Targa Resources

Investor Presentation

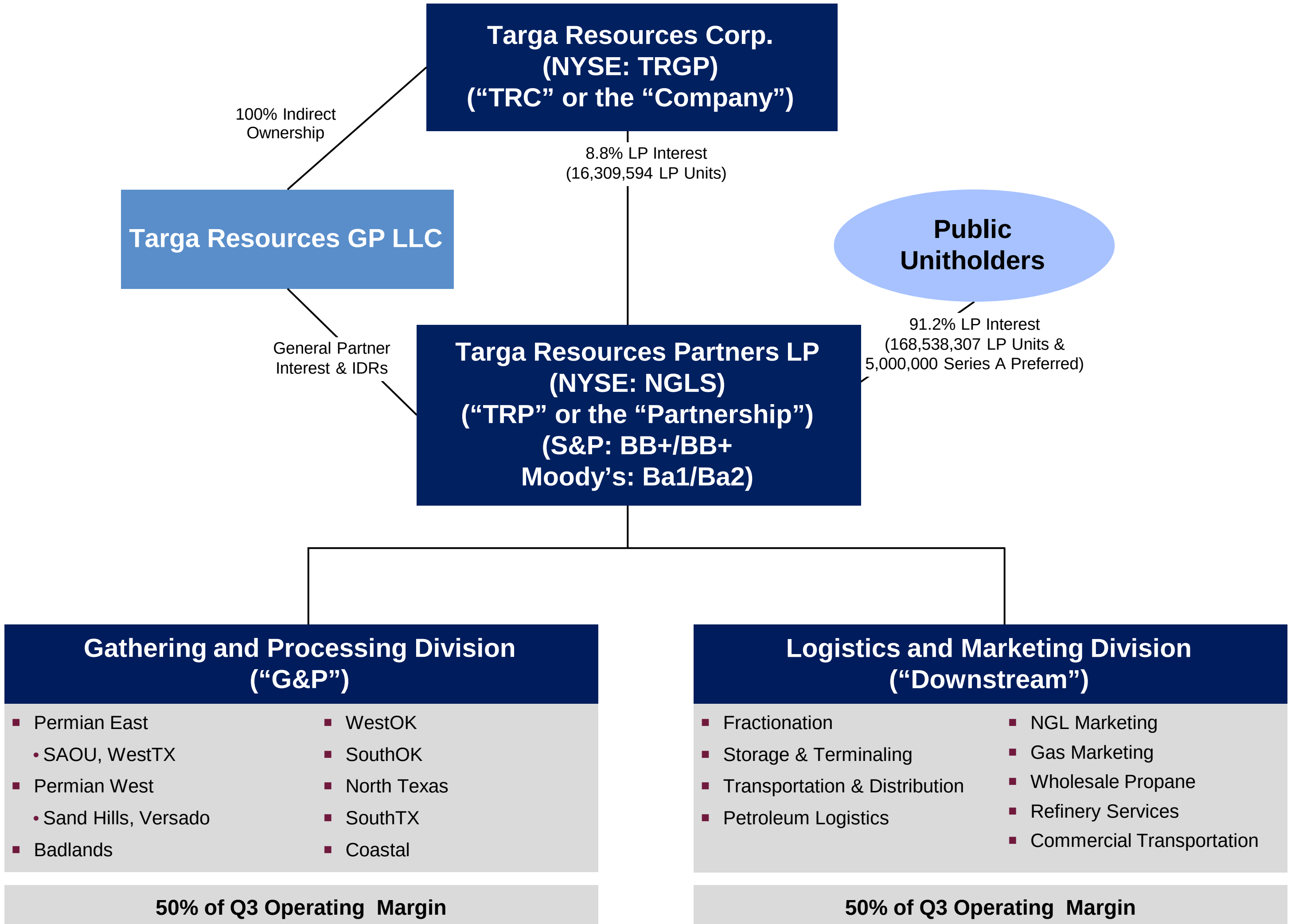
Third Quarter 2015

November 3, 2015

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 (NYSE: NGLS; “TRP” or the “Partnership”) or Targa Resources Corp. (NYSE: TRGP; “TRC” or the “Company”) (together “Targa”) 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, 2014 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 Current Corporate Structure



- *TRC had 56,091,151 common shares outstanding as of October 30, 2015*
- *TRP ownership as of October 30, 2015*
- *G&P division includes "Other" operating margin*

