February 6, 2018

Targa Resources Announces $1.1 Billion of Development Joint Ventures with Stonepeak Infrastructure Partners

Targa Also Announces Additional Growth Projects and 2018 Growth Capex Estimate and Timing of Fourth Quarter Earnings Conference Call and Webcast

- Development JVs demonstrate Targa's access to private capital at an attractive cost
- Significantly reduces Targa's equity financing requirements for 2018 and 2019
- Targa retains option to acquire Stonepeak's interests at predetermined fixed return
- Structure retains upside associated with projects for Targa
- No dilution to existing Targa shareholders and benefits coverage ratio during construction period

HOUSTON, Feb. 06, 2018 (GLOBE NEWSWIRE) -- Targa Resources Corp. (NYSE:TRGP) ("Targa" or the "Company") announced today that it has entered into development joint ventures ("DevCo JVs") with investment vehicles affiliated with Stonepeak Infrastructure Partners ("Stonepeak").

The DevCo JVs own Targa's 25% interest in the Gulf Coast Express Pipeline (the "GCX Interest"), a 20% interest in the Grand Prix Pipeline ("Grand Prix Interest"), and a 100% interest in Targa's next fractionation train. Targa controls the management, day-to-day construction and operation of the Grand Prix Pipeline and the Company's next fractionation train in Mont Belvieu.

"Targa is very pleased to have the opportunity to partner with Stonepeak on the formation of these development joint ventures. We are committed to maintaining our strong balance sheet, and continuing to identify attractive opportunities that enhance Targa's flexibility as we execute on our growth projects," said Joe Bob Perkins, Chief Executive Officer of the Company. "There are many benefits to this structure as it allows Targa to bring in common equity at the project level at an attractive cost of capital, while the purchase option means Targa retains the upside associated with the projects."

Jack Howell, Senior Managing Director and head of Stonepeak's energy business, commented, "We are thrilled to once again partner with Targa and its world class management team in joint ventures that provide our investors with exposure to Targa's industry leading positions in the Permian Basin and Mont Belvieu."

Stonepeak owns an 80% interest in the development joint venture entities that hold the GCX Interest and Targa's next fractionation train, and a 95% interest in the development joint venture entity that holds the Grand Prix Interest, with Targa retaining the remaining interests. The DevCo JVs currently have approximately $220 million of assets. Stonepeak committed an aggregate of approximately $960 million of capital (including contingency), including an initial contribution of approximately $190 million that will be distributed to Targa to reimburse the Company for capital spent to date. Targa committed to fund approximately $150 million related to its share of the DevCo JVs' future capital costs.

The DevCo JVs significantly reduce Targa's equity funding needs for 2018 and 2019, and proceeds from Stonepeak's initial contribution will be used to reduce Targa's current debt.

Under the terms of the DevCo JV agreements, Targa has an option to acquire all or part (in $100 million increments) of Stonepeak's interests for a four-year period beginning on the earlier of the date that all three projects have commenced commercial operations or January 1, 2020. The purchase price payable for such partial or full interests is based on a predetermined fixed return or multiple on invested capital, including distributions received by Stonepeak from the DevCo JVs. Targa will control the management of the DevCo JVs unless and until Targa declines to exercise its option to acquire Stonepeak's interests. There will be no dilution associated with the DevCo JVs for Targa's existing shareholders during the construction period, and if Targa elects to exercise its option to acquire all or part of the DevCo JV interests, significant upside associated with the three included DevCo JV projects will be for the benefit of Targa and its shareholders.

Additional Natural Gas Processing and Fractionation Expansions

Targa also announced today that it plans to construct two new 250 million cubic feet per day ("MMcf/d") cryogenic natural gas processing plants to support increasing production in the Midland Basin. The first plant is expected to begin operations in the first quarter of 2019 and the second plant is expected to begin operations in the third quarter of 2019.

Targa also announced today that it plans to construct a new 100 thousand barrel per day fractionation train in Mont Belvieu, which is expected to begin operations in the first quarter of 2019. The DevCo JV will own and fund the fractionation train, and Targa will fund 100% of the required brine, storage and other infrastructure that will support the fractionation train's operations. The fractionation expansion and related infrastructure is expected to cost approximately $350 million.

