TARGA

Targa Resources

Investor Presentation

First Quarter 2014

May 1, 2014

Forward Looking Statements

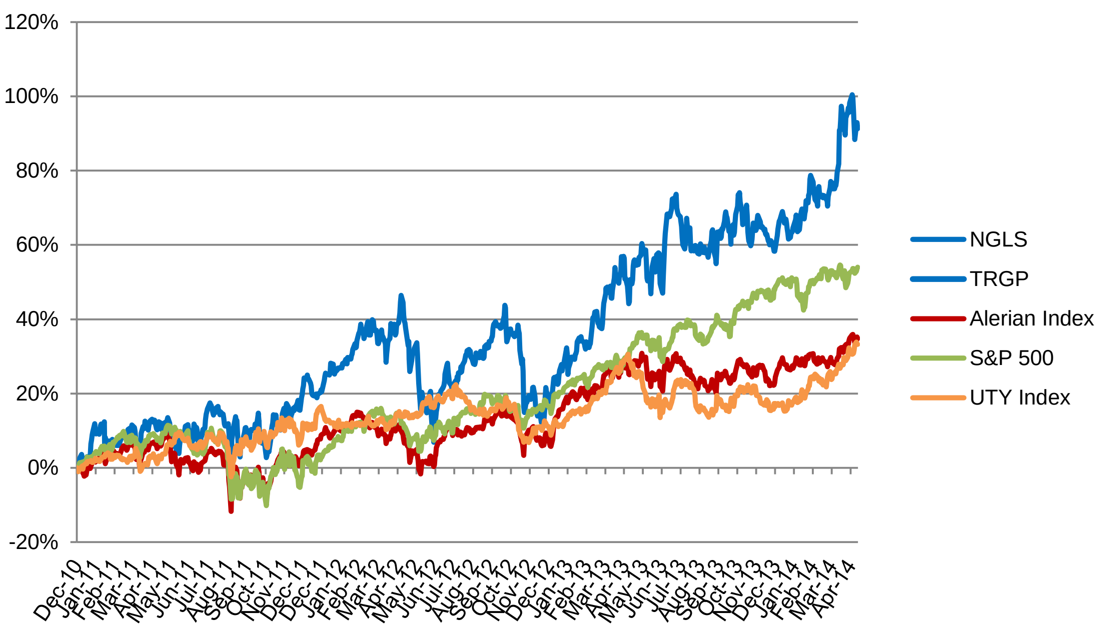
Certain statements in this presentation are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this presentation that address activities, events or developments that Targa Resources Partners LP (“TRP” or the “Partnership”) or Targa Resources Corp. (“TRC” or the “Company”) 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, 2013 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.

Targa Resources' Two Public Companies

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

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

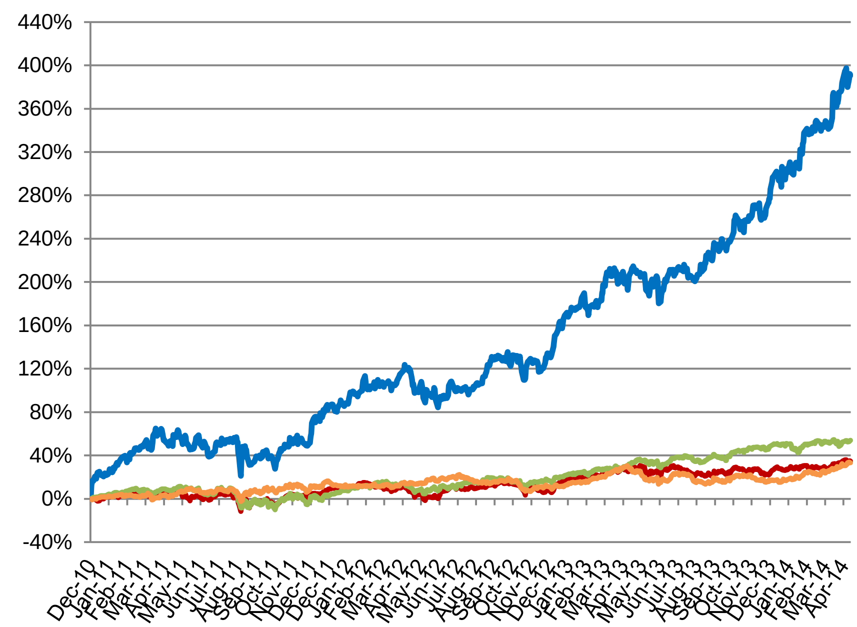
Market Cap:	$6.8 billion
Enterprise Value:	$9.7 billion
Unit Price:	$59.21
Yield:	5.2%
Current Annualized Distribution:	$3.05
Sequential / YoY Growth:	2% / 9%



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

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

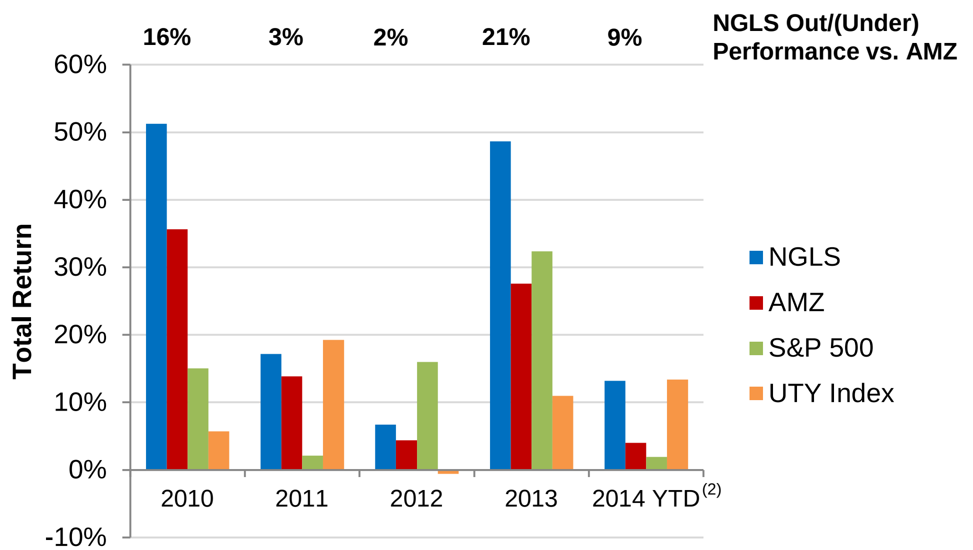
Market Cap:	$4.6 billion
Enterprise Value:	$4.6 billion
Share Price:	$107.99
Yield:	2.4%
Current Annualized Dividend:	$2.59
Sequential / YoY Growth:	7% / 31%



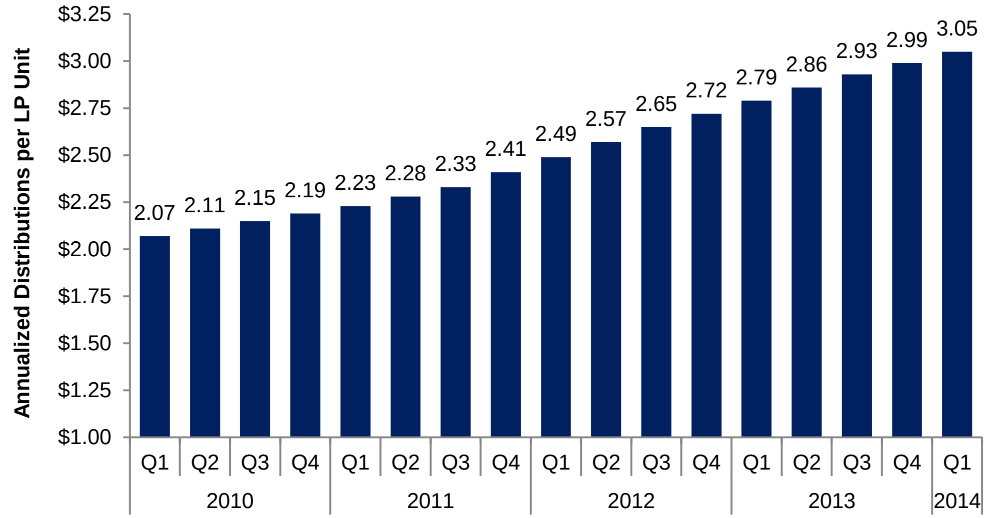
Note: Market Cap, Unit/Share Price and Yield as of April 30, 2014. Enterprise Value calculated using current Market Cap as of April 30, 2014 and balance sheet data as of March 31, 2014. Unit and Stock Price Performance graphs through April 30, 2014