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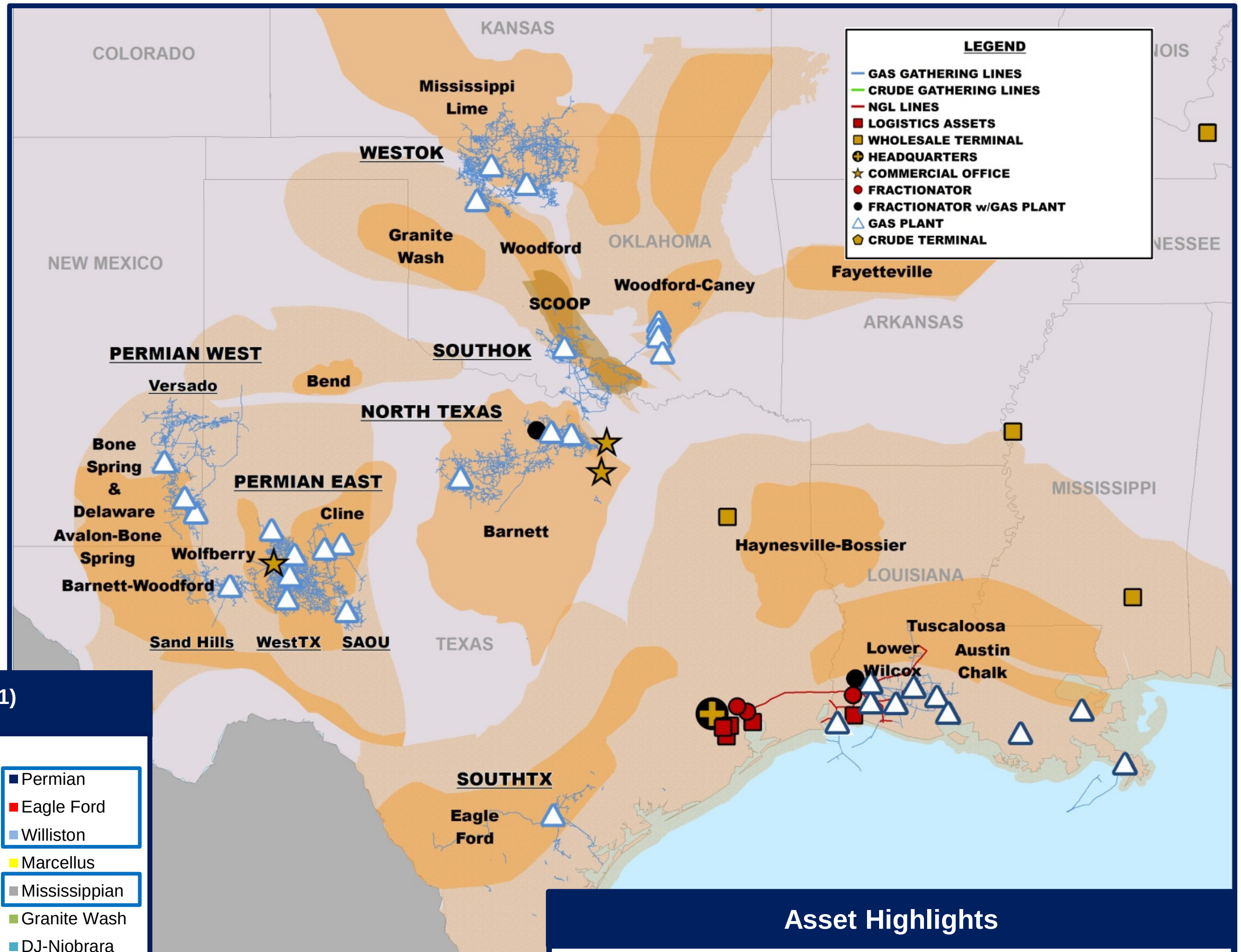
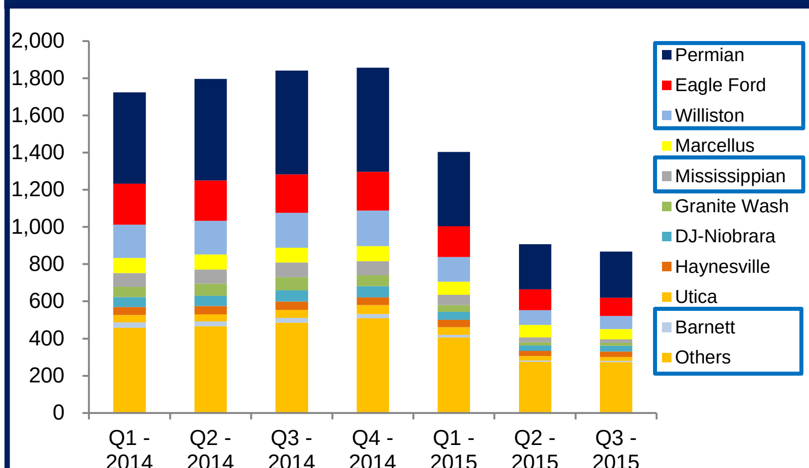
Attractive Asset Positions Despite Lower Producer Activity

- Rig activity has decreased significantly across the U.S.
- Targa's footprint has been impacted, but positioning in some of the best basins / areas provides resiliency



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



Asset Highlights

- ~8 Bcf/d gross processing capacity
- 39 natural gas processing plants
- Over 25,000 miles of natural gas and crude oil pipelines
- Gross NGL production of 283 MBbls/d in Q3 2015
- 3 crude and refined products terminals (2.5 MMBbls of storage)
- 17 gas treating facilities
- Over 570 MBbl/d gross fractionation capacity
- ~6.5-7.0 MMBbl/month capacity LPG export terminal

