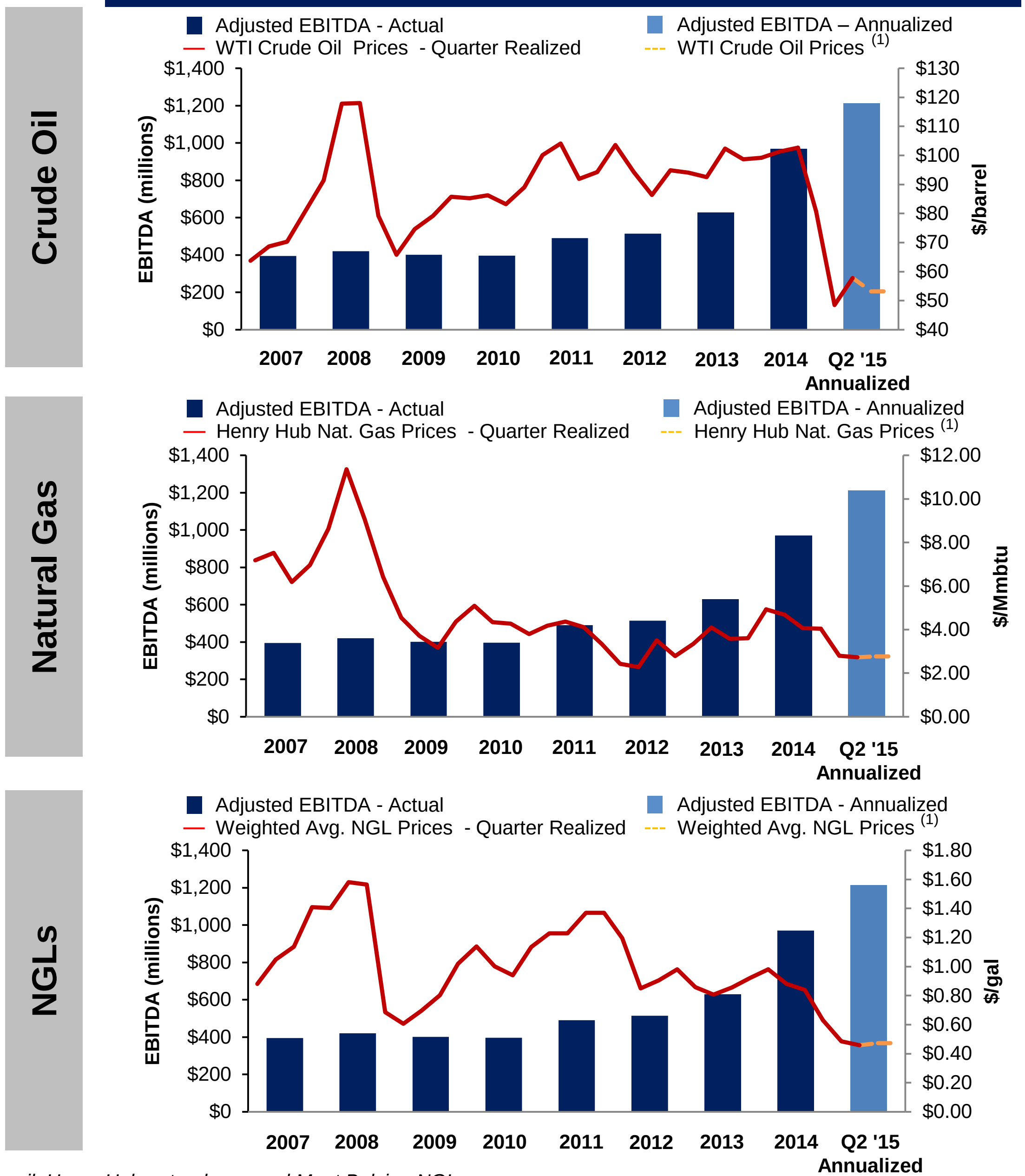
Expect at least 70% fee-based operating margin in 2015

- **Additional fee-based projects in progress for 2015 and beyond:**
  - CBF Train 5 expansion
  - Additional Badlands expansion
  - Terminal / condensate splitter project or projects supported by long-term agreements with Noble
- **Other major fee-based projects under development:**
  - Additional fractionation
  - Ethane export
  - Additional condensate splitter / export projects

Diversity and Scale Mitigate Commodity Price Changes

- **Growth has been driven by investing in the business, not by changes in commodity prices**
- **TRP benefits from multiple factors that help mitigate commodity price volatility, including:**
  - Scale
  - Business and geographic diversity
  - Increasing fee-based margin
  - Hedging
- **Based on our estimate of current equity volumes, approximately 70% of remaining natural gas, 60% of remaining condensate and 30% of remaining NGLs are hedged for 2015**
- **Based on our estimate of current equity volumes, approximately 45% of natural gas, 35% of condensate, and 15% of NGLs are hedged for 2016**

Adjusted EBITDA vs. Commodity Prices

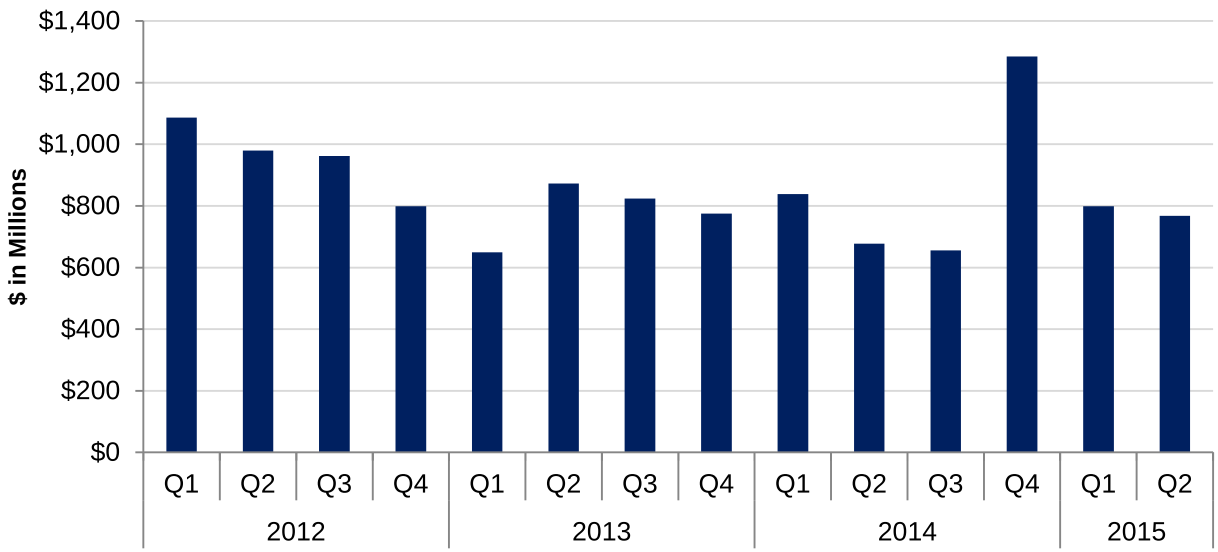


(1) *Prices reflect average 1H 2015 spot prices for WTI crude oil, Henry Hub natural gas, and Mont Belvieu NGLs*

Note: Targa's composite NGL barrel comprises 37% ethane, 35% propane, 6% iso-butane, 12% normal butane, and 10% natural gasoline

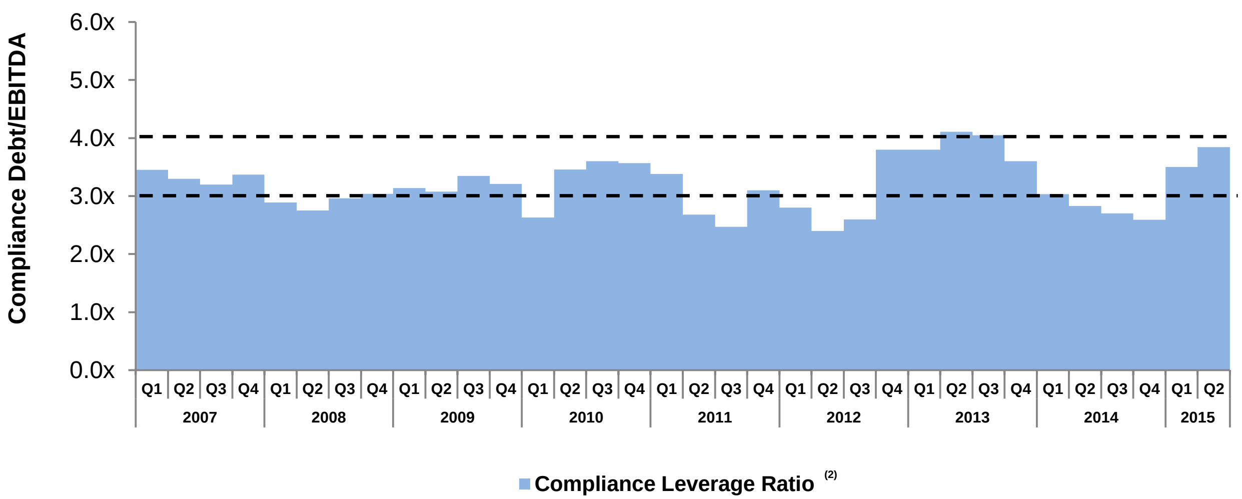
Targa Leverage and Liquidity

Liquidity[1]



