



TARGA

Targa Resources Corp.
Investor Presentation
August 2017





Forward Looking Statements

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Strategic Update

- ◆ **In the first half of 2017, Targa announced some key strategic developments that will be integral to Targa's continued growth into the future:**
 - ◆ Acquisition of attractive Delaware and Midland Basin assets – connected asset system across the Permian Basin positioned for now and the future
 - ◆ Construction of an additional 450 MMcf/d of natural gas processing capacity in the Permian Basin
 - ◆ Announcement of the 300 MBbl/d Grand Prix NGL Pipeline integrating Permian Basin and North Texas gathering and processing positions with the second largest fractionation footprint in Mont Belvieu, TX
- ◆ **Attractive projects and system expansions underway drive increasing system volume outlook, translating into increasing EBITDA outlook**
- ◆ **Strong balance sheet and liquidity position enhances financial flexibility to execute growth program underway**


Targa is Positioned to Benefit from Key Domestic Themes

Theme		How Does Targa Benefit?
Continued Strong Outlook for Permian Basin Growth		<ul style="list-style-type: none">◆ Higher natural gas inlet volumes◆ Higher crude oil volumes◆ Higher gross NGL production<ul style="list-style-type: none">◆ Additional volumes available for transport on Targa's Downstream Grand Prix NGL Pipeline◆ Additional volumes flow to Targa's Downstream fractionators◆ Additional LPG volumes available for export from Targa's Downstream Galena Park facility◆ Presents additional capital investment opportunities
Solid Growth Outlook in Other Attractive Basins		<ul style="list-style-type: none">◆ Well positioned to compete and attract incremental supply to Targa's assets in the Bakken, STACK, SCOOP, Eagle Ford◆ Presents additional capital investment opportunities
Petrochemical Expansions Underway Incent More Ethane Recovery		<ul style="list-style-type: none">◆ Higher fractionation volumes◆ Presents additional capital investment opportunities◆ Positioned to benefit from higher realized prices due to POP contracts
Increasing NGL Supply Supports LPG Export Business		<ul style="list-style-type: none">◆ Growing global LPG demand expected to continue◆ Leads to potential LPG export volume growth for Targa over the long- term

Targa Positioning Relative to Potential Industry Headwinds

Possible Headwind

**Midstream
Overbuilds
Infrastructure**



Targa Mitigants

- ◆ **The Permian Basin is the best-positioned, most resilient and economic basin in the U.S.**
 - ◆ Approximately 70% of Targa's 2017 G&P capex from announced projects is focused in the Permian Basin
 - ◆ Approximately 80% of Targa's total 2017 capex from announced projects is focused in the Permian Basin⁽¹⁾
- ◆ **Targa's integrated asset footprint**
 - ◆ G&P volumes from Targa plants will support the Grand Prix NGL Pipeline, Mont Belvieu fractionation and Galena Park LPG exports
- ◆ **Targa's substantially contracted at Galena Park LPG export facility over the long term**

**Crude Oil
Trades
in a \$40-50/Bbl Range
over the Long-Term**



- ◆ **Targa has over 2 million dedicated acres in the Permian Basin, representing some of the lowest producer break-even costs in the world**
 - ◆ Targa expects overall Field G&P year-over-year volume growth; volume growth offsets weaker commodity price environments
 - ◆ Producer economics justify additional attractive growth opportunities
- ◆ **Integration of Grand Prix with G&P and Downstream footprint provides additional margin opportunities from existing volumes**
 - ◆ As obligations on third party NGL pipelines roll off over time, further margin expansion expected

Projects in Core Growth Areas

A Delaware Basin

- ◆ Processing capacity additions underway (+310 MMcf/d) – 2 new plants
 - ◆ Oahu Plant 4Q17
 - ◆ Wildcat Plant 2Q18
- ◆ Well positioned to further expand G&P and crude gathering
- ◆ Integration of Permian acquisition progressing well

B Midland Basin

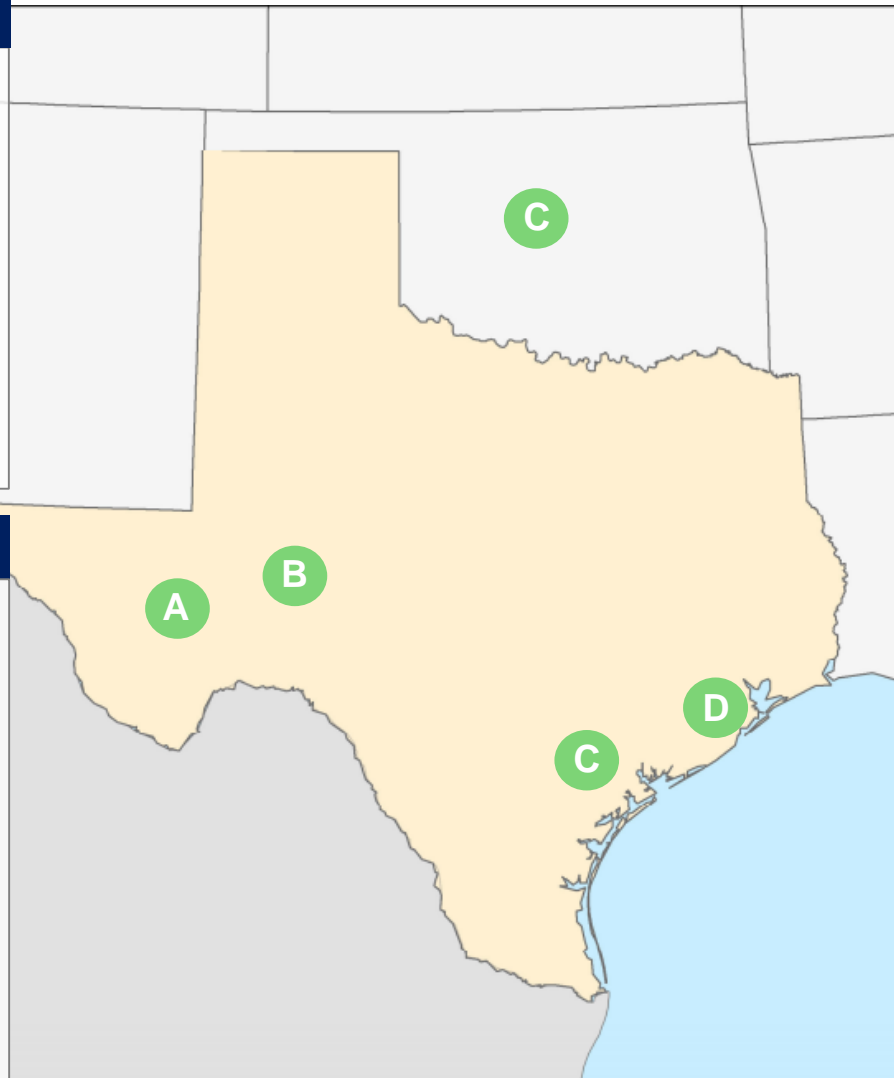
- ◆ Processing capacity additions completed or underway (+465 MMcf/d)
 - ◆ Benedum restart 1Q17
 - ◆ Midkiff expansion 2Q17
 - ◆ Joyce Plant 1Q18
 - ◆ Johnson Plant 3Q18
- ◆ Well positioned to further expand G&P and crude gathering
- ◆ Integration of Permian acquisition progressing well

C Oklahoma & SouthTX

- ◆ SouthTX Raptor Plant (200 MMcf/d) complete
 - ◆ 60 MMcf/d expansion underway (3Q17)
- ◆ STACK/SCOOP G&P opportunities
 - ◆ New pipelines to bring on STACK and SCOOP supply

D Downstream

- ◆ Grand Prix NGL Pipeline (300 MBbl/d, expandable to 550 MBbl/d)
- ◆ Fractionation expansion potential
 - ◆ Robust demand fundamentals with Gulf Coast petrochemical expansions
 - ◆ Connectivity to new petrochemical complex
- ◆ Galena Park LPG export expansion potential
 - ◆ Increasing international LPG demand



North Dakota

- ◆ Badlands Gas and Crude gathering and related infrastructure expansions underway

2017 Announced Net Growth Capex

- ◆ **2017 net growth capex now estimated at ~\$1.4 billion, based on the announced projects outlined below**
 - ◆ ~70% of total G&P capex focused in the Permian; ~80% of total project capex focused in the Permian
 - ◆ Includes \$330 million to be spent in 2017 on the recently announced Grand Prix NGL Pipeline
 - ◆ Includes recently announced gas processing capacity additions to our Permian systems, in both the Delaware Basin and the Midland Basin
 - ◆ Expect to spend \$410 million on additional gas and crude gathering infrastructure in the Permian
- ◆ **Continue to pursue additional attractive growth opportunities**

(\$ in millions)	Location	Total Project Capex	2017E Capex	Expected Completion	Primarily Fee-Based
200 MMcf/d WestTX Joyce Plant and Related Infrastructure ⁽¹⁾	Permian - Midland	80	65	Q1 2018	
200 MMcf/d WestTX Johnson Plant and Related Infrastructure ⁽¹⁾	Permian - Midland	100	45	Q3 2018	
60 MMcf/d Oahu Plant and Related Infrastructure	Permian - Delaware	50	50	Q4 2017	✓
250 MMcf/d Wildcat Plant and Related Infrastructure	Permian - Delaware	130	80	Q2 2018	✓
Other Permian - Midland Additional Gas and Crude Gathering Infrastructure ⁽¹⁾	Permian - Midland	235	235	2017	
Other Permian - Delaware Additional Gas and Crude Gathering Infrastructure	Permian - Delaware	175	175	2017	✓
Total Permian	Permian	\$770	\$650		
260 MMcf/d Raptor Plant and Related Infrastructure ⁽¹⁾	Eagle Ford	100	20	2017	✓
Other Central Additional Gas Gathering Infrastructure ⁽¹⁾	Central	65	65	2017	✓
Total Central	Eagle Ford, STACK, SCOOP	\$165	\$85		
Total Badlands	Bakken	\$150	\$150	2017	✓
Total - Gathering and Processing		\$1,085	\$885		
Crude and Condensate Splitter	Channelview	140	70	Q1 2018	✓
Downstream Other Identified Spending	Mont Belvieu	90	90	2017	✓
Grand Prix NGL Pipeline	Permian Basin to Mont Belvieu	1,300	330	Q2 2019	✓
Total - Downstream		\$1,530	\$490		✓
Total Net Growth Capex⁽²⁾		\$2,615	\$1,375		

Capital Investments Underway Support Growth Outlook

- ◆ Increasing fee-based operating margin outlook underpinned by attractive organic growth projects underway and additional potential attractive growth capital investment opportunities
- ◆ Increasing producer volumes drive the need for additional G&P infrastructure
 - ◆ Adding over 1 Bcf/d of incremental natural gas processing capacity in 2017 and 2018
- ◆ Downstream benefits from rising G&P volumes, and is also supported by positive long-term demand fundamentals
 - ◆ Additional fractionation volumes from greater ethane extraction as new petrochemical facilities come online and higher producer volumes

Incremental Growth Projects In-Service⁽¹⁾

2016	2017E	2018E	2019E
~\$450MM capex in-service	~\$865MM capex in-service	~\$450MM capex in-service	~\$1,300MM capex in-service
<ul style="list-style-type: none"> ◆ Buffalo Plant 2Q ◆ CB Frac Train 5 2Q ◆ Acquisition of remaining Versado interest 4Q 	<ul style="list-style-type: none"> ◆ Permian acquisition ◆ Benedum restart 1Q ◆ Midkiff expansion 2Q ◆ Raptor Plant 2Q/3Q ◆ Oahu Plant 4Q ◆ Permian Basin infrastructure build-out ◆ Badlands expansion ◆ Downstream growth projects 	<ul style="list-style-type: none"> ◆ Joyce Plant 1Q ◆ Johnson Plant 3Q ◆ Wildcat Plant 2Q ◆ Crude & Condensate Splitter 1Q 	<ul style="list-style-type: none"> ◆ Grand Prix NGL Pipeline 2Q ◆ Potential additional Field G&P growth investments ◆ Potential additional Downstream growth investments

Long Term Growth Supported by Grand Prix NGL Pipeline

Grand Prix NGL Pipeline

- ◆ On May 25, 2017, Targa announced plans to construct a 300 MBbl/d NGL pipeline (expandable to 550 MBbl/d) from the Permian Basin, through North Texas to Mont Belvieu, TX
- ◆ Expected to be operational Q2 2019
- ◆ Open to potential partner opportunities that would enhance Targa's economics

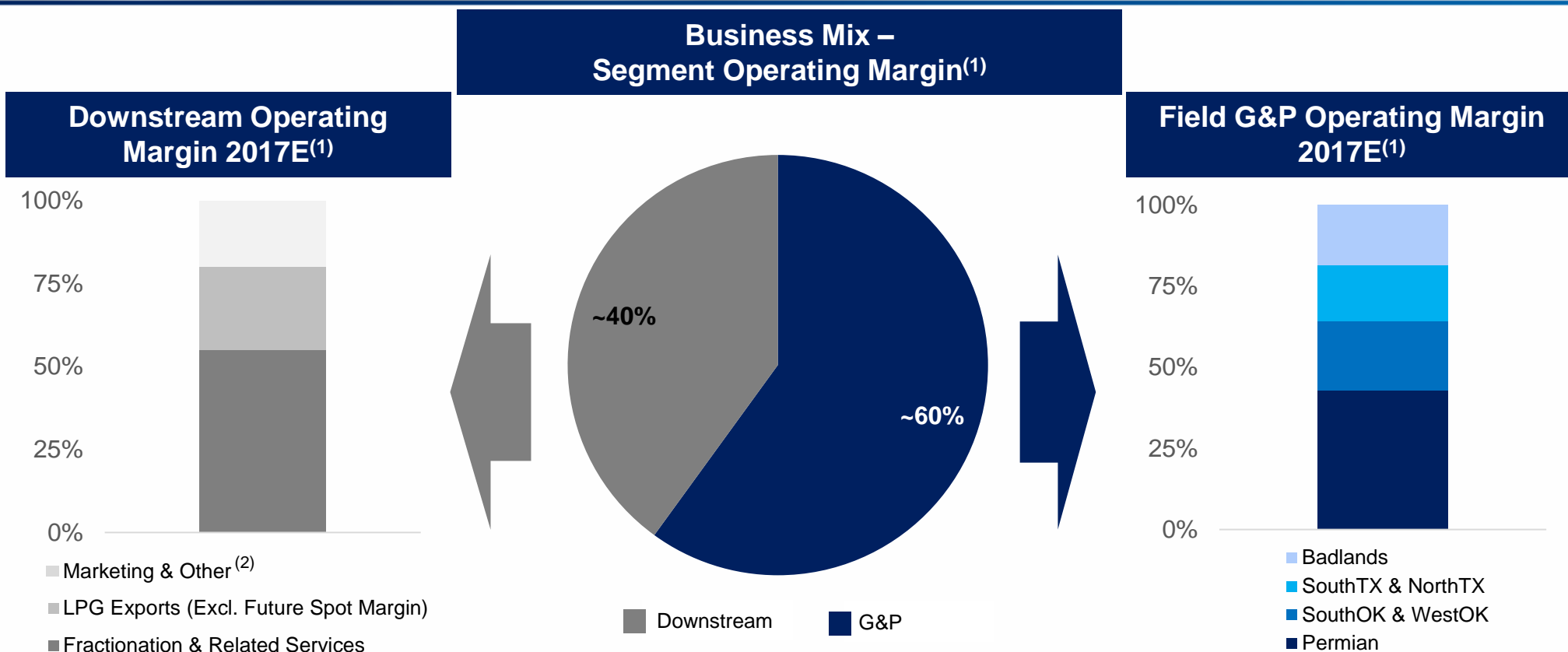
Volume Outlook

- ◆ Targa is one of the largest daily movers of NGLs from its processing plants across the Permian Basin
 - ◆ Grand Prix expected to generate a sufficient return based only on Targa managed volumes from the Permian and North Texas
- ◆ The long-term outlook for attractive volume growth on Grand Prix expected to be driven by:
 - ◆ Increasing volumes from Targa's Permian Basin G&P footprint
 - ❖ For example, depending on GPM and ethane rejection, a 200 MMcf/d plant generates ~20-30 MBbl/d of NGLs
 - ◆ Expiration of obligations on other third party NGL pipelines
 - ◆ Additional volumes from third party agreements

EBITDA Outlook

- ◆ As volumes ramp over time, we expect the EBITDA multiple to be between 5x – 7x, and potentially lower given expected volume profile
 - ◆ Enhances Targa's competitive capabilities to move volumes from the wellhead through the Targa value chain to key end markets
 - ◆ Expected to provide significant fee-based cash flow over the long-term