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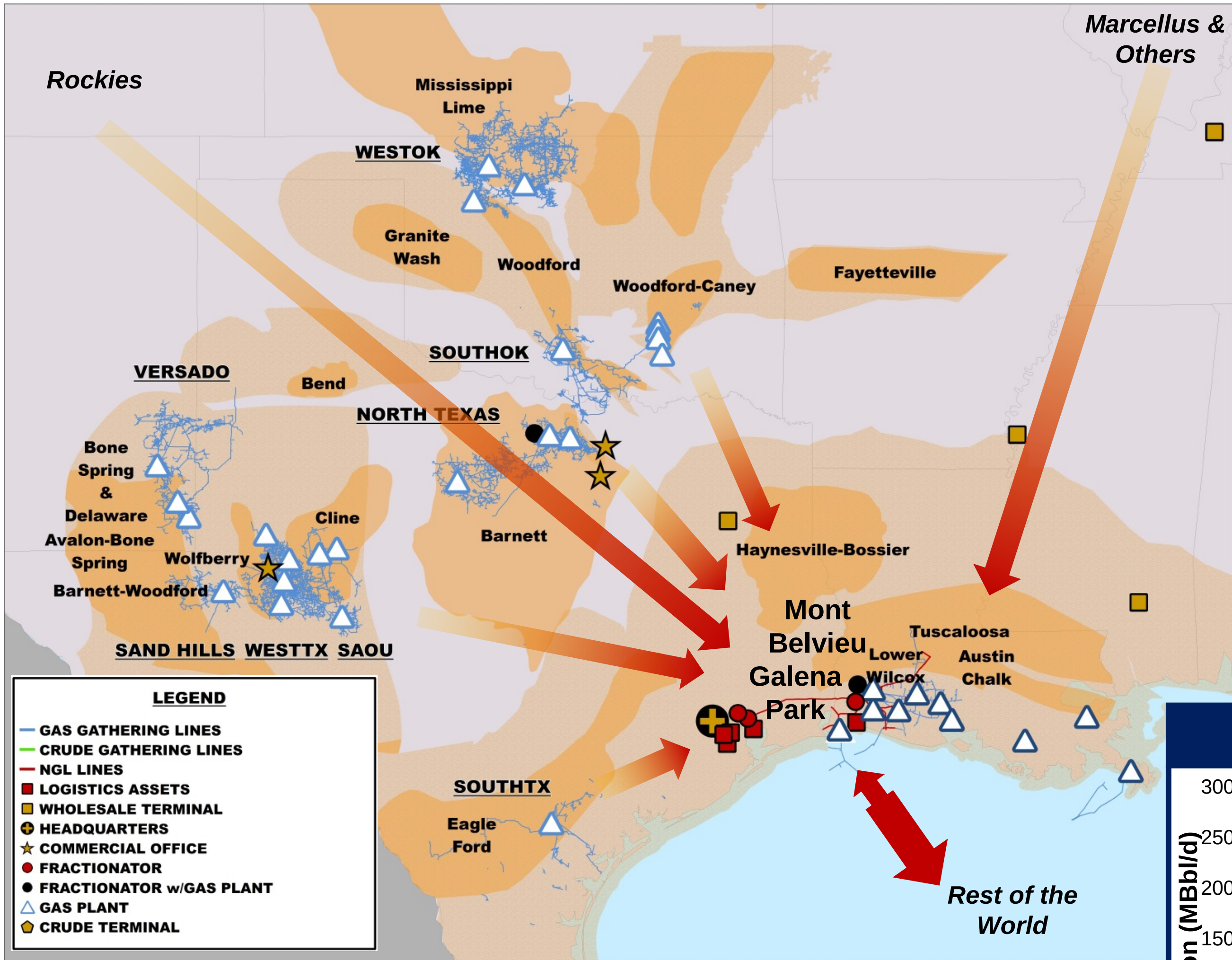
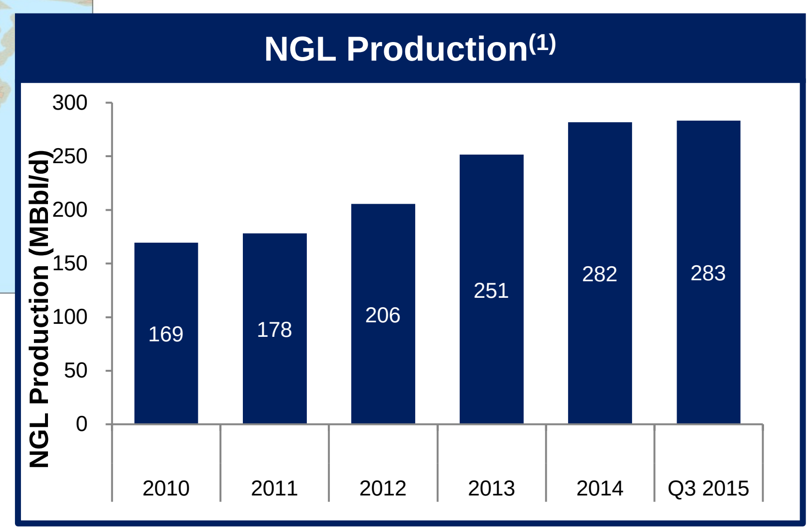
(1) *Source: Baker Hughes; data through September 22, 2015*

Producer Activity Drives NGL Flows to Mont Belvieu



- Growing field NGL production increases NGL flows to Mont Belvieu
- Increased NGL production could support Targa's existing and expanding Mont Belvieu and Galena Park presence
- 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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(1) Pro forma Targa/TPL for all years

Major Capital Projects in Progress

- **Expect approximately $700 to $800 million of growth capex in 2015**
  - G&P expansion program growth capex is largely additional gathering lines and compression, providing incremental returns upon completion
  - Completion of 200MMcf/d Buffalo Plant in WestTX is expected in 1H 2016, providing additional capacity to capture volumes across the Midland Basin
  - Recently announced joint venture with Sanchez Energy Corporation for construction of 200MMcf/d plant in La Salle County in SouthTX and approximately 45 miles of associated pipelines supported by long-term, firm, fee-based contracts and acreage dedications is expected in-service in early 2017
- **Based on announced projects, expect approximately $600 million of capex in 2016**

Projects in Progress	Total Capex ($ millions)	2015 Capex ($ millions)	Expected Completion	Primarily Fee-Based
CBF Train 5 Expansion (100 MBbl/d)	$385	$230	Mid 2016	✓
Petroleum Logistics	190 - 350	20	2017+	✓
Other	20	20		✓
Total Downstream Projects	$595 - $755	$270		
North Dakota - Badlands Expansion Program	$150 - $320	$125 - $200	2015+	✓
Permian Expansion Programs(1)	210 - 370	75 - 120	2015+	
Other G&P Expansion Programs(2)	355	230	2015+	
Total G&P Projects	$715 - $1,045	$430 - $550		
Total Growth Projects	**$1,310 - $1,800**	**$700 - $800**		