- **Approximately $787 million of current liquidity at quarter end**
- **From January through July 2015, received proceeds of approximately $375 million from equity issuances, including $316 million of net proceeds from equity issuances under at-the-market ("ATM") program and contributions from TRC to maintain its 2% GP interest**

Compliance Leverage Ratio



- **Target compliance leverage ratio 3x - 4x Debt/EBITDA**
  - Q2 2015 compliance leverage ratio was 3.8x

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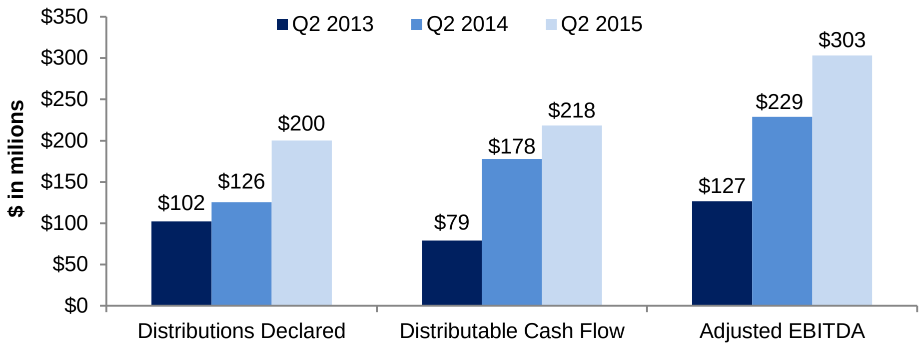
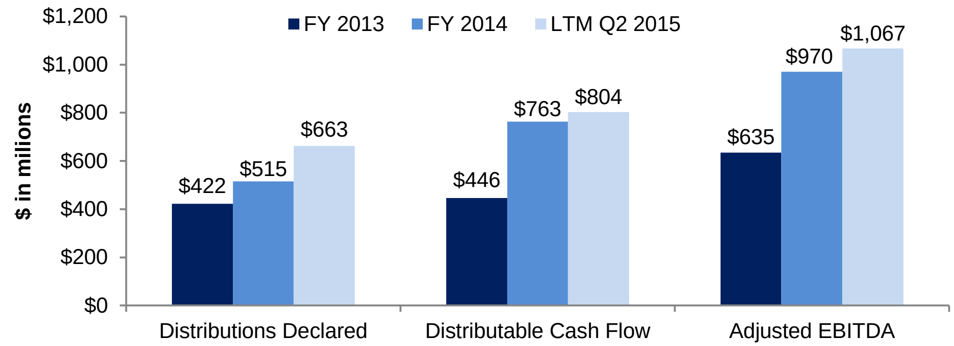
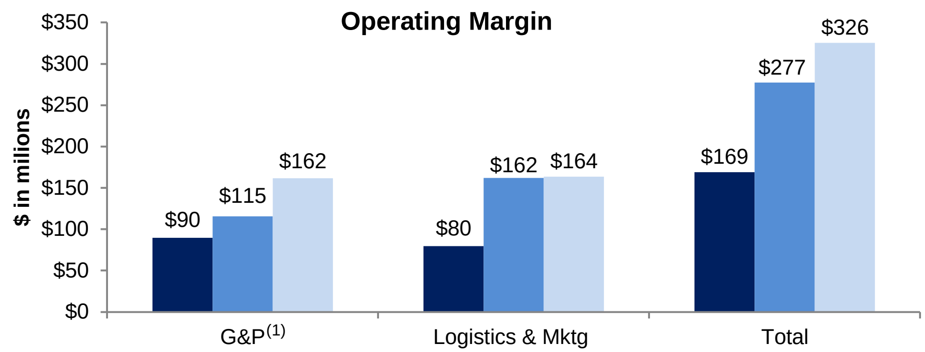
(1) *Includes TRP's total availability under the revolver plus cash, less outstanding borrowings and letters of credit under the TRP revolver*

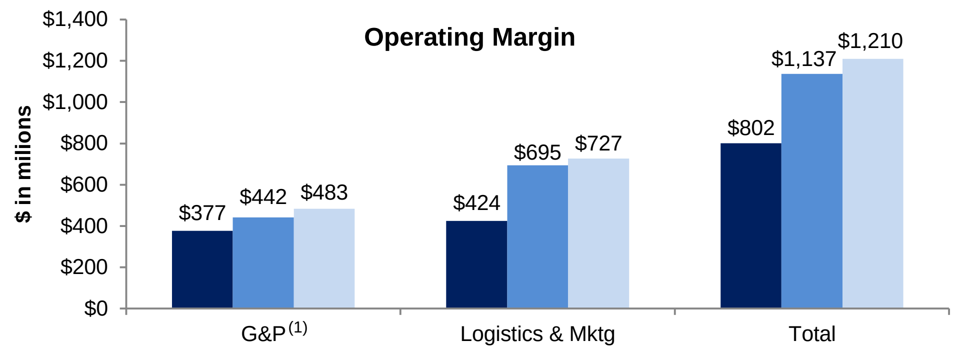
(2) *Adjusts EBITDA to provide credit for material capital projects that are in process, but have not started commercial operation, and other items*

TRP Update









Q2 2015 Highlights

- **Adjusted EBITDA increased 33% in Q2 2015 compared to Q2 2014, primarily due to a full quarter of contributions from TPL**
- **Gathering & Processing operating margin increased 40% in Q2 2015 versus Q2 2014 primarily driven by a full quarter of TPL contributions**

TARGA *(1) Includes impact of commodity hedge settlements*

TRP Capitalization

($ millions)

Cash and Debt	Maturity	Coupon	Actual 3/31/2015	Adjustments	Actual 6/30/2015
Cash and Cash Equivalents			$63.5	$22.0	$85.5
Accounts Receivable Securitization	Dec-15		197.9	(73.7)	124.2
Revolving Credit Facility	Oct-17		840.0	38.0	878.0
Total Senior Secured Debt			**1,037.9**		**1,002.2**
Senior Notes	Feb-21	6.875%	483.6		483.6
Senior Notes	Aug-22	6.375%	300.0		300.0
Senior Notes	May-23	5.250%	600.0		600.0
Senior Notes	Nov-23	4.250%	625.0		625.0
Senior Notes	Nov-19	4.125%	800.0		800.0
Senior Notes	Oct-20	6.625%	-	342.1	342.1
Senior Notes	Feb-18	5.000%	1,100.0	–	1,100.0
Unamortized Discounts on TRP Debt			(24.5)	0.7	(23.8)
Unamortized Premium on TRP Debt			-	5.4	5.4
TPL Senior Notes	Oct-20	6.625%	355.1	(342.1)	13.1
TPL Senior Notes	Aug-23	5.875%	48.1	–	48.1
TPL Senior Notes	Nov-21	4.750%	6.5	–	6.5
Unamortized Premium on TPL Debt			6.6	(5.8)	0.8
Total Consolidated Debt			**$5,338.3**		**$5,303.0**
Compliance Leverage Ratio(1)			3.5x		3.8x
Liquidity:					
Credit Facility Commitment			$1,600.0	–	$1,600.0
Funded Borrowings			(840.0)	(38.0)	(878.0)
Letters of Credit			(25.0)	4.5	(20.5)
Total Revolver Availability			**$735.0**		**$701.5**
Cash			63.5		85.5
Total Liquidity			**$798.5**		**$787.0**

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(1) Adjusts EBITDA to provide credit for material capital projects that are in process, but have not started commercial operation, and other items; compliance debt excludes senior notes of Targa Pipeline Partners, L.P. ("TPL")

TRC Capitalization

($ millions)

Capitalization	Maturity	Actual 3/31/2015	Adjustments	Actual 6/30/2015
Cash and Cash Equivalents	--	$107.2	($87.0)	$20.2
Senior Secured Revolver ($670 MM)	Feb-20	460.0	--	460.0
Term Loan B	Feb-22	242.0	(82.0)	160.0
Unamortized Discount		(4.2)	(4.2)	(2.7)
Total TRC Debt		**$697.8**		**$617.3**
LQA Standalone EBITDA		$218.8	$7.4	$226.2
Total Compliance Leverage [1]		2.7x		2.6x
Liquidity				
Revolving Credit Facility Commitment		$670.0	–	$670.0
Funded Borrowings		(460.0)	–	(460.0)
Total Revolver Availability		**$210.0**		**$210.0**
Cash		$107.2		$20.2
Liquidity		**$317.2**		**$230.2**

(1) Compliance leverage deducts cash and cash equivalents from debt

Guidance

	2015 Guidance	Comments
Fee-Based Margin %	>70%	
Logistics & Marketing Division Operating Margin	2015 operating margin may be modestly lower than 2014	
Field Inlet Volumes	3% - 5% growth average 2015 versus Q4 2014	
Total Capex ($ in millions)	$700 - $900 million	
Maintenance Capex ($ in millions)	$110 million	
NGLS Distribution Growth (FY 2015 vs FY 2014)	4% - 7%	
NGLS Distribution Coverage	~1.0x	
TRGP Dividend Growth (FY 2015 vs FY 2014)	25%+	
TRGP Dividend Coverage	~1.0x	
TRGP Effective Cash Tax Rate	5% - 10%	In the near term beyond 2015, expect an annual effective cash tax rate less than 15%

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Targa Business Division and Segment Review