TRP and TRC Performance

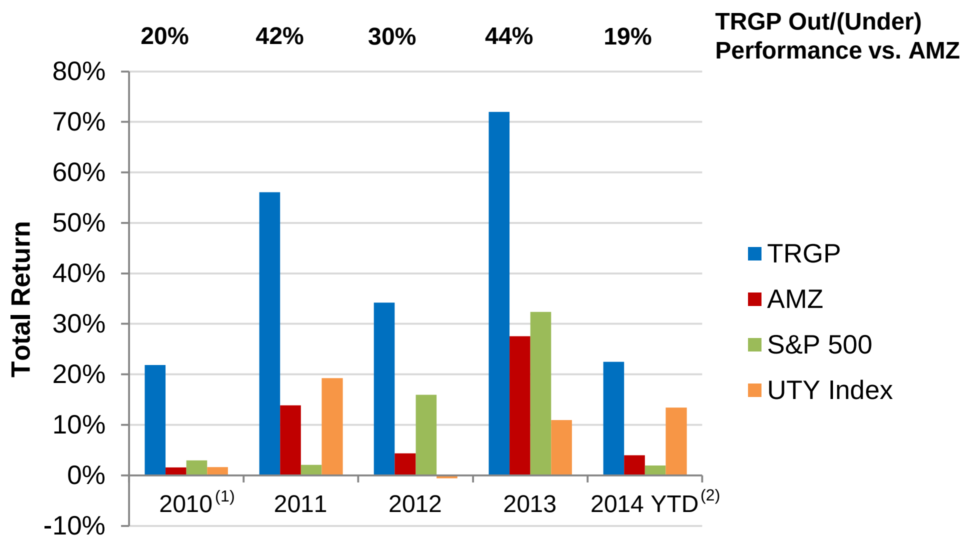
TRP – Total Return Since 2010



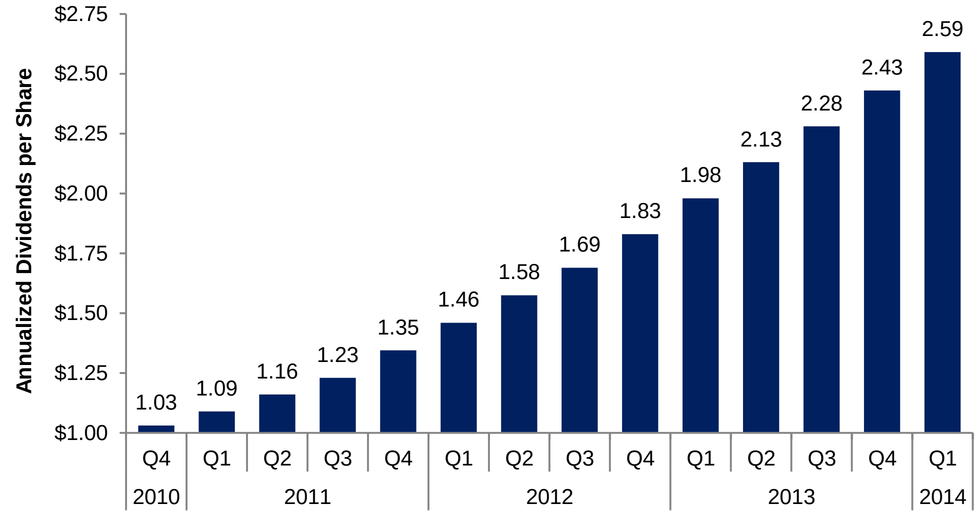
TRP – Distributions



TRC – Total Return Since IPO



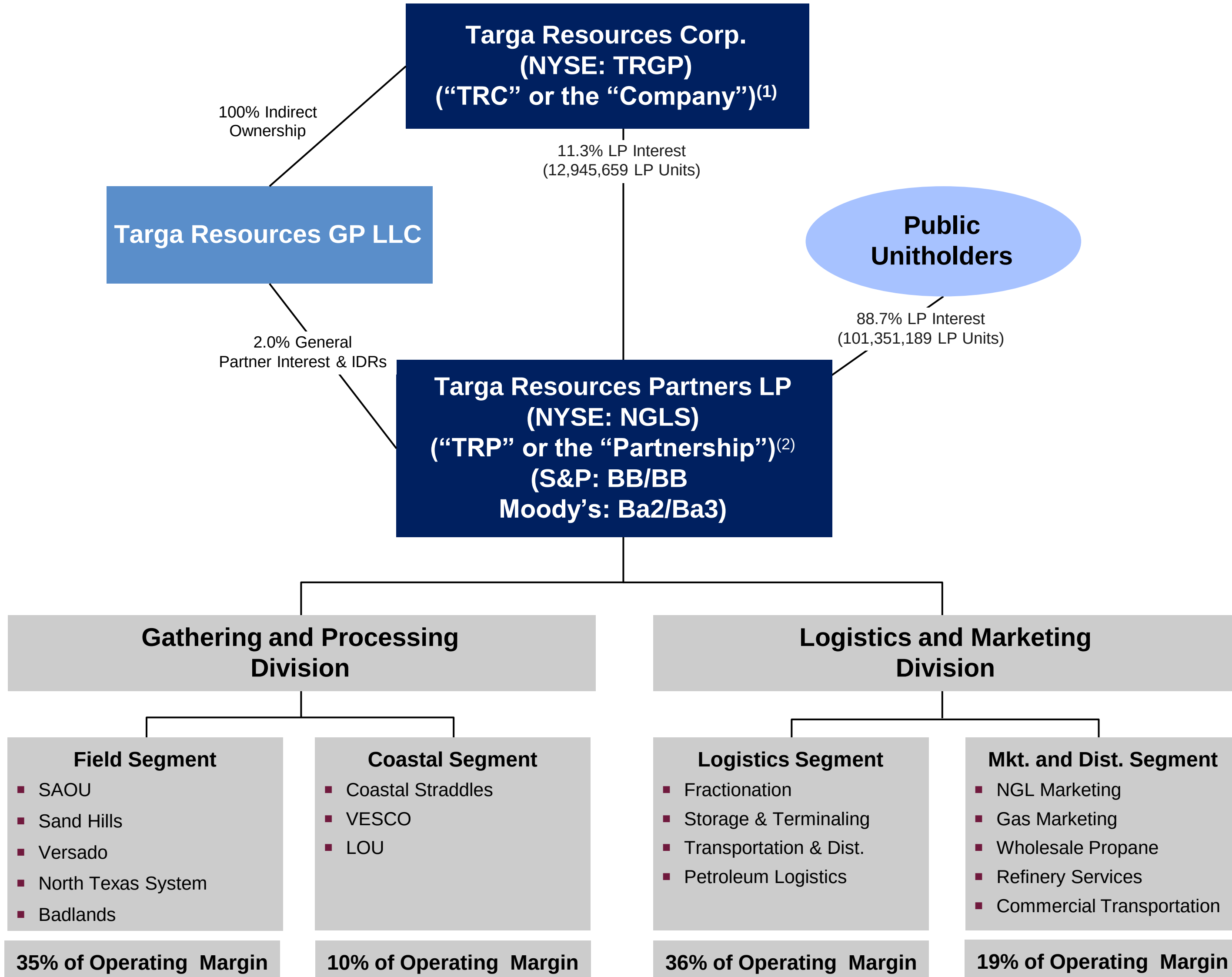
TRC – Dividends



TARGA

(1) 2010 covers time period from IPO (December 6, 2010) through December 31, 2010
(2) 2014 YTD as April 30, 2014
Source: Bloomberg

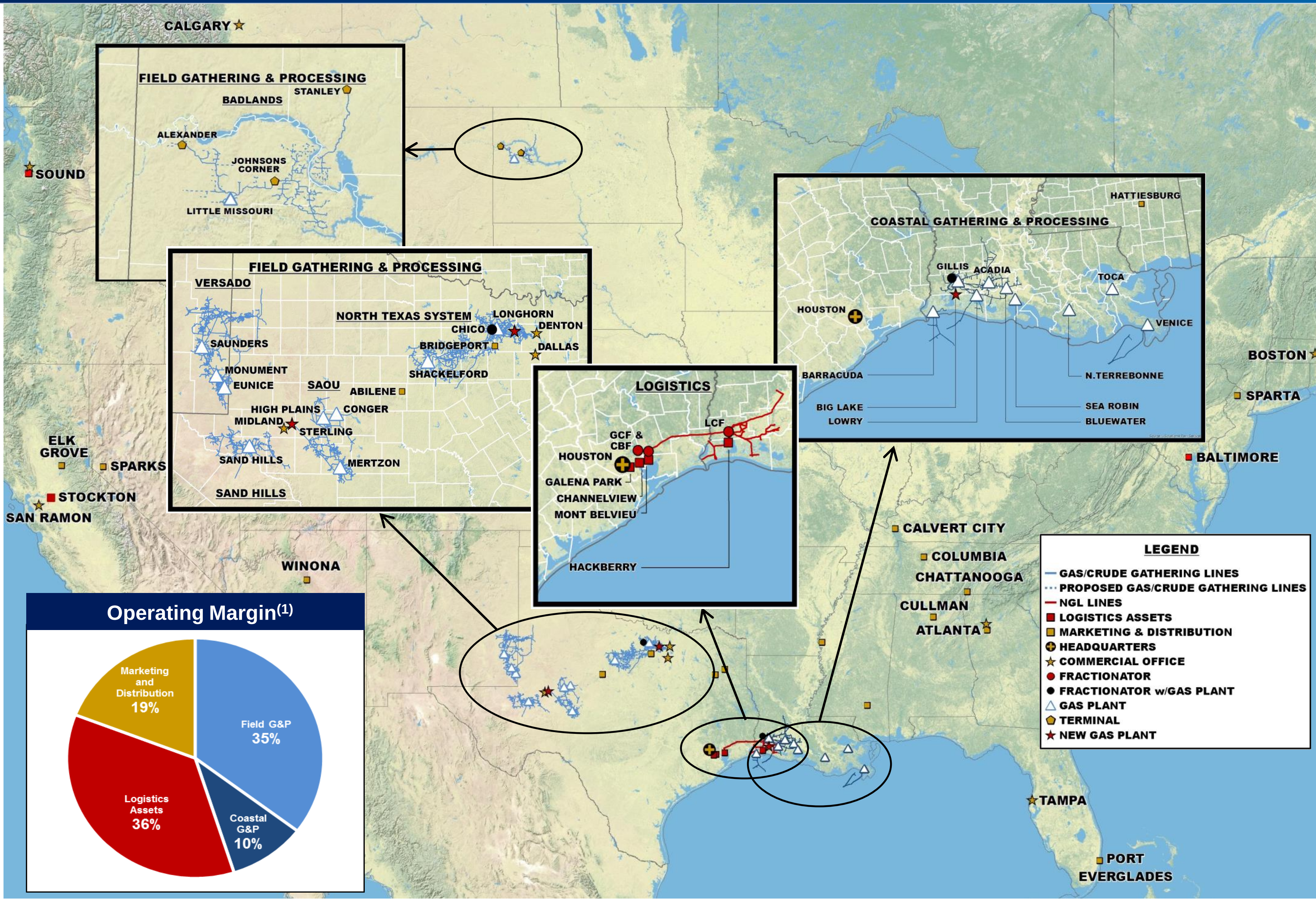
Targa Corporate Structure



(1) TRC has 42,158,880 common shares outstanding as of April 18, 2014

(2) TRP ownership as of April 18, 2014; TRP operating margin percentages based on LTM as of March 31, 2014. Field segment includes "Other" Operating Margin

Targa's Diversified Midstream Platform



(1) *Operating margin percentages based on LTM as of March 31, 2014*

Well Positioned for 2014 and Beyond

A Strong Footprint in Active Basins

- Leadership position in oil and liquids rich Permian Basin
- Bakken position capitalizes on strong crude oil fundamentals and active drilling activity
- Leadership position in the active portion of Barnett Shale "combo" play
- GOM and onshore Louisiana provide longer term upside potential for well positioned assets

And a Leading Position at Mont Belvieu

- Mont Belvieu is the NGL hub of North America
- Increased domestic NGL production is driving capacity expansions into and at Mont Belvieu
- Second largest fractionation ownership position at Mont Belvieu
- One of only two operating commercial NGL export facilities on the Gulf Coast linked to Mont Belvieu
- Position not easily replicated

Drive Targa's Long-Term Growth

- Approximately $2.2 billion in announced organic capex projects completed or underway
- Increased capacity to support multiple U.S. shale / resource plays
- Additional fractionation expansion to support increased NGL supply
- Increased connectivity to U.S. end users of NGLs
- Expansion of export services capacity for global LPG markets at Galena Park marine terminal

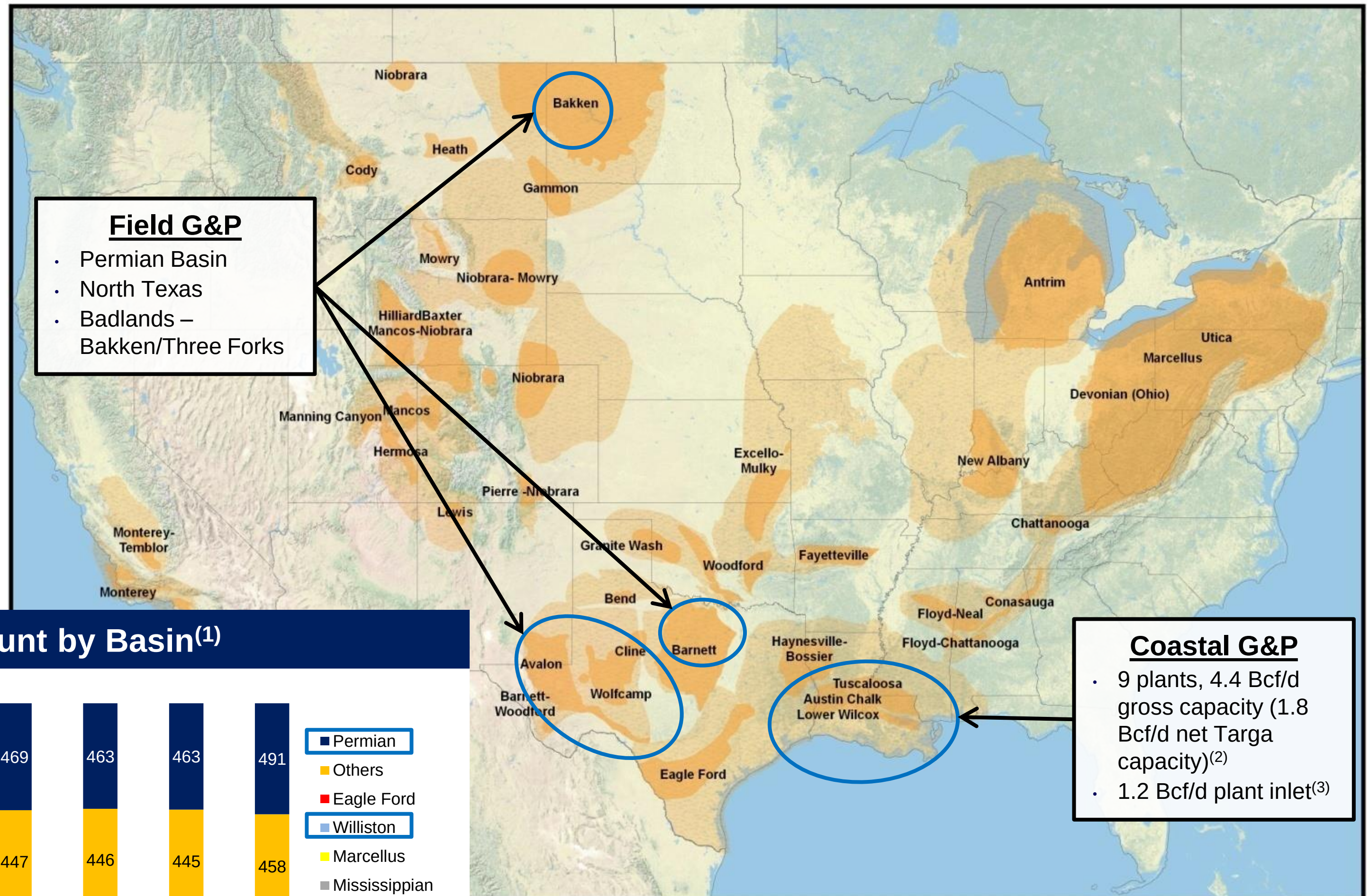
Investment Highlights

- Increasing scale and diversity
- Increasing fee-based margin
- Expected 7 - 9% NGLS distribution growth in 2014
- Expected TRGP dividend growth in excess of 25% in 2014
- 2014 adjusted EBITDA guidance of $820 to $880 million

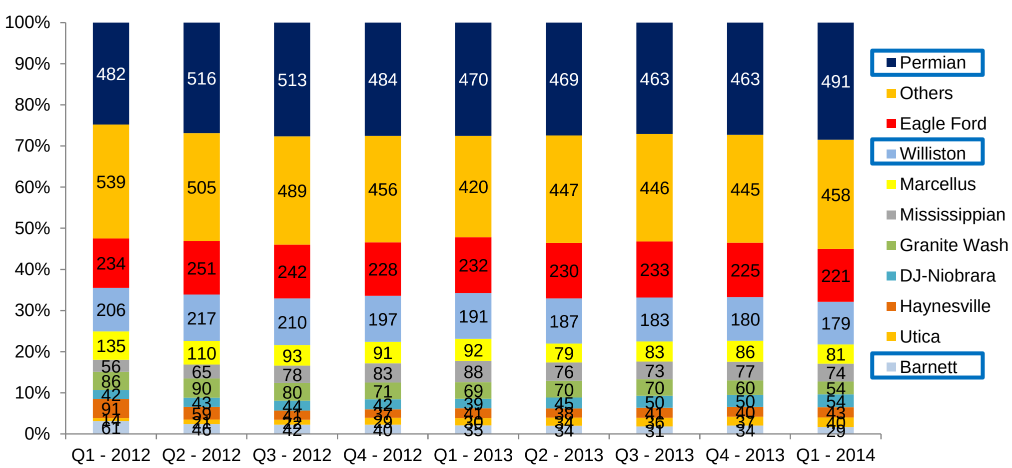
TARGA

Targa's G&P Assets are Well Positioned

- Targa's G&P assets are located in and around some of the most active shale / resource plays, which is driving continued growth and expansion
- Field G&P assets are located in crude oil and liquids rich plays
- Field G&P gross processing capacity will expand from ~900 MMcf/d at YE 2013 to ~1,340 MMcf/d by YE 2014