$375 million of equity raised YTD – no additional equity needs for the balance of 2015

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(1) Includes 200 MMcf/d Buffalo Plant in WestTX
(2) Includes 200 MMcf/d La Salle County Plant in SouthTX

Future Growth – Projects Under Development

- **Targa has over $4 billion of projects under development**
  - Demand for additional infrastructure across Targa's G&P and Downstream areas of operations continues, with current environment resulting in acceleration of need for some projects and delay for others
- **Representative projects include:**
  - Natural gas processing plants (Note: Delaware and Williston basin plants delayed in current environment)
  - Natural gas gathering lines and associated infrastructure
  - Oil gathering lines and associated infrastructure
  - NGL fractionation (Train 6 permitting in progress)
  - NGL storage
  - Ethane export project

Selected Near-Term Growth Projects Under Development

Projects	Total Capex ($ millions)	Potential Completion	Primarily Fee-Based
Mont Belvieu Area Infrastructure Project		2017	✓
Smaller Mont Belvieu Area Project		2017	✓
Downstream	$300 - $500		
Project with Producer in Active Basin		2017	✓
Other G&P Projects Under Negotiation		2017	
G&P	$100 - $600		
Growth Projects	**$400 - $1,100**		**>50%**
Sanchez Energy JV in Eagle Ford		2017	✓

JV approved and announced October 5th, now appearing on previous page under "Projects in Progress"

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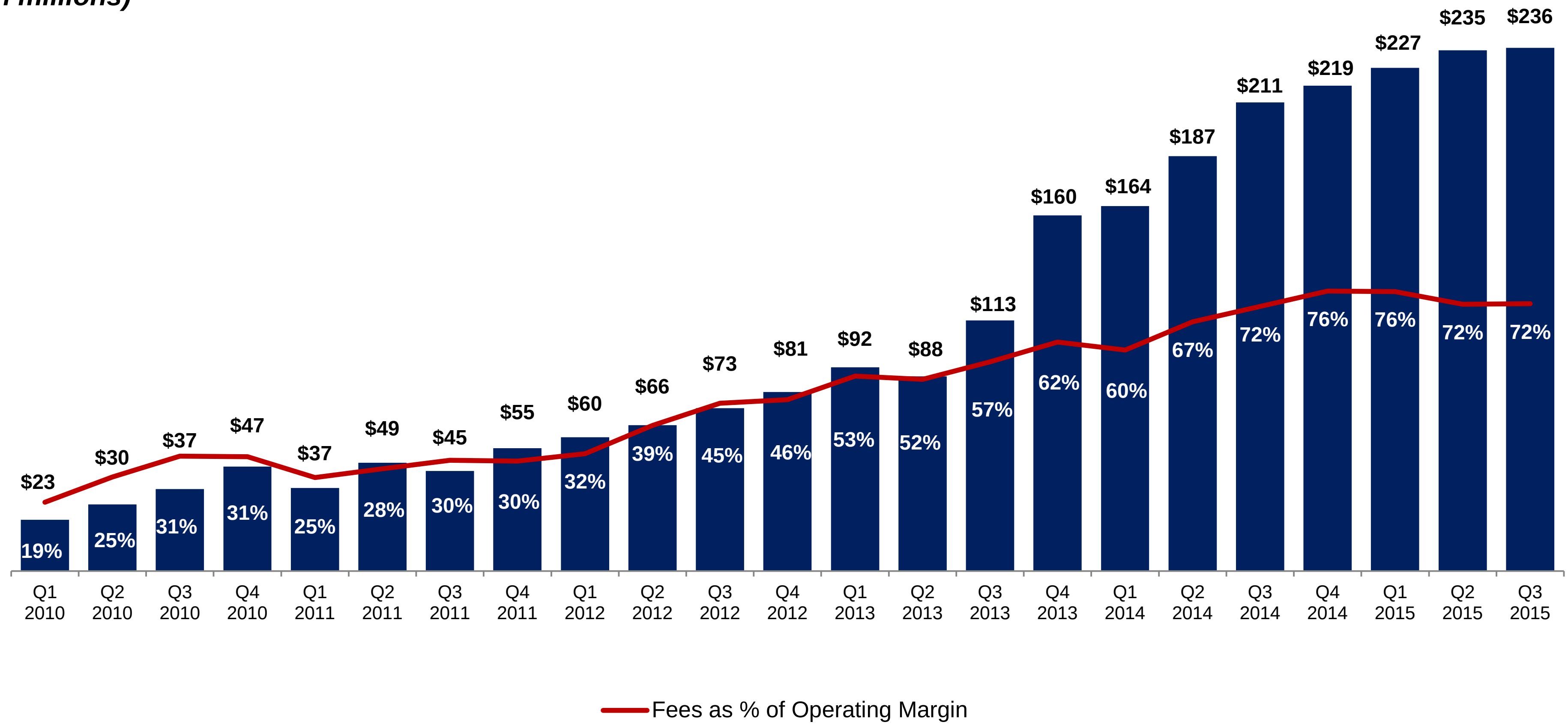
Strong Growth in Fee-Based Margin Continues

Increasing Fee-Based Margin Provides Additional Stability to Our Business

($ in millions)



TRP's growth in fee-based margin provides cash flow stability –
At least 70% of 2015E and 2016E operating margin expected to be fee-based

