Targa Resources

Investor Presentation

Second Quarter 2014

August 1, 2014

Forward Looking Statements

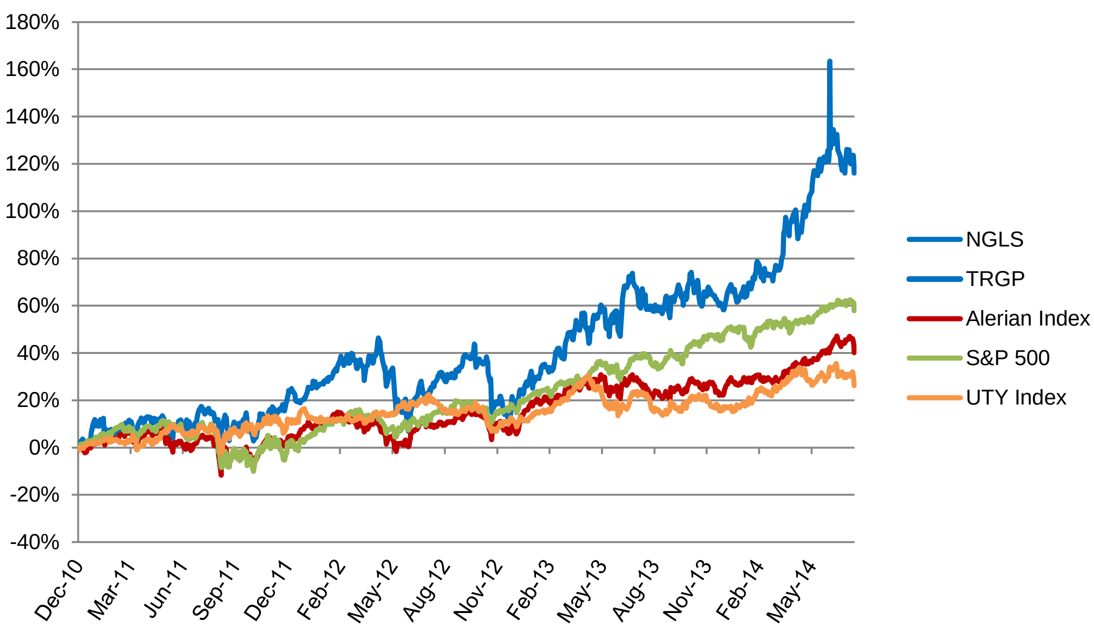
Certain statements in this presentation are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this presentation 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

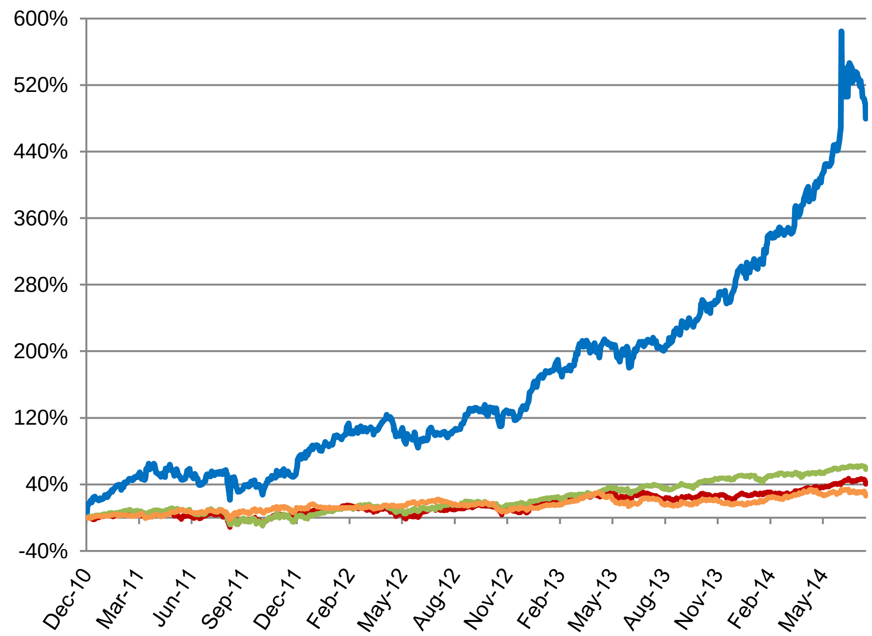
Market Cap:	$7.7 billion
Enterprise Value:	$10.7 billion
Unit Price:	$66.88
Yield:	4.7%
Current Annualized Distribution:	$3.12
Sequential / YoY Growth:	2% / 9%



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

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

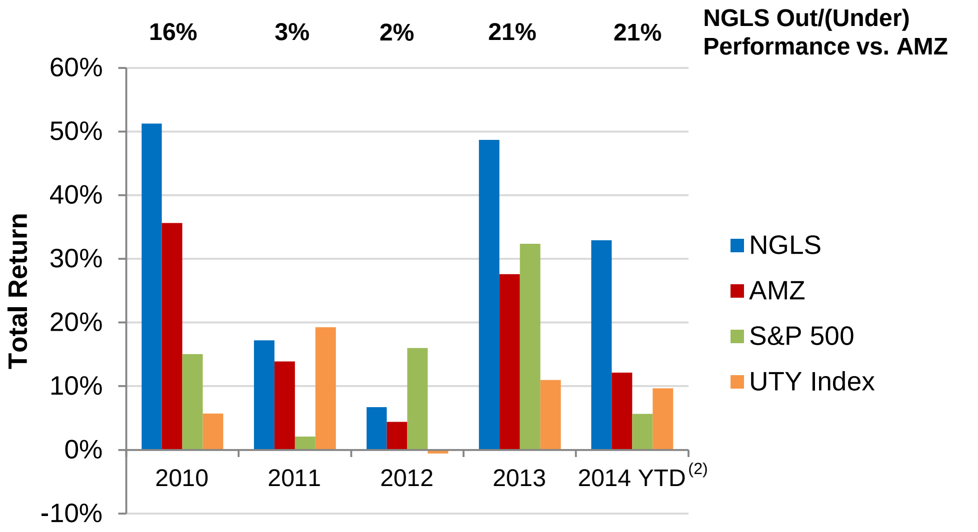
Market Cap:	$5.4 billion
Enterprise Value:	$5.5 billion
Share Price:	$127.50
Yield:	2.2%
Current Annualized Dividend:	$2.76
Sequential / YoY Growth:	7% / 30%



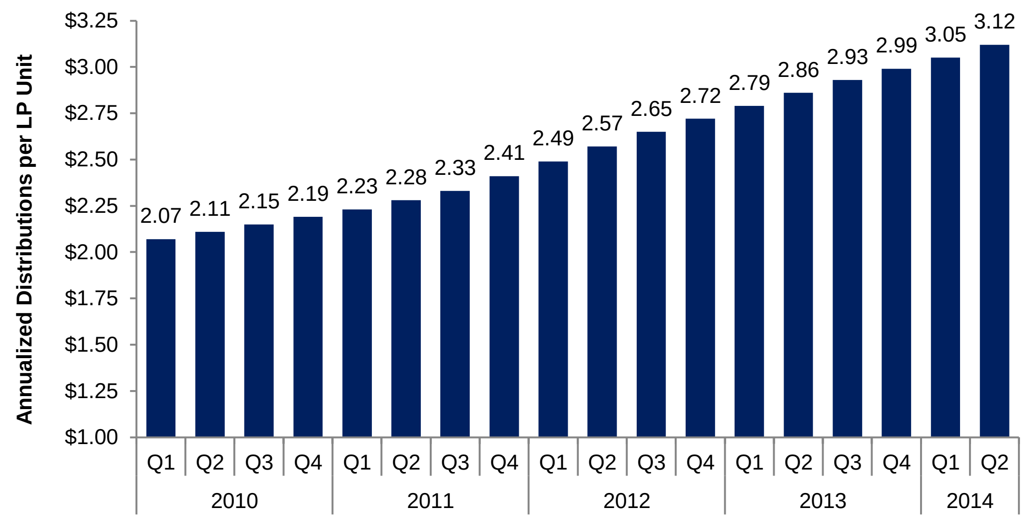
Note: Market Cap, Unit/Share Price and Yield as of July 31, 2014. Enterprise Value calculated using current Market Cap as of July 31, 2014 and balance sheet data as of June 30, 2014. Unit and Stock Price Performance graphs through July 31, 2014

TRP and TRC Performance

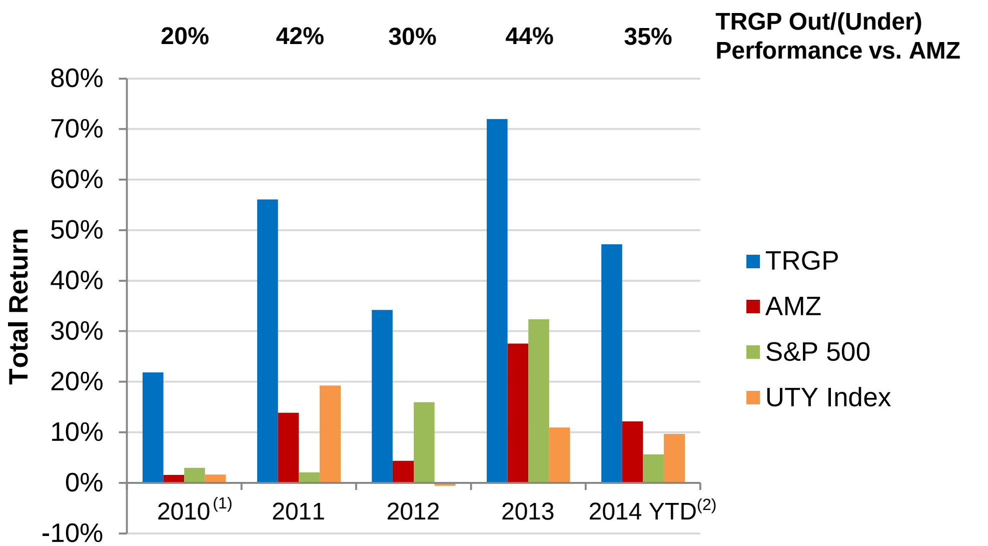
TRP – Total Return Since 2010[1]