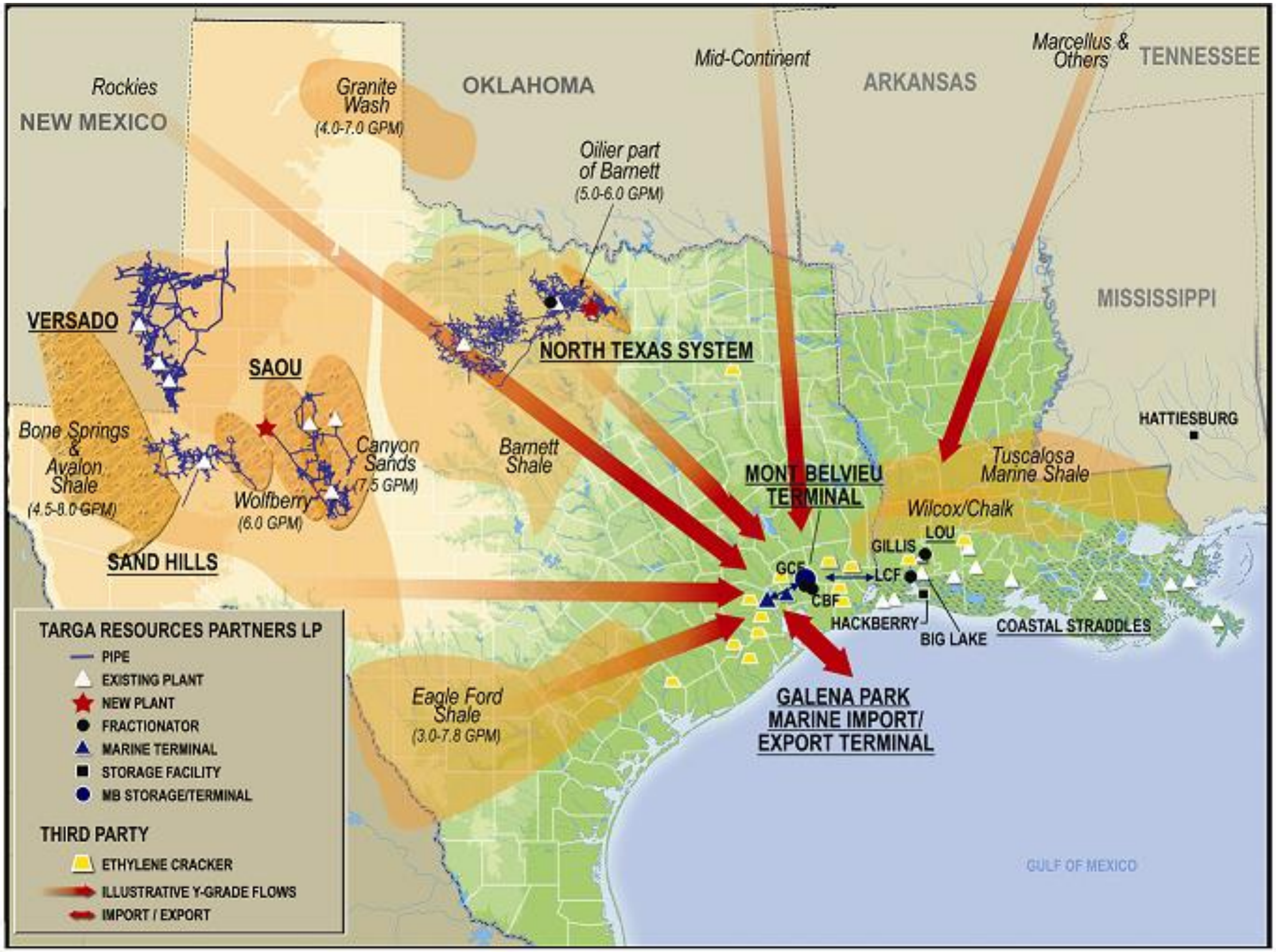
U.S. Land Rig Count by Basin[1]



TARGA

(1) *Source: Baker Hughes Incorporated, as of April 11, 2014*
(2) *Capacity shown for the year ended December 31, 2013 (gross Vesco volumes and net volumes from non-operated JVs). Includes 2013 Stingray volumes*
(3) *As of March 31, 2014*

Producer Activity Drives NGL Flows to Mont Belvieu



- NGL flows to Mont Belvieu expected to increase
- Recent pipeline conversion announcements will bring additional NGL volumes from the Utica/ Marcellus to the Gulf Coast
- Petrochemical investments, fractionation and export services will continue to clear additional supply

Increasing NGL supplies to Mont Belvieu are driving Targa's investments in additional fractionation, storage and export capacity

Major Announced Capital Projects

- **Approximately $2.2 billion of announced projects completed or ongoing**
- **Over $1 billion of projects completed in 2013 and approximately $1 billion to be completed in 2014**
- **Additional high quality growth projects under development for 2014 and beyond**

G&P Growth Projects	Total CAP EX ($ millions)	2013 CAP EX ($ millions)	2014 CAP EX ($ millions)	Actual / Expected Completion	Primarily Fee-Based
Gathering & Processing Expansion Program - 2013 / 2014[(1)]	$155	$75	$80	2013 / 2014	
North Texas Longhorn Project (200 MMcf/d)	150	40	20	May 2014	
SAOU High Plains Plant (200 MMcf/d)	225	125	85	End of Q2 2014	
Badlands Expansion Program - 2013 / 2014	465	250	215	2013 / 2014[(2)]	✓
Other	40	25	15		
Total G&P Projects	**$1,035**	**$515**	**$415**		**$465**

Downstream Growth Projects	Total CAP EX ($ millions)	2013 CAP EX ($ millions)	2014 CAP EX ($ millions)	Actual / Expected Completion	Primarily Fee-Based
Petroleum Logistics Projects - 2013 / 2014[(3)]	$190	$40	$50	2013 / 2014+	✓
CBF Train 4 Expansion (100 MBbl/d)	385	120	20	Mid 2013	✓
International Export Project	480	250	165	Q3 2013 / Q3 2014	✓
Other	80	30	50		✓
Total Downstream Projects	**$1,135**	**$440**	**$285**		**$1,135**
Total Projects	**$2,170**	**$955**	**$700**		**$1,600**[(4)]

(1) Includes additional spending in both North Texas and Permian Basin
(2) Additional gas processing plant may not be in service until the first part of 2015
(3) 35 Mbbl/d condensate splitter located at the Channelview Terminal expected to be completed 18 months after permitting is complete
(4) ~$1.6 billion of fee-based capital, 74% of listed projects

TARGA

Major Capital Projects Under Development

- **Over $1.5 billion of additional opportunities are in various stages of development**
- **Opportunities include additional infrastructure in both G&P and Downstream**
- **Increasing NGL supplies across the country will continue to drive the need for more processing, fractionation and connectivity**

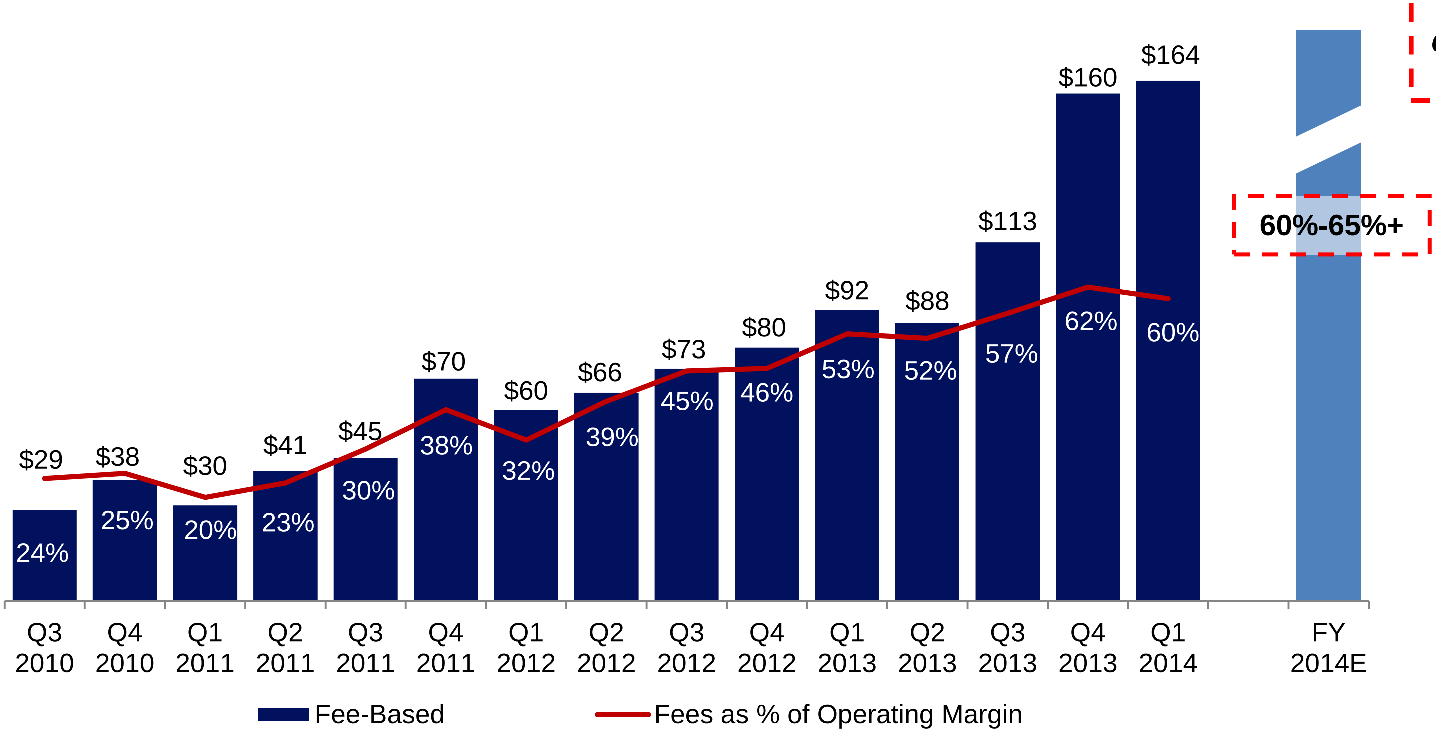
Additional Growth Opportunities	CAP EX ($ millions)	Estimated Timing	Primarily Fee-Based
Badlands Expansion Program			✓
Permian Expansion Program			
Train 5 Expansion (100 MBbl/d)			✓
Train 6 Expansion (100 MBbl/d)			✓
Additional Condensate Splitter			✓
Other Projects			primarily
Total	**$1,500+**	**2015 and beyond**	

TARGA

Strong Growth in Fee-Based Margin Continues

Increasing Fee-Based Margin Provides Additional Stability to Our Business

($ in millions)



Fee-based operating margin expected to continue to increase to 60%-65%+ in 2014

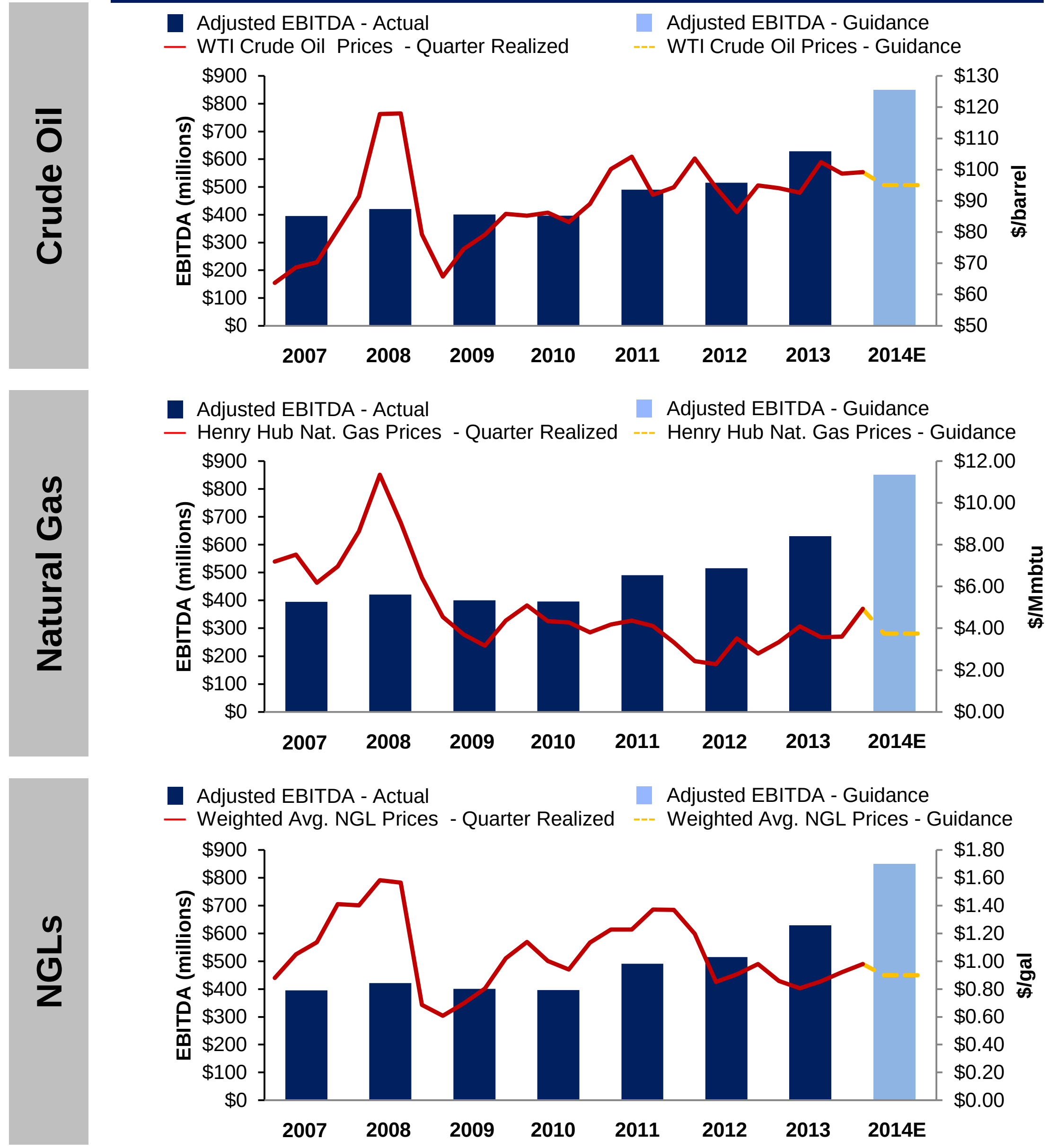
- **Cap ex projects with firm contracts provide clear visibility on increasing fee operating margin**
- **Announced fee-based projects coming online in 2014**
  - International Export Expansion Phase II
  - Additional Badlands Expansions