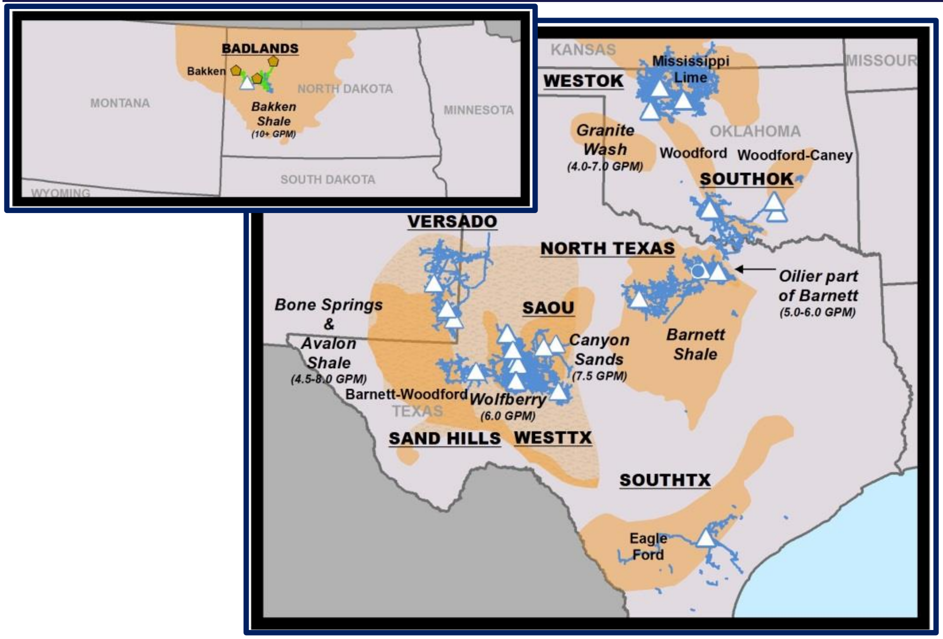
Extensive Field Gathering and Processing Position

Summary

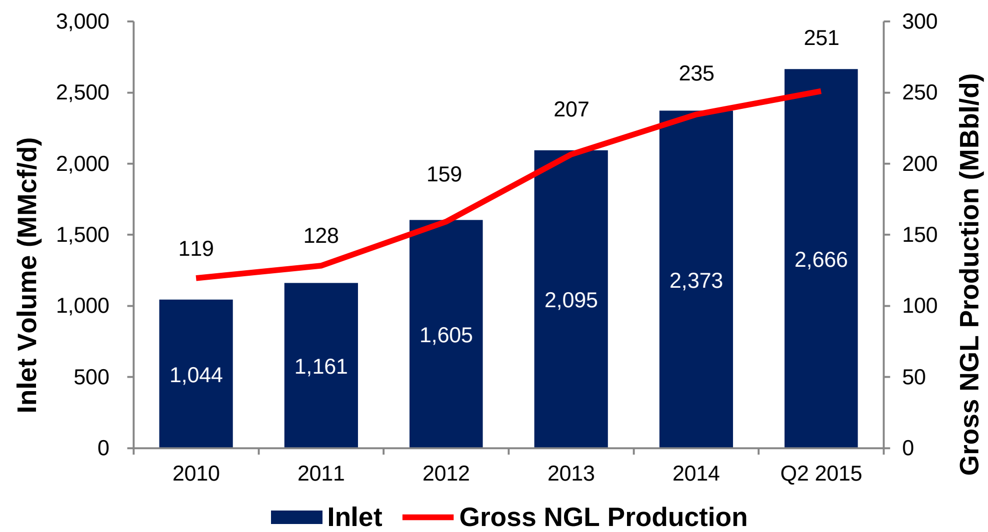
- **Over 24,000 miles of pipeline across attractive positions in the Permian Basin, Eagle Ford Shale, Barnett Shale, Anadarko Basin, Ardmore Basin, Arkoma Basin and Williston Basin**
- **Over 3.4 Bcf/d of gross processing capacity**
  - Six new cryogenic plants in service in 2014 and Q1 2015 (High Plains, Longhorn, Little Missouri 3, Edward, Stonewall and Silver Oak II)
- **Additional gathering and processing expansions:**
  - 40 MMcf/d Stonewall plant expansion in service Q3 2015
  - 200 MMcf/d Buffalo plant expected in service in 2016
  - Reviewing optimal size and timing of additional projects
- **POP and fee-based contracts**

		Current Gross Processing Capacity (MMcf/d)	Miles of Pipeline
SAOU	**Permian East**	369	1,750
WestTX		655	3,800
Sand Hills	**Permian West**	175	1,600
Versado		240	3,350
WestOK		458	6,100
SouthOK		540	1,500
North Texas		478	4,500
SouthTX		400	976
Badlands		90	528
Total		**3,405**	**24,104**

Footprint



Volumes(1)



(1) *Pro forma Targa/TPL for all years*

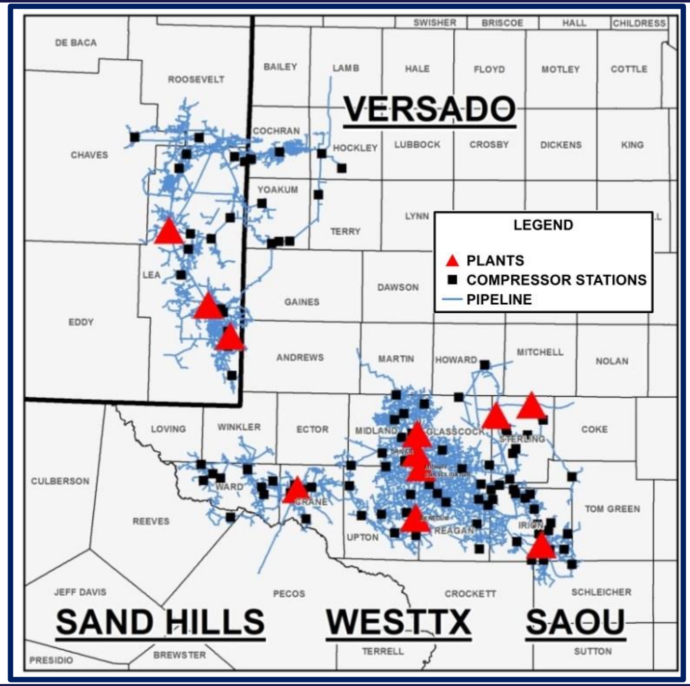
World Class Permian Footprint

Summary

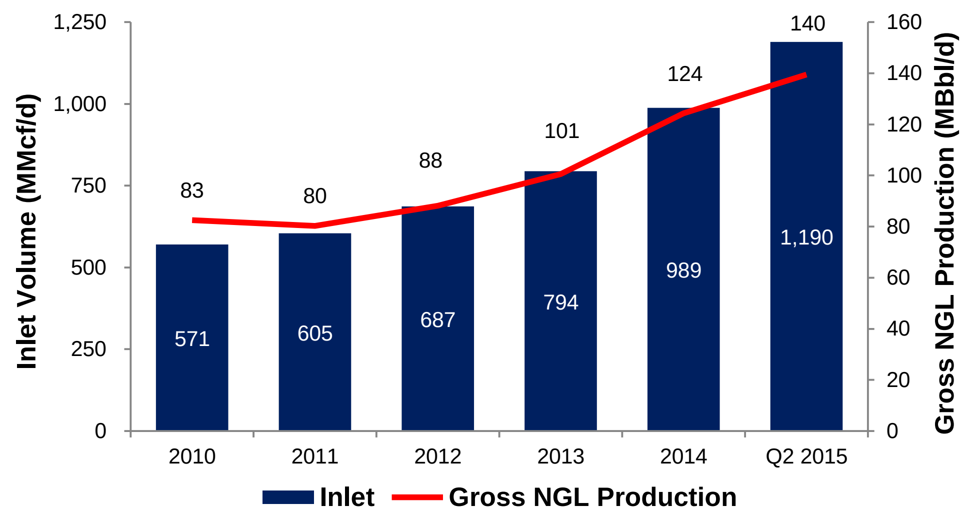
- **Footprint includes approximately 10,500 miles of pipeline from the southeast of the Permian Basin to the northwest**
- **Targa is the second largest Permian gas processor with over 1.4 Bcf/d in gross processing capacity**
  - Significant expansions in 2014 including 200 MMcf/d High Plains plant and 200 MMcf/d Edward plant
  - 200 MMcf/d Buffalo plant expected in service in 2016
  - Reviewing opportunities to connect / optimize systems to enhance reliability, optionality and efficiency for producers
- **Traditionally POP contracts, with additional fee-based services for compression, treating, etc.**

		Current Gross Processing Capacity (MMcf/d)	Miles of Pipeline
SAOU WestTX	**Permian East**	1,024	5,550
Sand Hills Versado	**Permian West**	415	4,950
Total		**1,439**	**10,500**

Footprint



Volumes(1)