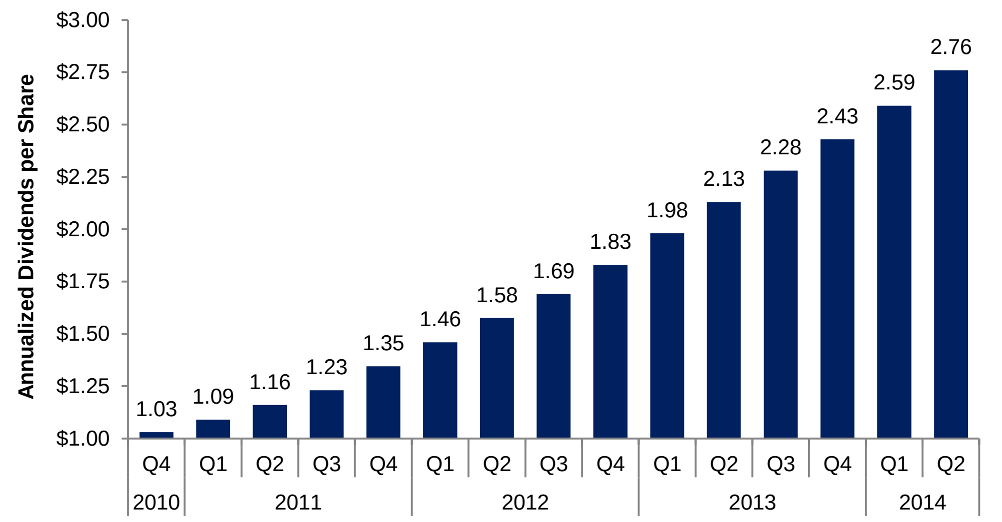
TRP – Distributions



TRC – Total Return Since IPO



TRC – Dividends



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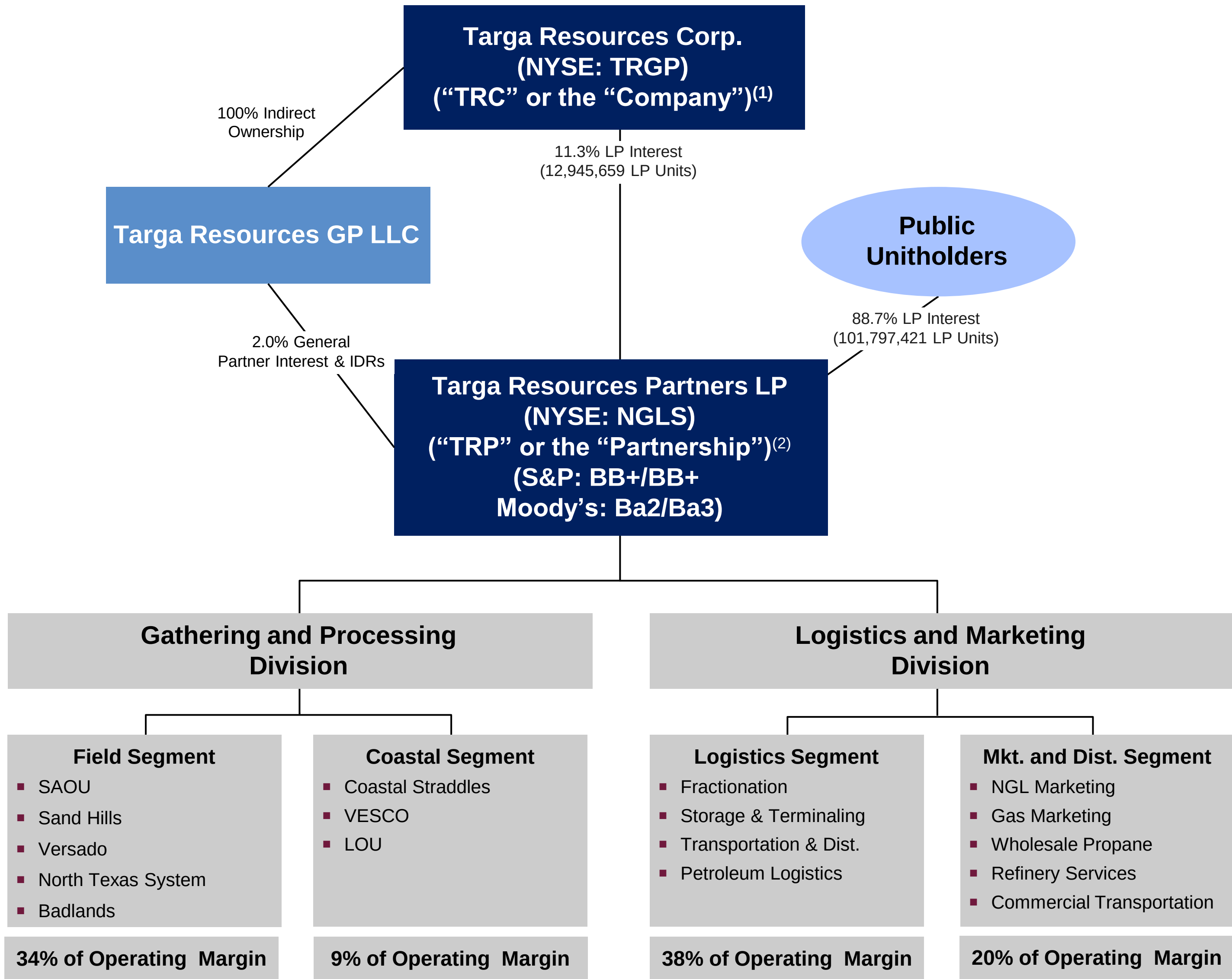
(1) 2010 covers time period from IPO (December 6, 2010) through December 31, 2010
(2) 2014 YTD as July 31, 2014
Source: Bloomberg

Targa Corporate Structure



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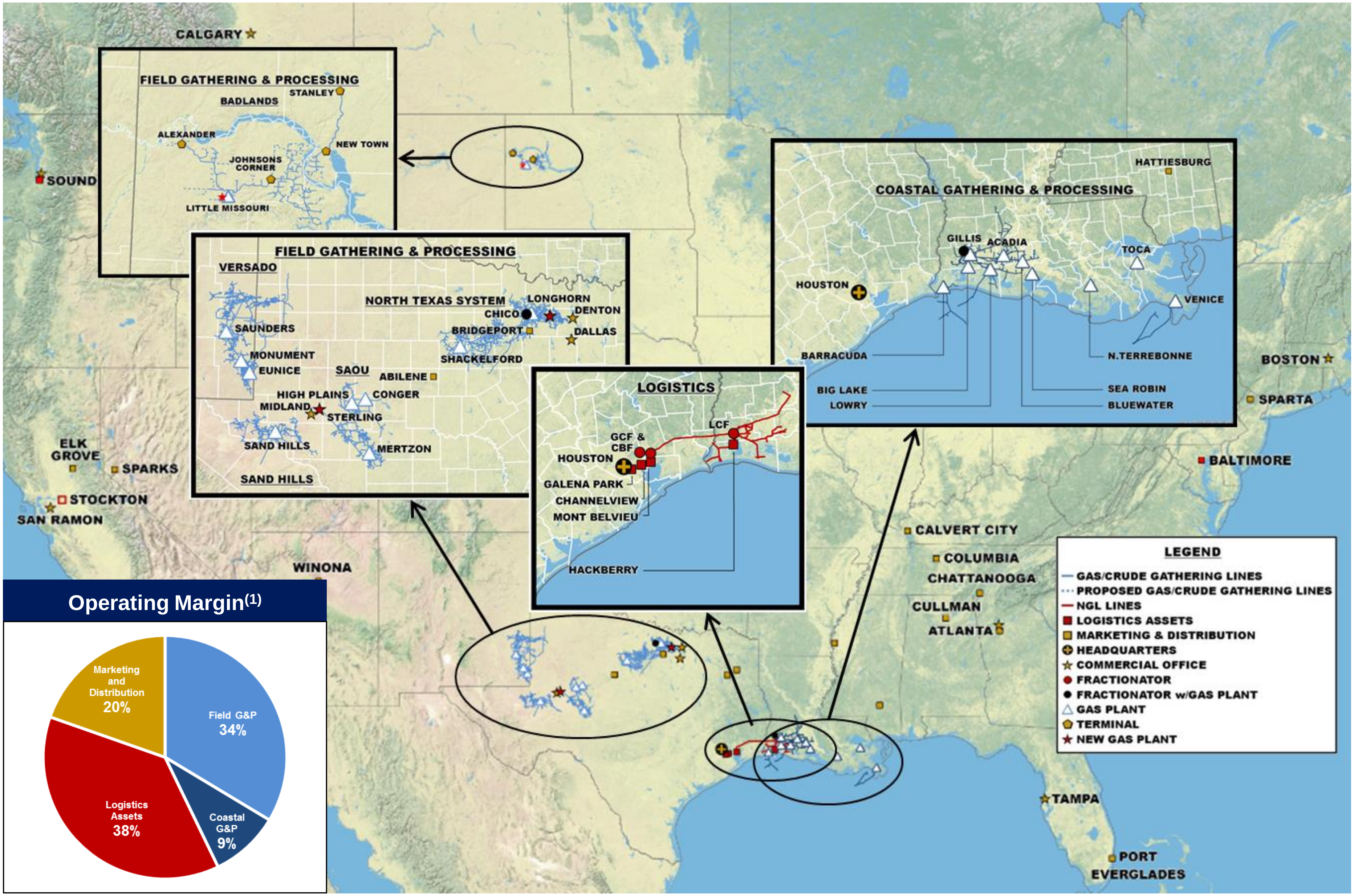
(1) TRC has 42,158,448 common shares outstanding as of July 31, 2014

(2) TRP ownership as of July 31, 2014; TRP operating margin percentages based on LTM as of June 30, 2014. Field segment includes "Other" Operating Margin

Targa's Diversified Midstream Platform



(1) *Operating margin percentages based on LTM as of June 30, 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 $2.6 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, on track for the high end of the range
- Expected TRGP dividend growth in excess of 25% in 2014
- 2014 adjusted EBITDA guidance of $925 to $975 million

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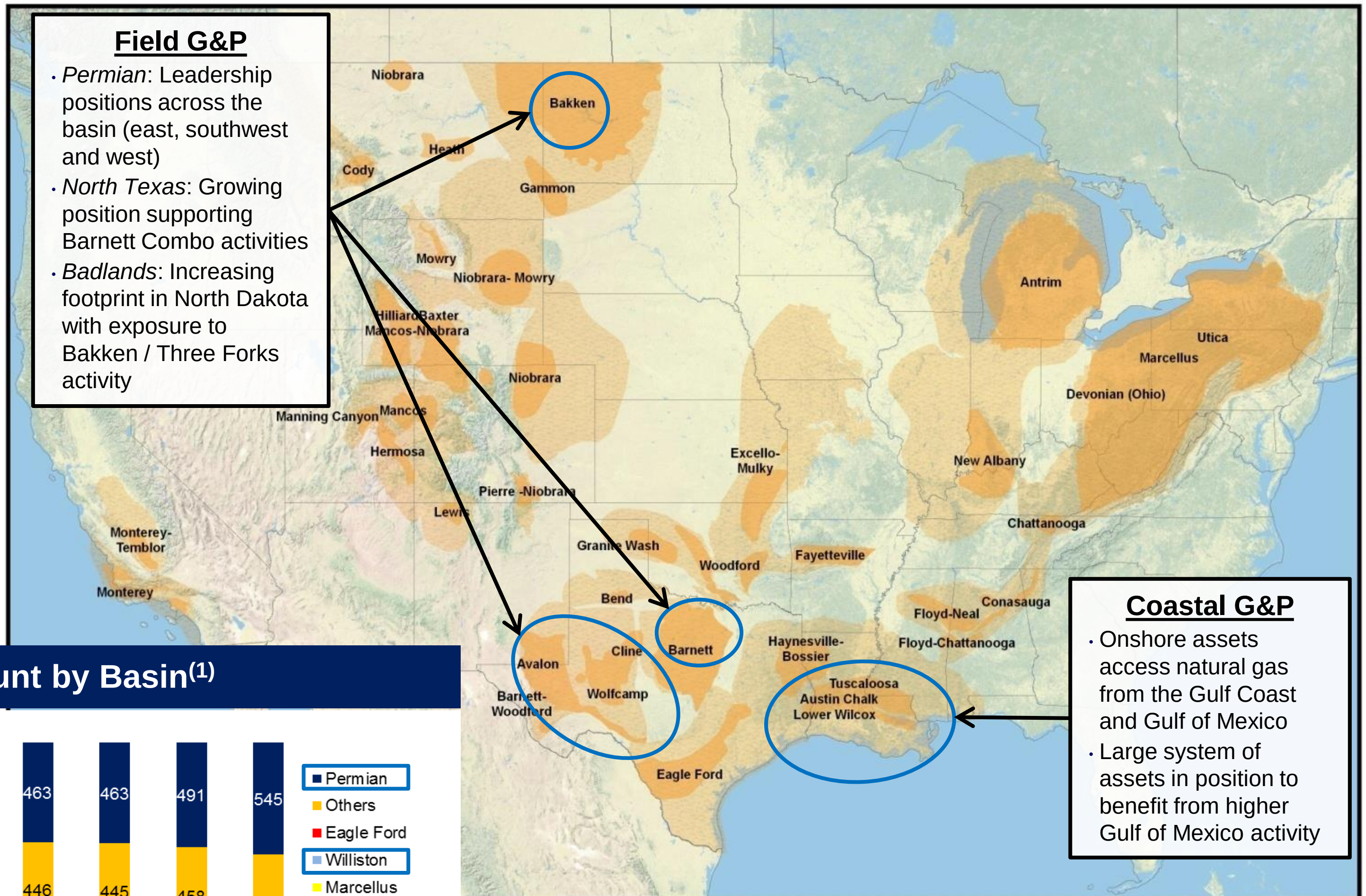
Targa's G&P Assets are Well Positioned