TARGA

Diversity and Scale Mitigate Commodity Price Changes

- **TRP benefits from multiple factors that help mitigate commodity price volatility, including:**
  - Scale
  - Business and geographic diversity
  - Increasing fee-based margin
  - Hedging
- **Given the current price environment, TRP is less hedged than in previous years, primarily on ethane and propane**
  - TRP currently has hedged approximately 70% of 2014 natural gas and approximately 20% of 2014 combined NGL and condensate
- **2014E Commodity Price guidance:**
  - $95.00/barrel Crude Oil
  - $3.75/MMBtu Henry Hub Natural Gas
  - $0.90/gal Weighted Average NGL[2]
    - +/- $0.05/gal Weighted Average NGL[2] equals a 1% change in 2014E Adjusted EBITDA

Adjusted EBITDA[1] vs. Commodity Prices



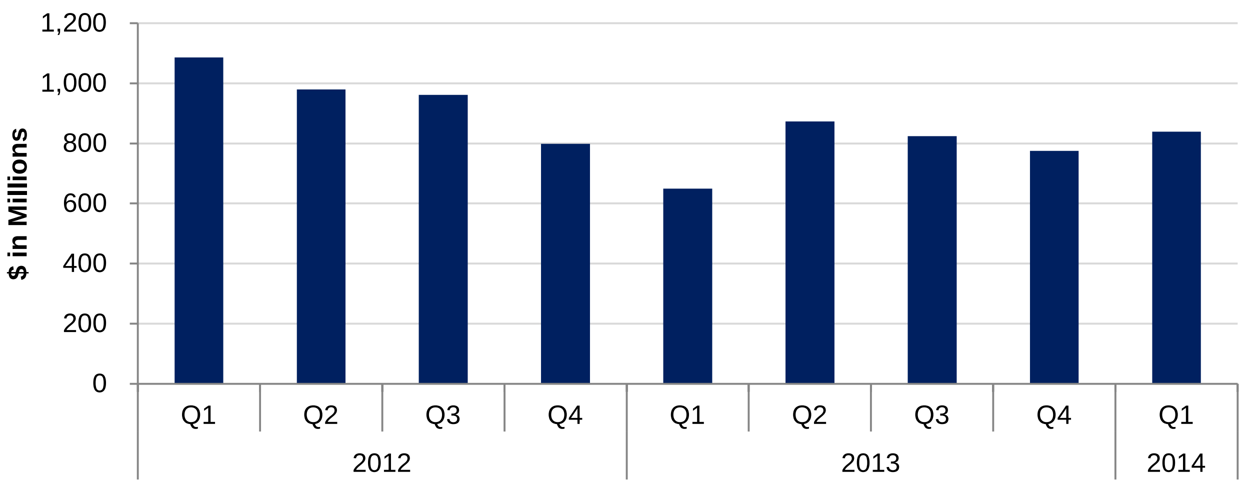
TARGA

(1) *Adjusted EBITDA for 2014E is the mid-point of the guidance range of $820 million to $880 million*

(2) *Based on an illustrative Targa NGL barrel that contains 44% ethane, 30% propane, 11% natural gasoline, 5% isobutane and 10% normal butane*

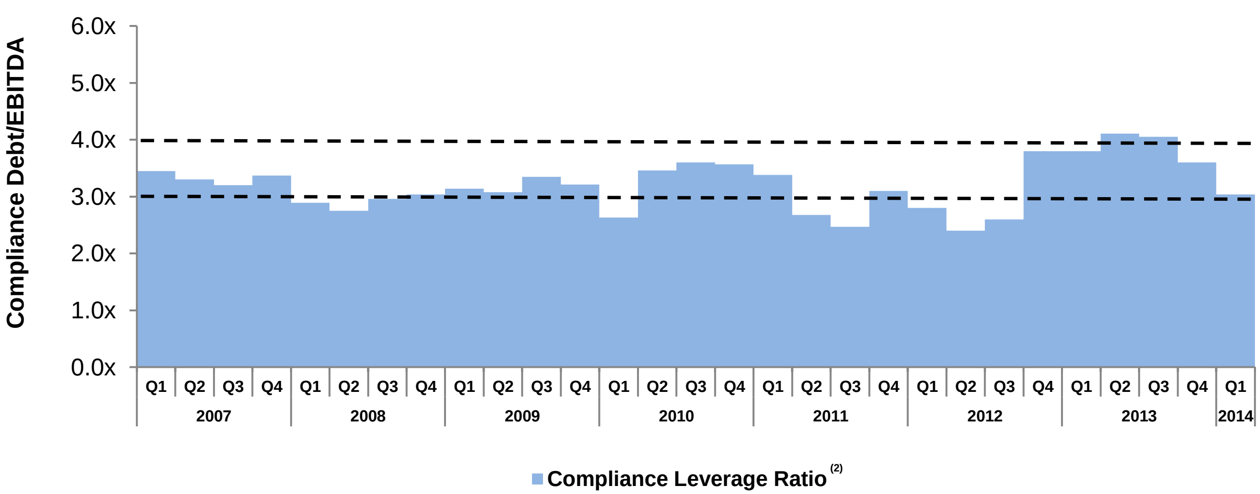
Targa Leverage and Liquidity

Liquidity(1)



- **TRP is well positioned with $829 million of Total Liquidity available**
  - In Q1 2014, raised net proceeds of $115 million from equity issuances under at-the-market ("ATM") program
  - Target funding in 2014 consistent with prior years (50% debt / 50% equity)

Compliance Leverage Ratio



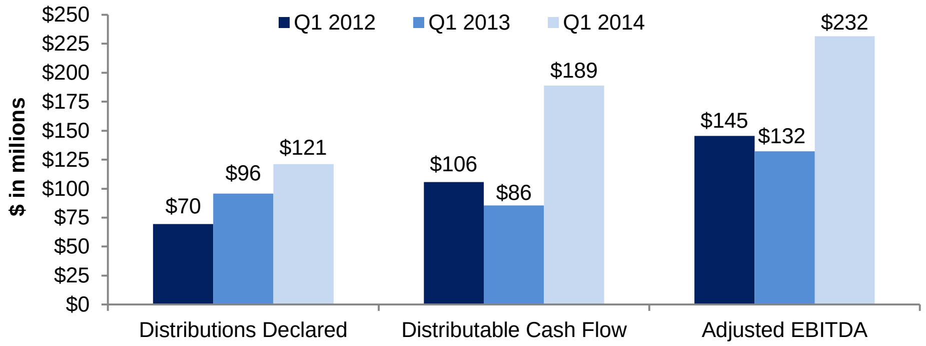
- **Target compliance leverage ratio 3x - 4x Debt/EBITDA**
  - Q1 2014 leverage ratio was 3.0x
  - Have historically been on low end of range with only one temporary excursion above for Badland's acquisition

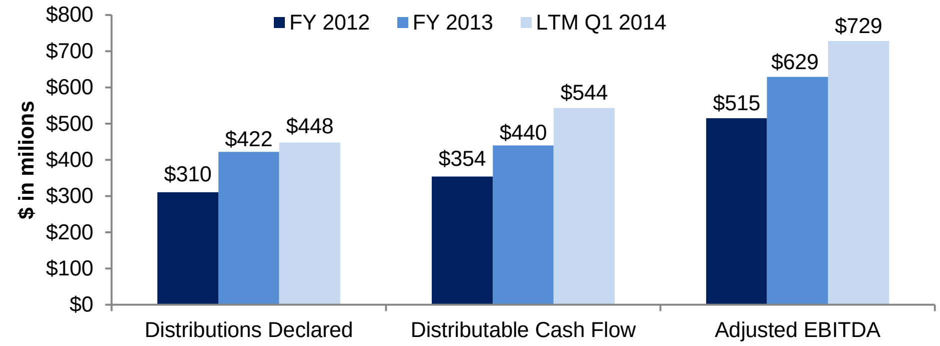
TARGA

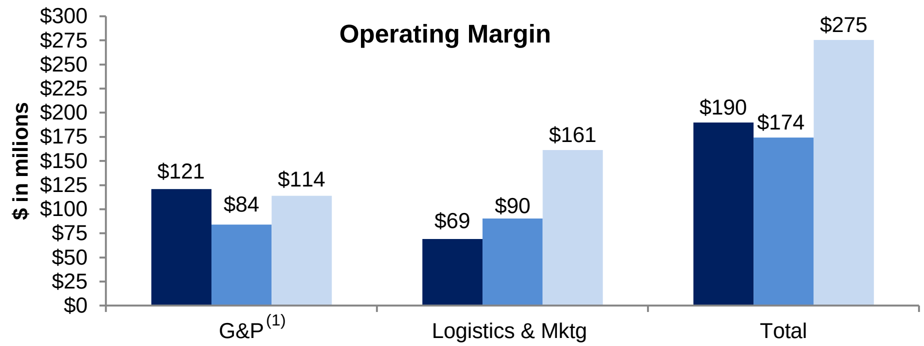
(1) Includes TRP's total availability under the revolver plus cash, less outstanding borrowings and letters of credit under the TRP revolver

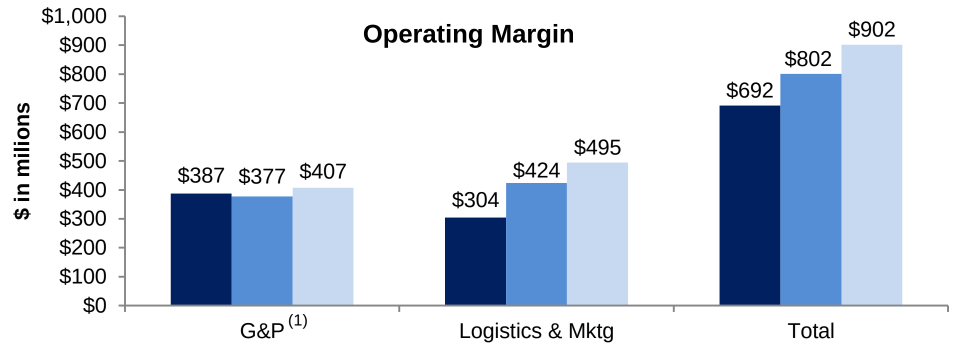
(2) Adjusts EBITDA to provide credit for material capital projects that are in process, but have not started commercial operation, and other items

TRP Update









Highlights

- **Adjusted EBITDA increased compared to Q1 2013, primarily due to higher operating margin in the Field Gathering and Processing segment and in the Logistics and Marketing division**
  - **$232 million of Adjusted EBITDA in Q1 2014 was 75% higher than Q1 2013**
- **Logistics & Marketing operating margin increased by 79% in Q1 2014 versus Q1 2013 due to increased LPG export activity and increased fractionation activities**
- **Field Gathering & Processing operating margin increased in Q1 2014 compared to Q1 2013 due to higher commodity sales prices and increased throughput volume despite the impact of severe cold weather**

TARGA

(1) Includes impact of commodity hedge settlements

TRP Capitalization and Liquidity

Cash and Debt	Maturity	Coupon	Actual 12/31/2013	Adjustments	Actual 3/31/2014
Cash and Cash Equivalents			$57.5	$23.9	$81.4
Accounts Receivable Securitization	Dec-14		279.7	($46.2)	233.5
Revolving Credit Facility	Oct-17		395.0	(40.0)	355.0
Total Senior Secured Debt			**674.7**		**588.5**
Senior Notes	Oct-18	7.875%	250.0		250.0
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
Unamortized Discounts			(28.0)	0.6	(27.4)
Total Consolidated Debt			**$2,905.3**		**$2,819.7**
Compliance Leverage Ratio[1]			3.6x		3.0x
Liquidity:					
Credit Facility Commitment			1,200.0		1,200.0
Funded Borrowings			(395.0)	40.0	(355.0)
Letters of Credit			(86.8)	($10.4)	(97.2)
Total Revolver Availability			**$718.2**		**$747.8**
Cash			57.5		81.4
Total Liquidity			**$775.7**		**$829.2**