Business Mix, Diversity and Fee-Based Margin



Cash Flow Profile and Hedging

- ◆ **Operating margin is approximately two-thirds fee-based, providing cash flow stability**
- ◆ **Hedging program strengthens cash flow stability**
 - ◆ Based on our estimate of current equity volumes, for 2017, approximately 85% of natural gas, 70% of condensate and 60% of NGLs are hedged; for 2018, approximately 60% of natural gas, 50% of condensate and 30% of NGLs are hedged
- ◆ **Commodity price only sensitivities to 2017 Adjusted EBITDA:**
 - ◆ +/- \$0.05/gal NGLs = +/- \$9 million Adjusted EBITDA
 - ◆ +/- \$0.25/MMBtu natural gas = +/- \$2 million Adjusted EBITDA
 - ◆ +/- \$5.00/Bbl crude oil = +/- \$1 million Adjusted EBITDA



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⁽¹⁾ Based on forecasted 2017E operating margin; Other includes Domestic Marketing (Wholesale Propane, Refinery Services, Commercial Transportation) & Petroleum Logistics
 Note: Targa's composite NGL barrel comprises 38% ethane, 34% propane, 5% iso-butane, 12% normal butane, and 11% natural gasoline

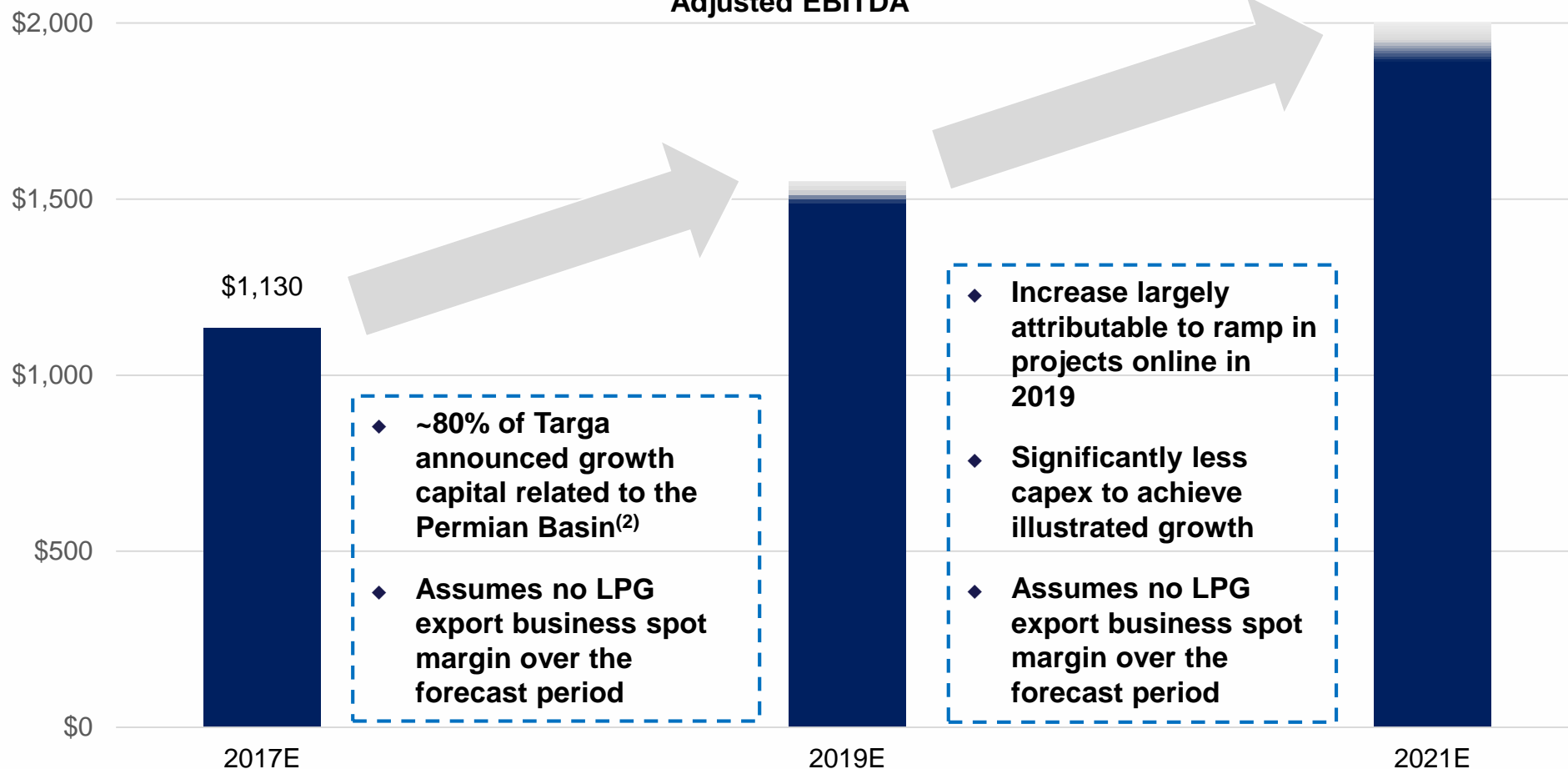
Long-Term Financial Outlook

- ◆ **Attractive projects and system expansions underway drive increasing system volume outlook, translating into increasing EBITDA outlook**
 - ◆ Permian volume growth drives ~85% of expected EBITDA growth over the forecast period
 - ◆ No spot margin from the LPG export business included over the forecast period. Spot volumes provide potential upside to EBITDA expectations over the forecast period

Strong Forecasted EBITDA Growth⁽¹⁾

(in \$millions)

Adjusted EBITDA



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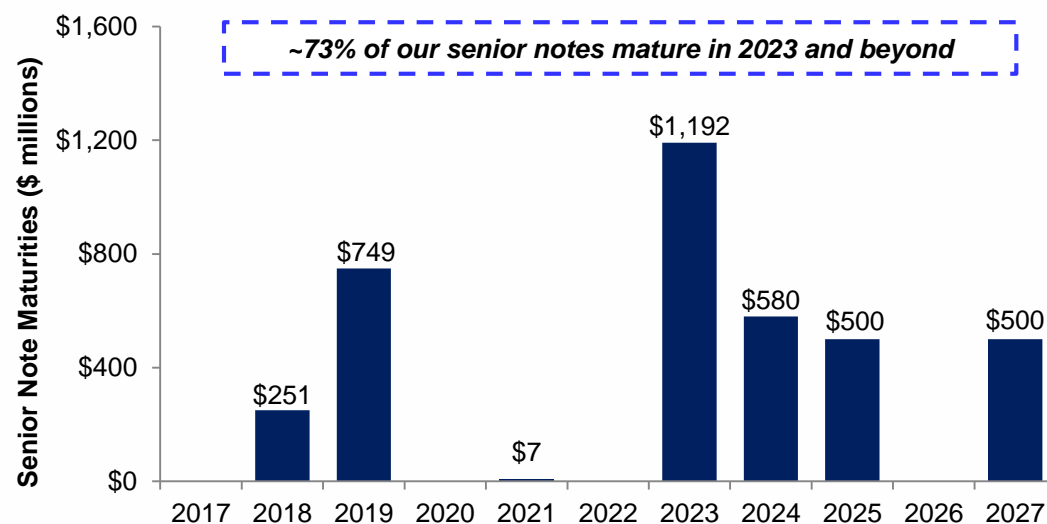
(1) 2017 forecast assumes recent commodity strip prices; for the forecast period 2018E - 2021E, assumes commodity prices of \$50.00 per Bbl WTI, \$3.00 per MMBtu Natural Gas, and \$0.60 per gallon for NGL composite barrel

(2) Includes recently announced Grand Prix NGL Pipeline as Permian focused capital

Financial Position and Leverage

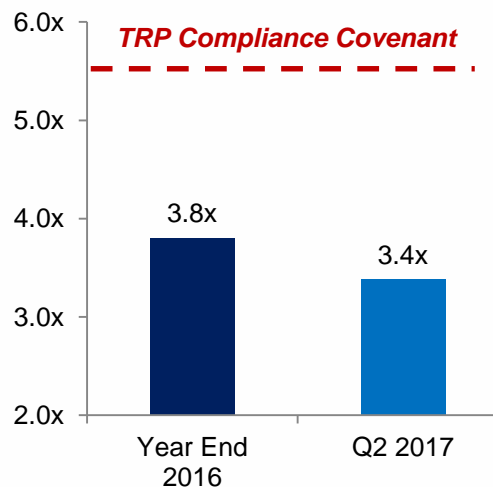
- ◆ Protecting the balance sheet and maintaining balance sheet flexibility remain key objectives
- ◆ Strong available liquidity position of ~\$1.9 billion
- ◆ Proven track record of accessing capital markets to fund growth
 - ◆ Issued ~\$1 billion of senior notes at attractive rates to refinance near-term maturities in Q4 2016
 - ◆ Raised ~\$525 million of public equity in conjunction with the Permian acquisition that closed in Q1 2017
 - ◆ Raised ~\$257 million of equity through the ATM YTD through June 2017
 - ◆ Raised ~\$777 million of public equity concurrent with Grand Prix announcement in May 2017
 - ◆ Proceeds will be used to fund the equity component of Grand Prix and satisfy the remaining equity portion of net growth capital spending for 2017 announced projects

Senior Note Maturities⁽¹⁾

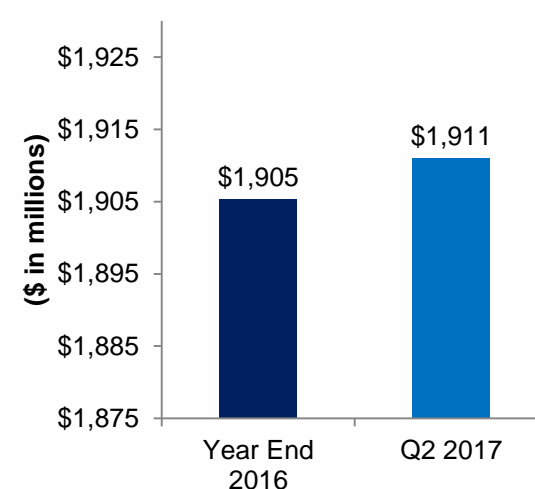


Leverage and Liquidity

Leverage



Available Liquidity



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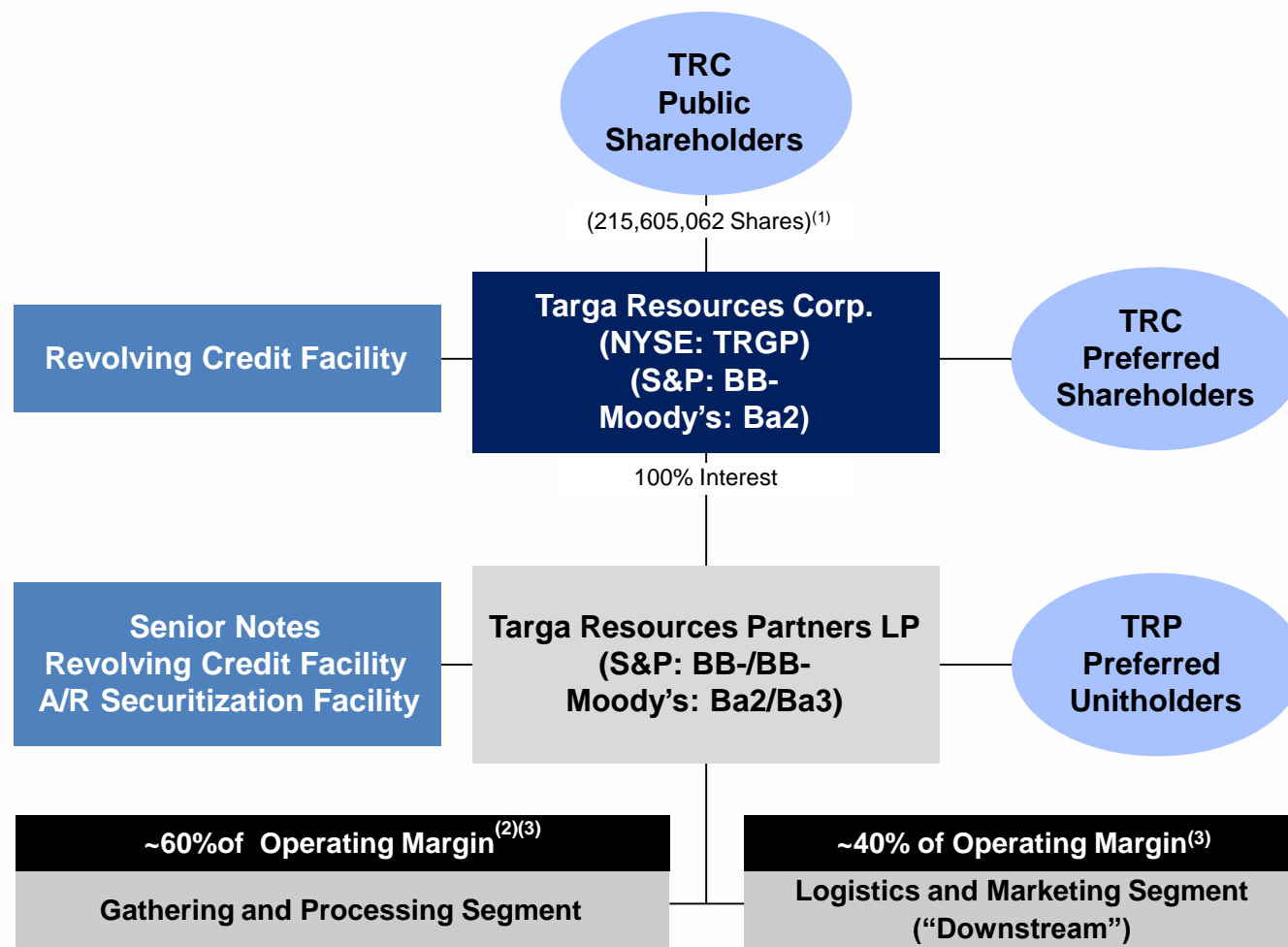
(1) As of June 30, 2017



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Targa Asset Position

Corporate Structure



Strong Asset Base Poised for Growth



A Strong Footprint in Active Basins

- ◆ Premier Permian Basin footprint across Midland Basin and Delaware Basin
- ◆ Midcontinent position well exposed to SCOOP play and STACK play
- ◆ Dedicated acreage across the most attractive counties in the Bakken
- ◆ Enhanced Eagle Ford presence through attractive JV with active producer partner

And a Leading Position at Mont Belvieu

- ◆ Premier fractionation ownership position in NGL market hub at Mont Belvieu
- ◆ Most flexible LPG export facility along the US Gulf Coast, substantially contracted over the long-term
- ◆ Infrastructure network difficult to replicate
- ◆ Well-positioned to serve growing Gulf Coast petrochemical complex