- 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

Field G&P

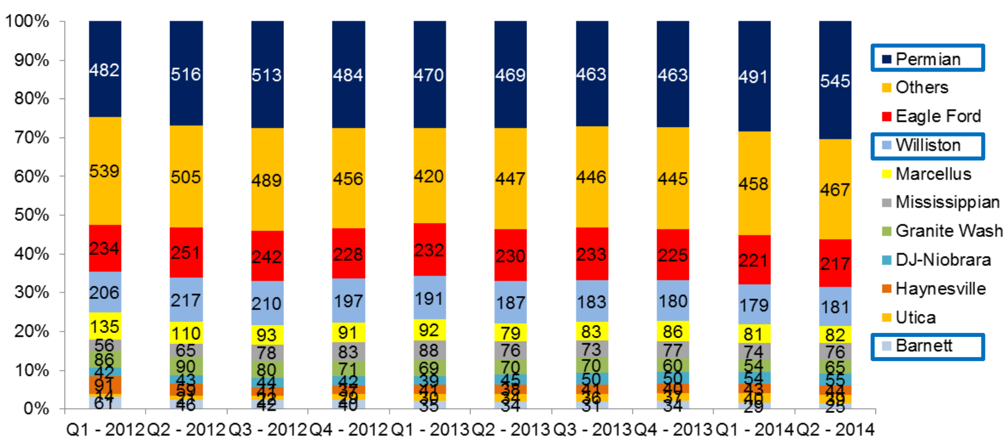
- *Permian*: Leadership positions across the basin (east, southwest and west)
- *North Texas*: Growing position supporting Barnett Combo activities
- *Badlands*: Increasing footprint in North Dakota with exposure to Bakken / Three Forks activity



Coastal G&P

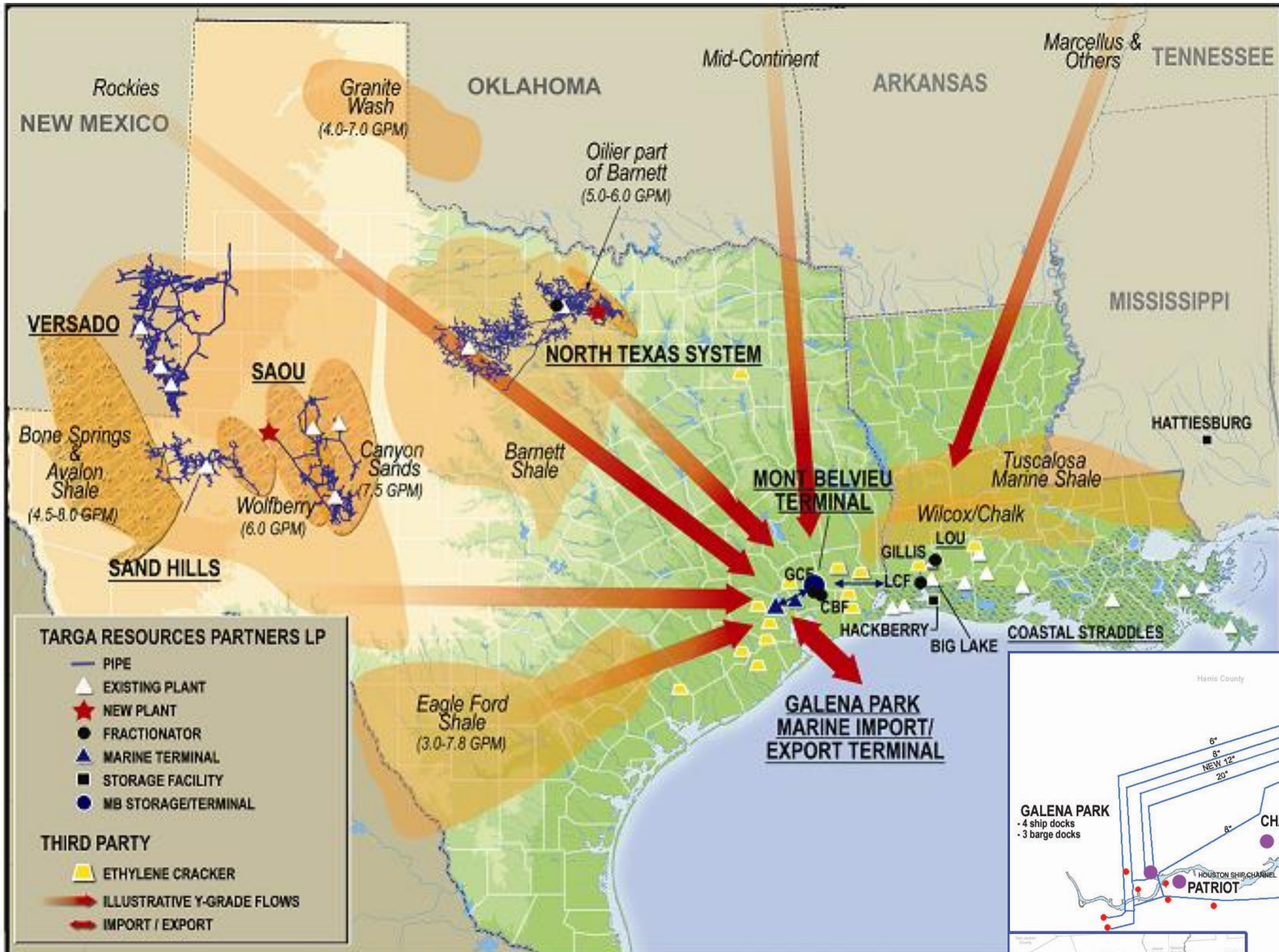
- Onshore assets access natural gas from the Gulf Coast and Gulf of Mexico
- Large system of assets in position to benefit from higher Gulf of Mexico activity

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

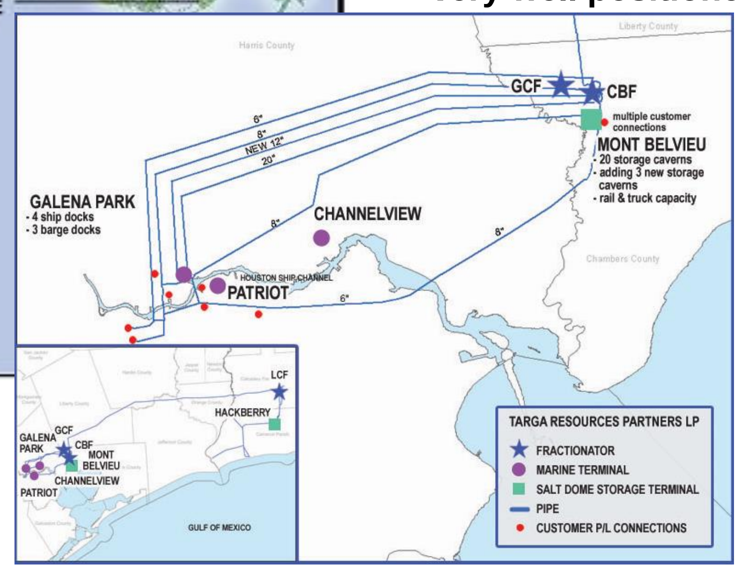


(1) Source: Baker Hughes Incorporated, as of July 22, 2014

Producer Activity Drives NGL Flows to Mont Belvieu



- NGL flows to Mont Belvieu expected to increase
- Pipeline conversions may bring additional NGL volumes from the Utica/ Marcellus to the Gulf Coast
- Petrochemical investments, fractionation and export services will continue to clear additional supply
- Targa's Mont Belvieu and Galena Park businesses very well positioned



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Major Announced Capital Projects

- **Approximately $2.6 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**
  - Recently approved construction of CBF Train 5 Expansion (100 MBbl/d)

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)	$185	$75	$110	2013 / 2014	
North Texas Longhorn Project (200 MMcf/d)	150	40	20	May 2014	
SAOU High Plains Plant (200 MMcf/d)	225	125	85	June 2014	
Badlands Expansion Program - 2013 / 2014	465	250	215	2013 / 2014(2)	✓
Other	40	25	15		
Total G&P Projects	**$1,065**	**$515**	**$445**		**$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	✓
CBF Train 5 Expansion (100 MBbl/d)	385	0	50	Mid 2016	✓
International Export Project	480	250	165	Q3 2013 / Q3 2014	✓
Other	80	30	50		✓
Total Downstream Projects	**$1,520**	**$440**	**$335**		**$1,520**
Total Projects	**$2,585**	**$955**	**$780**		**$1,985**(4)

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(1) Includes additional spending in both North Texas and Permian Basin
(2) Additional gas processing plant may be in service by the end of 2014
(3) 35 Mbbl/d condensate splitter located at the Channelview Terminal expected to be completed 18 months after permitting is complete
(4) ~$2.0 billion of fee-based capital, 77% of listed projects

Major Capital Projects Under Development

- Over $2.0 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 6 Expansion			✓
Train 7 Expansion			✓
Additional Condensate Splitter			✓
Ethane Export Project			✓
Other Projects			primarily
Total	**$2,000+**	**2015 and beyond**	

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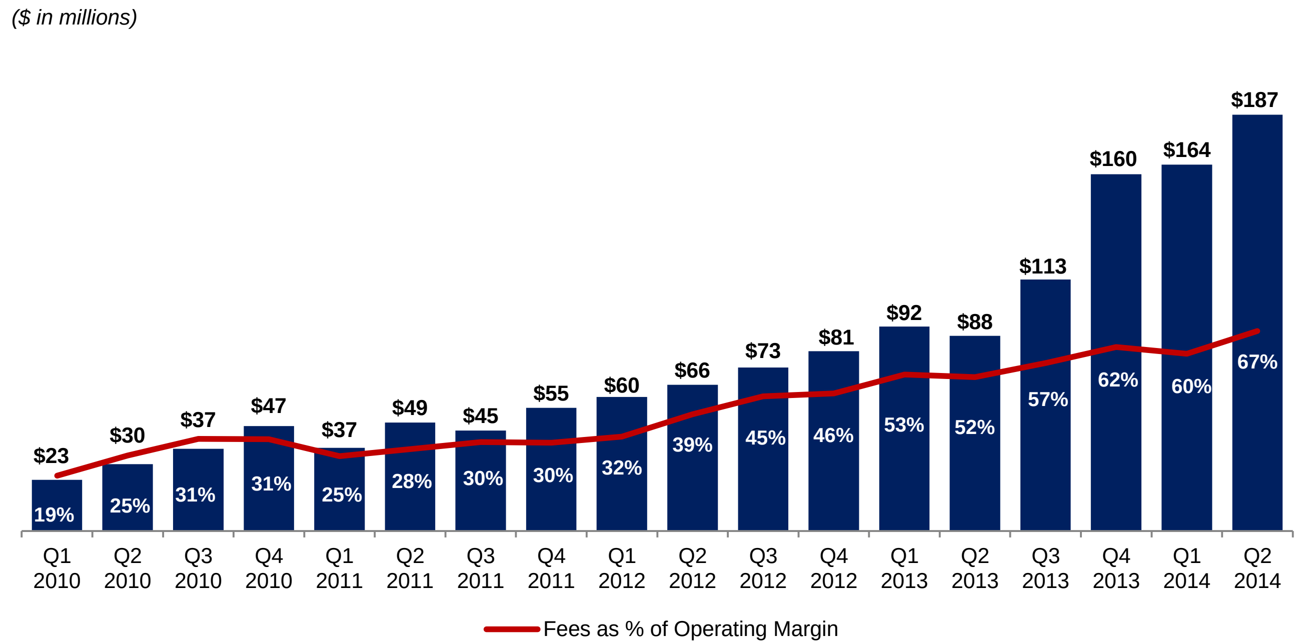
Strong Growth in Fee-Based Margin Continues