TARGA

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

Targa 2014 Annual Guidance Summary

Financial	FY 2014	Comments
2014 EBITDA ($ in millions)	$820 - $880	
Fee-Based Margin %	60% - 65%	
Growth Cap Ex - Announced Projects Only	$700	
Maintenance Cap Ex ($ in millions)	$90	
TRP Distribution Growth (FY 2014 vs FY 2013)	7% - 9%	
TRC Dividend Growth (FY 2014 vs FY 2013)	25%+	
TRC Effective Cash Tax Rate	27%	Higher in Q1; should average 27% over full-year 2014

Operating Statistics	FY 2014	Comments
Field Gas Inlet Volumes	Growth across all systems	
Badlands Crude Gathered Volumes (FY 2014 vs FY 2013)	Approximately double	
Coastal NGL Production	Approximately 2013	

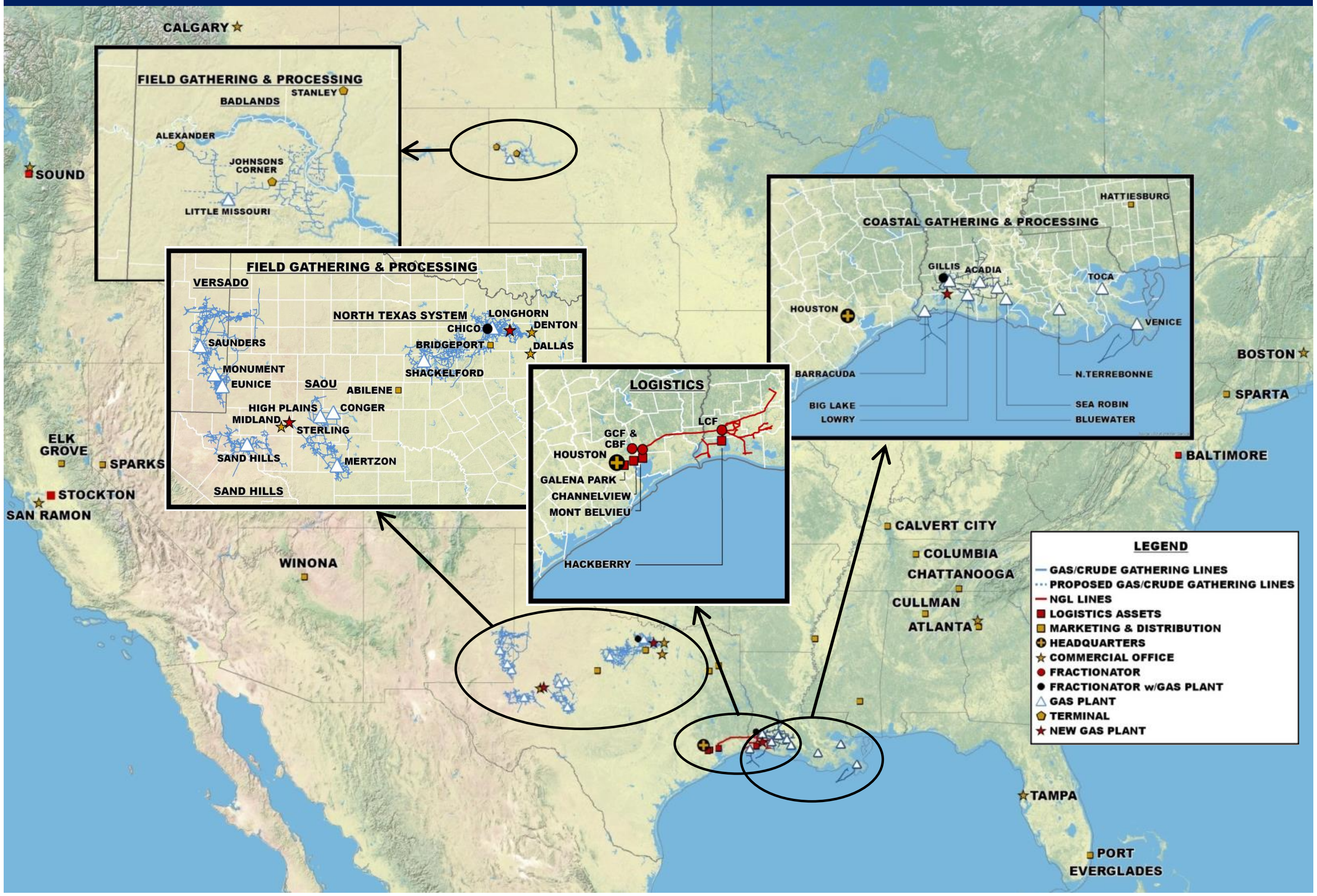
Commodity Price Assumptions	FY 2014	Comments
Weighted Average NGL ($/gallon)(1)	$0.90	
Henry Hub Natural Gas ($/MMBtu)	$3.75	
Crude Oil ($/barrel)	$95.00	
Weighted Average NGL Price Sensitivities(1)		+/- $0.05/gallon Weighted Avg. NGL = +/- 1% EBITDA

TARGA

(1) Based on an illustrative Targa NGL barrel that contains 44% ethane, 30% propane, 11% natural gasoline, 5% isobutane and 10% normal butane

Targa Investment Highlights

Diversified Midstream Platform

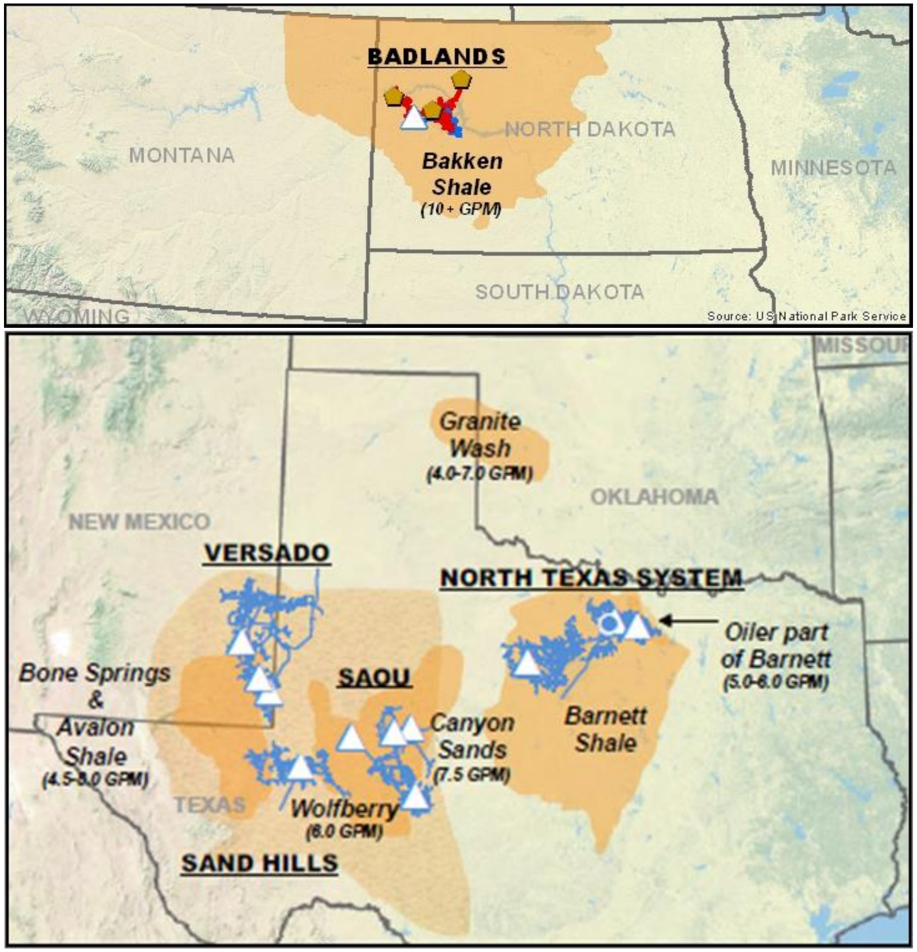


- Well positioned in U.S. shale / resource plays
- Leadership position at Mont Belvieu
- Increasing scale, diversity and fee-based margin
- Approximately $2.2 billion in announced organic cap ex projects completed or underway
- Additional projects under development of similar scale and mix
- Strong financial profile
- Strong track record of distribution and dividend growth
- Experienced management team

TARGA

Business Division and Segment Review

Field Gathering and Processing Segment

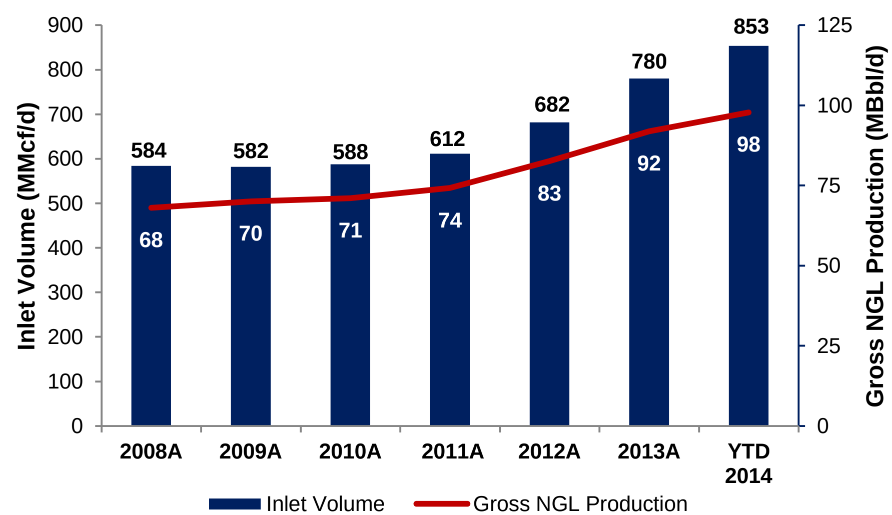


	Gross Processing Capacity (MMcf/d)	Expansions 2014 (MMcf/d)	Capacity Post-Expansions (MMcf/d)
North Texas	278	200	478
SAOU	169	200	369
Sand Hills	175	0	175
Versado	240	0	240
Badlands	38	40[1]	78
Total	**900**		**1,340**

Field G&P Highlights

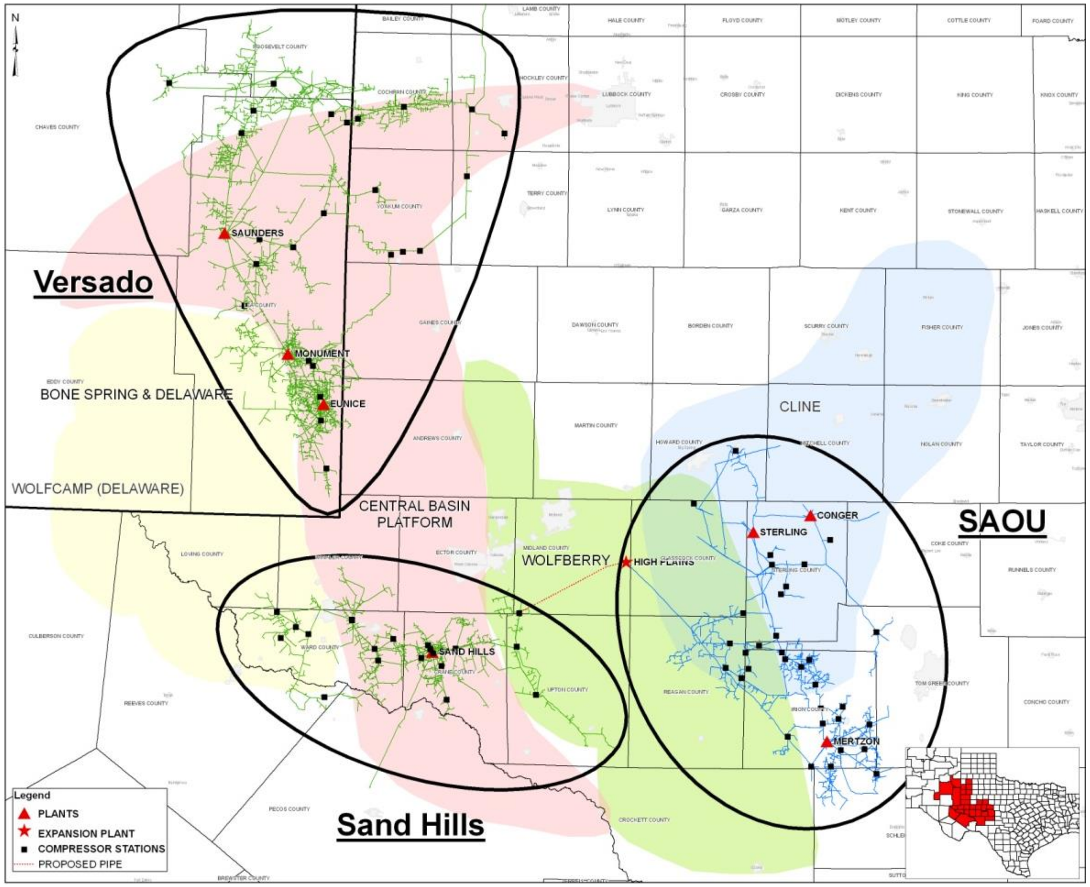
- Approximately 900 MMcf/d of gross processing capacity at the end of 2013, expanding to approximately 1,340 MMcf/d in 2014[1]
- Permian Basin activity dominated by oil shale / resource plays; SAOU, Sand Hills and Versado are gathering from oil wells with associated gas and NGLs
- North Texas assets are located in oiler portion of Barnett Shale where drilling activity remains active
- Bakken activity also dominated by oil shale / resource plays