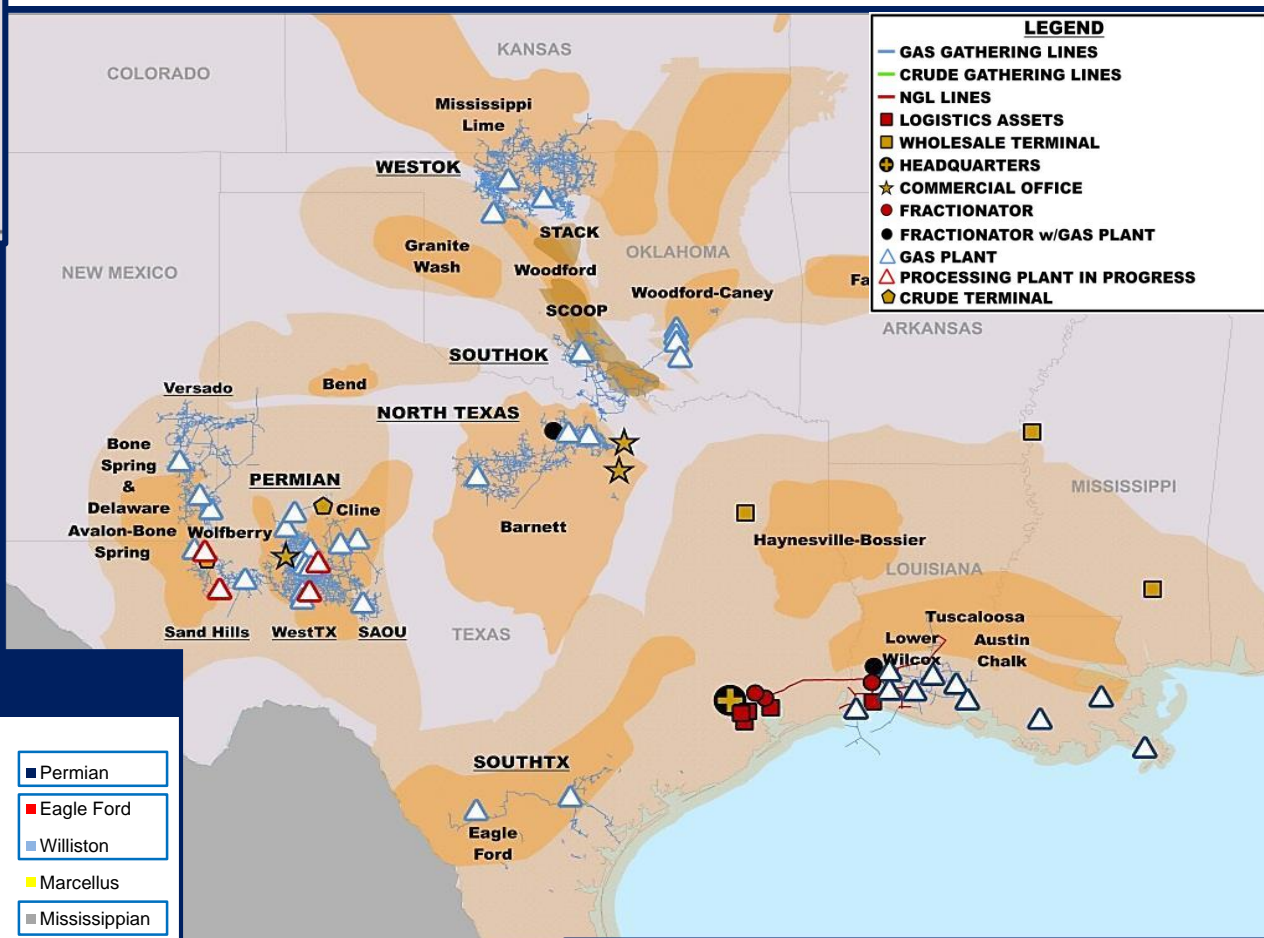
Drive Targa's Long-Term Growth

- ◆ Well positioned to continue to pursue G&P expansions as producer volumes increase
- ◆ Recently announced Grand Prix NGL Pipeline from Permian Basin to Mont Belvieu leverages growing G&P volumes
- ◆ Adding fractionation over time to support NGL supply increases, "when" not "if"
- ◆ Strong balance sheet and demonstrated access to capital markets supports additional growth opportunities

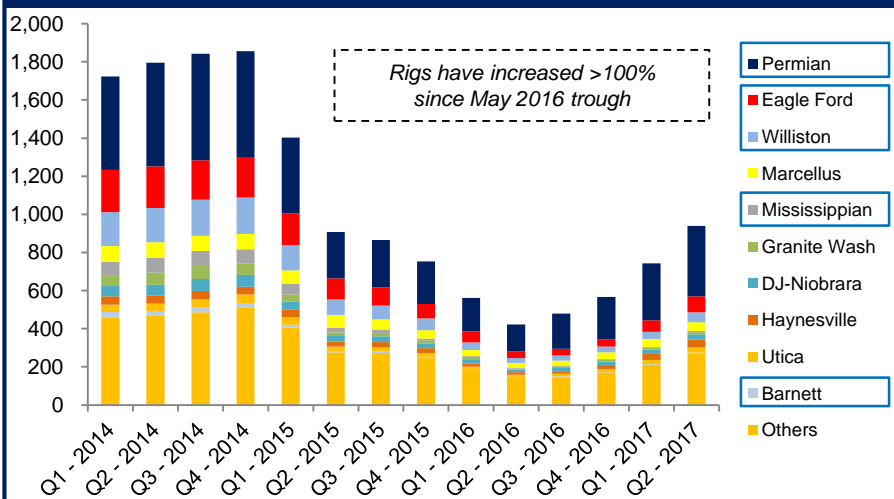
Attractive Asset Footprint



- ◆ Targa's assets are positioned in some of the best U.S. basins (Permian - Midland, Permian - Delaware, STACK, SCOOP, Bakken and Eagle Ford)
- ◆ Integration of G&P and Downstream assets continued area of focus



U.S. Land Rig Count by Basin⁽¹⁾



Asset Highlights

- ~9.2 Bcf/d gross processing capacity⁽²⁾
- 46 natural gas processing plants⁽³⁾
- 5 crude terminals with 145 MBbls of storage capacity
- ~ 28,600 miles of natural gas, NGL and crude oil pipelines
- Gross NGL production of ~349 MBbl/d in Q2 2017
- 3 refined products terminals with 2.5 MMBbls of storage
- Over 670 MBbl/d gross fractionation capacity
- 7.0 MMBbl/month or more capacity LPG export terminal

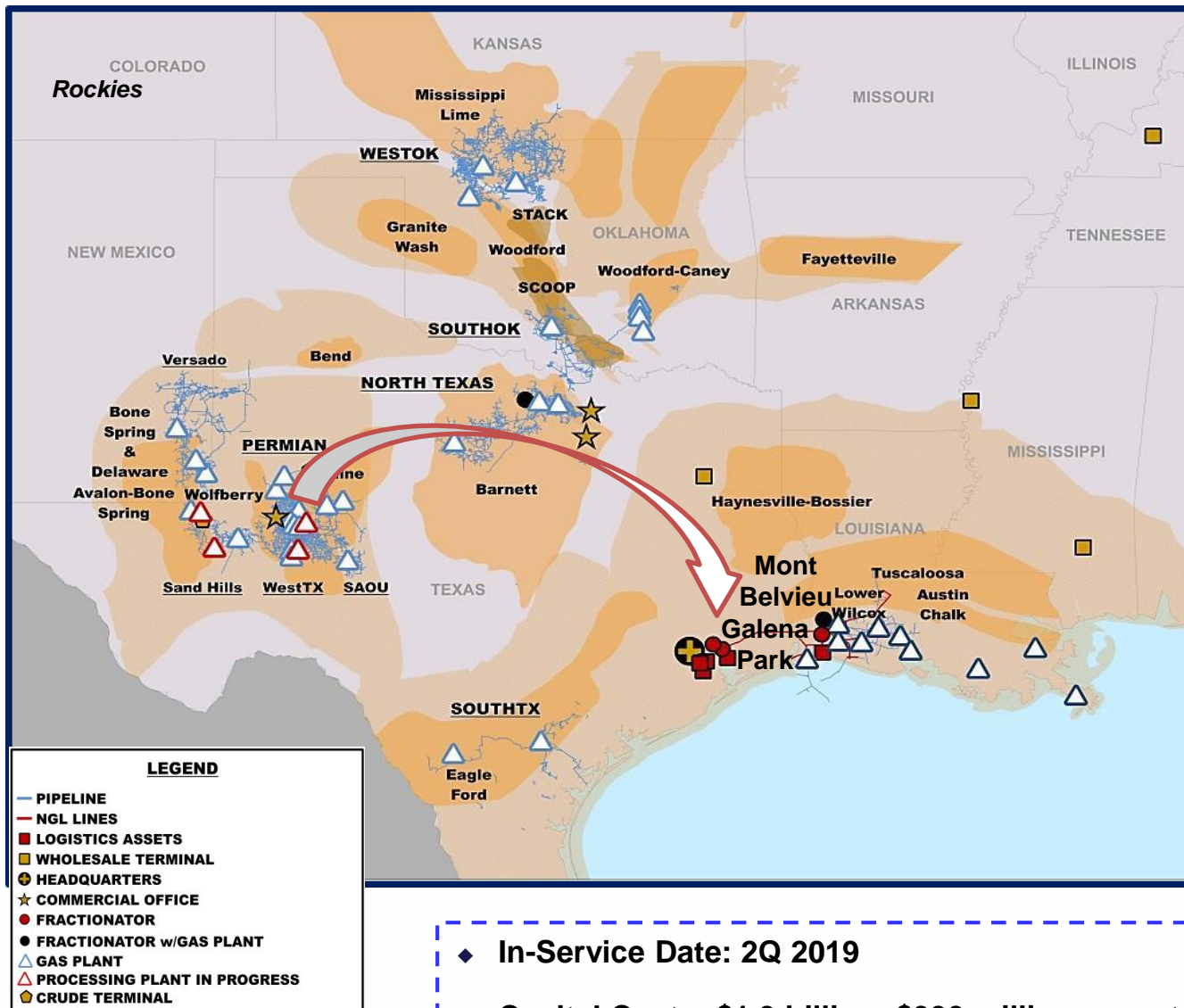


(1) Source: Baker Hughes

(2) Includes: Joyce Plant (200 MMcf/d) and Johnson Plant (200 MMcf/d) in process in the Midland Basin; includes Oahu Plant (60 MMcf/d) and Wildcat Plant (250 MMcf/d) in process in the Delaware Basin; expansion of Raptor Plant (+60 MMcf/d to 260 MMcf/d) in the Eagle Ford

(3) Includes Joyce, Johnson, Oahu, and Wildcat Plants

Targa's Grand Prix NGL Pipeline Project



♦ Strategic Rationale:

- ♦ Bolsters growing midstream G&P position in Delaware & Midland Basins
 - ❖ ~2.5 Bcf/d of total Targa processing capacity in Permian basin by 3Q18
- ♦ Enhances Targa's competitive capabilities to move volumes from the wellhead through the Targa value chain to key end markets
- ♦ Expected to provide significant fee-based cash flow over the long-term leveraging Targa's position as one of the largest daily movers of NGLs in the Permian Basin
- ♦ Solidifies integration with Downstream segment (Fractionation, LPG Exports)

♦ Commercial Structure:

- ♦ Fee-based margin
- ♦ Supported by Targa plant production and third party agreements

- ♦ In-Service Date: 2Q 2019
- ♦ Capital Cost: ~\$1.3 billion; \$330 million expected to be spent in 2017
- ♦ Capacity from Permian Basin: 300 MBbl/d (expandable to 550 MBbl/d)

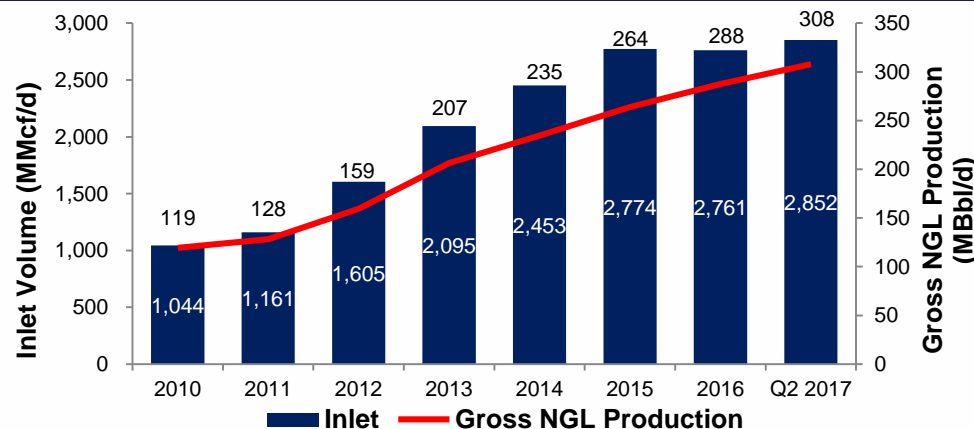
Extensive Field Gathering and Processing Position

Summary

- Over 26,000 miles of pipeline across attractive positions
- ~4.7 Bcf/d of gross processing capacity⁽²⁾⁽³⁾⁽⁴⁾
- Acquired additional Delaware and Midland Basin assets on March 1, 2017
- G&P capacity additions underway:
 - 710 MMcf/d of additional processing capacity additions underway in the Permian Basin
 - 60 MMcf/d processing capacity expansion underway in the Eagle Ford (from 200 MMcf/d to 260 MMcf/d)
- Recently completed G&P capacity additions:
 - Added a 200 MMcf/d plant in Q2 2016 (Midland Basin)
 - Added an incremental 65 MMcf/d in Q1/Q2 2017 (Midland Basin)
 - Added a 200 MMcf/d plant in Q2 2017 (Eagle Ford)

Mix of POP and fee-based contracts

Volumes⁽¹⁾



(1) Pro forma Targa for all years

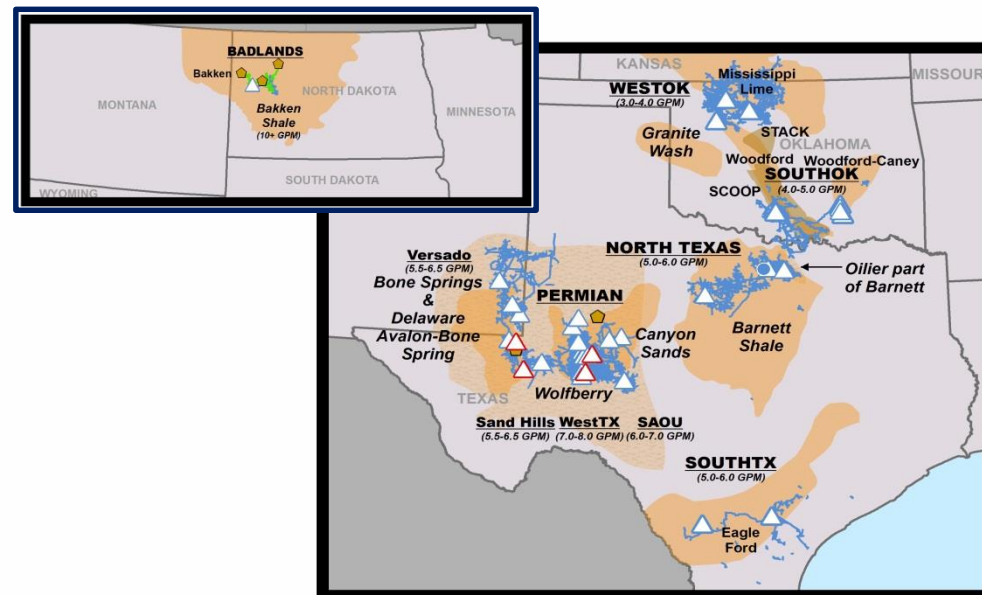
(2) Includes the Joyce Plant (expected online Q1 2018) and Johnson Plant (expected online Q3 2018)

(3) Includes the Oahu Plant (expected online Q4 2017) and Wildcat Plant (expected online Q2 2018)

(4) Includes 60 MMcf/d Raptor Plant capacity expansion (expected completion Q3 2017)

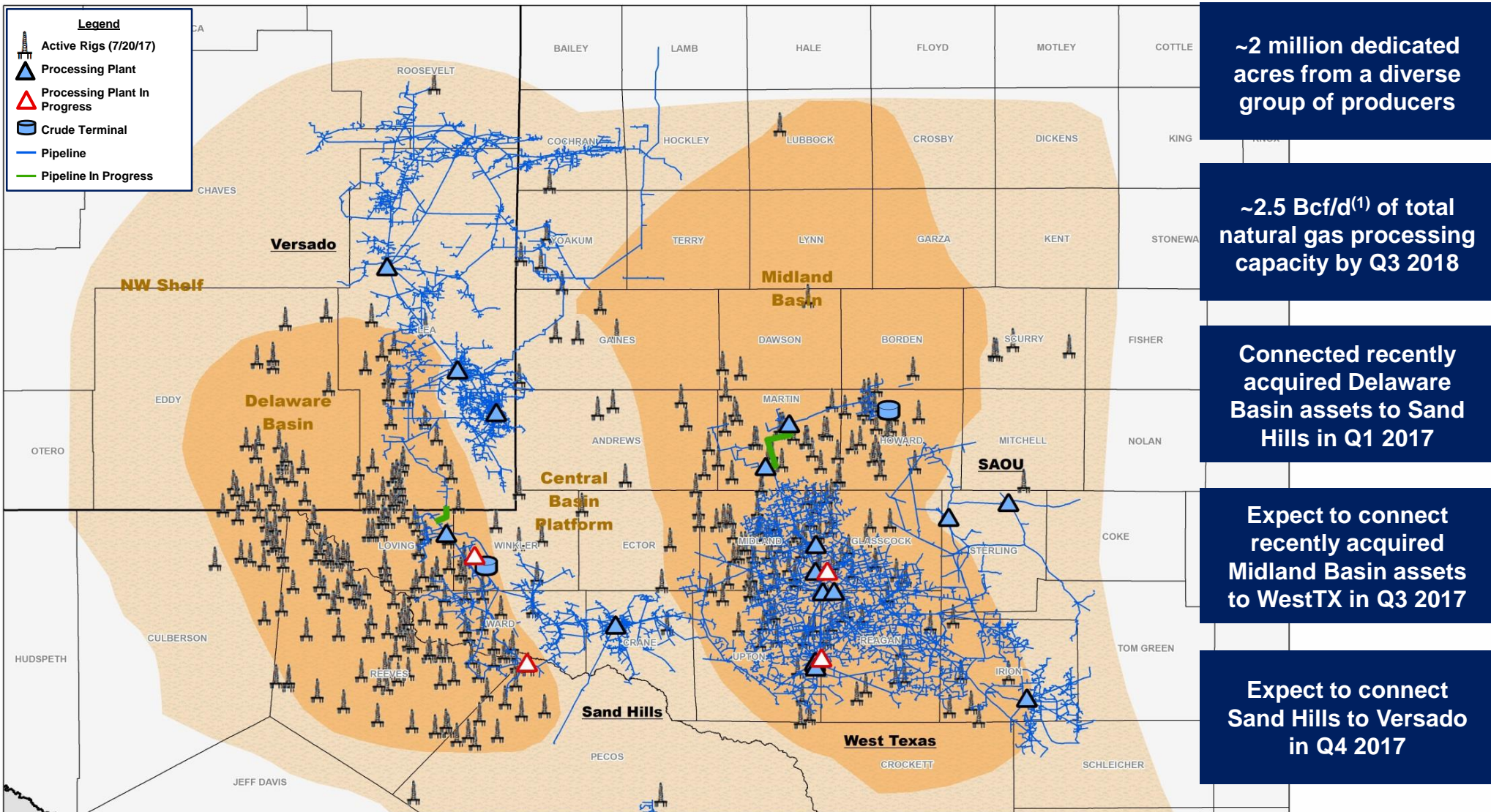
(5) Total natural gas, NGL and crude oil pipeline mileage