Increasing Fee-Based Margin Provides Additional Stability to Our Business



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

- **Capex 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
- **Fee-based margin increases driven primarily through increased margin in the Logistics Assets segment including contributions from CBF Train 4 and International Export projects, and through contribution from Badlands**

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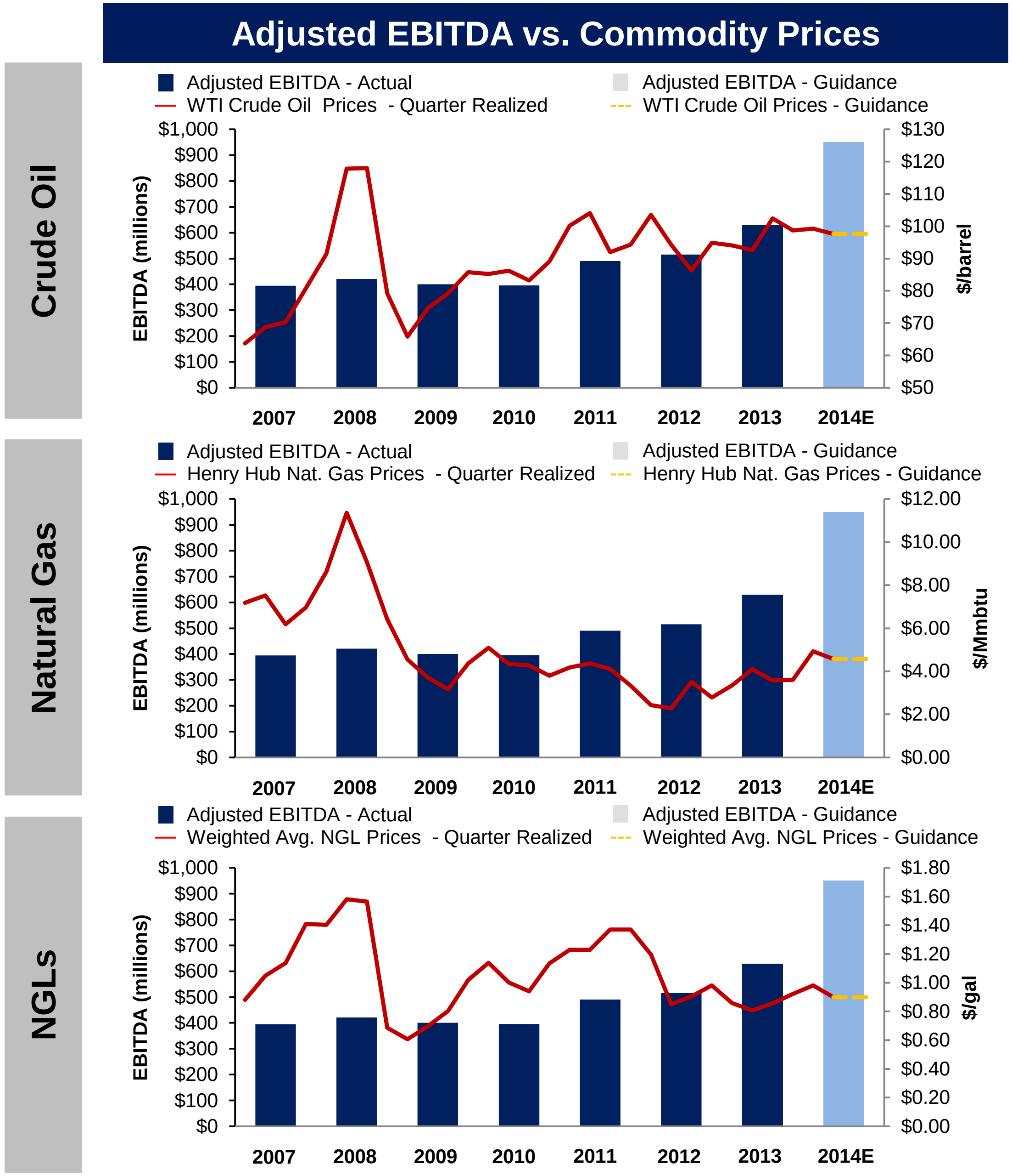
Diversity and Scale Mitigate Commodity Price Changes

- **Growth has been driven by investing in the business, not by changes in commodity prices**
- **TRP benefits from multiple factors that help mitigate commodity price volatility, including:**
  - Scale
  - Business and geographic diversity
  - Increasing fee-based margin
  - Hedging
- **Given the current price environment, TRP is less hedged than in previous years, primarily on ethane and propane**
  - TRP currently has hedged approximately 85% of 2014 natural gas and approximately 20% of 2014 combined NGL and condensate
- **2014E Commodity Price assumptions:**
  - $97.57/barrel Crude Oil
  - $4.57/MMBtu Henry Hub Natural Gas
  - $0.90/gal Weighted Average NGL[1]



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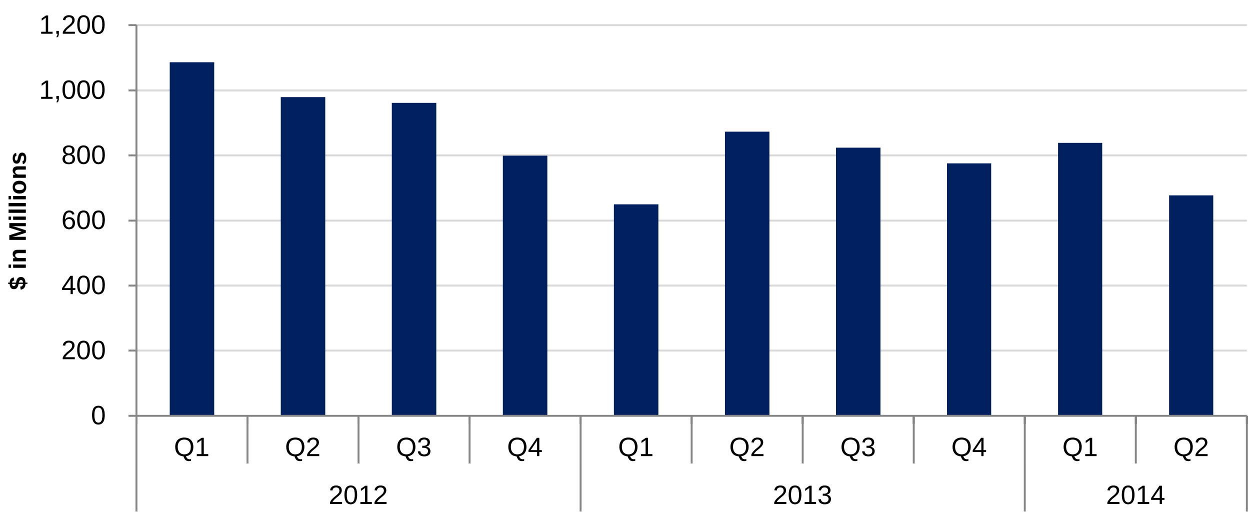
(1) Based on an illustrative Targa NGL barrel that contains 44% ethane, 30% propane, 11% natural gasoline, 5% isobutane and 10% normal butane

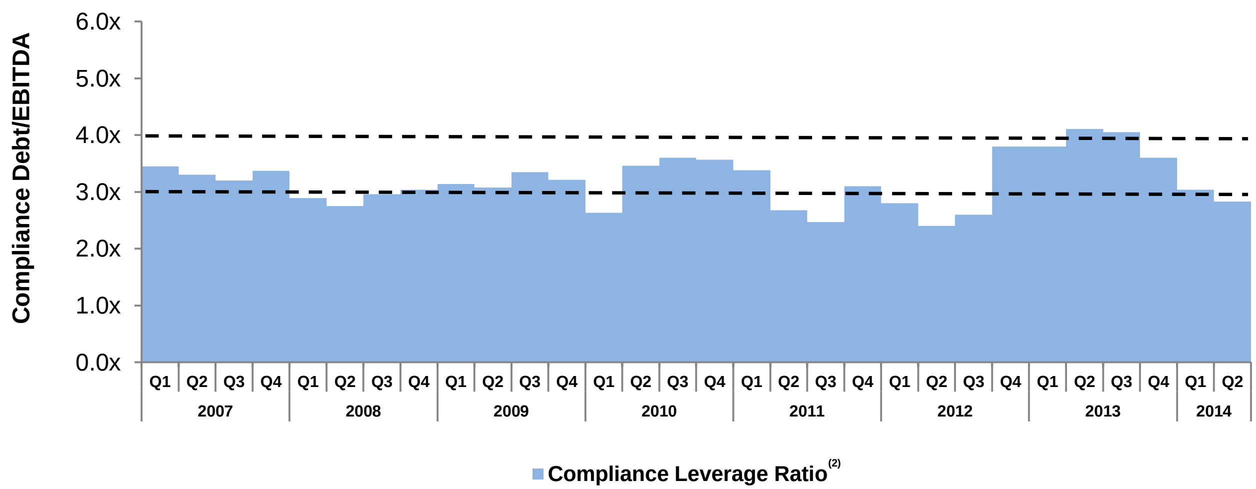
Targa Leverage and Liquidity

Liquidity[1]



- **TRP is well positioned with $678 million of Total Liquidity available**
  - YTD through July 2014, raised net proceeds of $180 million from equity issuances under at-the-market ("ATM") program

Compliance Leverage Ratio



- **Target compliance leverage ratio 3x - 4x Debt/EBITDA**
  - Have historically been on low end of range
  - Leverage increased at end of 2012 due to Badlands acquisition
  - Q2 2014 compliance leverage ratio was 2.8x