Meaningful Increase in Plant Inlet Volumes



(1) Additional Badlands plant may be in-service by YE 2014

Targa's Permian Basin Systems Across Broad Active Plays

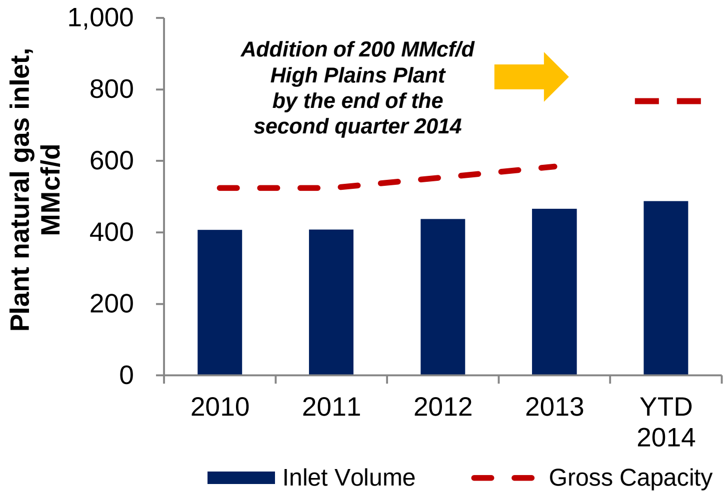


	Gross Processing Capacity (MMcf/d)	Q1 2014 Inlet Volume (MMcf/d)	Pipeline Miles	Recovered GPM
SAOU	169	166	1,800	6.0+
Sand Hills	175	167	1,500	4.5 - 9.5
Versado	240	155	3,350	4.0 - 5.0
Total	584	488	6,650	

Permian Growth Continues

- **Q1 2014 inlet volumes were meaningfully higher than Q1 2013 at SAOU and Sand Hills**
- **2014 inlet volumes are expected to be meaningfully higher than 2013 in each of SAOU, Sand Hills and Versado**
  - 200 MMcf/d High Plains Plant expected to be online by the end of the second quarter 2014
  - 35 mile pipeline connecting Sand Hills and High Plains, also expected to be complete in June 2014.

Permian Basin Throughput and Capacity

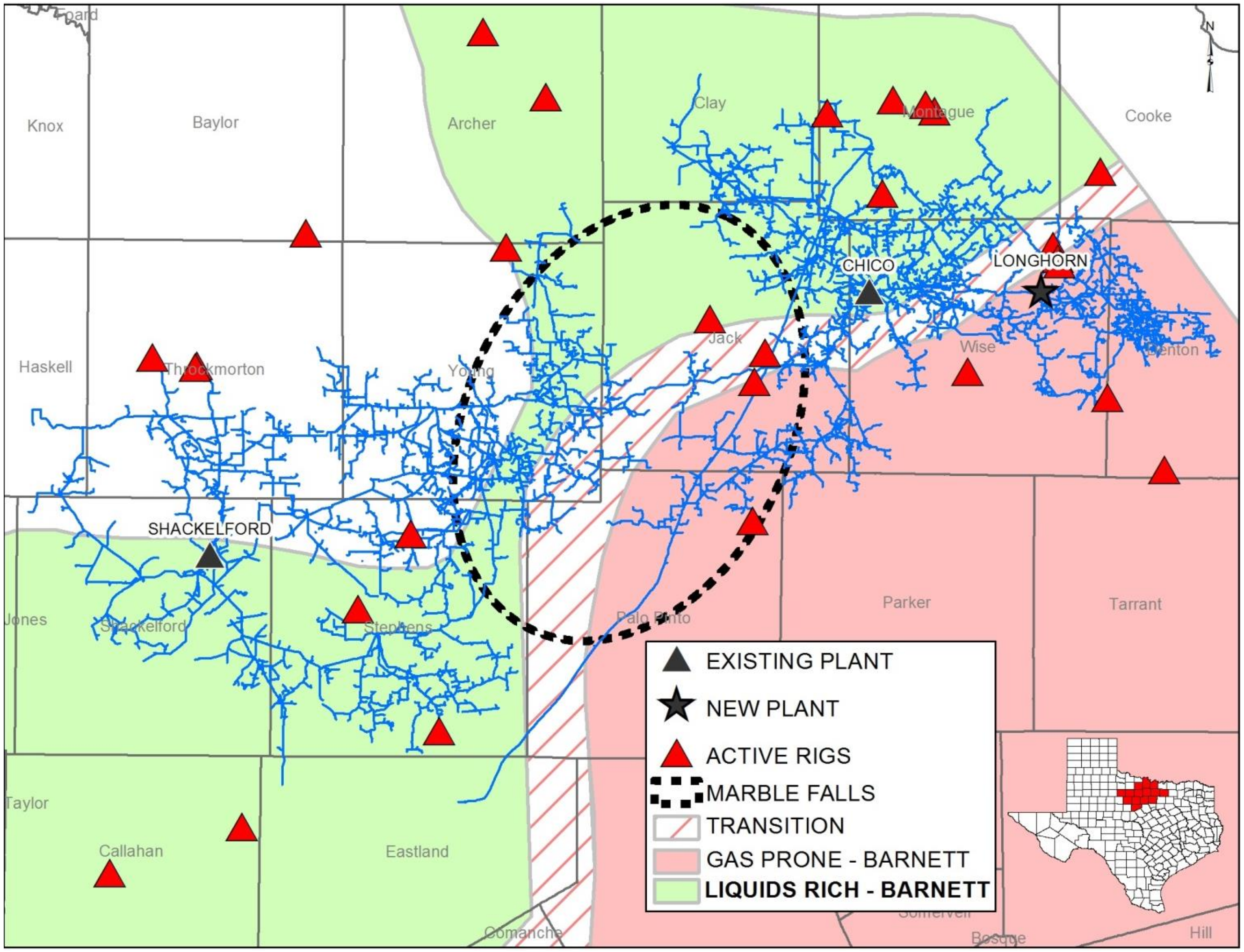


TARGA

Note: Gross processing capacity varies as GPM increases and decreases

North Texas – Well Positioned for Growth

Rig Activity in North Texas[1]



Liquids-Rich Barnett Shale and Marble Falls Driving Growth

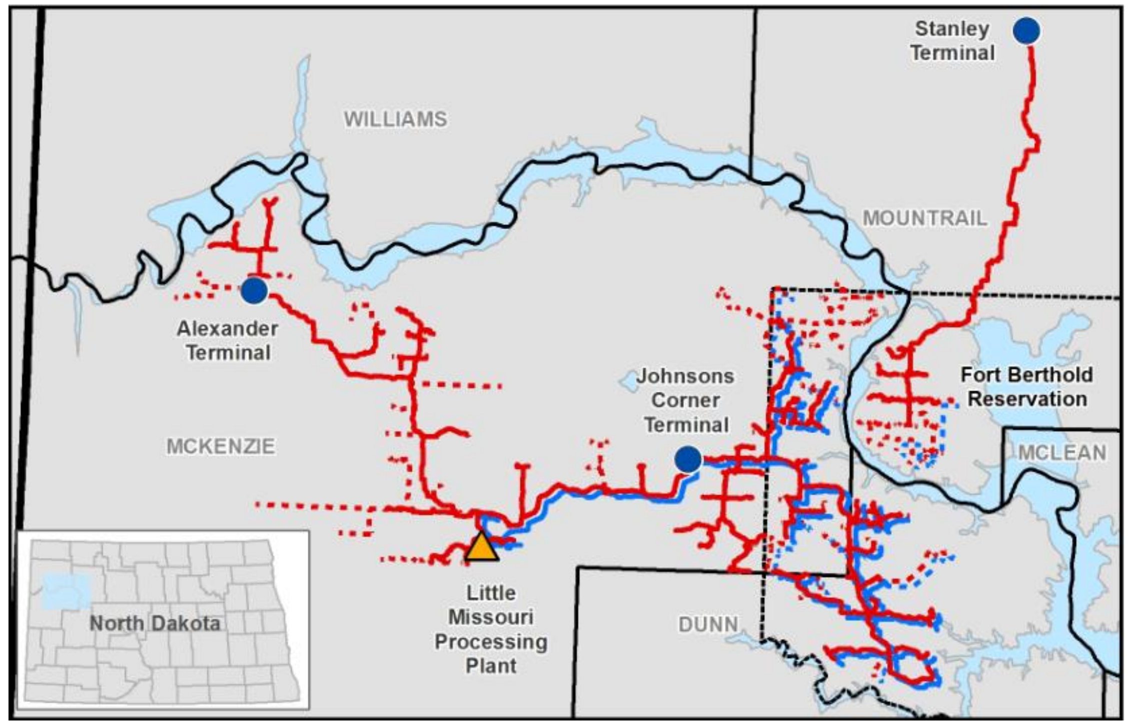
- **Targa's assets are well positioned to access the active liquids-rich portion of the Barnett Shale and the Marble Falls play**
- **Barnett volumes continue to trend higher as improvements in horizontal drilling and multi-staged frac completions result in higher initial production rates**
- **Marble Falls play in Jack and Palo Pinto counties leverages existing system, while providing expansion opportunities**
- **200 MMcf/d Longhorn Plant expected to be fully operational in May 2014**

(1) Source: Drillinginfo; includes Archer, Clay, Cooke, Denton, Eastland, Haskell, Jack, Jones, Montague, Palo Pinto, Parker, Shackelford, Stephens, Throckmorton, Wise & Young Counties, TX
(2) Source: Drillinginfo. As of April 25, 2014

Badlands – High-Quality, Fee-Based Assets

- **System currently consists of oil gathering pipeline and terminal system, and natural gas gathering and processing operations, in McKenzie, Dunn and Mountrail Counties, North Dakota**
  - Additional development ongoing across all areas of operations
- **The System's trunkline and initial laterals are largely complete with expectations to continue to increase the miles of pipe in 2014**
- **Rich natural gas is delivered to Little Missouri Processing Plant**
  - Residue natural gas delivered to Northern Border Pipeline
- **Johnsons Corner, Alexander and Stanley Terminals currently provide multiple delivery options**
  - Five-lane truck loading station at Johnsons Corner Terminal (40,000 Bbl tank capacity) for truck to rail capability as well as interconnect to Four Bears Pipeline owned by Bridger Pipeline, LLC, Tesoro Logistics LP and BakkenLink Pipeline LLC
  - Alexander Terminal (30,000 Bbl tank capacity) interconnected to Enbridge North Dakota Pipeline
  - Stanley Terminal (25,000 Bbl tank capacity under construction) interconnected to Enbridge North Dakota Pipeline

System Map



Legend

Crude Oil Assets
- Completed pipelines
- Proposed Pipelines
- Terminals

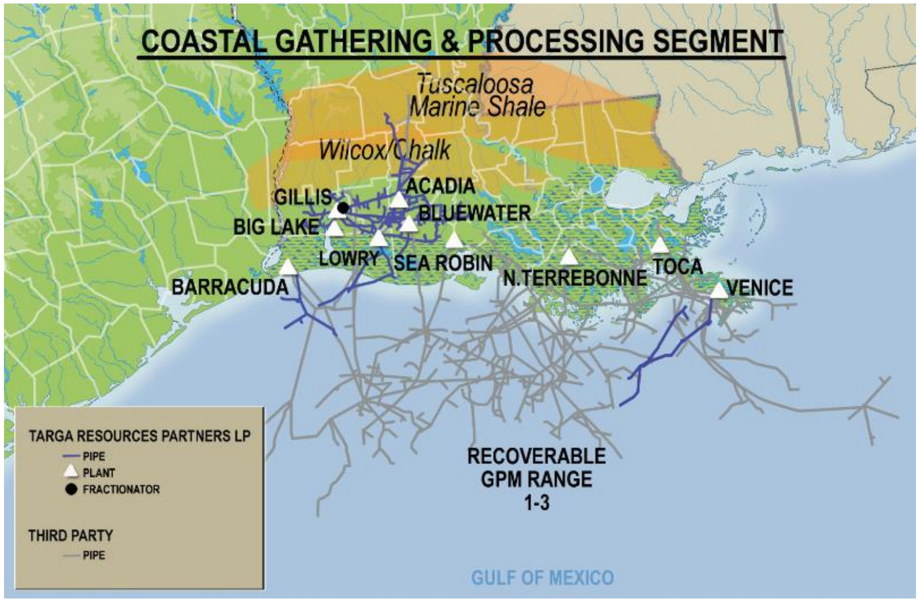
Natural Gas Assets
- Completed Pipelines
- Proposed Pipelines
- Processing Plant