(1) Pro forma Targa/TPL for all years

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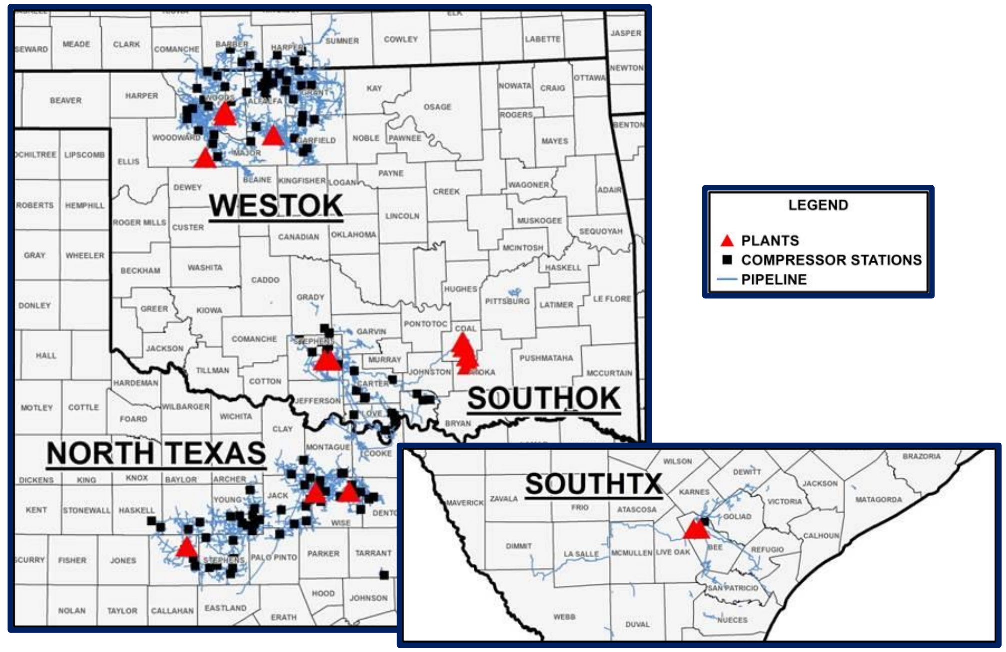
Strong North Texas, SouthTX and Oklahoma Positions

Summary

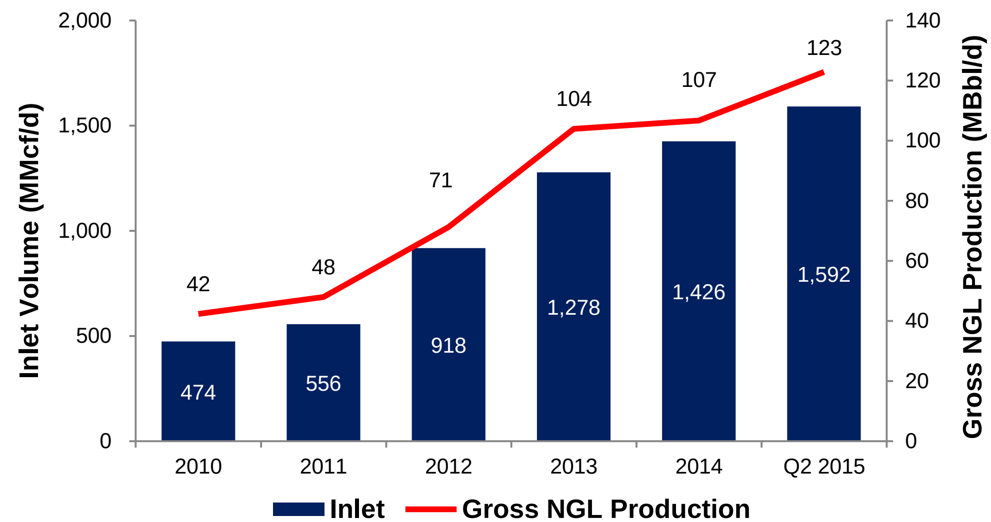
- **Four footprints including over 13,000 miles of pipeline**
- **Over 1.8 Bcf/d of gross processing capacity**
  - 200 MMcf/d Longhorn, Silver Oak II, and Stonewall plants placed in service in May 2014
  - 15 processing plants across the liquids-rich Eagle Ford Shale, Barnett Shale, Anadarko Basin, Ardmore Basin and Arkoma Basin
  - Reviewing opportunities to connect / optimize systems to enhance reliability, optionality and efficiency for producers
- **Traditionally POP contracts in North Texas and WestOK with additional fee-based services for compression, treating, etc.**
- **Majority of SouthTX and SouthOK systems are fee-based**

	Current Gross Processing Capacity (MMcf/d)	Miles of Pipeline
WestOK	458	6,100
SouthOK	540	1,500
North Texas	478	4,500
SouthTX	400	976
Total	**1,876**	**13,076**

Footprint



Volumes(1)



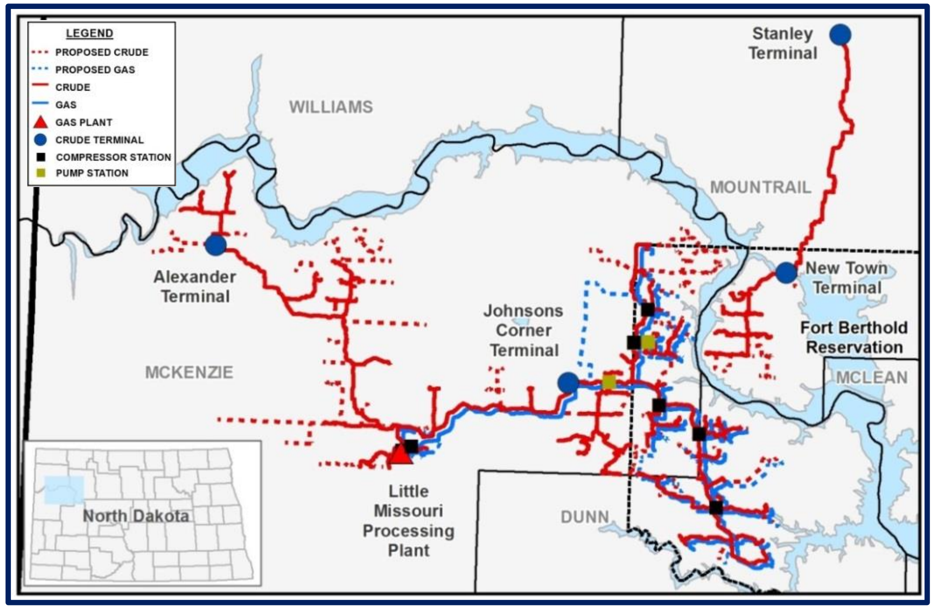
(1) *Pro forma Targa/TPL for all years*

Strategic Position in the Core of the Williston Basin

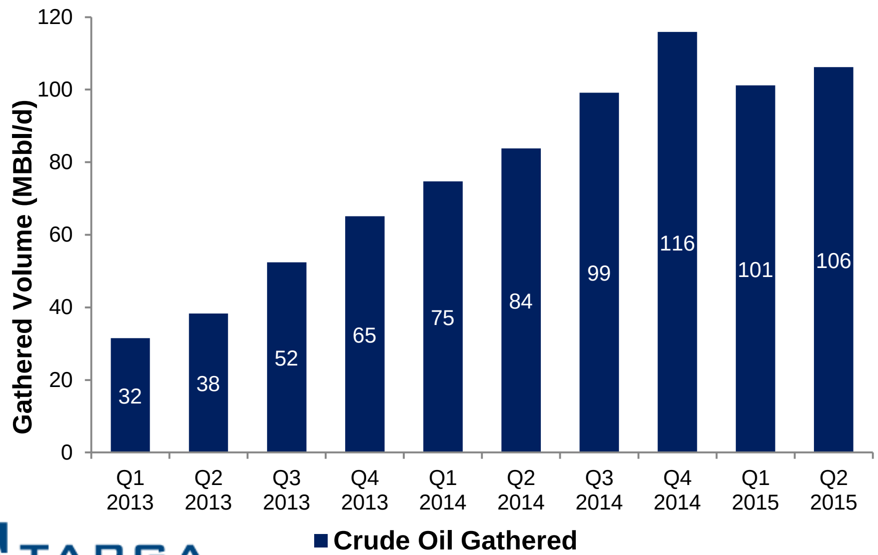
Summary

- **System currently consists of oil gathering and terminaling and natural gas gathering and processing in McKenzie, Dunn and Mountrail Counties, ND**
- **Acquired in December 2012; substantial build-out of system since January 2013**
  - ~230% growth in crude gathering volumes since acquisition
  - ~175% growth in gas plant inlet volumes since acquisition
- **Total natural gas processing capacity of ~90 MMcf/d**
  - Little Missouri 3 plant expansion completed in Q1 2015
- **Fee-based contracts**