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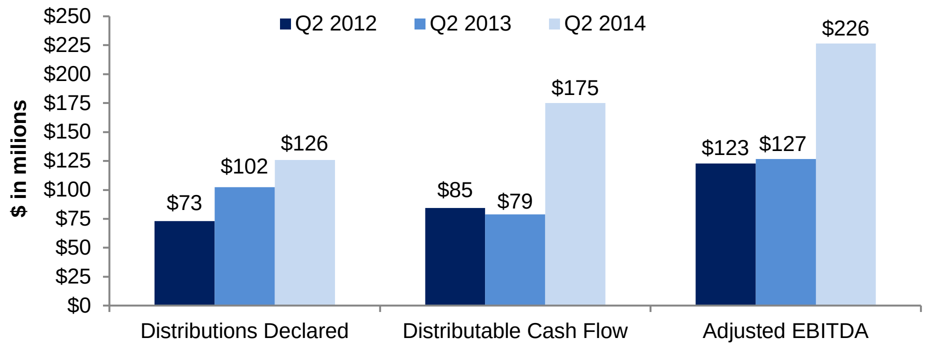
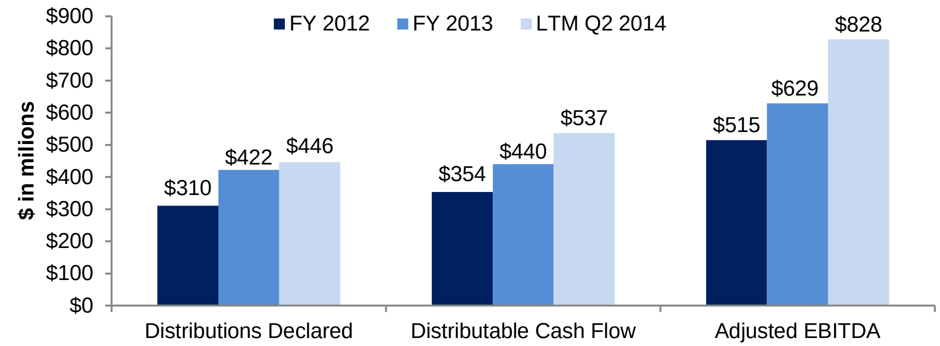
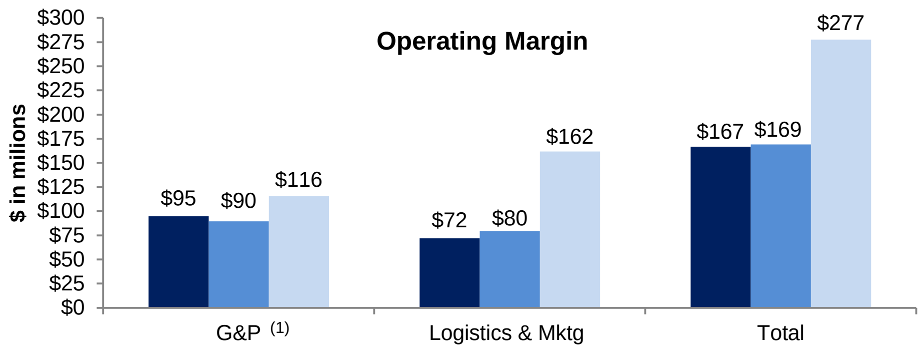
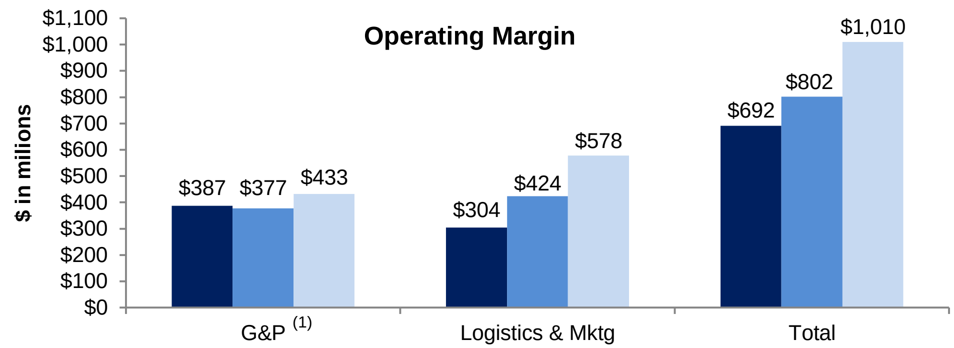
(1) Includes TRP's total availability under the revolver plus cash, less outstanding borrowings and letters of credit under the TRP revolver
(2) Adjusts EBITDA to provide credit for material capital projects that are in process, but have not started commercial operation, and other items

TRP Update









Highlights

- **Adjusted EBITDA increased compared to Q2 2013, primarily due to higher operating margin in the Field Gathering and Processing segment and in the Logistics and Marketing division**
  - **$226 million of Adjusted EBITDA in Q2 2014 was 79% higher than Q2 2014**
- **Logistics & Marketing operating margin increased by 104% in Q2 2014 versus Q2 2013 due to increased LPG export activity and increased fractionation activities**
- **Field Gathering & Processing operating margin increased in Q2 2014 compared to Q2 2013 due to increased throughput volumes and higher contributions from Badlands**

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

TRP Capitalization and Liquidity

Cash and Debt	Maturity	Coupon	Actual 3/31/2014	Adjustments	Actual 6/30/2014
Cash and Cash Equivalents			$81.4	($14.1)	$67.3
Accounts Receivable Securitization	Dec-14		233.5	$0.8	234.3
Revolving Credit Facility	Oct-17		355.0	140.0	495.0
Total Senior Secured Debt			**588.5**		**729.3**
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			(27.4)	0.7	(26.7)
Total Consolidated Debt			**$2,819.7**		**$2,961.2**
Compliance Leverage Ratio(1)			3.0x		2.8x
Liquidity:					
Credit Facility Commitment			1,200.0		1,200.0
Funded Borrowings			(355.0)	(140.0)	(495.0)
Letters of Credit			(97.2)	$2.6	(94.6)
Total Revolver Availability			**$747.8**		**$610.4**
Cash			81.4		67.3
Total Liquidity			**$829.2**		**$677.7**

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

Targa 2014 Annual Guidance Summary

Financial	FY 2014	Comments
2014 EBITDA ($ in millions)	$925 - $975	
Fee-Based Margin %	60% - 65%	
Growth Cap Ex - Announced Projects Only	$780	
Maintenance Cap Ex ($ in millions)	$90	
TRP Distribution Growth (FY 2014 vs FY 2013)	7% - 9%	Expected to be on high side of range
TRC Dividend Growth (FY 2014 vs FY 2013)	25%+	

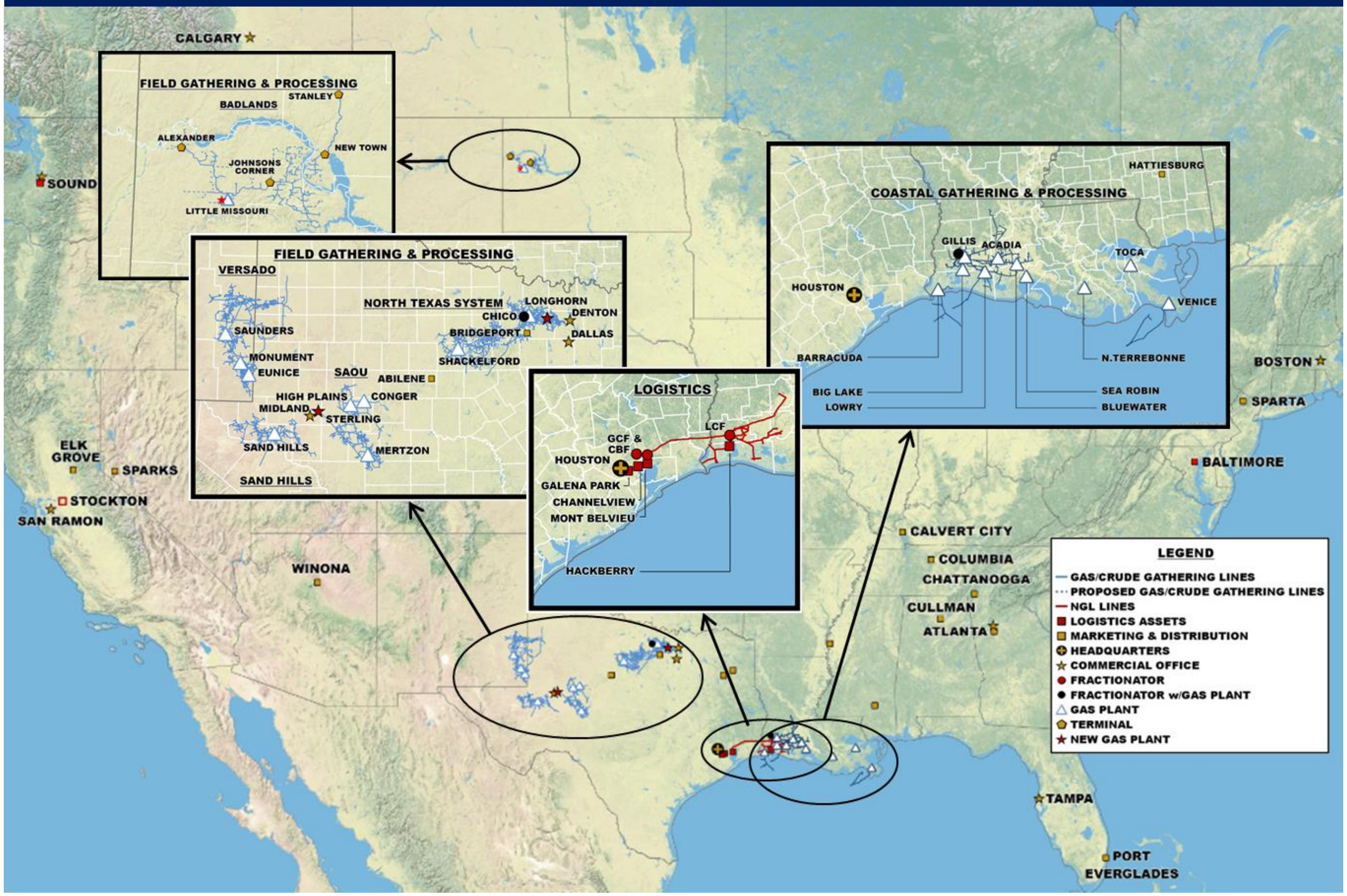
Operating Statistics	FY 2014	Comments
Field Gas Inlet Volumes	Growth across all systems	
Badlands Crude Gathered Volumes (FY 2014 vs FY 2013)	Approximately double	
Coastal NGL Production	Higher than 2013	

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	

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 $2.6 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

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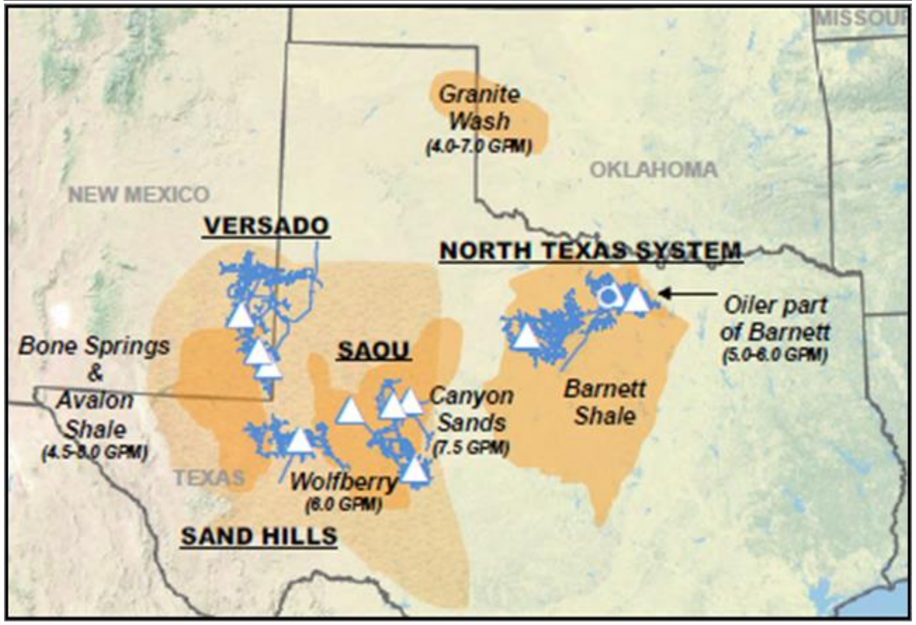
Business Division and Segment Review

Field Gathering and Processing Segment

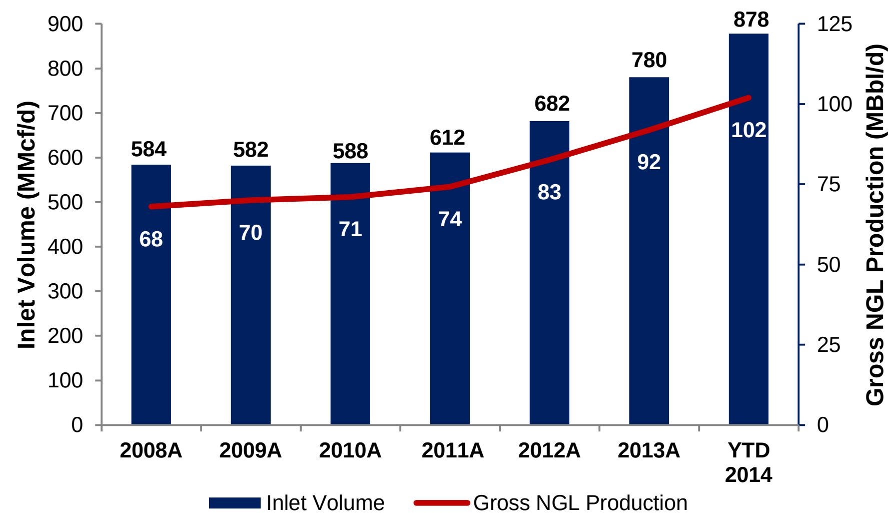


	Gross Processing Capacity (MMcf/d) (1)	Expansions 2014 (MMcf/d)	Capacity Post-Expansions (MMcf/d)
North Texas	278	200	478
SAOU	169	200	369
Sand Hills	175	0	175
Versado	240	0	240
Badlands	38	40 (2)	78
Total	**900**		**1,340**