Footprint



	Est. Gross Processing Capacity (MMcf/d)	Miles of Pipeline ⁽⁵⁾
Permian - Midland ⁽²⁾	1,654	6,300
Permian - Delaware ⁽³⁾	800	5,365
Permian Total	2,454	11,665
SouthTX ⁽⁴⁾	660	940
North Texas	478	4,695
SouthOK	580	2,280
WestOK	458	6,450
Central Total	2,176	14,365
Badlands	90	610
Total	4,720	26,640

Premier Permian Position



***Permian systems expected to be fully connected by end of 2017,
adding significant flexibility and operational synergies***



Source: Drillinginfo; rigs as of July 20, 2017

(1) Includes the Joyce Plant (expected online Q1 2018), the Johnson Plant (expected online Q3 2018), the Oahu Plant (expected online Q4 2017) and the Wildcat Plant (expected online Q2 2018)

Permian Acquisition Update

Volume Outlook

- ◆ **Overall integration into Targa's system proceeding well**
- ◆ **More rigs currently running on dedicated acreage than anticipated**
 - ◆ Fee-based margin contracts supported by approximately 13 year acreage dedications across Delaware and Midland Basins
- ◆ **Individual well results continue to get better, exceeding type curve forecasts**
- ◆ **Volumes on both Midland and Delaware Basin for 2017 are lower than anticipated, but the outlook is higher for subsequent years**
 - ◆ Intensive infrastructure build-out ongoing and progressing well
 - ◆ Gas quality issues creating short-term headwinds, requiring additional infrastructure, but are economically supported by additional fees for treating
- ◆ **Long-term volume resource outlook even stronger**

Earn-Out Payment Expectations

- ◆ **Aggregate earn-out payments currently estimated at approximately \$417 million based on a third party valuation for accounting purposes, resulting in a total transaction cost of approximately \$1 billion**
 - ◆ Earn-out structure has a maximum total transaction payment cap of \$1.5 billion; consistent with valuation scenarios at announcement, Targa does not expect transaction payments to hit the cap
 - ◆ Earn-out payments due in Q2 2018 and Q2 2019, currently estimated at \$41 million and \$377 million, respectively

Permian – Midland Summary (WestTX and SAOU systems)

Summary

- WestTX and SAOU systems located across the core of the Midland Basin
- Operate natural gas gathering and processing and crude gathering assets
- JV between Targa (72.8% ownership and operator) and PXD (27.2% ownership) in WestTX
- Traditionally POP contracts, with added fees and fee-based services for compression, treating, etc.
- Contracts acquired as part of Permian acquisition in Q1 2017 are fee-based

Permian - Midland

Facility	% Owned	Location (County)	Est. Gross Processing Capacity (MMcf/d)	Q2 2017 Gross Plant Inlet (MMcf/d)	Q2 2017 Gross NGL Production (MMbbl/d)	Q2 2017 Crude Oil Gathered (MMbbl/d)	Miles of Pipeline
(1) Consolidator	72.8%	Midland, TX	150				
(2) Driver	72.8%	Midland, TX	200				
(3) Midkiff ^(a)	72.8%	Reagan, TX	80				
(4) Benedum	72.8%	Upton, TX	45				
(5) Edward	72.8%	Upton, TX	200				
(6) Buffalo	72.8%	Martin, TX	200				
(7) Joyce ^(b)	72.8%	Upton, TX	200				
(8) Johnson ^(c)	72.8%	Midland, TX	200				
WestTX Total			1,275	744	103		4,440
(9) Merton	100.0%	Irion, TX	52				
(10) Sterling	100.0%	Sterling, TX	92				
(11) Conger ^(d)	100.0%	Sterling, TX	25				
(12) High Plains	100.0%	Midland, TX	200				
(13) Tarzan ^(e)	100.0%	Martin, TX	10				
SAOU Total			379	312	38		1,860
Permian Midland Total^{(f)(g)(h)}			1,654	1,056	141	29	6,300

^(a) Adding compression to increase capacity to 80 MMcf/d effective Q2 2017

^(b) Expected to be completed by Q1 2018

^(c) Expected to be completed by Q3 2018

^(d) Idled in September 2014

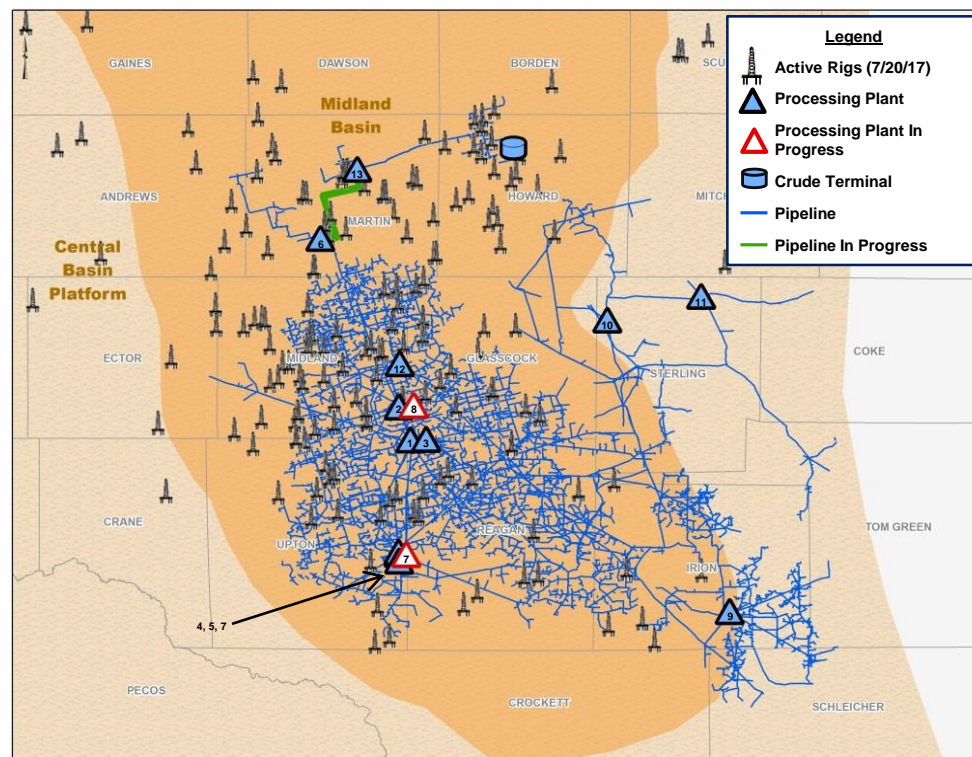
^(e) Permian acquisition (closed on March 1, 2017)

^(f) Total estimated gross capacity by Q3 2018

^(g) Crude oil gathered includes Permian - Midland and Permian - Delaware

^(h) Total gas and crude oil pipeline mileage

Asset Map and Rig Activity⁽¹⁾



Expansions Underway or Recently Completed

- 200 MMcf/d Buffalo Plant placed in service Q2 2016
- 45 MMcf/d Benedum Plant in WestTX re-started in Q1 2017
- Additional 20 MMcf/d of capacity at Midkiff Plant completed in Q2 2017
- Connection of recently acquired Midland assets to WestTX expected Q3 2017
- 200 MMcf/d Joyce Plant expected online in Q1 2018 and 200 MMcf/d Johnson Plant expected online in Q3 2018



Permian – Delaware Summary (Versado and Sand Hills systems)

Summary

- ◆ Versado and Sand Hills capturing growing production from increasingly active Delaware Basin
- ◆ Operate natural gas gathering and processing and crude gathering assets
- ◆ Traditionally POP contracts, with added fees and fee-based services for compression, treating, etc.
- ◆ Contracts acquired as part of Permian acquisition in Q1 2017 are fee-based

Expansions Underway or Recently Completed

- ◆ Connected recently acquired Delaware assets to Sand Hills in Q1 2017
- ◆ Connection of Versado to Sand Hills to be completed Q4 2017
- ◆ 60 MMcf/d Oahu Plant expected online in Q4 2017
- ◆ 250 MMcf/d Wildcat Plant expected online in Q2 2018

Permian - Delaware

Facility	% Owned	Location (County)	Est. Gross Processing Capacity (MMcf/d)	Q2 2017 Gross Plant Inlet (MMcf/d)	Q2 2017 Gross NGL Production (MMbbl/d)	Q2 2017 Crude Oil Gathered (MMbbl/d)	Miles of Pipeline
(1) Saunders	100.0%	Lea, NM	60				
(2) Eunice	100.0%	Lea, NM	110				
(3) Monument	100.0%	Lea, NM	85				
Versado Total			255	197	23		3,615
(4) Loving Plant ^(a)	100.0%	Loving, TX	70				
(5) Wildcat ^(b)	100.0%	Winkler, TX	250				
(6) Oahu ^(c)	100.0%	Pecos, TX	60				
(7) Sand Hills	100.0%	Crane, TX	165				
Sand Hills Total			545	182	20		1,750
Permian Delaware Total^{(d)(e)(f)}			800	378	43	29	5,365

^(a) Permian acquisition (closed on March 1, 2017)

^(b) Expected to be completed by Q2 2018

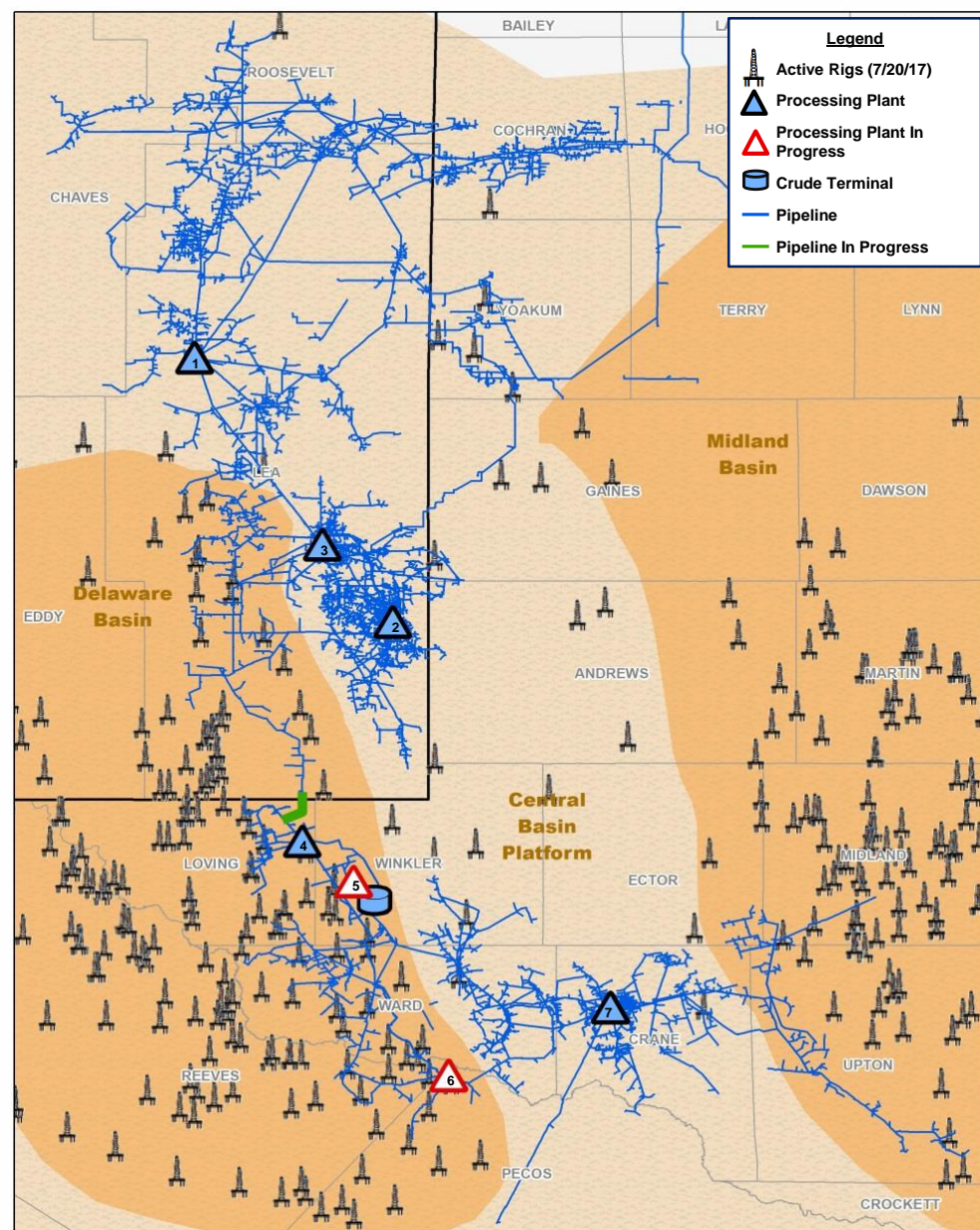
^(c) Expected to be completed by Q4 2017

^(d) Total estimated gross capacity by Q3 2018

^(e) Crude oil gathered includes Permian - Midland and Permian - Delaware

^(f) Total gas and crude oil pipeline mileage

Asset Map and Rig Activity⁽¹⁾



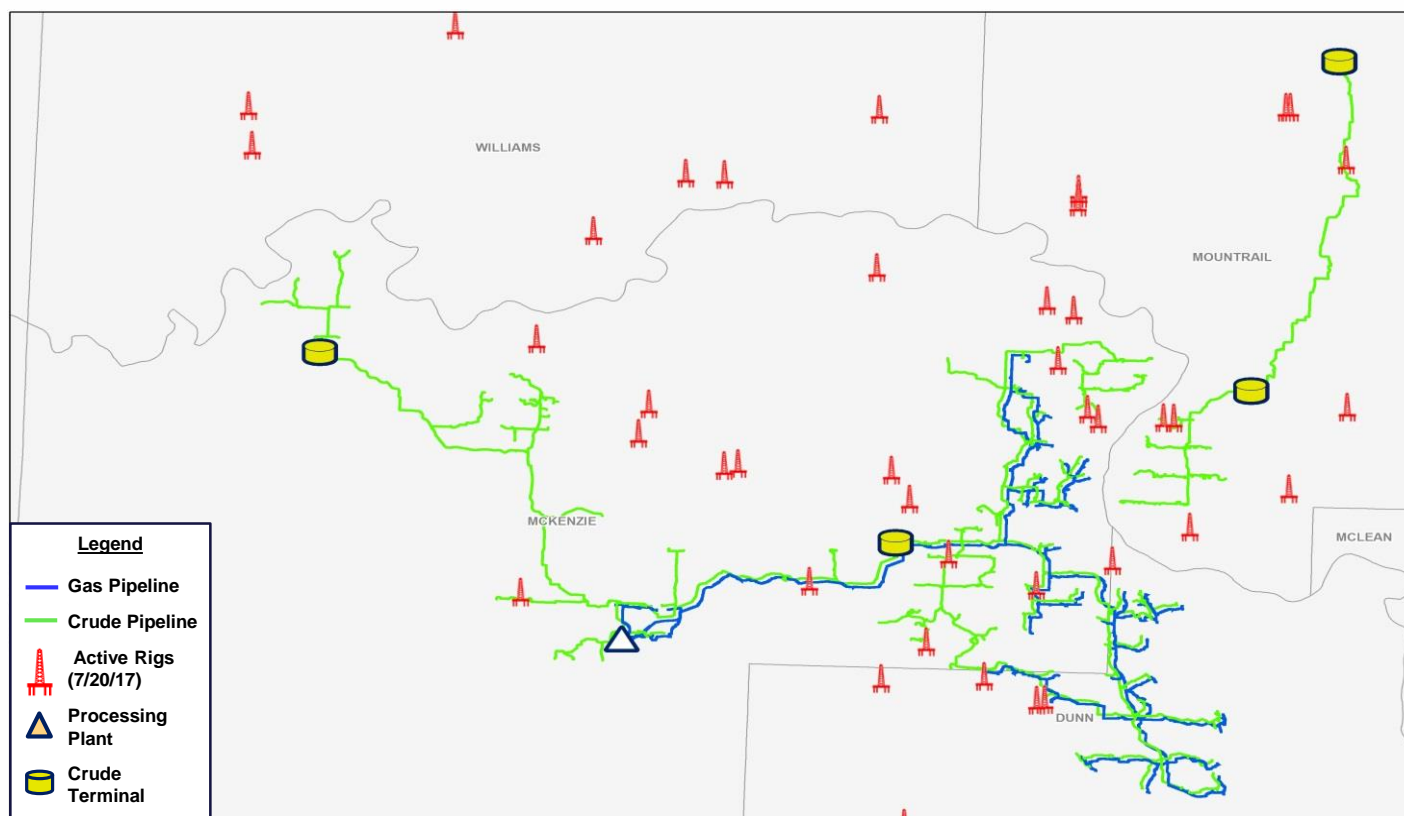
TARGA (1) Source: Drillinginfo; rigs as of July 20, 2017

