



February 18, 2016

Targa Resources Corp. Announces \$500 Million Private Placement of 9.5% Series A Preferred Stock

HOUSTON, Feb. 18, 2016 (GLOBE NEWSWIRE) -- Targa Resources Corp. ("Targa" or the "Company") (NYSE:TRGP) announced today that it has received binding commitments for the purchase of approximately \$500 million of 9.5% Series A Preferred Stock (the "Preferred Stock") from investment vehicles affiliated with Stonepeak Infrastructure Partners ("Stonepeak").

Stonepeak will acquire 500,000 newly authorized shares of 9.5% Series A Preferred Stock at a net price to Targa of \$1,000 per share. The Preferred Stock can be redeemed in whole or in part at Targa's option after 5 years, and can be converted into Targa common stock in 2028 by Stonepeak or under certain circumstances by the Company. Stonepeak will also receive approximately 7,020,000 warrants with a strike price of \$18.88 per common share and 3,385,000 warrants with a strike price of \$25.11 per common share. The warrants have a seven year term. Per the terms of the agreement, Stonepeak will appoint Scott Hobbs, a Stonepeak operating partner, to Targa's board of directors as an observer.

"Stonepeak's investment in Targa underscores the quality of our asset footprint and operations, and our competitive positioning in the industry," said Joe Bob Perkins, Chief Executive Officer of Targa. "The \$500 million preferred equity investment will reduce our leverage and increase our liquidity, providing us with additional flexibility in the current industry environment."

"Targa has established itself as a premier midstream player with an irreplaceable asset base and a world-class management team that positions it well for any commodity price environment," commented Mike Dorrell, Senior Managing Director and Co-Founder of Stonepeak. "We are delighted to partner with Targa and look forward to a long term relationship."

The Company expects to use the net proceeds of the private placement to repay indebtedness and for general corporate purposes. Targa Resources Partners LP's pro forma leverage ratio is 3.6 times versus its year-end 2015 leverage ratio of 3.9 times. Targa's pro forma liquidity increases from \$1.7 billion to \$2.2 billion.

Vinson & Elkins L.L.P. served as legal counsel to the Company and Sidley Austin LLP served as legal counsel to Stonepeak.

Investor Presentation and Conference Call

An investor presentation regarding the Series A Preferred Stock Private Placement has been posted on the Events and Presentations section of Targa's website at www.targaresources.com. Targa will discuss the Series A Preferred Stock Private Placement on its scheduled fourth quarter and full year 2015 results conference call on Thursday, February 25, 2016 at 10:30 a.m. Eastern Time (9:30 a.m. Central Time). The conference call can be accessed via webcast through the Events and Presentations section of Targa's website, by going directly to <http://ir.targaresources.com/trc/events.cfm> or by dialing 877-881-2598. The pass code for the dial-in is 48931557. Please dial in ten minutes prior to the scheduled start time. A replay will be available approximately two hours following completion of the webcast through the Investor's section of the Company's website.

The securities offered in the private placement have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements of the Securities Act and applicable state laws.

This press release is neither an offer to sell nor a solicitation of an offer to purchase the securities described herein.

Forward-Looking Statements

Certain statements in this communication 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, including, without limitation, statements regarding the expected benefits of the Series A Preferred Stock Private Placement to Targa and their stockholders, the expected future growth, dividends, distributions of the Company, and plans and objectives of management for future operations. All statements, other than statements of historical facts, included in this communication 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 the control of Targa, which could cause results to differ materially from those expected by management of Targa. Such risks and uncertainties include, but are not limited to, weather, political, economic and market conditions, including a decline in the price and market demand for natural gas, natural gas liquids and crude oil, the timing and success of business development efforts; and other uncertainties. These and other applicable uncertainties, factors and risks are described more fully in Targa's filings with the SEC, including the Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Targa does not undertake an 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.

The principal executive offices of Targa are located at 1000 Louisiana, Suite 4300, Houston, TX 77002 and their telephone number is 713-584-1000. For more information please go to www.targaresources.com.

Contact investor relations by phone at (713) 584-1133.

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