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[2]**
- **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



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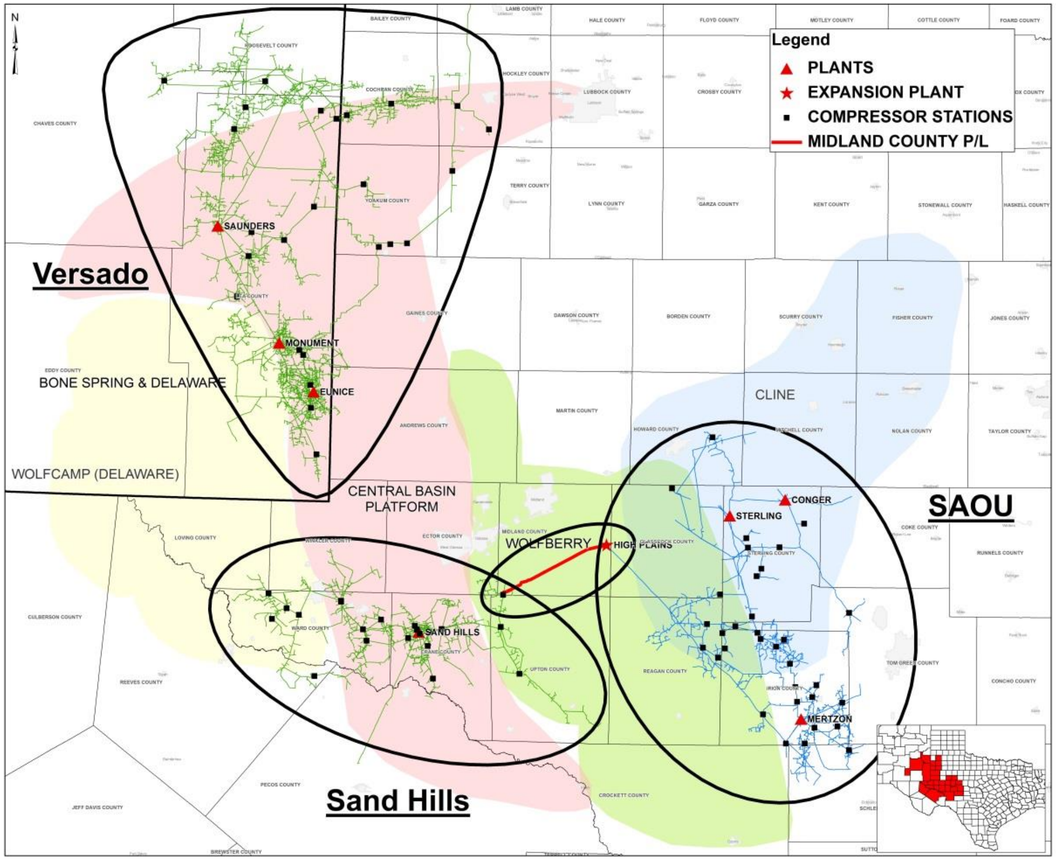
(1) *As of YE 2013*

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

Targa's Permian Basin Systems Across Broad Active Plays

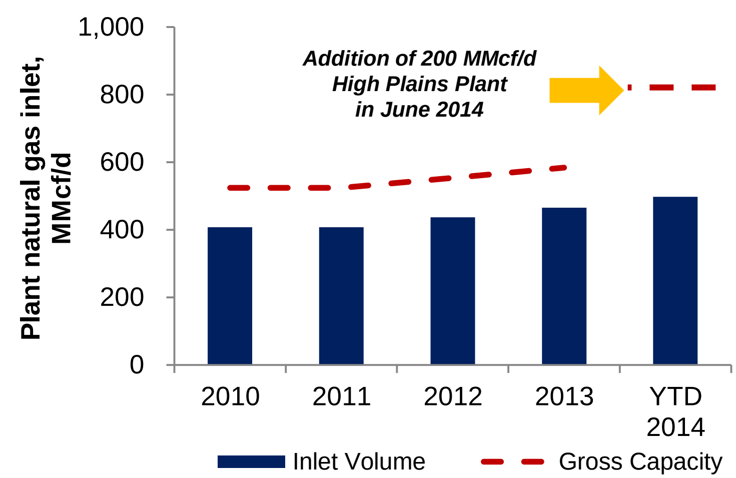


	Gross Processing Capacity (MMcf/d)[1]	Q2 2014 Inlet Volume (MMcf/d)	Pipeline Miles	Q2 2014 Recovered GPM
SAOU	169	177	1,800	6.0
Sand Hills	175	160	1,500	4.8
Versado	240	170	3,350	5.3
Total	584	507	6,650	

Permian Growth Continues

- **2014 inlet volumes are expected to be meaningfully higher than 2013 in each of SAOU, Sand Hills and Versado**
  - More horizontal wells are accelerating production growth
  - 200 MMcf/d High Plains Plant placed in service in June 2014
  - 35 mile Midland County Pipeline placed in service in June 2014

Targa's Permian Basin Throughput and Capacity



Note: Gross processing capacity varies as GPM increases and decreases
(1) YE 2013

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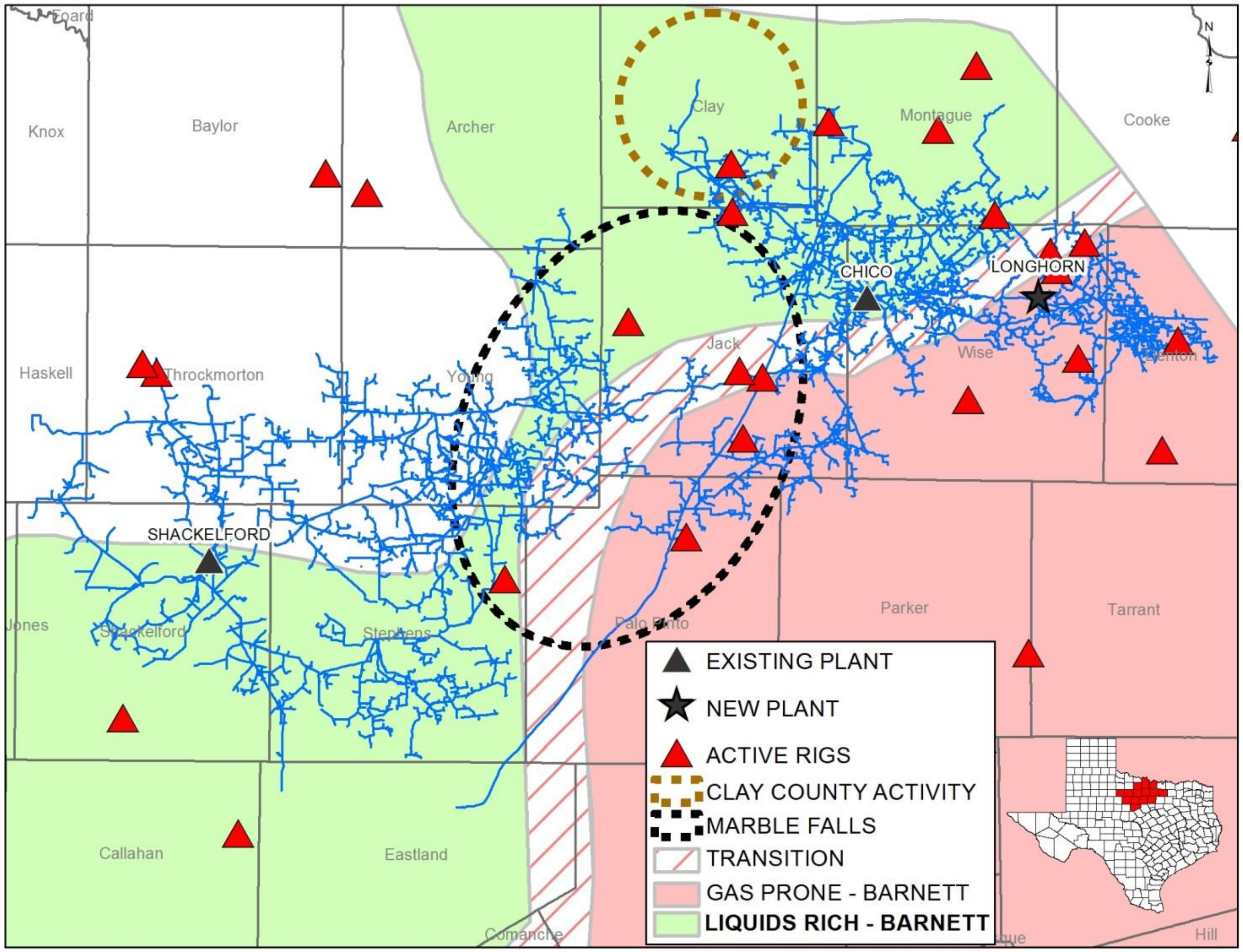
North Texas – Well Positioned for Growth

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**
  - 200 MMcf/d Longhorn Plant placed in service in May 2014
- **Barnett volumes continue to trend higher as improvements in horizontal drilling and multi-staged frac completions result in higher initial production rates**
- **Producers starting to show increased activity in Clay County**
- **Marble Falls play in Jack and Palo Pinto counties leverages existing system, while providing expansion opportunities**

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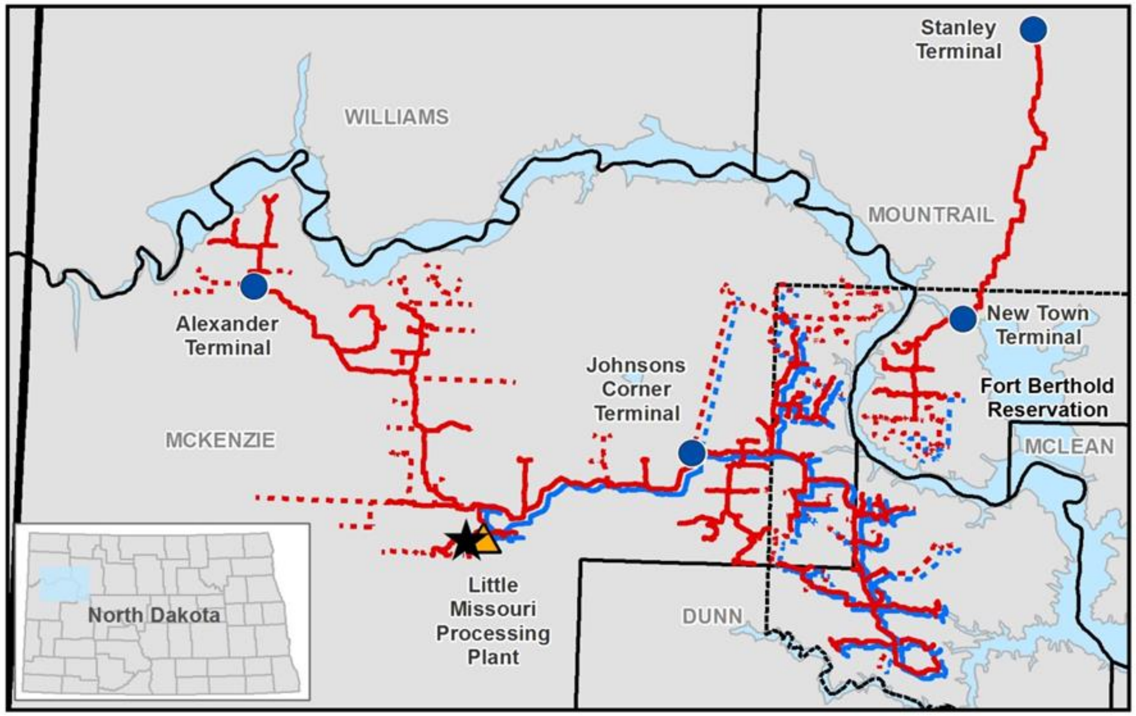
(1) *Source: Drillinginfo; includes Archer, Clay, Cooke, Denton, Eastland, Haskell, Jack, Jones, Montague, Palo Pinto, Parker, Shackelford, Stephens, Throckmorton, Wise & Young Counties, TX*