Strategic Position in the Core of the Williston Basin

Summary

- ◆ 410 miles of crude gathering pipelines; 200 miles of natural gas gathering pipelines
- ◆ 90 MMcf/d of total natural gas processing capacity
- ◆ Fee-based contracts
- ◆ Large acreage dedications and AMLs from multiple producers
- ◆ Current crude oil delivery points include Four Bears, Tesoro, Tesoro BakkenLink, Hilands, and Enbridge
 - ◆ Connected to Dakota Access Pipeline (DAPL) early Q3 2017

Asset Map and Rig Activity⁽¹⁾



Expansions Underway

- ◆ Spending \$150 million in 2017 to expand crude gathering and natural gas processing capabilities to support continued activity growth

Facility	% Owned	Location (County)	Est. Gross Processing Capacity (MMcf/d)	Q2 2017 Gross Plant Inlet (MMcf/d)	Q2 2017 Crude Oil Gathered (MBbl/d)	Miles of Pipeline
Little Missouri I	100.0%	McKenzie, ND				
Little Missouri II	100.0%	McKenzie, ND				
Little Missouri III	100.0%	McKenzie, ND				
Badlands Total^(a)			90	52	113	610

^(a) Total gas and crude oil pipeline mileage



TARGA

⁽¹⁾ Source: Drillinginfo; rigs as of July 20, 2017

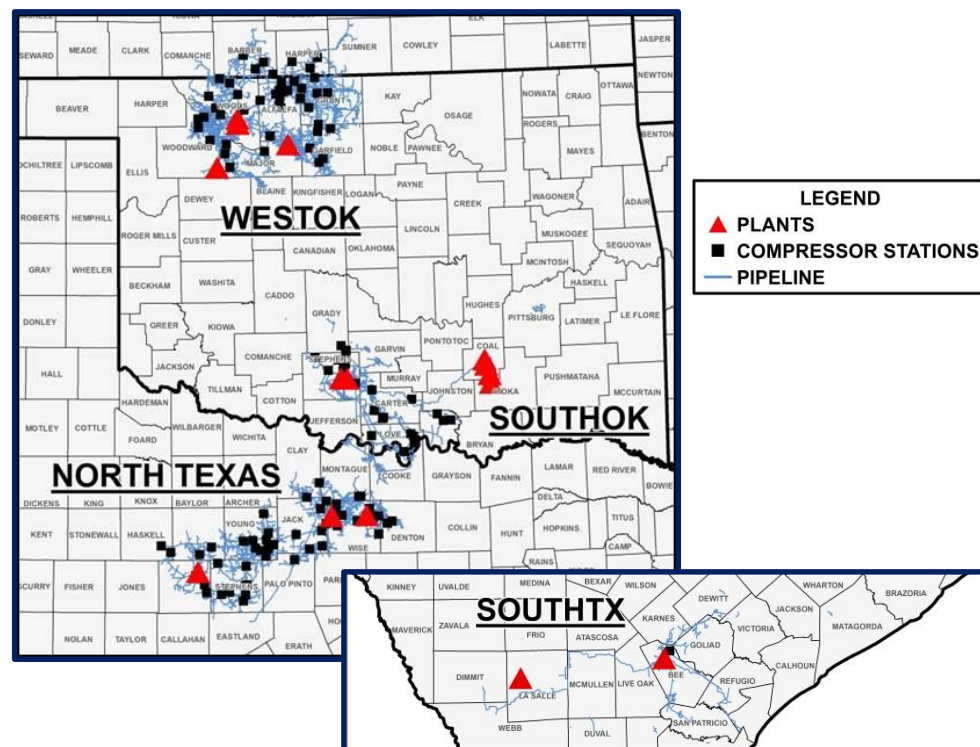
Leading Oklahoma, North Texas and South Texas Positions

Summary

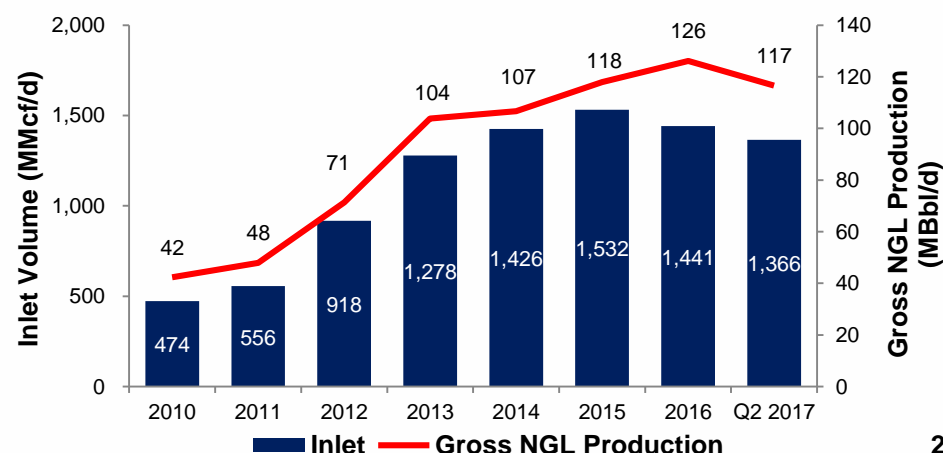
- ◆ Four asset regions which include approximately 14,000 miles of pipeline
- ◆ Over 2.1 Bcf/d of gross processing capacity⁽²⁾
 - ◆ 15 processing plants across the liquids-rich Anadarko Basin (including SCOOP and STACK), Arkoma Basin, Ardmore Basin, Barnett Shale, and Eagle Ford Shale
 - ◆ Expanded processing capacity in the Eagle Ford Basin through JV with Sanchez Midstream Partners, LP (NYSE:SNMP)
 - ◆ Reviewing opportunities to connect / optimize North Texas and SouthOK systems to enhance reliability, optionality and efficiency for producers
- ◆ Traditionally POP contracts in North Texas and WestOK with additional fee-based services for gathering, compression, treating, etc.
- ◆ Essentially all of SouthTX and vast majority of SouthOK contracts are fee-based

	Gross Processing Capacity (MMcf/d)	Miles of Pipeline
WestOK	458	6,450
SouthOK	580	2,280
North Texas	478	4,695
SouthTX ⁽¹⁾	660	940
Central Total	2,176	14,365

Footprint



Volumes⁽²⁾



TARGA

⁽¹⁾ Includes 60 MMcf/d Raptor Plant expansion currently underway

⁽²⁾ Pro forma Targa for all years

SouthTX & NorthTX

Summary

- ◆ **SouthTX consists of multi-county gathering system with interconnected plants spanning the Eagle Ford**
 - ◆ Growth driven by JV with Sanchez Midstream Partners LP (NYSE:SNMP) and drilling activity from Sanchez Energy Corp. (NYSE:SN) on dedicated acreage
 - ◆ JV consists of fee-based contracts supported by 15 year acreage dedication and 5 year 125 MMcf/d MVC
 - ◆ In May 2017, Targa acquired the 150 MMcf/d Flag City processing plant and several gas supply contracts from Boardwalk Pipeline Partners (NYSE:BWP)
 - ❖ Plant has been shut down, volumes flowing to Silver Oak Plants
- ◆ **North Texas consists of 478 MMcf/d processing capacity in the Barnett Shale and Marble Falls play**
 - ◆ Primarily POP contracts with fee-based components

Facility	% Owned	Location (County)	Est. Gross Processing Capacity (MMcf/d)	Q1 2017 Gross Plant Inlet (MMcf/d)	Q1 2017 Gross NGL Production (MBbl/d)	Miles of Pipeline
(1) Silver Oak I	100.0%	Bee, TX	200			
(1) Silver Oak II	90.0%	Bee, TX	200			
(2) Raptor ^(a)	50.0%	Bee, TX	260			
SouthTX Total			660	172	17	940

^(a) Expansion to 260MMcf/d expected to be completed in Q3 2017

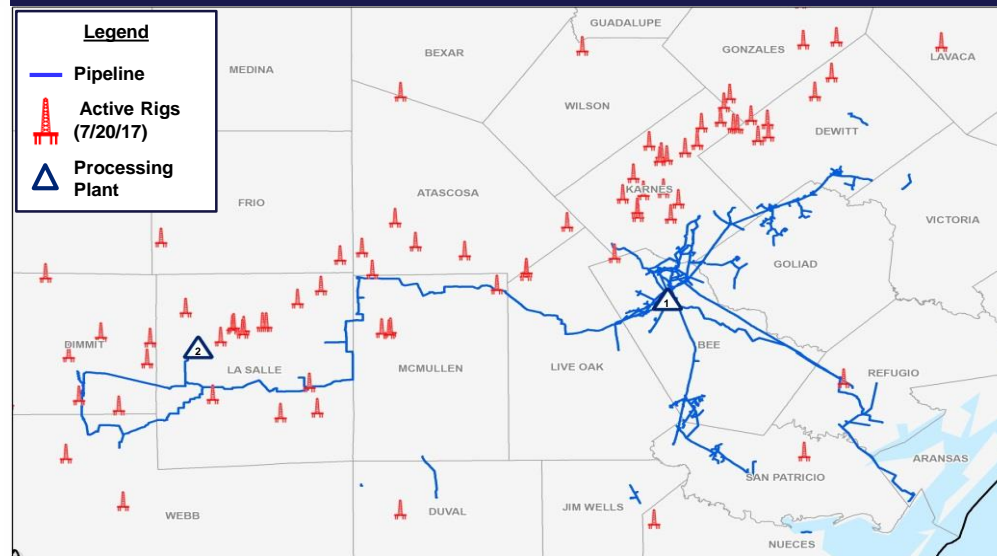
Facility	% Owned	Location (County)	Est. Gross Processing Capacity (MMcf/d)	Q1 2017 Gross Plant Inlet (MMcf/d)	Q1 2017 Gross NGL Production (MBbl/d)	Miles of Pipeline
(1) Chico ^(a)	100.0%	Wise, TX	265			
(2) Shackelford	100.0%	Shackelford, TX	13			
(3) Longhorn	100.0%	Wise, TX	200			
NorthTX Total			478	283	32	4,695

^(a) Chico Plant has fractionation capacity of ~15 Mbbls/d

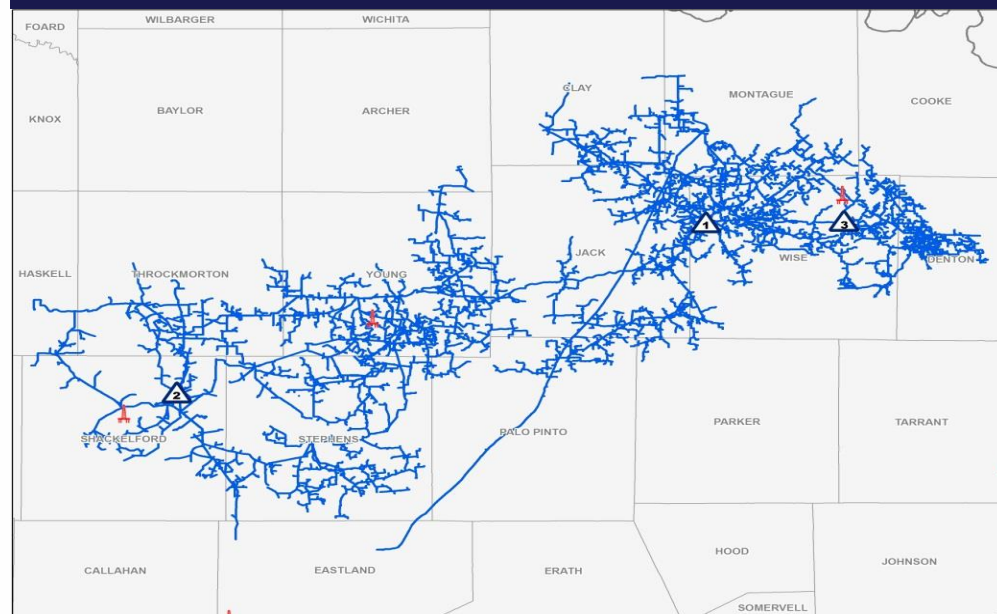


TARGA (1) Source: Drillinginfo; rigs as of July 20, 2017

Asset Map and Rig Activity⁽¹⁾ - SouthTX



Asset Map and Rig Activity⁽¹⁾ - North Texas



SouthOK & WestOK

Summary

- ◆ **SouthOK consists of 580 MMcf/d of gross processing capacity well positioned to benefit from increasing SCOOP activity**
 - ◆ Majority fee-based contracts
 - ◆ Currently building a line to benefit from additional SCOOP volumes in 2H 2017
- ◆ **WestOK consists of 460 MMcf/d of processing capacity positioned to benefit from the continued northwest movement of upstream activity targeting the STACK**
 - ◆ Majority of contracts are hybrid POP's plus fees

Facility	% Owned	Location (County)	Est. Gross Processing Capacity (MMcf/d)	Q2 2017 Gross Plant Inlet (MMcf/d)	Q2 2017 Gross NGL Production (MBbl/d)	Miles of Pipeline
(1) Atoka ^(a)	60.0%	Atoka County, OK	20			
(2) Coalgate	60.0%	Coal, OK	80			
(2) Stonewall	60.0%	Coal, OK	200			
(2) Tupelo	100.0%	Coal, OK	120			
(3) Velma	100.0%	Stephens, OK	100			
(3) Velma V-60	100.0%	Stephens, OK	60			
SouthOK Total			580	479	39	2,280

^(a) The Atoka Plant was idled due to the start-up of the Stonewall Plant in May 2014

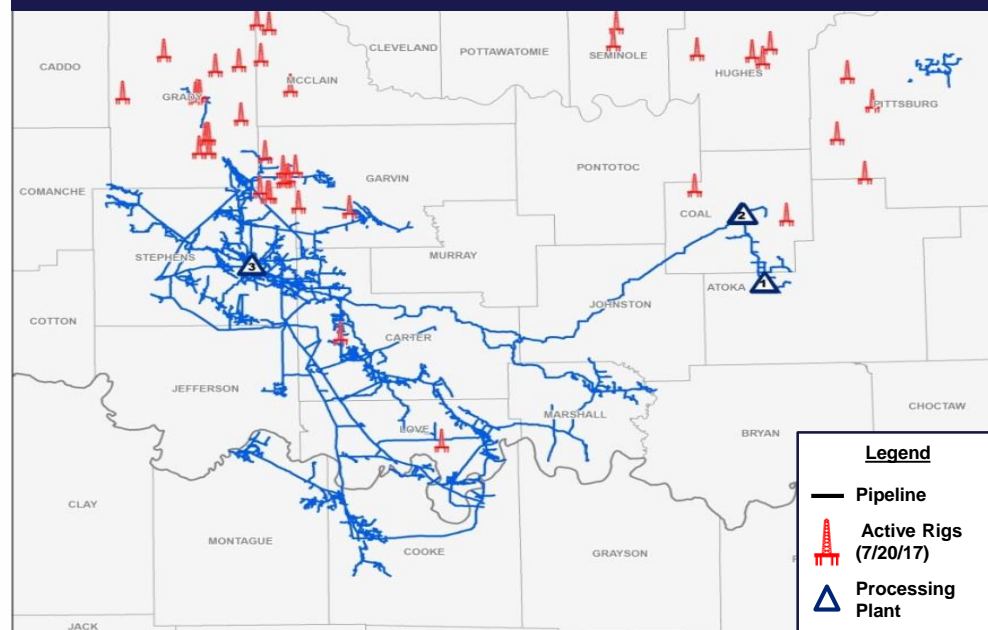
Facility	% Owned	Location (County)	Est. Gross Processing Capacity (MMcf/d)	Q2 2017 Gross Plant Inlet (MMcf/d)	Q2 2017 Gross NGL Production (MBbl/d)	Miles of Pipeline
(1) Waynoka I	100.0%	Woods, OK	200			
(1) Waynoka II	100.0%	Woods, OK	200			
(2) Chaney Dell ^(a)	100.0%	Major, OK	30			
(3) Chester	100.0%	Woodward, OK	28			
WestOK Total			458	387	24	6,450