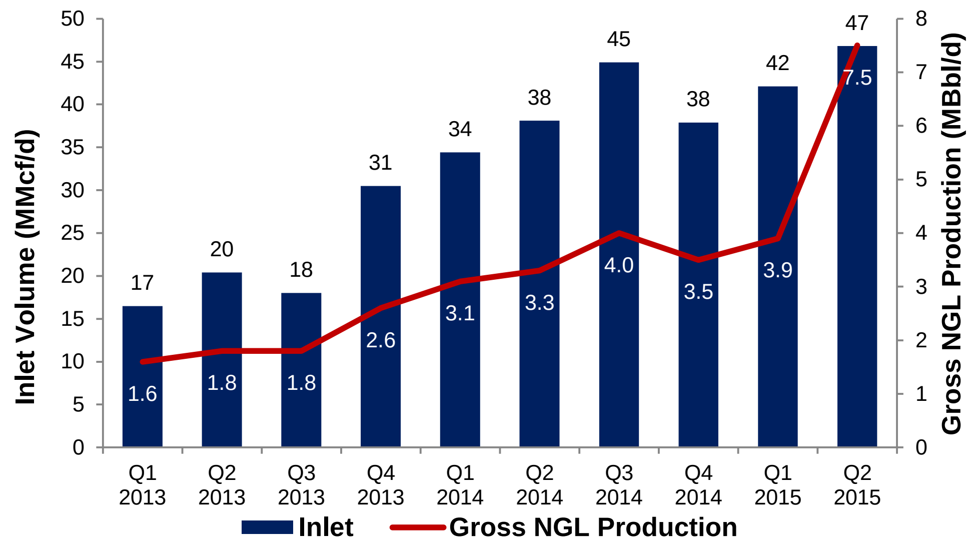
Footprint



Crude Oil Gathered



Natural Gas Volumes



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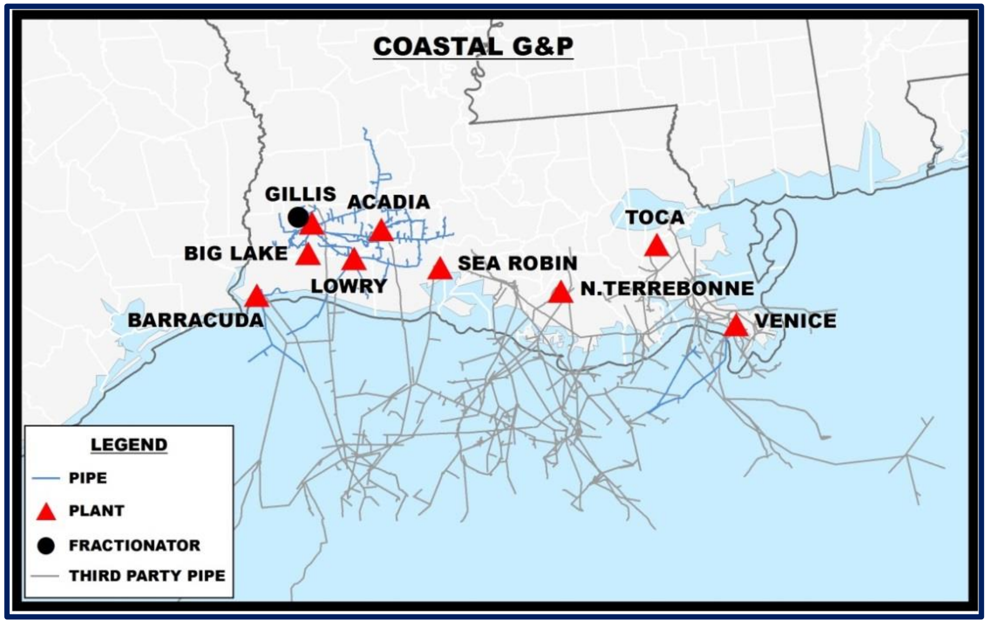
Well Positioned Along the Louisiana Gulf Coast

Summary

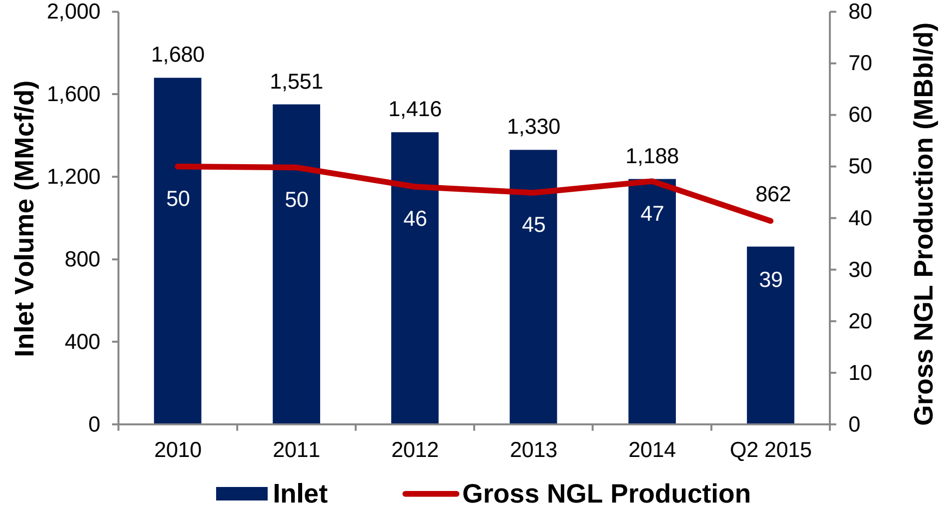
- **LOU (Louisiana Operating Unit)**
  - 440 MMcf/d of gas processing (180 MMcf/d Gillis plant, 80 MMcf/d Acadia plant and 180 MMcf/d Big Lake plant)
  - Interconnected to Lake Charles Fractionator (LCF)
- **Coastal Straddles (including VESCO)**
  - Positioned on mainline gas pipelines processing volumes of gas collected from offshore
- **Inlet volumes and gross NGL production have been declining, but NGL production decreases have been partially offset by moving volumes to more efficient plants**
- **Primarily POL contracts**

	Current Gross Processing Capacity (MMcf/d)	NGL Production (MBbl/d)
LOU	440	6.3
Vesco	750	24.9
Other Coastal Straddles	3,255	11.2
Total	**4,445**	

Footprint



Volumes



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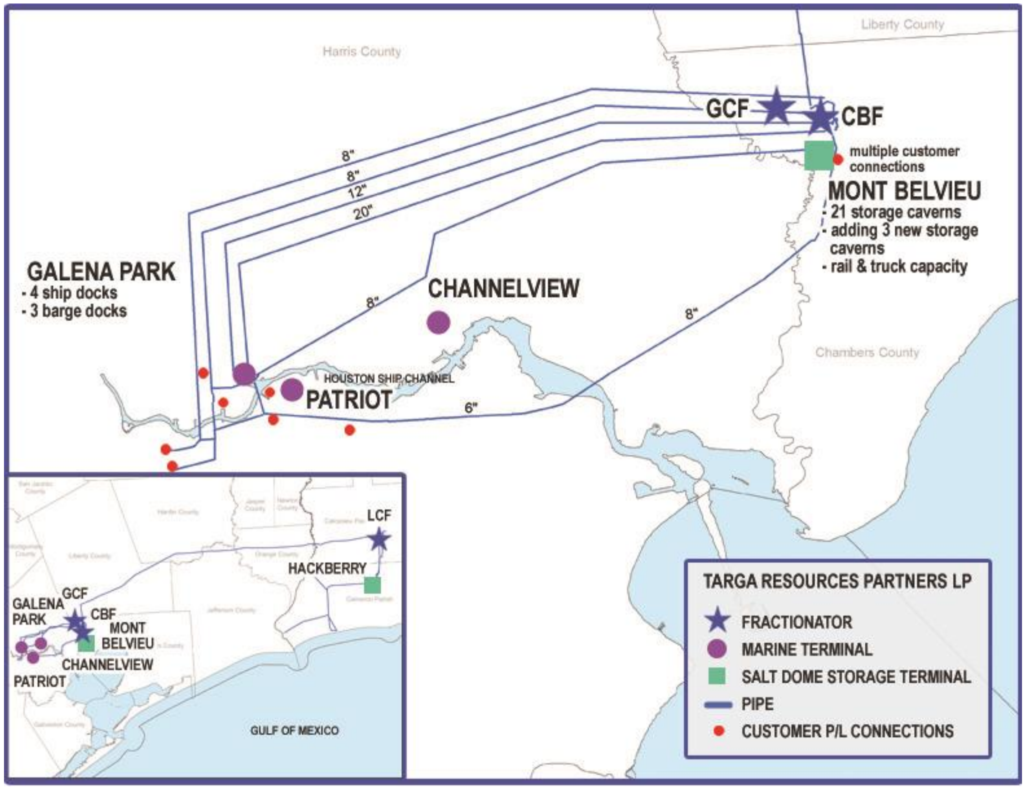
Logistics Assets – Extensive Gulf Coast Footprint



Galena Park Marine Terminal		
	Products	MMBbl/ Month
Export Capacity	LEP / HD5 / NC4	~6.5 - 7.0
Other Assets		
700 MBbls in Above Ground Storage Tanks		
4 Ship Docks		

Fractionators			
		Gross Capacity (MBbl/d)	Net Capacity (MBbl/d)(2)
CBF - Mont Belvieu(1)	Trains 1-3	253	223
	Backend Capacity	40	35
	Train 4	100	88
GCF - Mont Belvieu		125	47
Total - Mont Belvieu		518	393
LCF - Lake Charles		55	55
Total		**573**	**448**

Other Assets
Mont Belvieu
30 MBbl/d Low Sulfur/Benzene Treating Natural Gasoline Unit
21 Underground Storage Wells
Adding 3 Underground Storage Wells
Pipeline Connectivity to Petchems/Refineries/LCF/etc.
6 Pipelines Connecting Mont Belvieu to Galena Park
Rail and Truck Loading/Unloading Capabilities
Other Gulf Coast Logistics Assets
Channelview Terminal (Harris County, TX)
Patriot Terminal (Harris County, TX)
Hackberry Underground Storage (Cameron Parish, LA)