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**
- **Connectivity Strategy: Johnsons Corner, Alexander, New Town, and Stanley Terminals provide multiple crude delivery options**
  - All redelivery points are in discussion to be expanded
- **Rich natural gas is delivered to Little Missouri Processing Plant**
  - Residue natural gas delivered to Northern Border Pipeline
- **State of North Dakota has mandated the producers submit a Gas Capture Plan to reduce flaring in order to obtain a drilling permit**
  - Benefits Targa because the producer must have an outlet for their gas to eliminate flaring or they will not receive new drilling permits
- **Little Missouri Plant 3 expansion currently in process with estimated completion by year-end 2014**

System Map



Legend

Crude Oil Assets	
Completed pipelines	red solid line
Proposed Pipelines	red dashed line
Terminals	●
Natural Gas Assets	
Completed Pipelines	blue solid line
Proposed Pipelines	blue dashed line
Processing Plant	△
Little Missouri Phase 3	★

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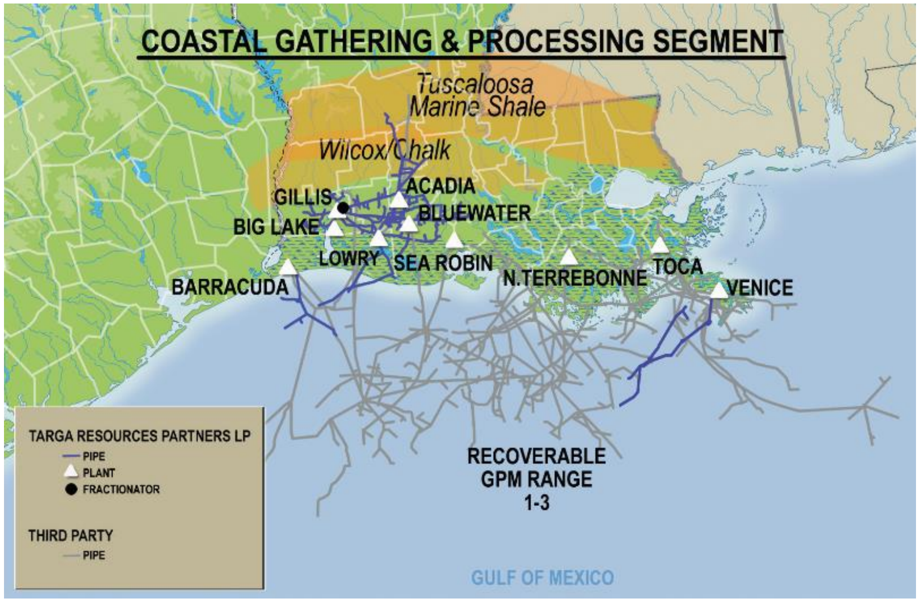
Coastal Gathering and Processing Segment Overview

LOU (Louisiana Operating Unit)

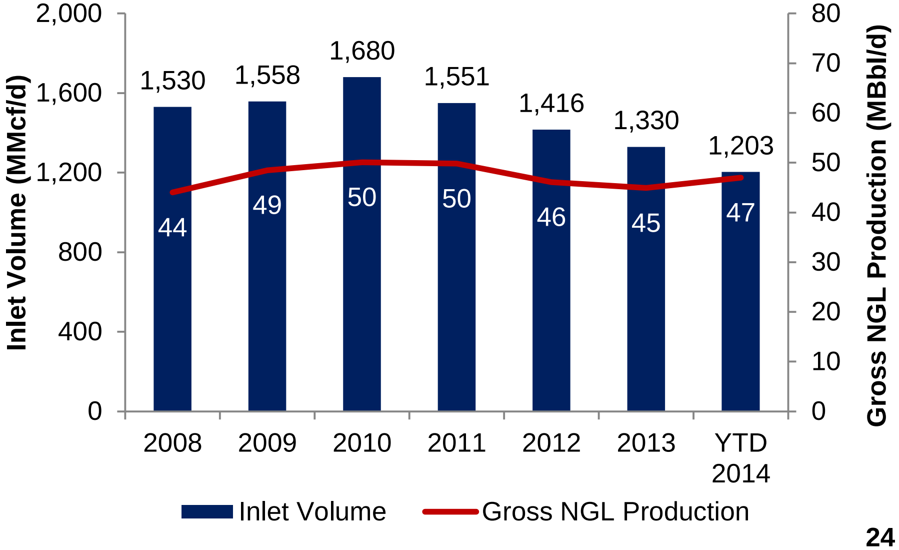
- Processing Plants: Gillis (180 MMcf/d), Acadia (80 MMcf/d) and Big Lake (180 MMcf/d)
- Fractionation interconnected to LCF
- Traditional wellhead volumes have been declining but inlet volumes have longer term upside potential
  - Other interconnected "straddle" volumes
- Benefited from receipt of higher GPM gas in Q1 and Q2, contributing to an increase in gross NGL production



Coastal Straddles (including VESCO)

- Positioned on mainline gas pipelines processing volumes of gas collected from multiple offshore producing areas
- VESCO is now processing rich gas from Shell's Mars B development

Coastal G&P Segment Volumes



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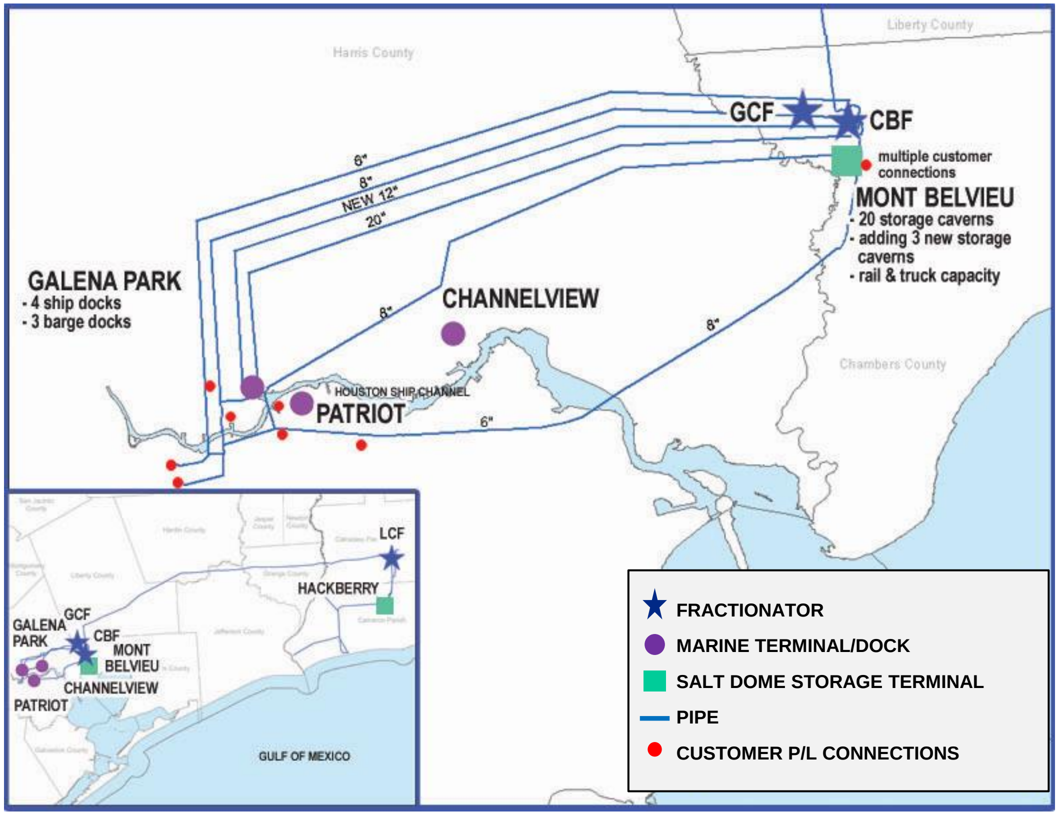
Logistics Assets – Extensive Gulf Coast Footprint



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

Other Assets

Mont Belvieu

30 MBbl/d Low Sulfur/Benzene Treating Natural Gasoline Unit

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)

Galena Park Marine Terminal	Products	MMBbl/ Month
Export Capacity[3]	LEP / HD5 / NC4	~6.5

Other Assets

700 MBbls in Above Ground Storage Tanks

4 Ship Docks

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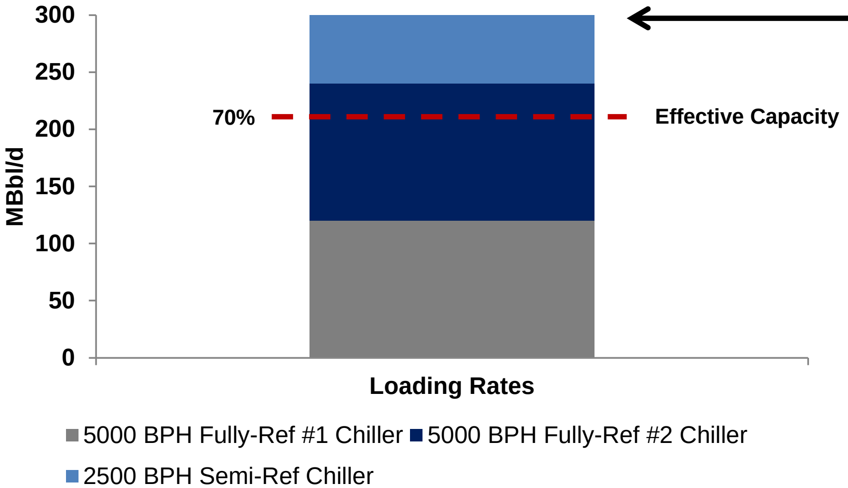
(1) Recently commenced construction on Train 5, a 100 MBbl/d expansion
(2) Net capacity is calculated based on TRP's 88% ownership of CBF and 39% ownership of GCF
(3) Phase II expansion will be fully completed in 3Q 2014