^(a) The Chaney Dell Plant was idled in December 2015

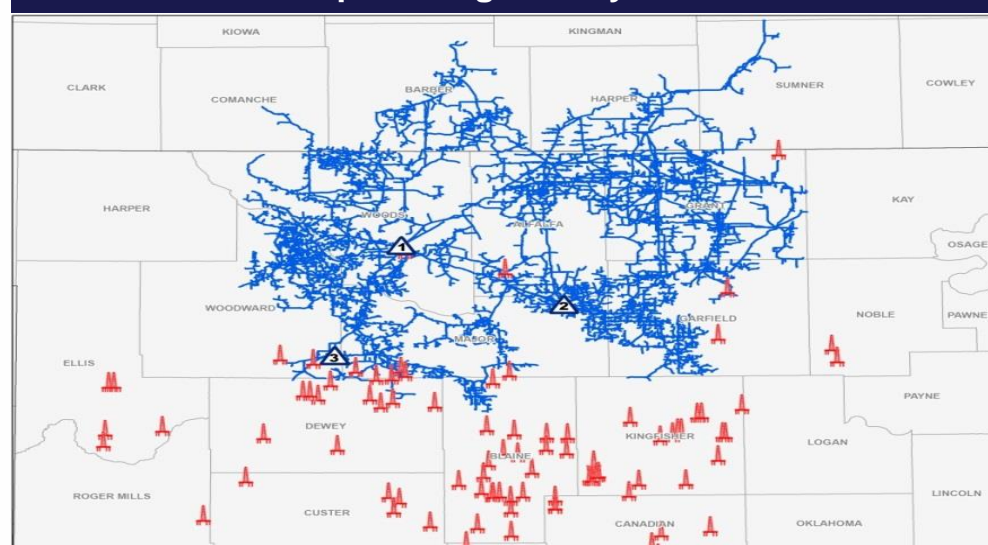


TARGA (1) Source: Drillinginfo; rigs as of July 20, 2017

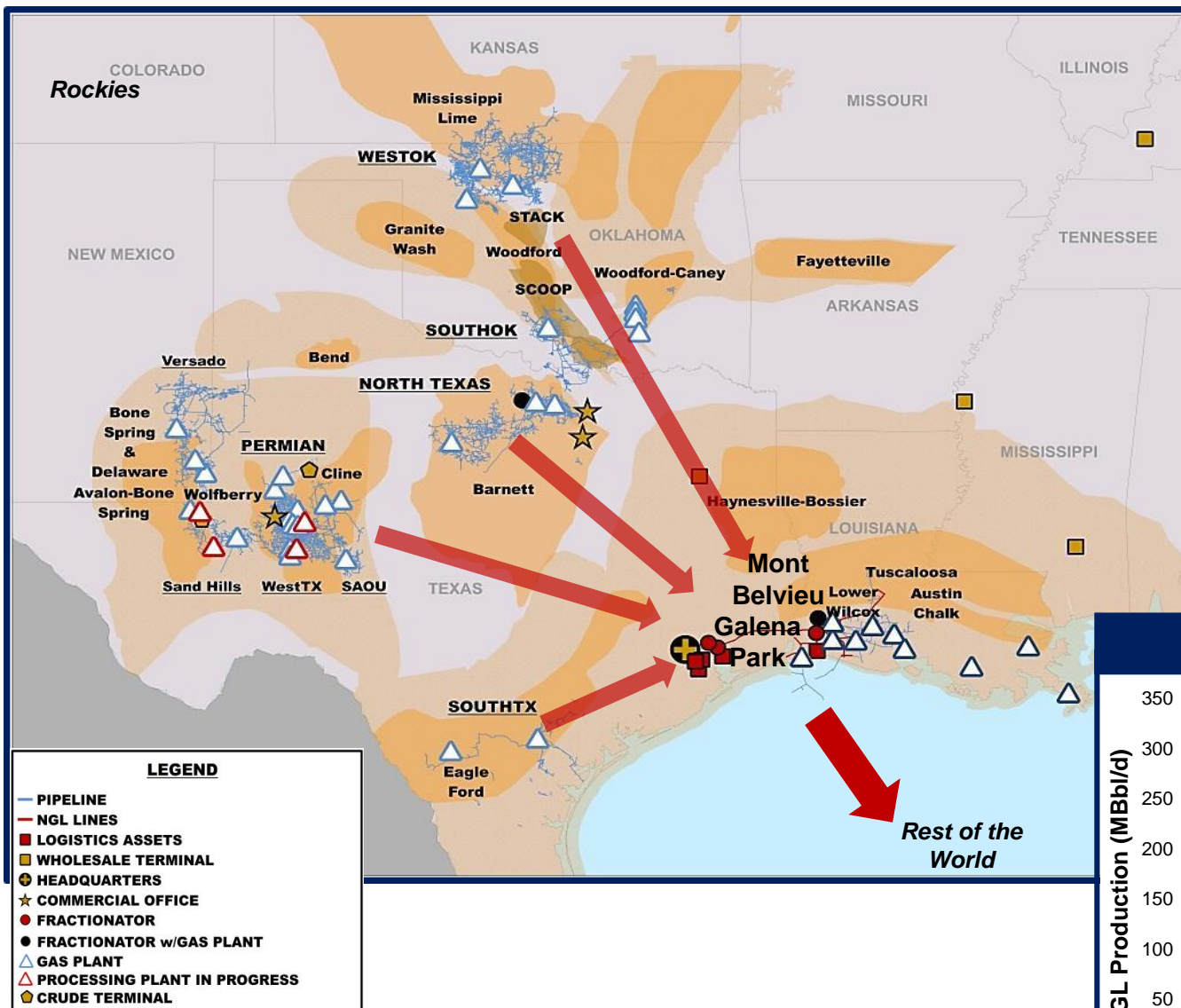
Asset Map and Rig Activity⁽¹⁾ - SouthOK



Asset Map and Rig Activity⁽¹⁾ - WestOK

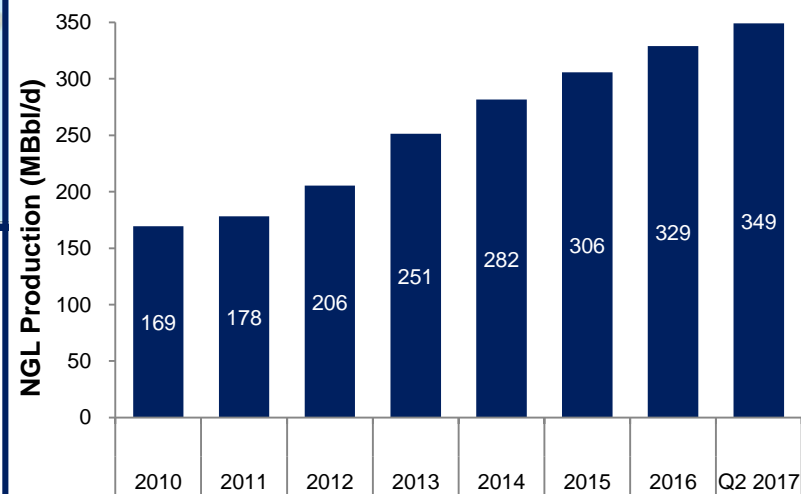


G&P Volume Drives NGL Flows to Mont Belvieu



- ◆ Growing field NGL production increases NGL flows to Targa's expanding Mont Belvieu and Galena Park presence
- ◆ Grand Prix NGL Pipeline will bring NGLs from the Permian Basin and North Texas and enhance vertical integration
- ◆ Petrochemical investments, fractionation and export services will continue to clear additional domestic supply
- ◆ Targa's Mont Belvieu and Galena Park businesses very well positioned

NGL Production⁽¹⁾



TARGA (1) Gross NGL production, pro forma Targa for all years

Downstream Capabilities

Overview

- ◆ The Logistics and Marketing segment represents approximately ~40% of total operating margin⁽¹⁾
- ◆ Primarily fixed fee-based businesses, many with “take-or-pay” commitments
- ◆ Continue to pursue attractive downstream infrastructure growth opportunities
- ◆ Field G&P growth and increased ethane recovery will bring more volumes downstream

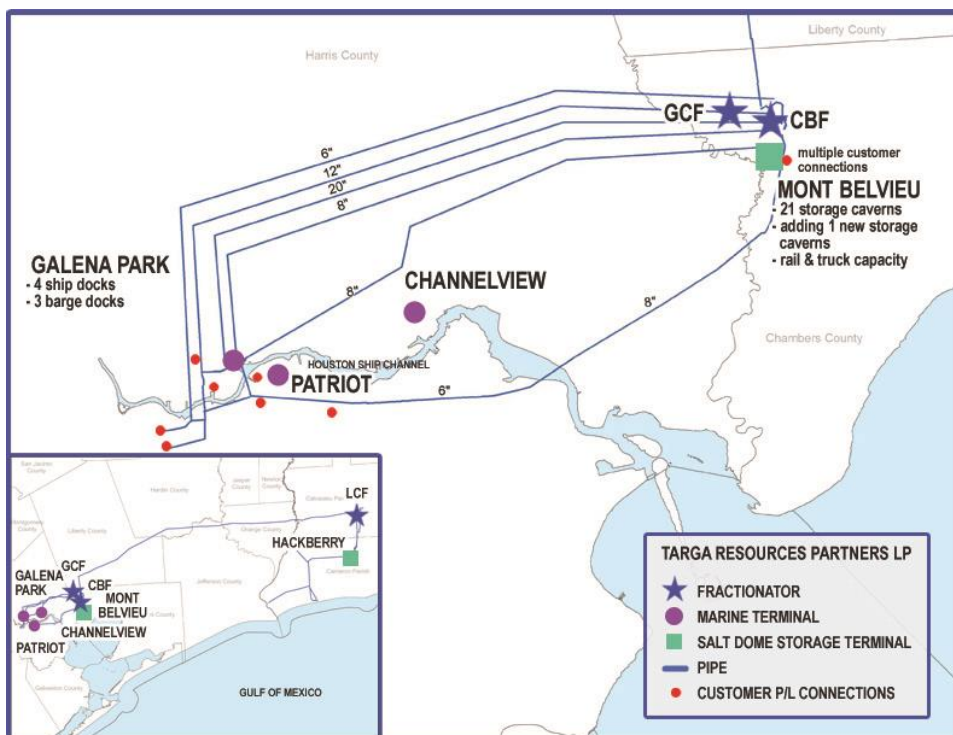


TARGA (1) Based on forecasted 2017E segment operating margin

Downstream Businesses

- ◆ **NGL Fractionation & Related Services**
 - ◆ Strong fractionation position at Mont Belvieu and Lake Charles
 - ◆ Underground storage assets and connectivity provides a locational advantage
 - ◆ Fixed fees with “take-or-pay” commitments
- ◆ **LPG Exports**
 - ◆ Approximately 7 MMBbl/month of LPG Export capacity
 - ◆ Fixed loading fees with “take-or-pay” commitments; market to end users and international trading houses
- ◆ **Other**
 - ◆ 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
 - ◆ Domestic NGL Marketing and Distribution
 - ❖ Contractual agreements with major refiners to market NGLs
 - ❖ Sell propane to multi-state, independent retailers and industrial accounts; inventory sold at index plus
 - ◆ Logistics and Transportation
 - ❖ All fee-based; 650 railcars, 94 transport tractors, 20 NGL barges
 - ◆ Petroleum Logistics
 - ❖ Gulf Coast, East Coast and West Coast terminals
- ◆ **See slide 10 for break down of operating margin mix for the Downstream segment**

Logistics Assets – Extensive Gulf Coast Footprint



Galena Park Marine Terminal

	Products	MMBbl/ Month
Export Capacity	LEP / HD5 / NC4	~7.0

Other Assets

700 MBbls in Above Ground Storage Tanks
4 Ship Docks

Fractionators

		Gross Capacity (MBbl/d)	Net Capacity (MBbl/d) ⁽¹⁾
CBF - Mont Belvieu ⁽¹⁾	Trains 1-3	253	223
	Backend Capacity	40	35
	Train 4	100	88
	Train 5	100	88
GCF - Mont Belvieu		125	49
Total - Mont Belvieu		618	482
LCF - Lake Charles		55	55
Total		673	537

Potential Fractionation Expansions

Mont Belvieu 100MBbl/d Train 6 permitted

Mont Belvieu 100MBbl/d Train 7 permitable following Train 6 expansion

Other Assets

Mont Belvieu

35 MBbl/d Low Sulfur/Benzene Treating Natural Gasoline Unit
21 Underground Storage Wells
Adding 2 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)

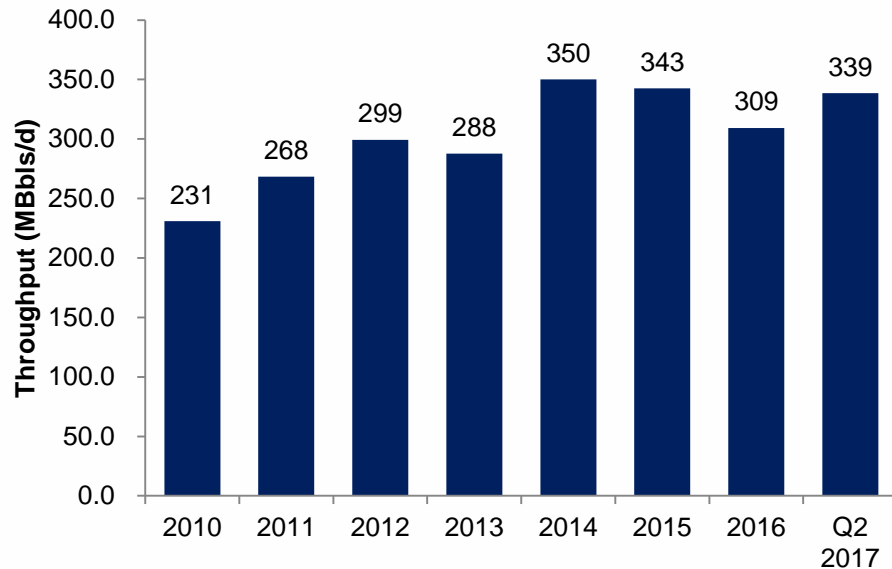
Hackberry Underground Storage (Cameron Parish, LA)



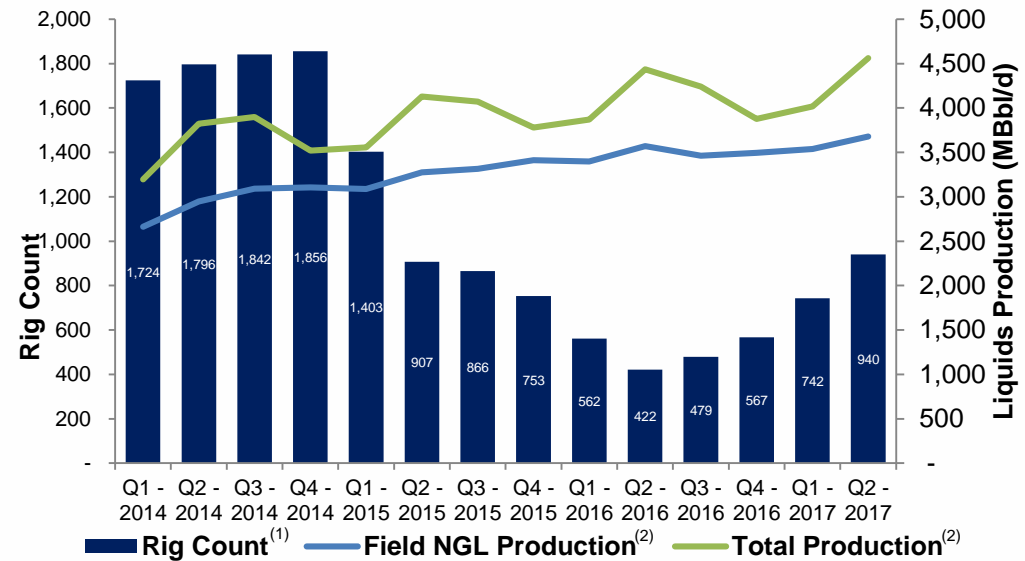
TARGA (1) Net capacity is calculated based on TRP's 88% ownership of CBF and 39% ownership of GCF