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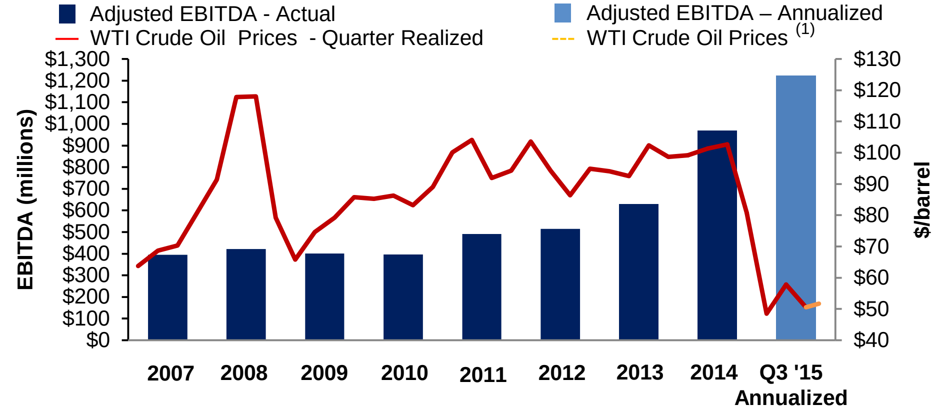
Diversity and Scale Mitigate Commodity Price Changes

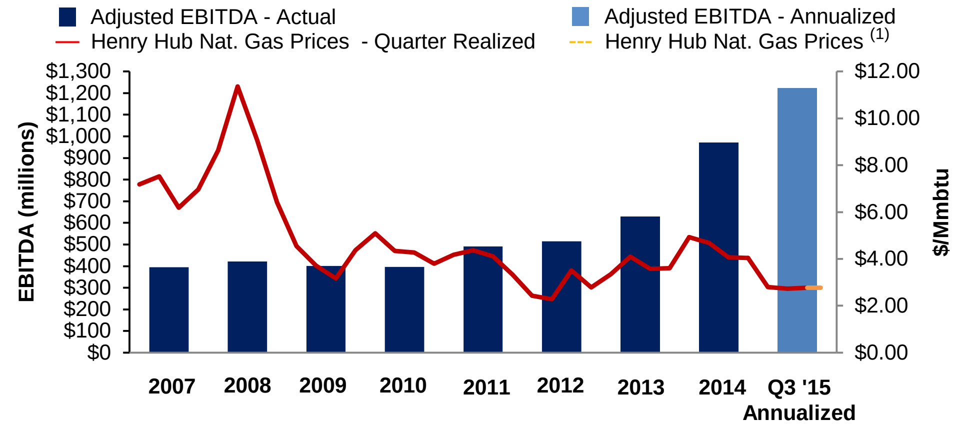
- **Growth has been driven by investing in the business, not by changes in commodity prices**
- **TRP benefits from multiple factors that help mitigate commodity price volatility, including:**
  - Scale
  - Business and geographic diversity
  - Increasing fee-based margin
  - Hedging
- **Based on our estimate of current equity volumes, as of the end of the second quarter of 2015, approximately 65% of remaining natural gas, 55% of remaining condensate and 20% of remaining NGLs are hedged for 2015**
- **Based on our estimate of current equity volumes, approximately 40% of natural gas, 40% of condensate, and 20% of NGLs are hedged for 2016**
- **Per press release on October 5th, commodity price only sensitivities to 2016 Adjusted EBITDA:**
  - +/- $0.05/gal NGLs = +/- $20 million Adj. EBITDA
  - +/- $0.25/MMBtu nat gas = +/- $10 million Adj. EBITDA
  - +/- $5.00/bbl crude oil = +/- $5 million Adj. EBITDA