Targa's Galena Park Marine Terminal Effective Export Capacity

Galena Park Loading Rates



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

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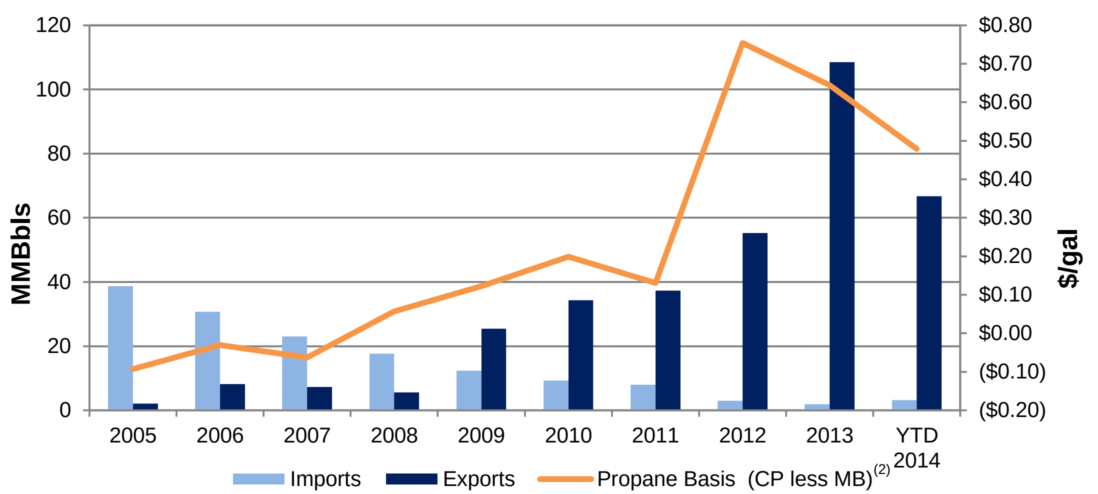
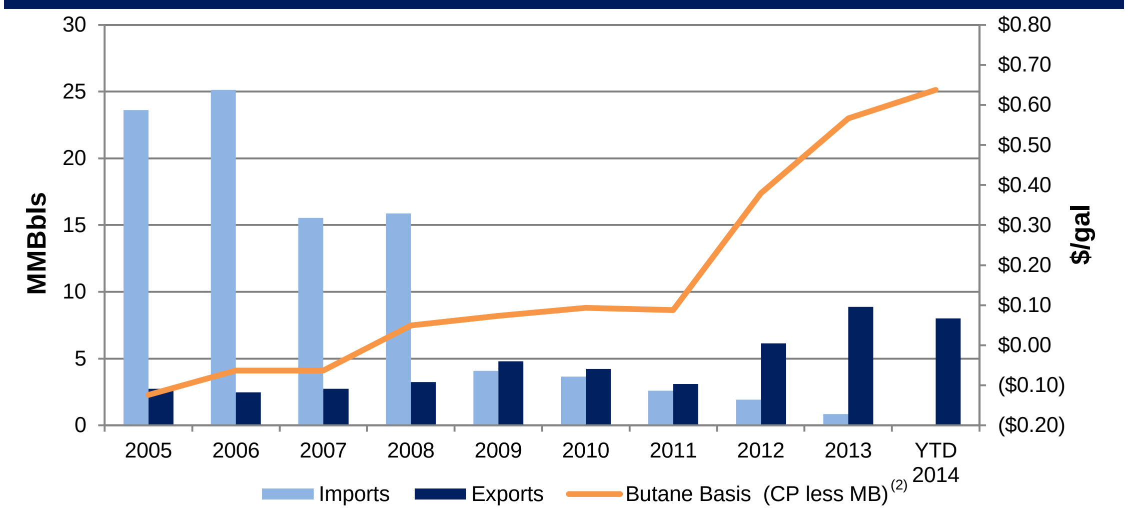
Demand for Exports Continues to Increase

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 the first half of 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 remains strong
- **Targa owns one of only two operating commercial LPG export facilities on the Gulf Coast**
  - Currently exporting low ethane propane, HD5 and butane
  - Targa can service small, mid-sized and VLGC vessels
  - Targa's Phase II expansion is expected to be completed in Q3 2014 and will increase effective capacity to export to approximately 6.5 MMBbl/month

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

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(1) Source: IHS
(2) CP = Saudi Contract Price

Petroleum Logistics – Highlights

- **In March 2014, announced the approval of construction of a 35 MBbl/d condensate splitter at TRP's Channelview Terminal (Houston)**
  - TRP has begun permitting, and expects the splitter to be in-service 18 months after completion of the permitting process
- **Continuing to expand TRP's Sound Terminal**
  - Expanded in Q1 2013 with connection to a local products pipeline
  - Added storage capacity Q2 2014, and added ethanol, biodiesel and gasoline blending to the truck loading rack
- **The acquisition of Patriot on the Houston Ship Channel in January 2013 provides additional expansion potential through products export market**
- **Pursuing acquisitions with similar characteristics and expansion opportunities**
- **Growing backlog of additional organic 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; vapor controls
Targa Sound Tacoma, WA	1,450 MBbl	Refined petroleum products, LPGs, ethanol, biodiesel	Ship, barge, rail and truck transport; blending and heating
Targa Baltimore Baltimore, MD	505 MBbl	Asphalt, fuel oil; ability to expand product handling	Truck and barge transport; blending and heating; ability to add, rail, pipeline and ship
Total	2,499 MBbl		

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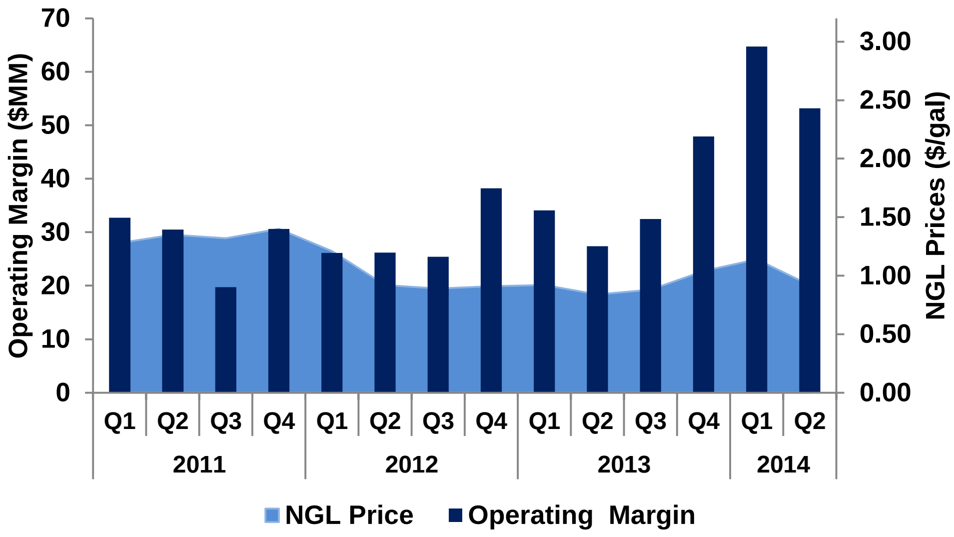
Marketing and Distribution Segment

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
  - 686 railcars leased and managed
  - 80 owned and leased transport tractors
  - 21 pressurized NGL barges

Operating Margin vs. NGL Price



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

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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; changes in the fair value of the Badlands acquisition contingent consideration and the non-controlling interest portion of depreciation and amortization expenses. 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) attributable to Targa Resources Partners LP. Adjusted EBITDA should not be considered as an alternative to GAAP net cash provided by operating activities or GAAP net income. 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 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 – 2014 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	$ 108.8	$ 26.3
Add:		
Interest expense, net	34.9	31.6
Income tax expense	1.3	0.9
Depreciation and amortization expense	85.8	65.7
(Gain) Loss on sale or disposal of assets	(0.5)	3.9
Loss on debt redemption and early debt extinguishments	-	7.4
Change in contingent consideration	-	(6.5)
Risk management activities	(0.4)	0.2
Noncontrolling interest adjustment	(3.5)	(3.0)
Adjusted EBITDA	$ 226.4	$ 126.5

	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	$ 384.0	$ 265.2
Operating expenses	(106.6)	(96.1)
Operating margin	277.4	169.1
Depreciation and amortization expenses	(85.8)	(65.7)
General and administrative expenses	(39.1)	(36.1)
Interest expense, net	(34.9)	(31.6)
Income tax expense	(1.3)	(0.9)
(Gain) Loss on sale or disposal of assets	0.5	(3.9)
Loss on debt redemption and early debt extinguishments	-	(7.4)
Change in contingent consideration	-	6.5
Other, net	4.1	2.7
Net income	$ 120.9	$ 32.7

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Non-GAAP Reconciliation – 2014 EBITDA

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

	Twelve Months Ended 12/31/2014	
	Low Range	High Range
	($ in millions)	
Reconciliation of net income attributable to Targa Resources Partners LP to Adjusted EBITDA:		
Net income attributable to Targa Resources Partners LP	$ 444.5	$ 494.5
Add:		
Interest expense, net	150.0	150.0
Income tax expense	4.0	4.0
Depreciation and amortization expenses	340.0	340.0
Noncontrolling interests adjustment	(13.5)	(13.5)
Adjusted EBITDA	$ 925.0	$ 975.0

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)	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	30-Jun 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	$ 108.8
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	85.8
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	0.3
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	3.3
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)	(0.5)
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)	(0.4)
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)	(20.0)
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)	(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	$ 175.3
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	125.7
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	1.4x

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

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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	6/30/2014
	($ 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	$ 384.0
Operating expenses	(71.6)	(77.2)	(78.3)	(85.8)	(86.1)	(96.1)	(97.6)	(96.5)	(104.3)	(106.6)
Operating margin	189.8	166.6	161.6	173.8	174.2	169.1	199.5	258.6	275.3	277.4
Depreciation and amortization expenses	(46.7)	(47.6)	(47.9)	(55.2)	(63.9)	(65.7)	(68.9)	(73.1)	(79.5)	(85.8)
General and administrative expenses	(32.9)	(33.5)	(33.5)	(31.6)	(34.1)	(36.1)	(35.4)	(37.4)	(35.9)	(39.1)
Interest expense, net	(29.4)	(29.4)	(29.0)	(29.0)	(31.4)	(31.6)	(32.6)	(35.4)	(33.1)	(34.9)
Income tax expense	(1.0)	(0.8)	(0.9)	(1.5)	(0.9)	(0.9)	(0.7)	(0.4)	(1.1)	(1.3)
Loss (gain) on sale or disposal of assets	-	-	(18.9)	3.2	0.1	(3.9)	0.6	(0.8)	0.8	0.5
(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	4.1
Net income	$ 81.8	$ 54.7	$ 28.1	$ 38.6	$ 45.3	$ 32.7	$ 65.0	$ 115.6	$ 131.3	$ 120.9
Fee Based operating margin percentage	32%	39%	45%	46%	53%	52%	57%	62%	60%	67%
Fee Based operating margin	$ 60.3	$ 65.7	$ 73.3	$ 80.0	$ 91.8	$ 87.6	$ 113.0	$ 160.2	$ 164.0	$ 187.0

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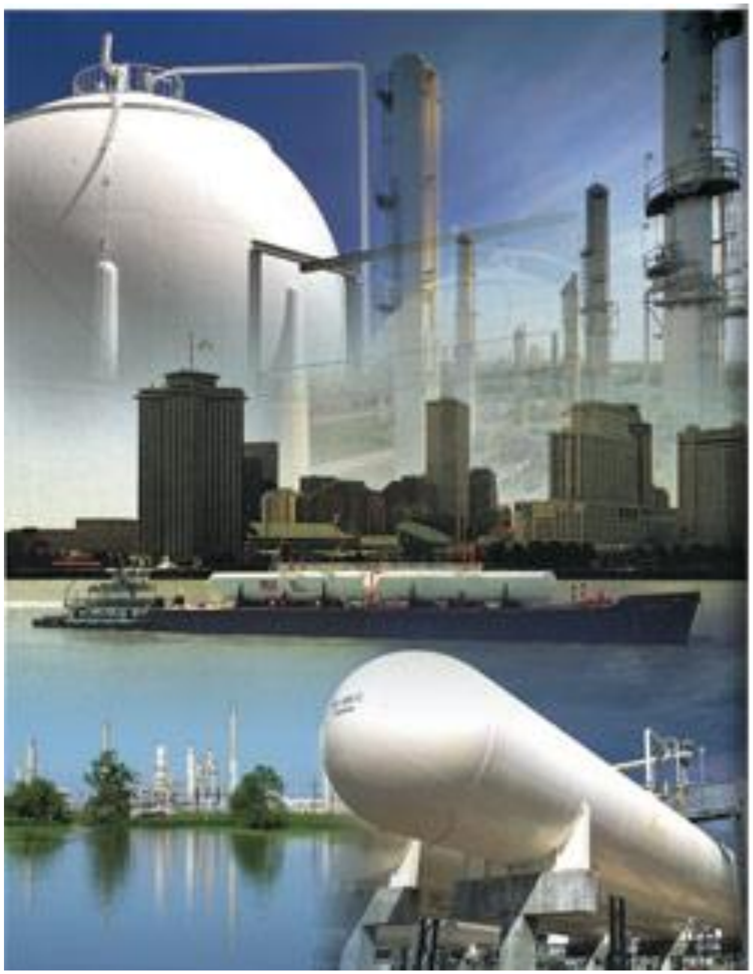

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