Targa's Fractionation Assets

Targa Fractionation Footprint



Domestic Rig Count and NGL Supply



- ◆ **453 MBbl/d of frac capacity at CBF, with additional back-end capacity of 40 MBbl/d**
 - ◆ 100 Mbbbl/d CBF Train 5 operational in May 2016
 - ◆ 100 Mbbbl/d Train 6 is permitted, with an expectation that moving forward with the project is a matter of “when” and not “if”
- ◆ **55 MBbl/d of frac capacity at the interconnected Lake Charles facility**

- ◆ **Increasing upstream volume should drive further growth in NGL production directed to Mont Belvieu**
- ◆ **Increase in NGL demand fundamentals along the US Gulf Coast is expected to drive need for additional frac capacity**
 - ◆ Additional Gulf Coast infrastructure (petrochemical expansions and an ethane export facility) will drive greater ethane demand and recovery
 - ❖ Targa well positioned to benefit



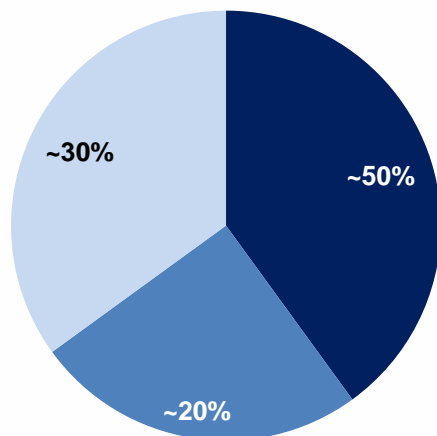
TARGA

(1) Source: Baker Hughes as of June 30, 2017

(2) Source: EIA as of May 30, 2017

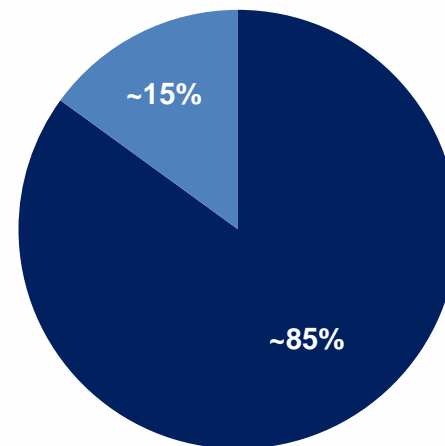
Targa's LPG Export Business

LPG Exports by Destination⁽¹⁾



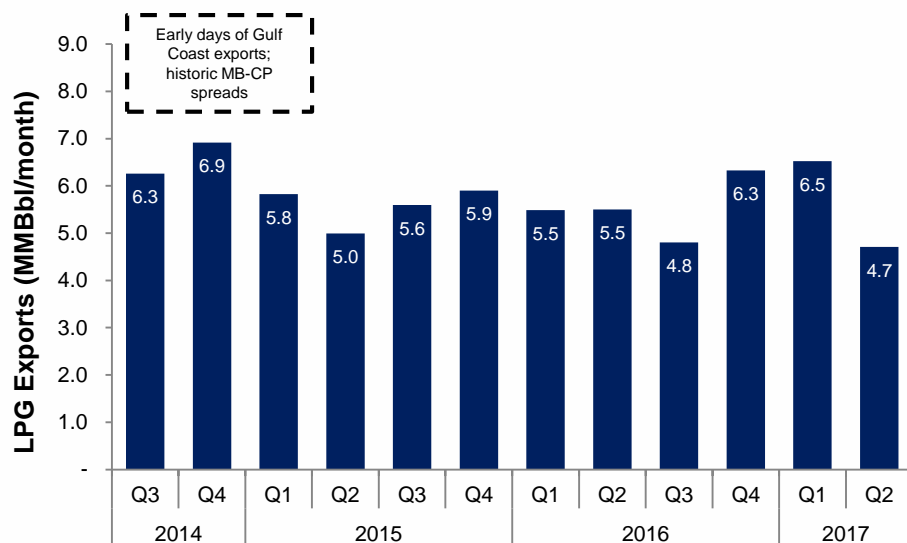
■ Latin America/South America ■ Caribbean ■ Rest of the World

Propane and Butane Exports⁽¹⁾



■ Propane ■ Butanes

Galena Park LPG Export Volumes



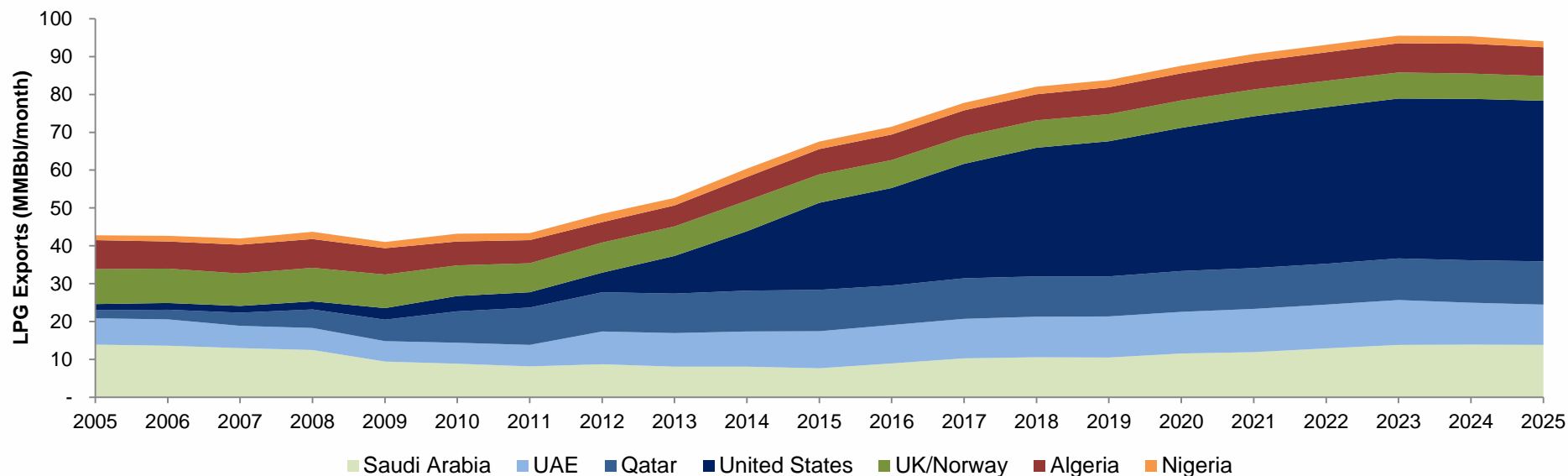
- ◆ Fee based business (charge fee for vessel loading)
- ◆ Targa advantaged versus some potential competitors given support infrastructure
 - ◆ Fractionation, storage, supply/market interconnectivity, refrigeration, de-ethanizers, etc.
- ◆ Differentiated facility versus other LPG export facilities due to operational flexibility on vessel size and cargo composition
- ◆ Nameplate capacity of ~9 MMBbl/month; effective operational capacity of ~7 MMBbl/month or more
- ◆ ~70% of Targa volumes staying in the Americas
- ◆ *Substantially contracted over the long-term at attractive rates*



TARGA ⁽¹⁾ Trailing twelve months – Q3 2016 through Q2 2017

Downstream – LPG Exports

LPG Export Forecast⁽¹⁾



Strong Fundamentals

- ◆ **US LPG Exports have been the primary source of growing supply for global LPG waterborne markets since 2012**
 - ◆ According to IHS data, annual US LPG exports experienced a ~50% CAGR from 2012 to 2016, while annual LPG exports from other major exporting regions grew by a CAGR of ~1.5% from 2012 to 2016
- ◆ **Global demand for LPG's is expected to grow by an average of 84 MMBbls per year from 2017 through 2020. The US is expected to continue supplying a growing share of world demand**
- ◆ **With increasing supply from a premier G&P footprint and integrated NGL infrastructure, Targa is poised to benefit from these constructive market dynamics**

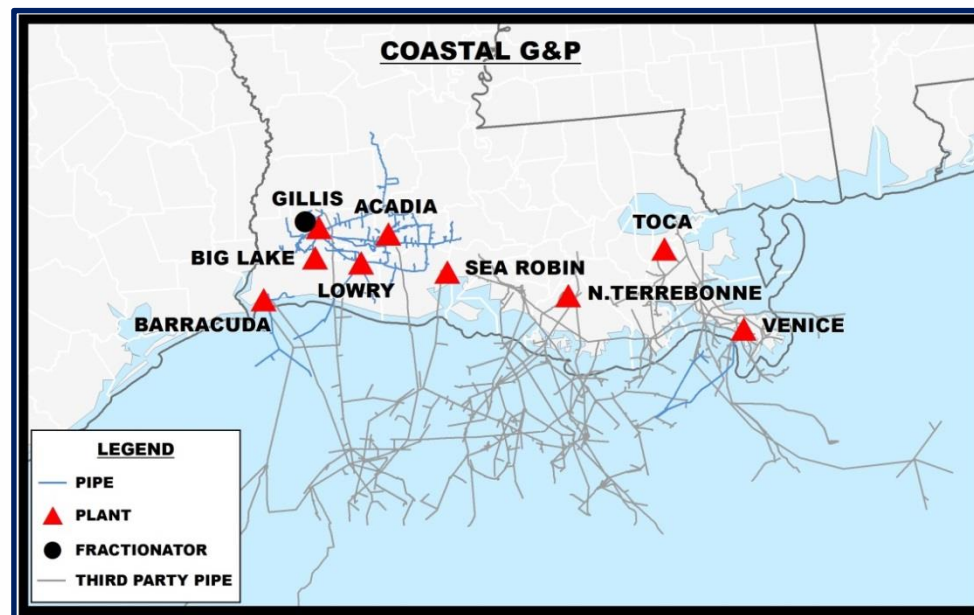
Coastal – Gulf Coast Footprint

Summary

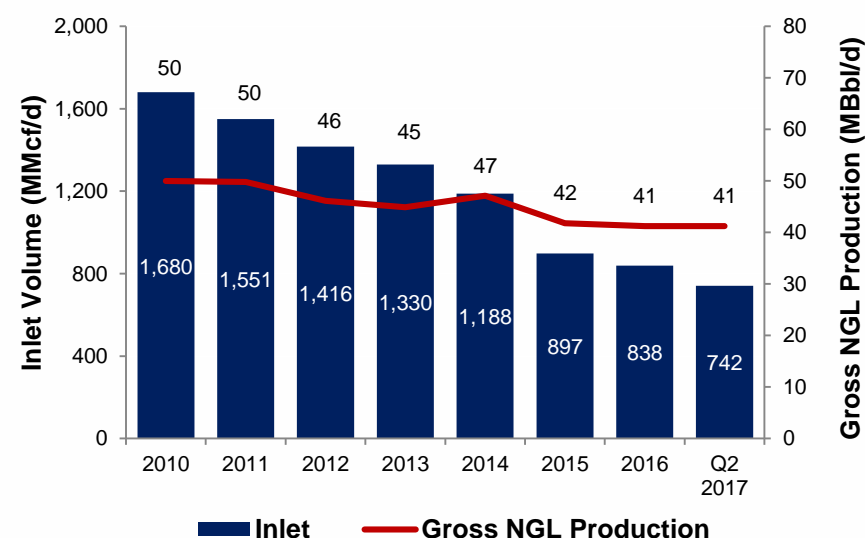
- Asset position represents a competitively advantaged straddle option on Gulf of Mexico activity over time
- LOU (Louisiana Operating Unit)
 - 440 MMcf/d of gas processing (180 MMcf/d Gillis plant, 80 MMcf/d Acadia plant and 180 MMcf/d Big Lake plant)
 - Interconnected to Lake Charles Fractionator (LCF)
- Coastal Straddles (including VESCO)
 - Positioned on mainline gas pipelines processing volumes of gas collected from offshore
- Coastal inlet volumes and NGL production have been declining, but NGL production decreases have been partially offset by processing volumes at more efficient plants
- Hybrid contracts (POL with fee floors)

	Current Gross Processing Capacity (MMcf/d)	Q2 2017 NGL Production (MBbl/d)
LOU	440	
Vesco	750	
Other Coastal Straddles	3,255	
Total	4,445	41

Footprint



Volumes

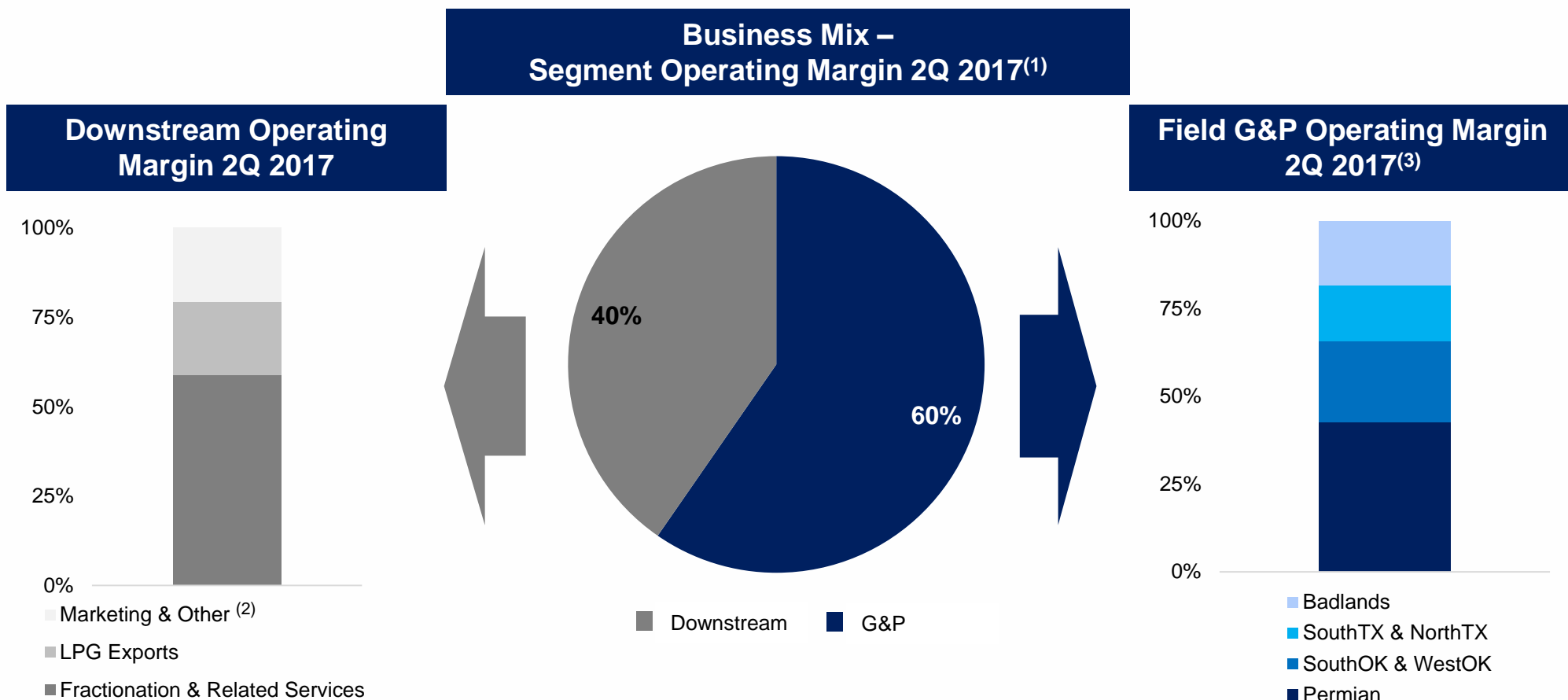




TARGA

Additional Information – 2Q 2017

Financial Performance - 2Q 2017



Second Half 2017 Outlook

- ◆ **First half 2017 performance as expected; on-track to meet full year 2017 operational and financial expectations as presented in June 2017**
- ◆ Second half 2017 operational expectations provide solid momentum heading into 2018, positioning Targa to achieve its longer-term financial expectations