Adjusted EBITDA vs. Commodity Prices

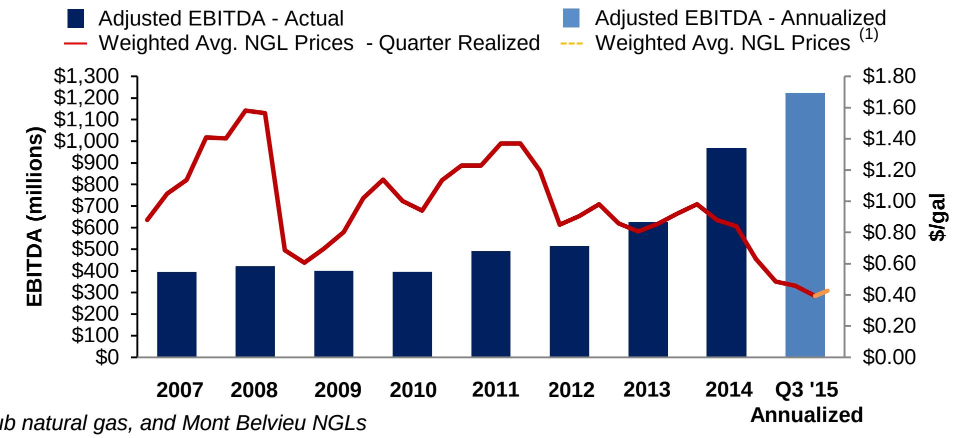
Crude Oil



Natural Gas



NGLs



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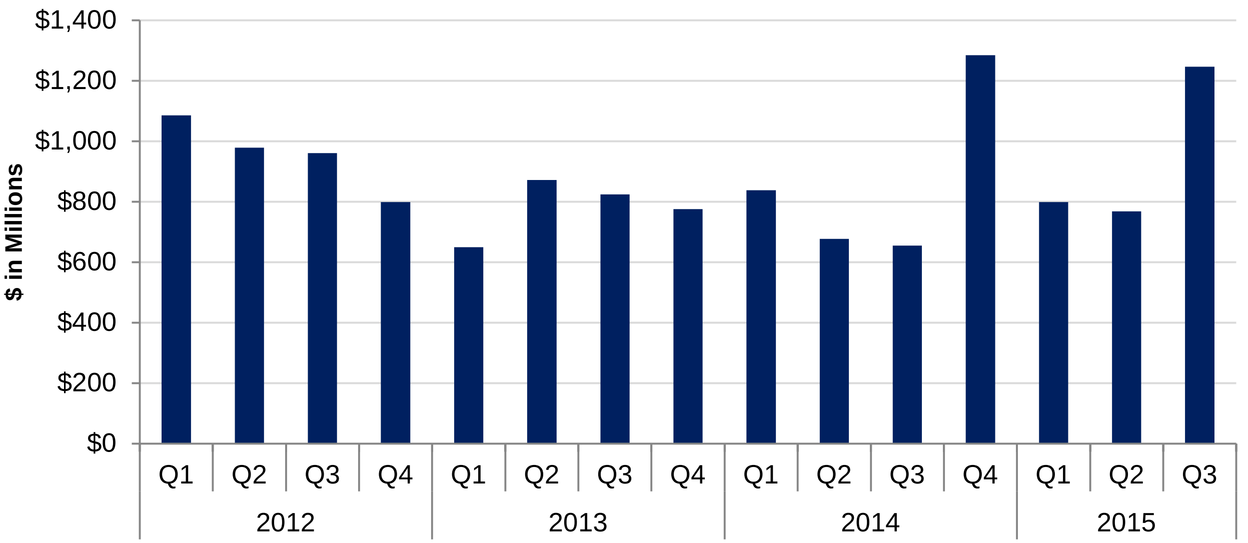
(1) Prices reflect average Q1-Q3 2015 spot prices for WTI crude oil, Henry Hub natural gas, and Mont Belvieu NGLs

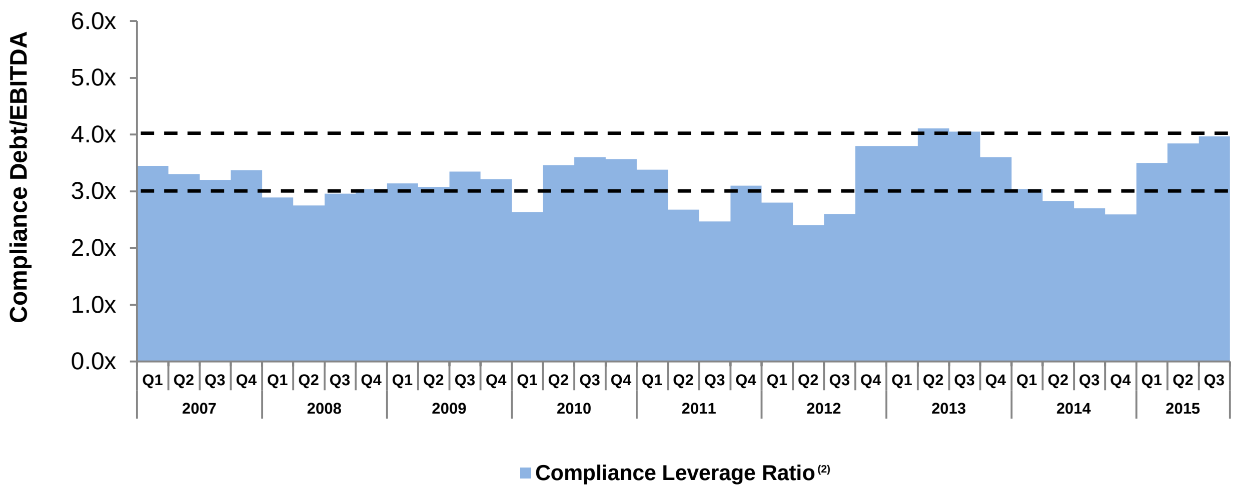
Note: Targa's composite NGL barrel comprises 37% ethane, 35% propane, 6% iso-butane, 12% normal butane, and 10% natural gasoline

Targa Leverage and Liquidity

Liquidity(1)



Compliance Leverage Ratio



- Approximately $1.25 billion of current liquidity at quarter end
- From January through October 2015, received proceeds of approximately $500 million from equity issuances, including $316 million of net proceeds from equity issuances under at-the-market ("ATM") program and contributions from TRC to maintain its 2% GP interest, as well as $121 million from a Series A preferred equity offering
- Executed a $600 million senior unsecured notes offering in early September
- Target compliance leverage ratio 3x - 4x Debt/EBITDA
  - Q3 2015 compliance leverage ratio was 4.0x