Updated 2018 Estimated Net Growth Capex and Financing Overview

Pro forma for the DevCo JVs and inclusive of the two new Midland Basin plants and the additional fractionation assets in Mont Belvieu, Targa's 2018 estimated net growth capex for announced projects is now approximately $1.6 billion.

Through its DevCo JVs and other announced joint ventures year-to-date in 2018, Targa has been reimbursed for significant capital previously spent on contributed projects. Targa's remaining equity funding needs for 2018 are very manageable (see posted Investor Presentation for additional information). The Company will also continue to evaluate a combination of potential asset sales and other asset and/or development joint ventures, which could supplement or replace equity needs.

"This is a transformational investment cycle for Targa, as we expand our G&P footprint further with new gas processing plants underway in the Permian, Bakken and Arkoma Woodford, announce additional fractionation in Mont Belvieu, and link our upstream assets further downstream with the Grand Prix and GCX pipelines," said Joe Bob Perkins. "Execution of the DevCo JVs , a strong balance sheet with capacity for additional debt, and visibility to significantly increasing EBITDA in 2019 and beyond, means that we have very manageable remaining 2018 equity needs and are well positioned looking forward."

A copy of the presentation slides to accompany these announcements can be accessed on the Company's website in the Investor section under Events and Presentations at www.targaresources.com, or by going directly to http://ir.targaresources.com/trc/events.cfm.

Timing of 2017 Fourth Quarter Earnings Conference Call and Webcast

Targa will report its fourth quarter 2017 financial results before the market opens for trading on Thursday, February 15, 2018.

The Company will host a conference call at 11:00 a.m. Eastern Time (10:00 a.m. Central Time) to discuss its 2017 fourth quarter financial results. The conference call will be webcast live over the internet and may be accessed either through webcast or telephone dial-in.

<u>Event Information</u>
Event: Q4 2017 Targa Resources Corp. Earnings Call
Date: Thursday, February 15, 2018
Time: 11:00 a.m. Eastern Time
Webcast: www.targaresources.com under "Events and Presentations" or directly at http://ir.targaresources.com/events.cfm

Dial-in Information (audio only - please dial in 10 minutes ahead):

North America Toll Free:	(877) 881-2598
Outside North America:	(443) 818-6422
Participant Passcode:	1389043

Replay Information

A webcast replay will be available at the link above approximately two hours after the conclusion of the event. An updated investor presentation will also be available in the Events and Presentations section of the Company's website following the completion of the conference call, or directly at http://ir.targaresources.com/trc/events.cfm.

Forward Looking Statements

Certain statements in this press release 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 press release that address activities, events or developments that Targa expects, believes or anticipates 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 Targa's control, which could cause results to differ materially from those expected by management of Targa. Such risks and uncertainties include, but are not limited to, the timing and extent of changes in commodity prices, interest rates and demand for services, the level and success of crude oil and natural gas drilling around assets, the timing and success of business development efforts, ability to access the capital markets, the amount of collateral required to be posted from time to time in transactions, success in risk management activities, the credit risk of customers, changes in laws and regulations, weather and other uncertainties. These and other applicable uncertainties, factors and risks are described more fully in Targa's Annual Report on Form 10-K for the year ended December 31, 2016 and other reports filed with the Securities and Exchange Commission. Targa undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

About Targa Resources Corp.

Targa Resources Corp. is a leading provider of midstream services and is one of the largest independent midstream energy companies in North America. Targa owns, operates, acquires, and develops a diversified portfolio of complementary midstream energy assets. The Company is primarily engaged in the business of: gathering, compressing, treating, processing, and selling natural gas; storing, fractionating, treating, transporting, and selling NGLs and NGL products, including services to LPG exporters; gathering, storing, and terminaling crude oil; storing, terminaling, and selling refined petroleum products.

About Stonepeak

Stonepeak is an independent infrastructure investment manager focusing on the midstream energy, power, renewables & utilities, transportation, water and communications sectors. The firm has offices in New York City and Houston and currently manages $13.5 billion of capital on behalf of its partners. Stonepeak invests in long-lived, hard-asset infrastructure businesses and projects that provide essential services to customers, and partners with strong management teams in supporting major growth initiatives and realizing operational improvements.

For more information, please visit our website at www.targaresources.com.

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