TARGA

Coastal Gathering and Processing Segment Overview

LOU (Louisiana Operating Unit)

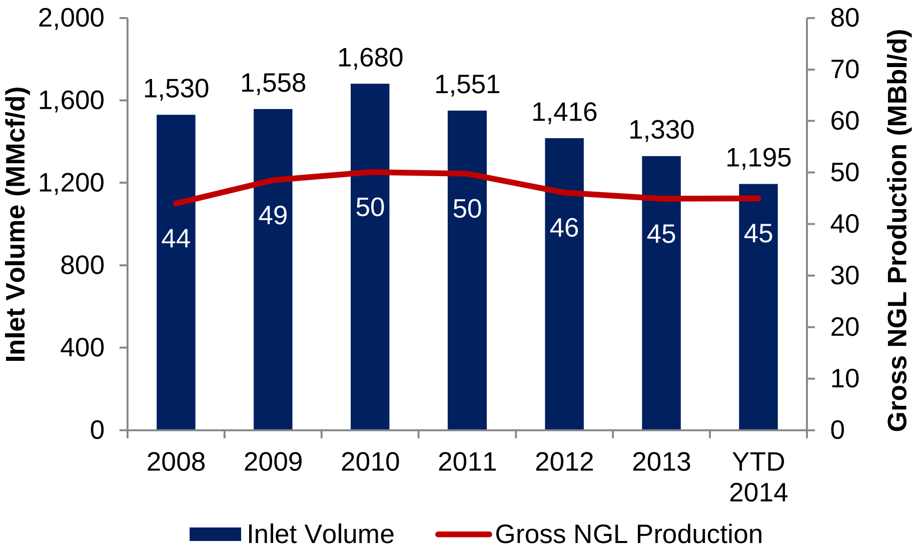
- Processing Plants: Gillis (180 MMcf/d), Acadia (80 MMcf/d) and Big Lake (180 MMcf/d)
- Fractionation interconnected to LCF
- Traditional wellhead volumes have been declining but inlet volumes have longer term upside potential
  - Resurgence in Wilcox activity
  - Other interconnected "straddle" volumes



Coastal Straddles (including VESCO)

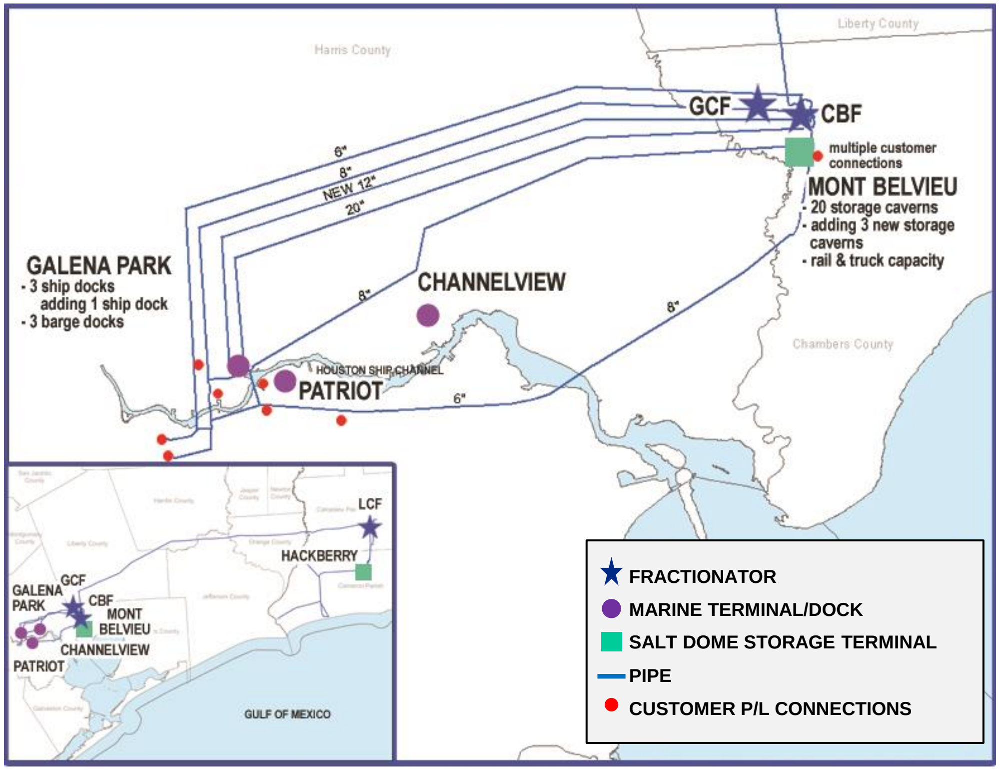
- Positioned on mainline gas pipelines processing volumes of gas collected from multiple offshore producing areas

Coastal G&P Segment Volumes



TARGA

Logistics Assets – Extensive Gulf Coast Footprint



Galena Park Marine Terminal		
Export Capacity	**Products**	**MMBbl/ Month**
Current (inc. Phase I Expansion)	LEP / HD5 / NC4	3.5 - 4.0
Phase II Expansion (by 3Q 2014)[2]	LEP / HD5 / NC4	~2.0
Total		**~5.5 - 6.0**
Other Assets		
700 MBbls in Above Ground Storage Tanks		
3 Ship Docks and 1 Ship Dock Under Construction[3]		

Fractionators			
		Gross Capacity (MBbl/d)	**Net Capacity (MBbl/d)[1]**
CBF - Mont Belvieu	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**

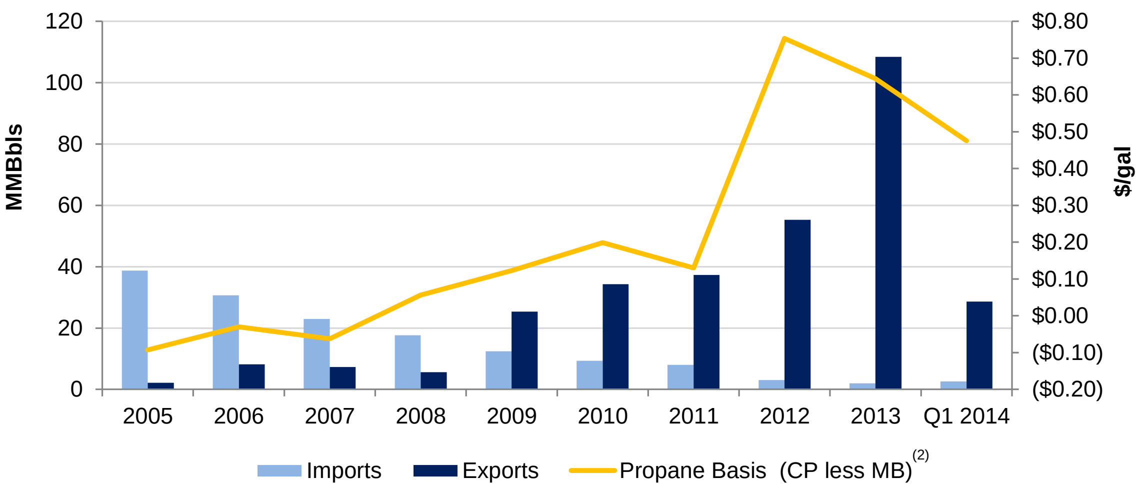
Other Assets
Mont Belvieu
30 MBbl/d Low Sulfur/Benzene Treating Natural Gasoline Unit
20 Underground Storage Wells
Adding 3 Underground Storage Wells
Pipeline Connectivity to Petchems/Refineries/LCF/etc.
6 Pipelines Connecting Mont Belvieu to Galena Park
Rail and Truck Loading/Unloading Capabilities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

TARGA

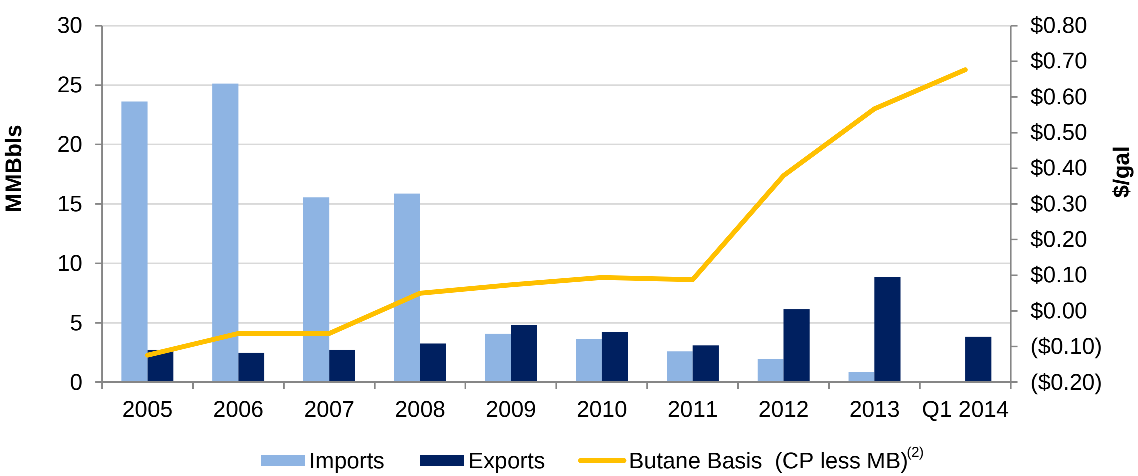
(1) Net capacity is calculated based on TRP's 88% ownership of CBF and 39% ownership of GCF
(2) Phase II expansion will be completed in stages by Q3 2014; TRP will benefit from increased capabilities as each stage is completed
(3) Phase II dock under expansion will be able to handle all size LPG vessels and barges

Demand for Exports Continues to Increase

U.S. Propane(1)



U.S. Butane(1)



- **Historically, U.S. Gulf Coast propane and butane have been favorably priced compared to world markets**
  - During Q1 2014, the spread between the Saudi Contract price and Mont Belvieu price narrowed versus the levels experienced in 2012 and 2013, but demand for long-term and short-term cargoes remained strong
- **TRP owns one of only two operating commercial LPG export facilities on the Gulf Coast**
  - Currently exporting HD5, low ethane propane and butane
  - TRP can service small, mid-sized and VLGC vessels, and has the capacity to export approximately 3.5 - 4 MMBbl/month
  - TRP's Phase II expansion is expected to be completed by Q3 2014 and will increase capacity to export approximately 5.5 - 6 MMBbl/month

Long term incentive to export continues as expected supply growth exceeds domestic demand

TARGA

(1) Source: IHS

(2) CP = Saudi Contract Price

Petroleum Logistics - Current Capabilities and Projects

- **In March 2014, announced the approval of construction of a 35 Mbbls/d condensate splitter at TRP's Channelview Terminal**
  - TRP has begun permitting, and expects the splitter to be in-service 18 months after completion of the permitting process
- **Announced the acquisition of Patriot on the Houston Ship Channel in January 2013, which provides additional expansion potential**
- **Acquired three terminals in 2011**
  - Expanded TRP's Sound facility in Q1 2013 to connect with a local products pipeline, add storage capacity, and add ethanol, biodiesel and gasoline blending to the truck loading rack
- **Pursuing acquisitions with similar characteristics and expansion opportunities**
- **Growing backlog of additional growth projects**

Terminal	Current Storage	Products	Capabilities
Targa Channelview Houston, TX	544 MBbl	Crude oil, blend stock, asphalt, marine diesel oil, used motor oil, vacuum gas oil	Truck and barge transport; blending and heating
Targa Sound Tacoma, WA	983 MBbl	Refined petroleum products, LPGs, ethanol, biodiesel	Ship, barge, rail and truck transport; blending and heating
Targa Baltimore Baltimore, MD	505 MBbl	Historically in asphalt service; ability to expand product handling	Truck and barge transport; heating; ability to add blending, rail, pipeline and ship
Total	2,032 MBbl		

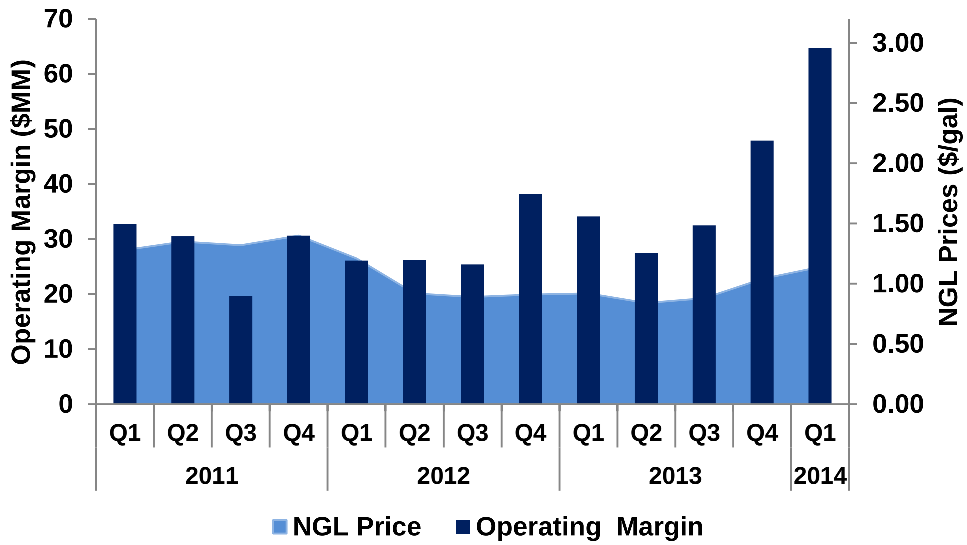
TARGA

Marketing and Distribution Segment

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
  - Sell propane and butane for international export
  - 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
  - 688 railcars leased and managed
  - 80 owned and leased transport tractors
  - 18 pressurized NGL barges

Operating Margin vs. NGL Price



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

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 and Targa define 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 extinguishment and asset disposals; non-cash risk management activities related to derivative instruments; and changes in the fair value of the contingent consideration recorded as part of the Badlands acquisition. Adjusted EBITDA is used as a supplemental financial measure by our management and by external users of our 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 our assets to generate cash sufficient to pay interest costs, support our indebtedness and make distributions to our investors. Adjusted EBITDA is a non-GAAP financial measure. The GAAP measures most directly comparable to Adjusted EBITDA are net cash provided by operating activities and net income (loss). Adjusted EBITDA should not be considered as an alternative to GAAP net cash provided by operating activities or GAAP net income. Adjusted EBITDA has important limitations as an analytical tool. You 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 net cash provided by operating activities 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. 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 management's decision-making processes.