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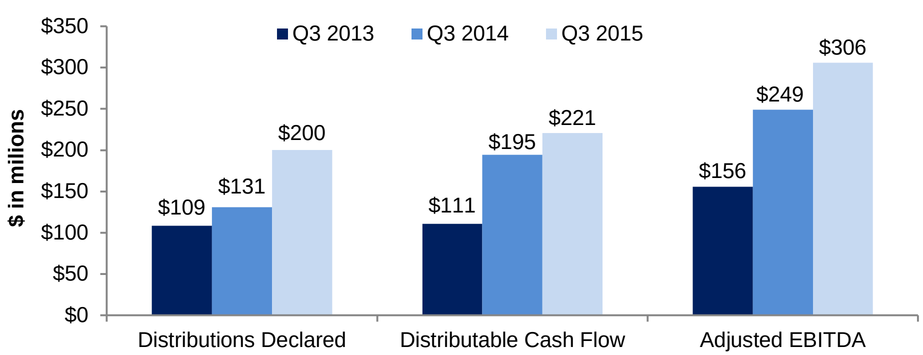
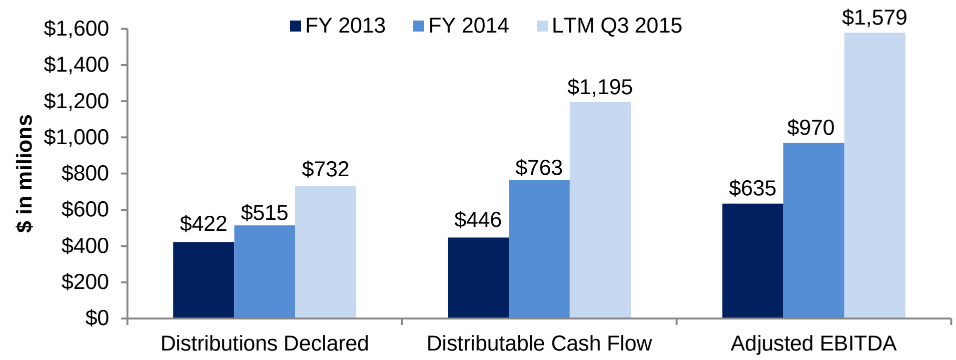
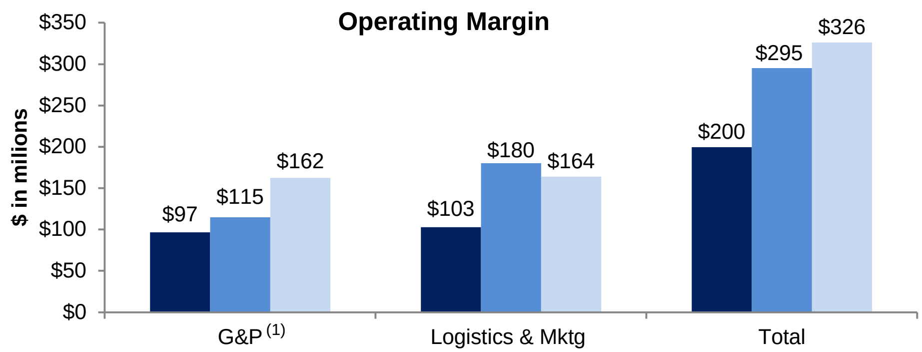
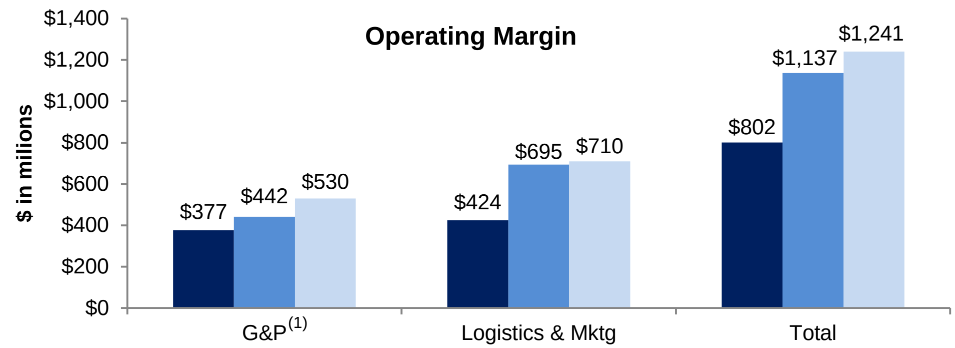
(1) Includes TRP's total availability under the revolver plus cash, less outstanding borrowings and letters of credit under the TRP revolver
(2) Adjusts EBITDA to provide credit for material capital projects that are in process, but have not started commercial operation, and other items

TRP Update









Q3 2015 Highlights

- **Adjusted EBITDA increased 23% in Q3 2015 compared to Q3 2014, primarily due to a full quarter of contributions from TPL, partially offset by lower commodity prices**
- **Field Gathering & Processing operating margin increased 61% in Q3 2015 versus Q3 2014 primarily driven by a full quarter of TPL contributions, partially offset by lower commodity prices**

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(1) Includes impact of commodity hedge settlements

TRP Capitalization

($ millions)

Cash and Debt	Maturity	Coupon	Actual 6/30/2015	Adjustments	Actual 9/30/2015
Cash and Cash Equivalents			$85.5	$7.3	$92.8
Accounts Receivable Securitization	Dec-15		124.2	$11.3	135.5
Revolving Credit Facility	Oct-17		878.0	($443.0)	435.0
Total Senior Secured Debt			**1,002.2**		**570.5**
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
Senior Notes	Nov-19	4.125%	800.0		800.0
Senior Notes	Oct-20	6.625%	342.1		342.1
Senior Notes	Feb-18	5.000%	1,100.0		1,100.0
New Senior Notes	Mar-24	6.750%	–	600.0	600.0
Unamortized Discounts on TRP Debt			(23.8)	0.8	(23.0)
Unamortized Premium on TRP Debt			5.4	(0.2)	5.2
TPL Senior Notes	Oct-20	6.625%	13.1		13.1
TPL Senior Notes	Aug-23	5.875%	48.1		48.1
TPL Senior Notes	Nov-21	4.750%	6.5		6.5
Unamortized Premium on TPL Debt			0.8		0.8
Total Consolidated Debt			**$5,303.0**		**$5,471.9**
Compliance Leverage Ratio[1]			3.8x		4.0x
Liquidity:					
Credit Facility Commitment			$1,600.0	–	$1,600.0
Funded Borrowings			(878.0)	443.0	(435.0)
Letters of Credit			(20.5)	9.3	(11.2)
Total Revolver Availability			**$701.5**		**$1,153.8**
Cash			85.5		92.8
Total Liquidity			**$787.0**		**$1,246.6**

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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; compliance debt excludes senior notes of Targa Pipeline Partners, L.P. ("TPL")