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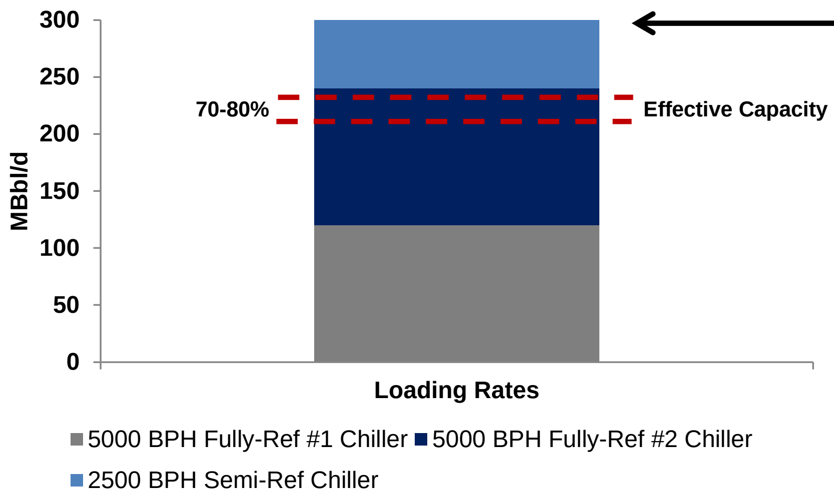
(1) *100 MBbl/d Train 5 expansion currently under construction*
(2) *Net capacity is calculated based on TRP's 88% ownership of CBF and 39% ownership of GCF*

Galena Park Marine Terminal Effective Export Capacity

Galena Park Loading Rates



- **Phase I expansion completed in September 2013**
- **Phase II expansion completed in September 2014**
  - Phase II expansion was completed in stages
  - Additional 12" pipeline, refrigeration, and new VLGC-capable dock were placed in-service in Q1 and Q2 2014
  - Additional de-ethanizer at Mont Belvieu was placed in-service in Q3 2014
- **Targa's nameplate refrigeration capacity is ~12,500 Bbl/h or ~300 MBbl/d or ~9 MMBbl/month**
- **Effective capacity for Targa and others is primarily a function of:**
  - Equipment run-time and efficiencies
  - Dock space and ship staging
  - Storage and product availability
- **Targa's effective capacity of ~6.5 to 7 MMBbl/month is ~70-80% of the nameplate**

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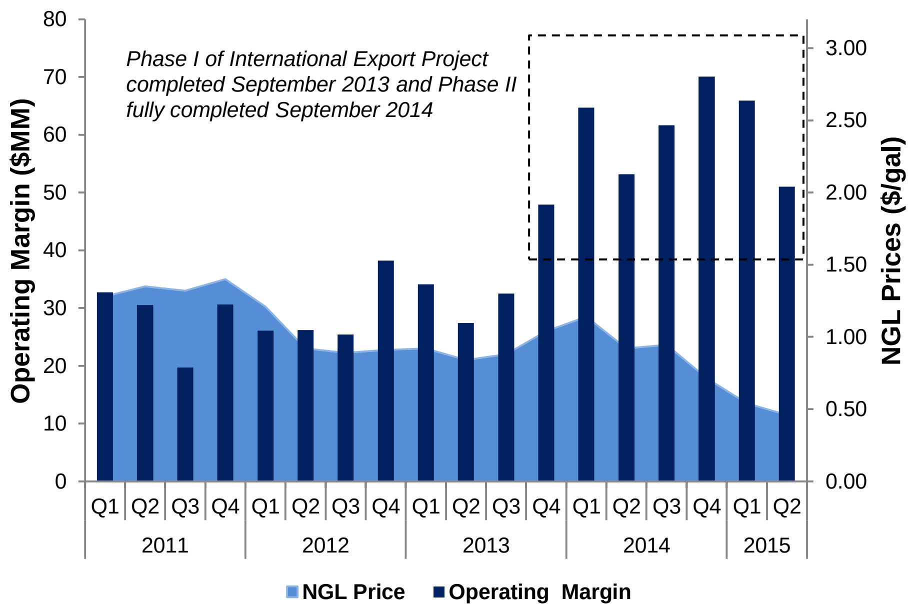
Petroleum Logistics – Highlights

Terminal	Current Storage	Products	Capabilities
Targa Channelview Houston, TX	553 MBbl	Crude oil, blend stock, asphalt, marine diesel oil, used motor oil, vacuum gas oil, residual fuel oil	Truck and barge transport; Blending and heating; Vapor controls
Targa Sound Tacoma, WA	1,457 MBbl	Crude oil, gasoline, distillates, asphalt, residual fuel oils, LPGs, ethanol, biodiesel	Ship, barge, pipe, rail, and truck transport; Blending and heating; Vapor controls
Targa Baltimore Baltimore, MD	505 MBbl	Asphalt, fuel oil, vacuum gas oil; ability to expand product handling	Truck, rail, and barge transport; Blending and heating; Can add pipe and ship
Total	**2,515MBbl**		

- **At TRP's Channelview and Patriot Terminals:**
  - Expanding presence along the Houston Ship Channel
  - In 2014 completed construction of a new 8 bay truck rack and installed a marine vapor combustor for crude barge loading at Channelview
  - Agreements with Noble Americas Corp. to build a storage terminal at Patriot, condensate splitter at Channelview, or some combination of both projects
- **At TRP's Sound Terminal:**
  - Increased storage capacity in 2014, and added ethanol, biodiesel and gasoline blending to the truck loading racks
  - Evaluating rail capacity expansions, new dock access for deeper draft and other growth opportunities

Marketing and Distribution Segment

Operating Margin vs. NGL Price



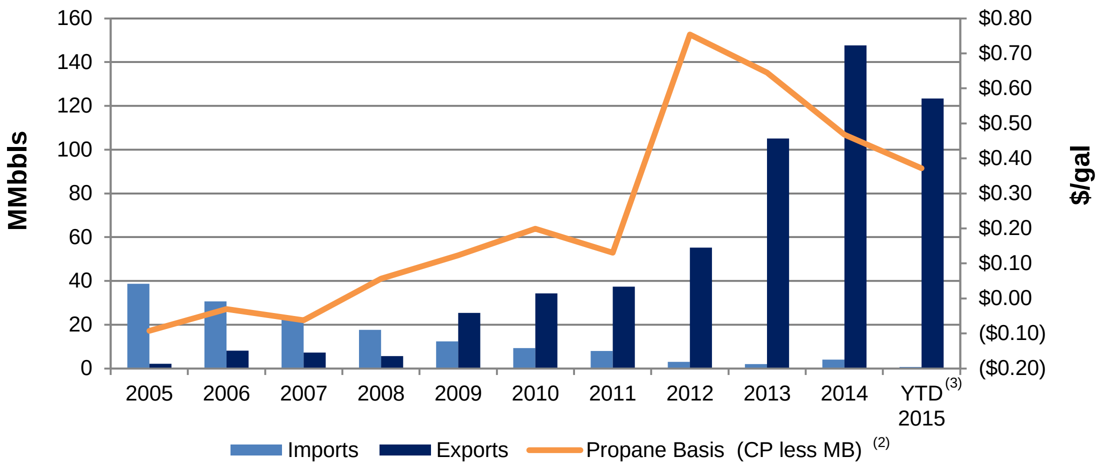
Marketing and Distribution Highlights

- **NGL and Natural Gas Marketing**
  - Manage physical distribution of mixed NGLs and specification products using owned and third party facilities
  - Manage inventories for Targa downstream business
  - **Provide propane and butane for international export with ~50% / 50% margin split with Logistics**
  - Buy and sell natural gas to optimize Targa assets
- **Wholesale Propane**
  - Sell propane to multi-state, independent retailers and industrial accounts on a fixed or posted price at delivery
  - Tightly managed inventory sold at an index plus
- **Refinery Services**
  - Balance refinery NGL supply and demand requirements
  - Propane, normal butane, isobutane, butylenes
  - Contractual agreements with major refiners to market NGLs by barge, rail and truck
  - Margin-based fees with a fixed minimum per gallon
- **Commercial Transportation**
  - All fee-based
  - 681 railcars leased and managed
  - 80 owned and leased transport tractors
  - 21 pressurized NGL barges

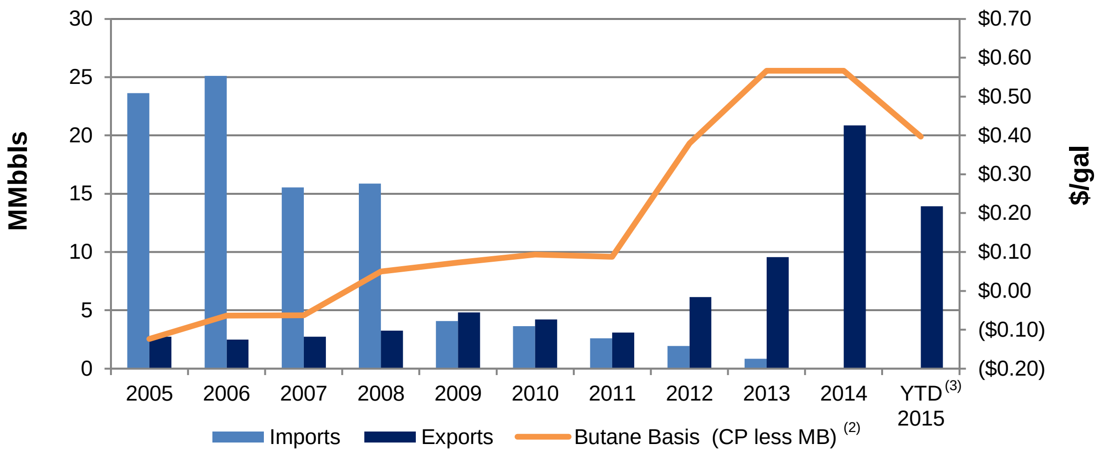
This segment incorporates the skills and capabilities that enable other Targa businesses