Non-GAAP Reconciliation – 2013 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 March 31, 2014	Three Months Ended March 31, 2013
	($ in millions)	
Reconciliation of net income (loss) attributable to Targa Resources Partners LP to Adjusted EBITDA:		
Net income to Targa Resources Partners LP	$ 122.4	$ 38.9
Add:		
Interest expense, net	33.1	31.4
Income tax expense	1.1	0.9
Depreciation and amortization expense	79.5	63.9
(Gain) Loss on sale or disposal of assets	(0.8)	(0.1)
Change in contingent consideration	-	0.3
Risk management activities	(0.3)	(0.2)
Noncontrolling interest adjustment	(3.4)	(2.9)
Adjusted EBITDA	$ 231.6	$ 132.2

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
	($ in millions)	
Reconciliation of gross margin and operating margin to net income (loss):		
Gross margin	$ 379.6	$ 260.3
Operating expenses	(104.3)	(86.1)
Operating margin	275.3	174.2
Depreciation and amortization expenses	(79.5)	(63.9)
General and administrative expenses	(35.9)	(34.1)
Interest expense, net	(33.1)	(31.4)
Income tax expense	(1.1)	(0.9)
(Gain) Loss on sale or disposal of assets	0.8	0.1
Change in contingent consideration	-	(0.3)
Other, net	4.8	1.6
Net income	$ 131.3	$ 45.3

TARGA

Non-GAAP Reconciliation – 2014 EBITDA

The following table presents a reconciliation of 2014 projected Adjusted EBITDA to net income for NGLS:

	Twelve Months Ended December 31, 2014	
	Low Range	**High Range**
	($ in millions)	
Reconciliation of net income (loss) attributable to Targa Resources Partners LP to Adjusted EBITDA:		
Net income attributable to Targa Resources Partners LP	$ 339.5	$ 399.5
Add:		
Interest expense, net	150.0	150.0
Income tax expense	4.0	4.0
Depreciation and amortization expense	340.0	340.0
Noncontrolling interest adjustment	(13.5)	(13.5)
Adjusted EBITDA	$ 820.0	$ 880.0

TARGA

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 2010	30-Jun 2010	30-Sep 2010	31-Dec 2010	31-Mar 2011	30-Jun 2011	30-Sep 2011	31-Dec 2011	31-Mar 2012	30-Jun 2012	30-Sep 2012	31-Dec 2012	31-Mar 2013	30-Jun 2013	30-Sep 2013	31-Dec 2013	31-Mar 2014
Reconciliation of net income (loss) attributable to Targa Resources Partners LP to distributable cash flow:																	
Net income (loss) attributable to Targa Resources Partners LP	$ 12.6	$ 19.8	$ 13.8	$ 35.9	$ 37.8	$ 55.2	$ 35.9	$ 75.5	$ 70.1	$ 46.8	$ 24.2	$ 33.5	$ 38.9	$ 26.3	$ 59.7	$ 108.6	$ 122.4
Add:																	
Allocated and affiliate interest expense	-	-	3.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization expense	25.8	32.7	43.3	47.9	42.7	48.3	45.0	46.0	46.7	47.6	47.9	55.2	63.9	65.7	68.9	73.1	79.5
Deferred income tax (expense) benefit	0.6	(0.1)	(0.1)	0.9	0.4	1.1	(0.9)	0.2	0.4	0.4	0.4	0.5	0.4	0.4	-	0.1	0.4
Amortization in interest expense	1.3	1.4	0.9	3.0	1.8	-	2.5	4.2	4.6	4.4	4.5	4.0	4.0	4.0	3.8	3.7	3.4
Loss (gain) on debt redemption and early debt extinguishments	-	-	0.8	(0.8)	-	-	-	-	-	-	-	12.8	-	7.4	7.4	-	-
Change in contingent consideration	-	-	-	-	-	-	-	-	-	-	-	-	0.3	(6.5)	(9.1)	-	-
Loss (gain) on disposal of assets	-	-	-	-	-	-	-	-	-	-	15.6	-	(0.1)	3.9	(0.7)	0.8	(0.8)
Risk management activities	7.6	7.5	7.8	10.2	0.2	3.8	2.0	1.3	1.0	1.2	1.6	1.6	(0.2)	0.2	(0.3)	(0.3)	(0.2)
Maintenance capital expenditures	(3.7)	(5.9)	(12.9)	(22.0)	(12.8)	(21.6)	(24.7)	(24.6)	(16.5)	(15.5)	(16.2)	(19.6)	(21.7)	(21.8)	(17.0)	(19.5)	(13.7)
Reimbursements	-	-	0.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	(0.2)	(0.2)	(0.8)	0.9	2.0	3.2	5.6	4.6	(0.6)	(0.4)	(0.8)	(1.7)	-	(0.6)	(1.9)	(1.6)	(2.0)
Distributable cash flow	$ 44.0	$ 55.2	$ 57.1	$ 76.0	$ 72.1	$ 90.0	$ 65.4	$ 107.2	$ 105.7	$ 84.5	$ 77.2	$ 86.4	$ 85.5	$ 79.0	$ 110.8	$ 164.9	$ 189.0
Distributions Declared	38.8	40.2	46.1	53.5	55.2	57.3	59.4	66.0	69.6	73.2	76.7	90.9	95.7	102.4	108.5	115.8	121.3
Distribution Coverage	1.1x	1.4x	1.2x	1.4x	1.3x	1.6x	1.1x	1.6x	1.5x	1.2x	1.0x	1.0x	0.9x	0.8x	1.0x	1.4x	1.6x

TARGA

Non-GAAP Reconciliation – 2010-2011 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
	($ in millions)							
Reconciliation of gross margin and operating margin to net income (loss):								
Gross margin	$ 185.9	$ 179.8	$ 184.7	$ 221.7	$ 213.9	$ 248.2	$ 227.2	$ 258.8
Operating expenses	(62.2)	(62.0)	(66.0)	(69.4)	(65.9)	(71.6)	(76.5)	(72.9)
Operating margin	123.7	117.9	118.8	152.4	148.0	176.6	150.7	185.9
Depreciation and amortization expenses	(42.0)	(43.0)	(43.3)	(47.8)	(42.7)	(44.5)	(45.0)	(46.0)
General and administrative expenses	(25.0)	(28.4)	(26.7)	(42.5)	(31.8)	(33.2)	(33.7)	(29.2)
Interest expense, net	(31.1)	(27.5)	(27.2)	(25.1)	(27.5)	(27.2)	(25.7)	(27.3)
Income tax expense	(1.4)	(0.9)	(1.6)	(0.1)	(1.8)	(1.9)	(1.5)	0.9
Loss (gain) on sale or disposal of assets	-	-	-	-	-	-	0.3	(0.6)
(Loss) gain on debt redemption and early debt extinguishments	-	-	(0.8)	0.8	-	-	-	-
Change in contingent consideration	-	-	-	-	-	-	-	-
Risk management activities	25.4	2.5	(1.9)	-	-	(3.2)	(1.8)	-
Equity in earnings of unconsolidated investments	0.3	2.4	1.1	1.7	1.7	1.3	2.2	-
Other Operating income (loss)	-	-	-	3.3	-	-	-	-
Other, net	-	0.1	-	0.1	(0.2)	0.1	(0.6)	3.2
Net income	$ 49.9	$ 22.9	$ 18.4	$ 42.8	$ 45.7	$ 68.0	$ 44.9	$ 86.9
Fee Based operating margin percentage	19%	25%	31%	31%	25%	28%	30%	30%
Fee Based operating margin	$ 23.0	$ 30.0	$ 36.9	$ 47.1	$ 37.3	$ 48.8	$ 44.8	$ 55.3

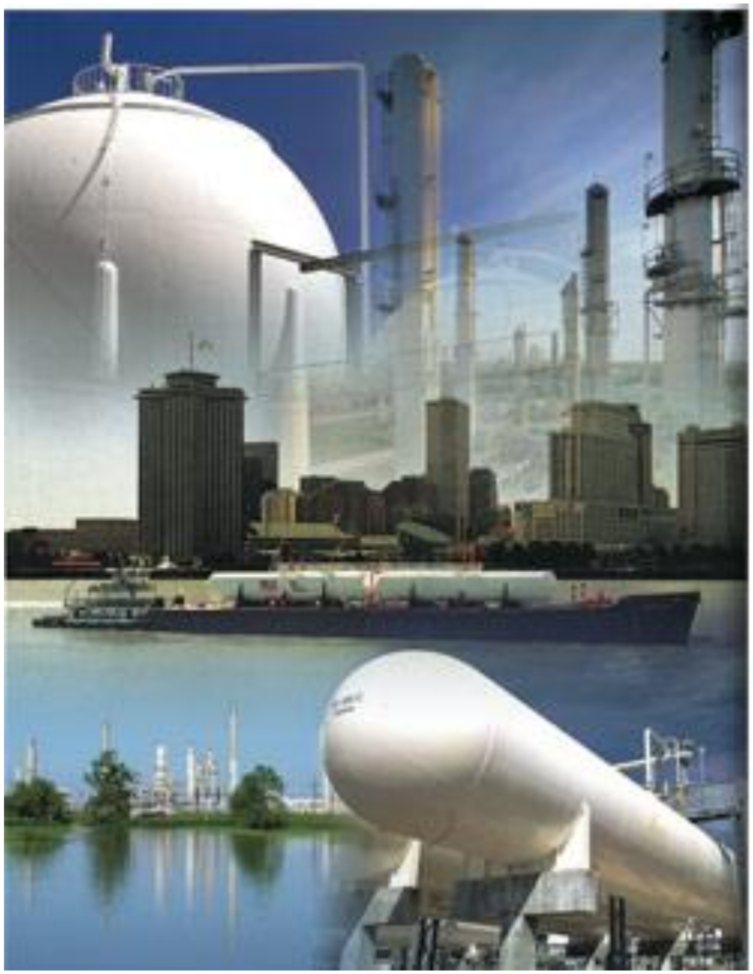
TARGA

Non-GAAP Reconciliation – 2012-2014 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								
	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014
	($ in millions)								
Reconciliation of gross margin and operating margin to net income (loss):									
Gross margin	$ 261.4	$ 243.8	$ 239.9	$ 259.6	$ 260.3	$ 265.2	$ 297.1	$ 355.1	$ 379.6
Operating expenses	(71.6)	(77.2)	(78.3)	(85.8)	(86.1)	(96.1)	(97.6)	(96.5)	(104.3)
Operating margin	189.8	166.6	161.6	173.8	174.2	169.1	199.5	258.6	275.3
Depreciation and amortization expenses	(46.7)	(47.6)	(47.9)	(55.2)	(63.9)	(65.7)	(68.9)	(73.1)	(79.5)
General and administrative expenses	(32.9)	(33.5)	(33.5)	(31.6)	(34.1)	(36.1)	(35.4)	(37.4)	(35.9)
Interest expense, net	(29.4)	(29.4)	(29.0)	(29.0)	(31.4)	(31.6)	(32.6)	(35.4)	(33.1)
Income tax expense	(1.0)	(0.8)	(0.9)	(1.5)	(0.9)	(0.9)	(0.7)	(0.4)	(1.1)
Loss (gain) on sale or disposal of assets	-	-	(18.9)	3.2	0.1	(3.9)	0.6	(0.8)	0.8
(Loss) gain on debt redemption and early debt extinguishments	-	-	-	(12.8)	-	(7.4)	(7.4)	-	-
Change in contingent consideration	-	-	-	-	0.3	6.5	9.1	-	-
Other, net	2.0	(0.6)	(3.3)	(8.3)	1.0	2.7	0.8	4.1	4.8
Net income	$ 81.8	$ 54.7	$ 28.1	$ 38.6	$ 45.3	$ 32.7	$ 65.0	$ 115.6	$ 131.3
Fee Based operating margin percentage	32%	39%	45%	46%	53%	52%	57%	62%	60%
Fee Based operating margin	$ 60.3	$ 65.7	$ 73.3	$ 80.0	$ 91.8	$ 87.6	$ 113.0	$ 160.2	$ 164.0

TARGA



1000 Louisiana

Suite 4300

Houston, TX 77002

Phone: (713) 584-1000

Email: InvestorRelations@targaresources.com

Website: www.targaresources.com

TARGA