TARGA

(1) Based on 2Q 2017 operating margin

(2) Other includes Domestic Marketing (Wholesale Propane, Refinery Services, Commercial Transportation) and Petroleum Logistics

(3) Excludes operating margin from Coastal and Other

Operational Performance – Gathering & Processing Segment

2Q17 Highlights:

Field G&P Natural Gas Inlet

- ◆ 9.5% sequential increase in Permian volumes reflects increasing activity levels and includes full quarter benefit of the 1Q 2017 Permian acquisition
- ◆ Commenced operations of the 200 MMcf/d Raptor Plant in SouthTX during 2Q
- ◆ Closed on the acquisition of the Flag City assets from Boardwalk (NYSE: BWP)⁽¹⁾ during 2Q; additional gas volumes now flowing to Silver Oak plants in SouthTX
- ◆ Sequential increase in SouthOK volumes reflects increasing SCOOP gas supply

Crude Oil Gathered

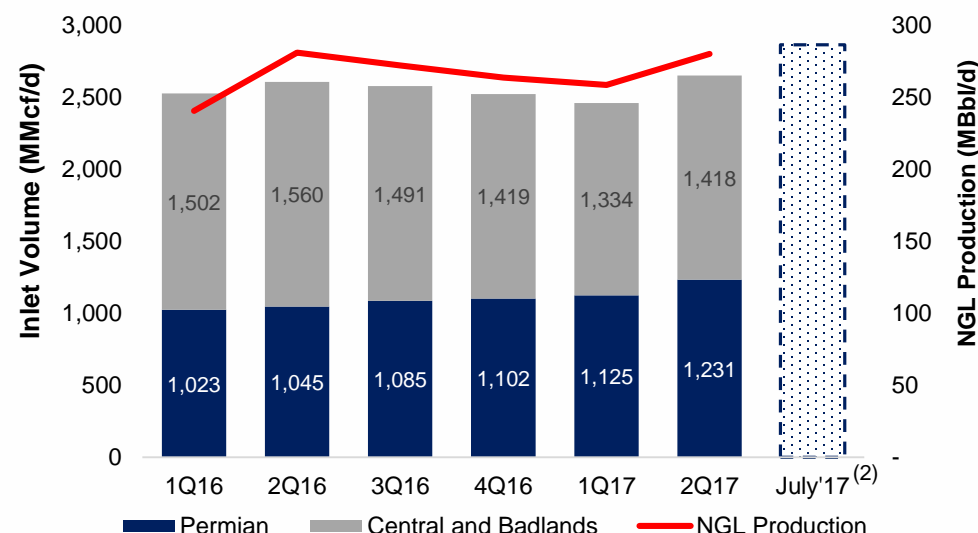
- ◆ Increase in Permian volumes includes full quarter benefit of the recent Permian acquisition

2017E Total Field G&P Natural Gas Inlet Volumes on-track to increase ~10% vs. average 2016

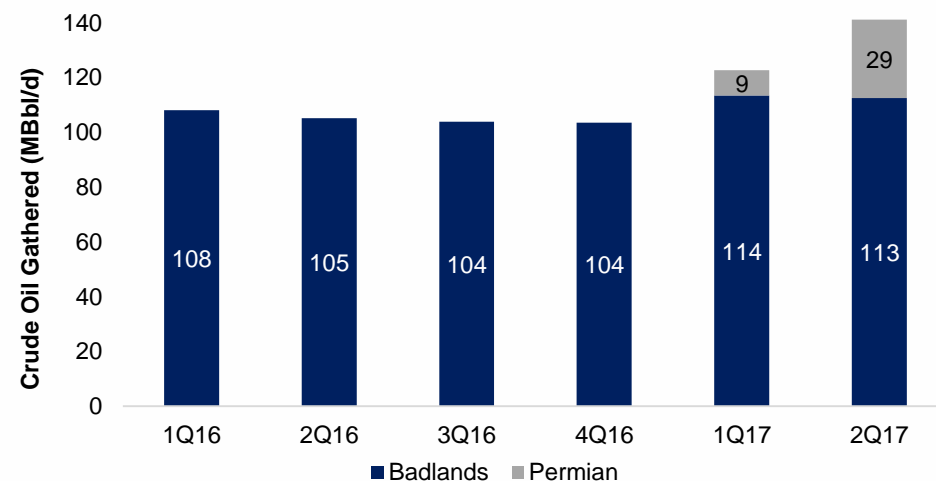
2017E Total Permian Natural Gas Inlet Volumes on-track to increase ~20% vs. average 2016

- +14% in 1H17 vs 1H16; 2H17E +30% vs. 2H16
- July'17 Permian inlet +7%⁽²⁾ vs. 2Q17 average

Field G&P Natural Gas Inlet Volumes and NGL Production⁽³⁾



Crude Oil Gathered Volumes



Operational Performance – Downstream Segment

2Q17 Highlights:

Fractionation

- ◆ 11% sequential increase in fractionation volumes reflects growth in Field G&P segment volumes

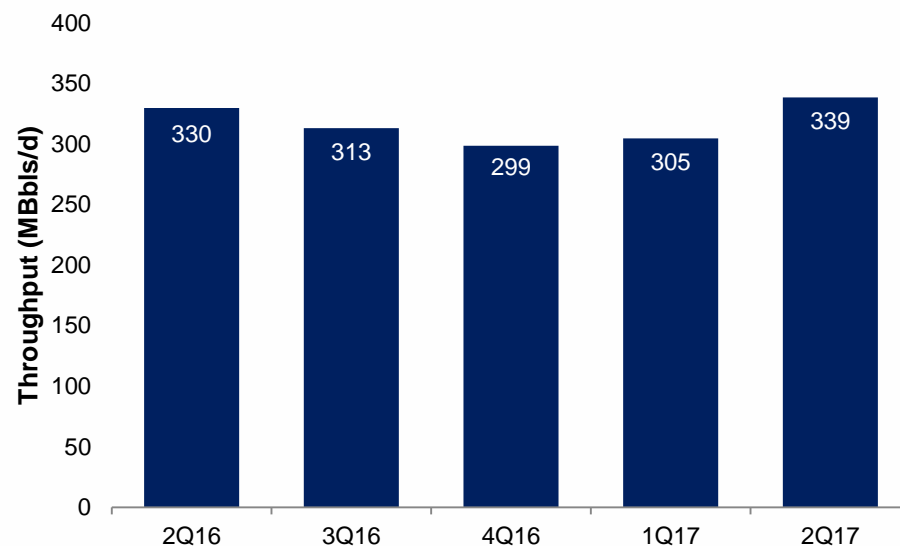
LPG Exports

- ◆ Sequential decrease in LPG export volumes due to minimal short-term volumes given global LPG market dynamics
- ◆ 4.7 MMBbl/month exported from Galena Park, with incremental margin also received from two cargo cancelations

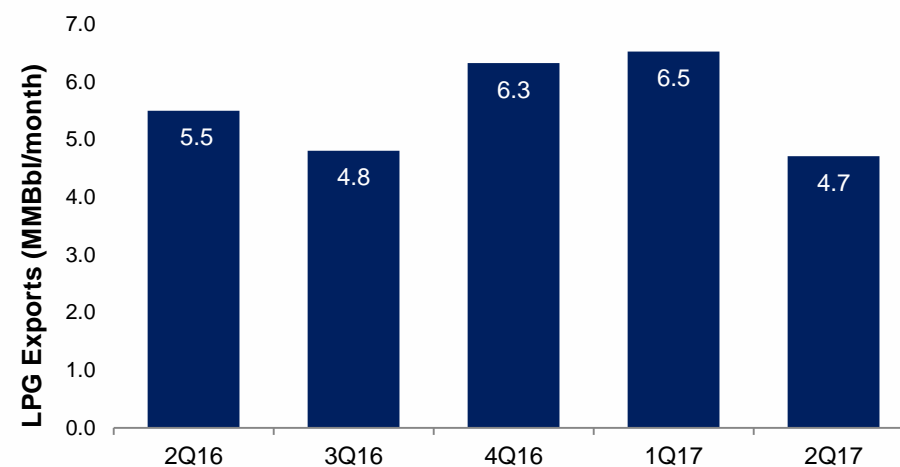
Marketing and Other

- ◆ Domestic Marketing and Commercial Transportation sequentially lower due to seasonality, particularly in the Wholesale Propane business

Targa Fractionation Volumes



Galena Park LPG Export Volumes



Operating Segment Performance

2Q 2017 vs. 1Q 2017 Variances

Gathering & Processing segment operating margin decreased \$3.9 million

- + Higher Permian volumes and the inclusion of the recent Permian acquisition
- + Higher Badlands gas gathered volumes
- + Higher SouthTX volumes from the recent Flag City acquisition, in addition to ramp-up following 1Q producer shut-ins

More than offset by:

- Lower volumes in NorthTX and WestOK
- Higher operating expenses primarily driven by inclusion of the recent Permian acquisition, system expansions and the start-up of the Raptor Plant
- Lower commodity prices
- Lower Coastal volumes

Downstream segment operating margin decreased \$17.7 million

- + Higher fractionation volumes attributable to higher supply volume
- + Lower operating expenses

More than offset by:

- Lower LPG export volumes
- Seasonality in Domestic Marketing and Commercial Transportation businesses, particularly in the Wholesale Propane business

Full Year 2017 Expectations

2017E Adjusted EBITDA

(\$millions)

FY 2017E ~ \$1,130mm



2017E Operational and Financial Expectations

2017E Operational and Financial Expectations, as previously disclosed

2017E Field G&P Operational Expectations On-Track with Prior Guidance (MMcf/d)	FY 2017E Average	1H 2017 Actual	2H 2017E Forecast
Total Field Natural Gas Inlet Volumes	~+10%	flat	~+20%
Total Permian	~+20%	+14%	~+30%

(average 2017 vs. average 2016)

2017E Coverage Expectation

Full Year 2017 Dividend Coverage ~0.95x - 1.0x

On-Track to Meet Full Year 2017 Expectations

- ◆ 2017E Total Field G&P Natural Gas Inlet Volumes on-track to increase ~10% vs. average 2016
- ◆ 2017E Total Permian Natural Gas Inlet Volumes on-track to increase ~20% vs. average 2016
- ◆ 2H 2017E expectations provide solid momentum heading into 2018

Field G&P:

- ◆ Expect meaningfully higher 2017 exit rate inlet volumes for a number of systems
- ◆ Permian inlet volume continues to ramp in 2H 2017 and into 2018

Downstream:

- ◆ Higher overall Field G&P volumes expected to further bolster utilization of Targa fractionators
- ◆ No additional spot export volumes included in 2H 2017
- ◆ More upside than downside for LPG export business



TARGA

Reconciliations

Non-GAAP Measures Reconciliation

This presentation includes the non-GAAP financial measures 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.

Adjusted EBITDA - The Company defines Adjusted EBITDA as net income (loss) available to TRC before: interest; income taxes; depreciation and amortization; impairment of goodwill; gains or losses on debt repurchases, redemptions, amendments, exchanges and early debt extinguishments and asset disposals; risk management activities related to derivative instruments including the cash impact of hedges acquired in the merger with APL (the "APL merger"); non-cash compensation on equity grants; transaction costs related to business acquisitions; the Splitter Agreement adjustment; net income attributable to TRP preferred limited partners; earnings/losses from unconsolidated affiliates net of distributions, distributions from preferred interests, change in contingent consideration and the noncontrolling interest portion of depreciation and amortization expense. Adjusted EBITDA is used as a supplemental financial measure by us and by external users of our financial statements such as investors, commercial banks and others. The economic substance behind our use of Adjusted EBITDA is to measure the ability of our assets to generate cash sufficient to pay interest costs, support our indebtedness and pay dividends to our investors.

Adjusted EBITDA is a non-GAAP financial measure. The GAAP measure most directly comparable to Adjusted EBITDA is net income (loss) attributable to TRC. Adjusted EBITDA should not be considered as an alternative to GAAP net income. Adjusted EBITDA has important limitations as an analytical tool. Investors should not consider Adjusted EBITDA in isolation or as a substitute for analysis of our results as reported under GAAP. Because Adjusted EBITDA excludes some, but not all, items that affect net income and is defined differently by different companies in our industry, our 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 Reconciliations – 2014 to 2016 Adjusted EBITDA

Reconciliation of net income (loss) attributable to TRC to Adjusted EBITDA	Year Ended December 31,		
	2016	2015	2014
	(in millions)		
Net income (loss) to Targa Resources Corp.	\$ (187.3)	\$ 58.3	\$ 102.3
Impact of TRC/TRP Merger on NCI	(3.8)	(180.1)	283.3
Income attributable to TRP preferred limited partners	11.3	2.4	0.0
Interest expense, net	254.2	231.9	147.1
Income tax expense (benefit)	(100.6)	39.6	68.0
Depreciation and amortization expense	757.7	677.1	351.0
Goodwill impairment	207.0	290.0	0.0
(Gain) loss on sale or disposition of assets	6.1	(8.0)	(4.8)
(Gain) loss from financing activities	48.2	10.1	12.4
(Earnings) loss from unconsolidated affiliates	14.3	2.5	(18.0)
Distributions from unconsolidated affiliates and preferred partner interests, net	17.5	21.1	18.0
Change in contingent consideration	(0.4)	(1.2)	0.0
Compensation on TRP equity grants	29.7	25.0	14.3
Transaction costs related to business acquisitions	0.0	27.3	0.0
Splitter agreement ⁽¹⁾	10.8	0.0	0.0
Risk management activities	25.2	64.8	4.7
Other	0.0	0.6	0.0
Noncontrolling interest adjustment	(25.0)	(69.7)	(14.0)
TRC Adjusted EBITDA	\$ 1,064.9	\$ 1,191.7	\$ 964.3



Non-GAAP Reconciliations – 2017 Adjusted EBITDA

The following table presents a reconciliation of Adjusted EBITDA for the periods shown for TRC:

Reconciliation of net income (loss) attributable to TRC to Adjusted EBITDA	Six Months Ended	
	June 30, 2017	December 31, 2017
	(actual)	(forecast)
	(In millions)	
Net income (loss) attributable to TRC	\$ (61.7)	\$ 3.9
Income attributable to TRP preferred limited partners	5.6	5.6
Interest expense, net	125.1	110.0
Income tax expense (benefit)	(34.9)	34.9
Depreciation and amortization expense	394.6	395.0
(Gain) loss on sale or disposition of assets	16.2	0.0
(Gain) loss from financing activities	16.5	0.0
(Earnings) loss from unconsolidated affiliates	16.8	6.2
Distributions from unconsolidated affiliates and preferred partner interests, net	10.4	6.3
Change in contingent consideration	1.2	0.0
Compensation on TRP equity grants	21.5	19.5
Transaction costs related to business acquisitions	5.2	0.0
Splitter Agreement ⁽¹⁾	21.5	21.5
Risk management activities	5.2	2.8
Noncontrolling interest adjustment	(8.6)	(10.4)
TRC Adjusted EBITDA	\$ 534.6	\$ 595.4



TARGA (1) 2017 net income attributable to TRC does not include contributions from the Condensate Splitter Project, in 2019 and 2021 net income attributable to TRC includes contributions from this project

Non-GAAP Reconciliations – Forecasted 2017, 2019 and 2021 Adjusted EBITDA

The following table presents a reconciliation of Adjusted EBITDA for the periods shown for TRC:

Reconciliation of net income (loss) attributable to TRC to Adjusted EBITDA	Year Ended December 31,		
	2017	2019	2021
	(In millions)		
Net income (loss) attributable to TRC	\$ (57.8)	\$ 304.0	\$ 669.0
Income attributable to TRP preferred limited partners	11.3	11.3	11.3
Interest expense, net	235.1	335.0	400.0
Income tax expense (benefit)	0.0	0.0	0.0
Depreciation and amortization expense	789.6	855.0	875.0
(Gain) loss on sale or disposition of assets	16.2	0.0	0.0
(Gain) loss from financing activities	16.5	0.0	0.0
(Earnings) loss from unconsolidated affiliates	23.0	10.0	10.0
Distributions from unconsolidated affiliates and preferred partner interests, net	16.7	14.0	14.0
Change in contingent consideration	1.2	0.0	0.0
Compensation on TRP equity grants	41.0	41.0	41.0
Transaction costs related to business acquisitions	5.2	0.0	0.0
Splitter Agreement ⁽¹⁾	43.0	0.0	0.0
Risk management activities	8.0	0.0	0.0
Noncontrolling interest adjustment	(19.0)	(20.3)	(20.3)
TRC Adjusted EBITDA	\$ 1,130.0	\$ 1,550.0	\$ 2,000.0



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(1) 2017 net income attributable to TRC does not include contributions from the Condensate Splitter Project, in 2019 and 2021 net income attributable to TRC includes contributions from this project



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