Long and Short-Term Demand for Exports Continues

U.S. Propane[1]



U.S. Butane[1]



- **U.S. Gulf Coast propane and butane have been favorably priced compared to world markets over the last several years**
  - YTD 2015, the spread between the Saudi Contract propane price and Mont Belvieu propane price has narrowed versus levels experienced previously, but Targa continues to add long and short-term contracts
  - LPG export cargoes from Targa's facility are going predominantly to the Americas, but cargoes are also going to the Mediterranean, European and Eastern markets
  - 2015 market dynamics have been largely influenced by a tight shipping market
- **Targa has world class capabilities at its LPG export facility on the Gulf Coast**
  - Currently exporting low ethane propane, HD5 and butane
  - Targa can service the global VLGC fleet, while also servicing small, handy and mid-sized vessels

Targa continues to add long and short-term contracts for LPG exports to our existing portfolio

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(1) Source: IHS
(2) CP = Saudi Contract Price
(3) Data through July 9, 2015

Appendix

Non-GAAP Measures Reconciliation

This presentation includes the non-GAAP financial measure of Adjusted EBITDA. The presentation provides a reconciliation of this non-GAAP financial measures to its most directly comparable financial measure calculated and presented in accordance with generally accepted accounting principles in the United States of America ("GAAP"). Our non-GAAP financial measures should not be considered as alternatives to GAAP measures such as net income, operating income, net cash flows provided by operating activities or any other GAAP measure of liquidity or financial performance.

Non-GAAP Measures Reconciliation

Adjusted EBITDA – The Partnership defines Adjusted EBITDA as net income attributable to Targa Resources Partners LP before: interest; income taxes; depreciation and amortization; gains or losses on debt repurchases and redemptions, early debt extinguishments and asset disposals; risk management activities related to derivative instruments including the cash impact of hedges acquired in the APL merger; non-cash compensation on Partnership equity grants; non-recurring transaction costs related to acquisitions; earnings/losses from unconsolidated affiliates net of distributions and the non-controlling interest portion of depreciation and amortization expenses. Adjusted EBITDA is used as a supplemental financial measure by the Partnership and by external users of its financial statements such as investors, commercial banks and others. The economic substance behind management's use of Adjusted EBITDA is to measure the ability of the Partnership's assets to generate cash sufficient to pay interest costs, support indebtedness and make distributions to investors.

Adjustment EBITDA is a non-GAAP measure. The GAAP measures most directly comparable to Adjusted EBITDA are net cash provided by operating activities and net income attributable to Targa Resources Partners LP. Adjusted EBITDA should not be considered as an alternative to GAAP net cash provided by operating activities or GAAP net income attributable to Targa Resources Partners LP. Adjusted EBITDA has important limitations as an analytical tool. Investors should not consider Adjusted EBITDA in isolation or as a substitute for analysis of the Partnership's results as reported under GAAP. Because Adjusted EBITDA excludes some, but not all, items that affect net income attributable to Targa Resources Partners LP and net cash provided by operating activities and is defined differently by different companies in the Partnership's industry, the Partnership's definition of Adjusted EBITDA may not be comparable to similarly titled measures of other companies, thereby diminishing its utility.

Management compensates for the limitations of Adjusted EBITDA as an analytical tool by reviewing the comparable GAAP measures, understanding the differences between the measures and incorporating these insights into its decision-making processes.

Non-GAAP Reconciliation – Q2 2015 EBITDA and Gross Margin

The following table presents a reconciliation of Adjusted EBITDA and operating margin to net income (loss) for the periods shown for TRP:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
	($ in millions)			
Reconciliation of net income (loss) attributable to Targa Resources Partners LP to Adjusted EBITDA:				
Net income to Targa Resources Partners LP	$ 45.8	$ 108.8	$ 118.6	$ 231.2
Add:				
Interest expense, net	62.2	34.9	113.1	68.1
Income tax expense (benefit)	(0.3)	1.3	0.8	2.4
Depreciation and amortization expense	163.9	85.8	282.5	165.3
(Gain) Loss on sale or disposal of assets	(0.1)	(0.5)	(0.2)	(1.2)
(Earnings) loss from unconsolidated affiliates	1.5	(4.2)	(0.5)	(9.1)
Distributions from unconsolidated affiliates	4.3	4.2	7.0	9.1
Compensation on equity grants	5.1	2.3	8.9	4.9
Non-recurring transaction costs related to business acquisitions	0.6	-	14.3	-
Risk management activities	24.8	(0.4)	24.2	(0.7)
Noncontrolling interest adjustment	(4.6)	(3.5)	(8.5)	(6.9)
Adjusted EBITDA	$ 303.2	$ 228.7	$ 560.2	$ 463.1

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
	($ in millions)			
Reconciliation of gross margin and operating margin to net income (loss):				
Gross margin	$ 462.4	$ 384.0	$ 873.8	$ 763.6
Operating expenses	(136.9)	(106.6)	(248.2)	(210.9)
Operating margin	325.5	277.4	625.6	552.7
Depreciation and amortization expenses	(163.9)	(85.8)	(282.5)	(165.3)
General and administrative expenses	(46.8)	(39.1)	(87.1)	(74.8)
Interest expense, net	(62.2)	(34.9)	(113.1)	(68.1)
Income tax expense	0.3	(1.3)	(0.8)	(2.4)
(Gain) Loss on sale or disposal of assets	0.1	0.5	0.2	1.2
Other, net	0.3	4.1	(11.2)	8.9
Net income	$ 53.3	$ 120.9	$ 131.1	$ 252.2

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Non-GAAP Reconciliation – DCF

The following table presents a reconciliation of reported distributable cash flow to net income (loss) for the periods shown for TRP:

($ in millions)	Three Months Ended									
	31-Mar 2013	30-Jun 2013	30-Sep 2013	31-Dec 2013	31-Mar 2014	30-Jun 2014	30-Sep 2014	31-Dec 2014	31-Mar 2015	30-Jun 2015
Reconciliation of net income (loss) attributable to Targa Resources Partners LP to distributable cash flow:										
Net income (loss) attributable to Targa Resources Partners LP	$ 38.9	$ 26.3	$ 59.7	$ 108.6	$ 122.4	$ 108.8	128.3	$ 108.2	$ 71.6	$ 45.8
Add:										
Depreciation and amortization expense	63.9	65.7	68.9	73.1	79.5	85.8	87.5	93.7	119.6	163.9
Deferred income tax (expense) benefit	0.4	0.4	-	0.1	0.4	0.3	0.4	0.5	0.6	(0.3)
Non-cash interest expense	4.0	4.0	3.8	3.7	3.4	3.3	2.2	2.5	3.0	3.0
Loss (gain) on debt redemption and early debt extinguishments	-	7.4	7.4	-	-	-	-	12.4	-	-
(Earnings) loss from unconsolidated affiliates	-	-	-	-	-	-	-	-	1.0	1.5
Distributions from unconsolidated affiliates	-	-	-	-	-	-	-	-	-	4.3
Change in contingent consideration	0.3	(6.5)	(9.1)	-	-	-	-	-	-	-
Loss (gain) on disposal of assets	(0.1)	3.9	(0.7)	0.8	(0.8)	(0.5)	(4.4)	0.8	0.6	(0.1)
Compensation on equity grants	-	-	-	-	2.6	2.3	2.3	2.2	3.8	5.1
Risk management activities	(0.2)	0.2	(0.3)	(0.3)	(0.2)	(0.4)	1.5	3.8	(0.7)	24.8
Maintenance capital expenditures	(21.7)	(21.8)	(17.0)	(19.5)	(13.7)	(20.0)	(21.9)	(23.6)	(20.3)	(27.6)
Non-recurring transaction costs related to business acquisitions	-	-	-	-	-	-	-	-	13.7	0.6
Other	-	(0.6)	(1.9)	(1.6)	(2.0)	(2.0)	(1.1)	(1.2)	(2.0)	(2.6)
Distributable cash flow	$ 85.5	$ 79.0	$ 110.8	$ 164.9	$ 191.6	$ 177.6	$ 194.8	$ 199.3	$ 190.9	$ 218.4
Distributions Declared	95.7	102.4	108.5	115.8	121.3	125.7	130.9	137.4	193.9	200.4
Distribution Coverage	0.9x	0.8x	1.0x	1.4x	1.6x	1.4x	1.5x	1.5x	1.0x	1.1x

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Non-GAAP Reconciliation – 2010-2012 Fee-Based Margin

The following table presents a reconciliation of operating margin to net income (loss) for the periods shown for TRP:

	Three Months Ended											
	3/31/2010	6/30/2010	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012
	($ in millions)											
Reconciliation of gross margin and operating margin to net income (loss):												
Gross margin	$ 185.9	$ 179.8	$ 184.8	$ 221.7	$ 213.9	$ 248.2	$ 227.2	$ 258.8	$ 261.4	$ 243.8	$ 239.9	$ 259.6
Operating expenses	(62.2)	(62.0)	(66.0)	(69.4)	(65.9)	(71.6)	(76.5)	(72.9)	(71.6)	(77.2)	(78.3)	(85.8)
Operating margin	123.7	117.8	118.8	152.3	148.0	176.6	150.7	185.9	189.8	166.6	161.6	173.8
Depreciation and amortization expenses	(42.0)	(43.0)	(43.3)	(47.8)	(42.7)	(44.5)	(45.0)	(46.0)	(46.7)	(47.6)	(47.9)	(55.2)
General and administrative expenses	(25.0)	(28.2)	(26.7)	(42.5)	(31.8)	(33.2)	(33.7)	(29.2)	(32.9)	(33.5)	(33.5)	(31.6)
Interest expense, net	(31.0)	(27.6)	(27.2)	(24.2)	(27.5)	(27.2)	(25.7)	(27.3)	(29.4)	(29.4)	(29.0)	(29.0)
Income tax expense	(1.5)	(0.9)	(1.7)	0.1	(1.8)	(1.9)	(1.5)	0.9	(1.0)	(0.8)	(0.9)	(1.5)
Loss (gain) on sale or disposal of assets	-	-	-	-	-	-	0.3	(0.5)	-	-	(15.6)	3.2
(Loss) gain on debt redemption and early debt extinguishments	-	-	(0.8)	-	-	-	-	-	-	-	-	(12.8)
Change in contingent consideration	-	-	-	-	-	-	-	-	-	-	-	-
Risk management activities	25.4	2.4	(1.9)	-	-	(3.2)	(1.8)	-	-	-	-	-
Equity in earnings of unconsolidated investments	0.3	2.4	1.1	1.6	1.7	1.3	2.2	-	-	-	-	-
Other Operating income (loss)	-	-	-	3.3	-	-	-	-	-	-	-	-
Other, net	-	-	-	-	(0.2)	0.1	(0.6)	3.1	2.0	(0.6)	(6.6)	(8.3)
Net income	$ 49.9	$ 22.9	$ 18.3	$ 42.8	$ 45.7	$ 68.0	$ 44.9	$ 86.9	$ 81.8	$ 54.7	$ 28.1	$ 38.6
Fee Based operating margin percentage	19%	25%	31%	31%	25%	28%	30%	30%	32%	39%	45%	46%
Fee Based operating margin	$ 23.0	$ 30.0	$ 36.9	$ 47.1	$ 37.3	$ 48.8	$ 44.8	$ 55.3	$ 60.3	$ 65.7	$ 73.3	$ 80.0

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Non-GAAP Reconciliation – 2013-2015 Fee-Based Margin

The following table presents a reconciliation of operating margin to net income (loss) for the periods shown for TRP:

	Three Months Ended									
	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015
($ in millions)	**($ in millions)**									
Reconciliation of gross margin and operating margin to net income (loss):										
Gross margin	$ 260.3	$ 265.2	$ 297.1	$ 355.1	$ 379.6	$ 384.0	$ 407.8	$ 398.2	$ 411.4	$ 462.4
Operating expenses	(86.1)	(96.1)	(97.6)	(96.5)	(104.3)	(106.6)	(112.8)	(109.4)	(111.3)	(136.9)
Operating margin	174.2	169.1	199.5	258.6	275.3	277.4	295.0	288.8	300.1	325.5
Depreciation and amortization expenses	(63.9)	(65.7)	(68.9)	(73.1)	(79.5)	(85.8)	(87.5)	(93.7)	(119.6)	(163.9)
General and administrative expenses	(34.1)	(36.1)	(35.4)	(37.4)	(35.9)	(39.1)	(40.4)	(24.6)	(40.3)	(46.8)
Interest expense, net	(31.4)	(31.6)	(32.6)	(35.4)	(33.1)	(34.9)	(36.0)	(39.7)	(50.9)	(62.2)
Income tax (expense) benefit	(0.9)	(0.9)	(0.7)	(0.4)	(1.1)	(1.3)	(1.3)	(1.1)	(1.1)	0.3
Loss (gain) on sale or disposal of assets	0.1	(3.9)	0.7	(0.8)	0.8	0.5	4.4	(0.8)	(0.6)	0.1
(Loss) gain on debt redemption and early debt extinguishments	-	(7.4)	(7.4)	-	-	-	-	(12.4)	-	-
Change in contingent consideration	0.3	6.5	9.1	-	-	-	-	-	-	-
Other, net	1.0	2.7	0.7	4.1	4.8	4.1	4.0	(1.8)	(11.1)	0.3
Net income	$ 45.3	$ 32.7	$ 65.0	$ 115.6	$ 131.3	$ 120.9	$ 138.2	$ 114.7	$ 76.5	$ 53.3
Fee Based operating margin percentage	53%	52%	57%	62%	60%	67%	72%	76%	76%	72%
Fee Based operating margin	$ 91.8	$ 87.6	$ 113.0	$ 160.2	$ 164.0	$ 187.0	$ 211.1	$ 218.6	$ 226.7	$ 234.6

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Reconciliation of Total TRP Distributions

($ in Millions, except per unit data)	Actual Q4 2014	Actual Q1 2015	Actual Q2 2015	Actual Q2 2015 Annualized
Distributions to LP Units	$96.3	$138.9	$143.1	$572.4
Distributions to GP Units	2.7	3.9	4.0	16.0
Distributions to GP IDRs	38.4	51.1	53.3	213.2
Total Distributions	$137.4	$193.9	$200.4	$801.6
IDR Giveback Adjustments:				
Distributions to LP Units	–	*$9.375*	*$9.375*	*$37.500*
Distributions to GP Units	–	–	–	–
Distributions to GP IDRs	–	*(9.375)*	*(9.375)*	*(37.500)*
After IDR Giveback:				
Distributions to LP Units (a)	$96.3	$148.3	$152.5	$609.9
Distributions to GP Units	2.7	$3.9	4.0	16.0
Distributions to GP IDRs	38.4	$41.7	43.9	175.7
Total Distributions	$137.4	$193.9	$200.4	$801.6
Total LP Units Outstanding (b)	118,880,758	180,830,462	184,829,149	184,829,149
Declared Distribution per LP Unit (c)	$0.8100	$0.8200	$0.8250	$3.3000

Note: (a) / (b) = (c); in example for Q2 2015 annualized, $609.9 million / 180,829,149 units = $3.30/unit; where $3.30 is the resulting LP Distribution after the GP giveback transfer from GP IDRs to LP units per the Partnership Agreement

Excerpt from Amendment No. 3 to TRP's Partnership Agreement dated February 27, 2015:

"…(c) Notwithstanding anything to the contrary in Section 6.4, commencing with the first quarterly distribution declaration following February 27, 2015 (the Quarter with respect to such quarterly distribution declaration, the "First Reduction Quarter"), aggregate quarterly distributions, if any, to holders of the Incentive Distribution Rights provided by clauses (iii)(B), (iv)(B) and (v)(B) of Subsection 6.4(b) shall be reduced (w) by $9,375,000 per Quarter for the First Reduction Quarter and the following three Quarters, (x) by $6,250,000 per Quarter for the following four Quarters, (y) by $2,500,000 per Quarter for the following four Quarters and (z) by $1,250,000 per Quarter for the following four Quarters (the amount reduced each quarter pursuant to each of (w) – (z) is referred to as the "Reduced Amount"); provided, that for any such Quarter that is subject to this Section 6.4(c), the Reduced Amount shall be distributed Pro Rata to the holders of Outstanding Common Units."

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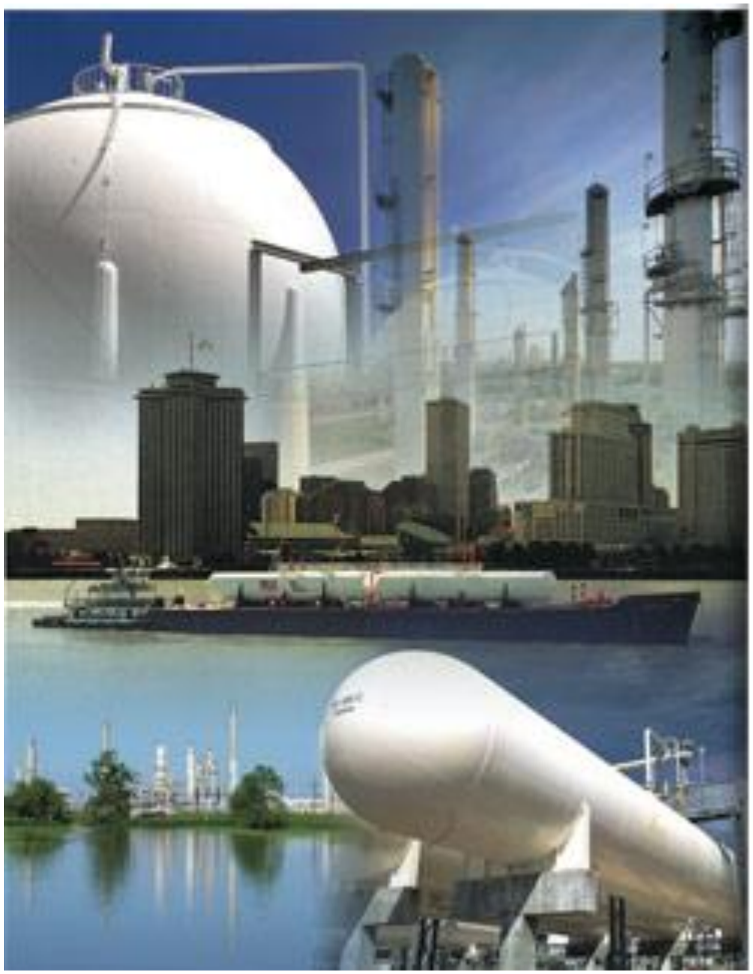

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