TRC Capitalization

($ millions)

Capitalization	Maturity	Actual 6/30/2015	Adjustments	Actual 9/30/2015
Cash and Cash Equivalents	--	$20.2	($10.1)	$10.1
Senior Secured Revolver ($670 MM)	Feb-20	460.0	(15.0)	445.0
Term Loan B	Feb-22	160.0	--	160.0
Unamortized Discount		(2.7)	0.1	(2.6)
Total TRC Debt		**$617.3**		**$602.4**
LQA Standalone EBITDA		$226.2	$5.8	$232.0
Total Compliance Leverage (1)		2.6x		2.6x
Liquidity				
Revolving Credit Facility Commitment		$670.0	–	$670.0
Funded Borrowings		(460.0)	15.0	(445.0)
Total Revolver Availability		**$210.0**		**$225.0**
Cash		$20.2		$10.1
Liquidity		**$230.2**		**$235.1**

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(1) Compliance leverage deducts cash and cash equivalents from debt

Targa Business Division and Segment Review

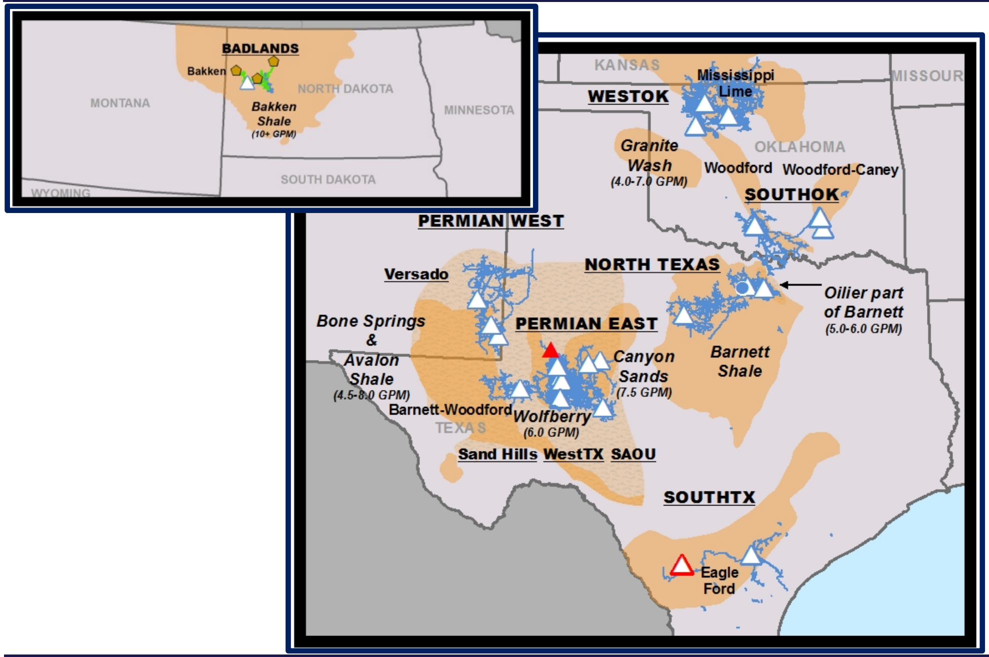
Extensive Field Gathering and Processing Position

Summary

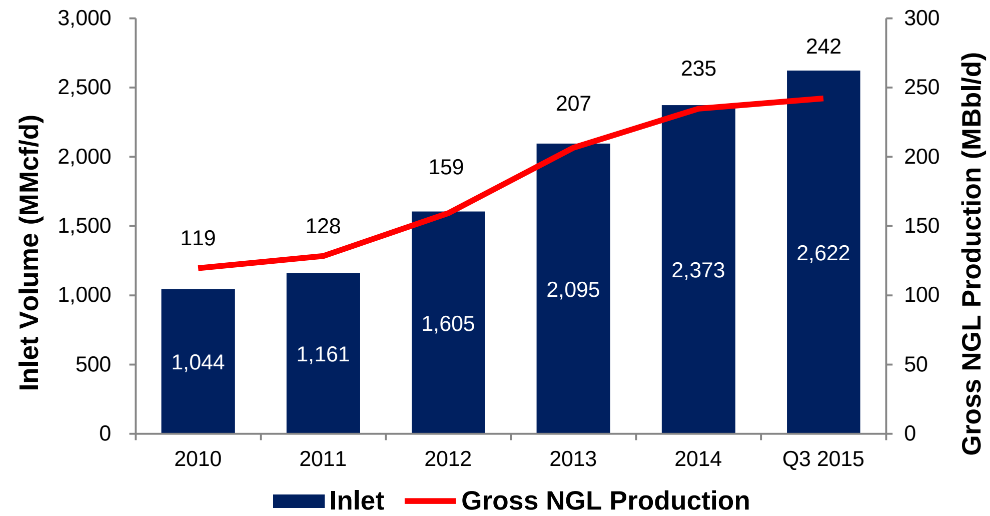
- **Over 24,000 miles of pipeline across attractive positions in the Permian Basin, Eagle Ford Shale, Barnett Shale, Anadarko Basin, Ardmore Basin, Arkoma Basin and Williston Basin**
- **Over 3.4 Bcf/d of gross processing capacity**
  - Six new cryogenic plants in service in 2014 and Q1 2015 (High Plains, Longhorn, Little Missouri 3, Edward, Stonewall and Silver Oak II), plus 40 MMcf/d Stonewall plant expansion in service Q3 2015
  - Connected WestTX and Sand Hills in Q3 2015; Sand Hills and SAOU connected in Q3 2014
- **Additional gathering and processing expansions:**
  - 200 MMcf/d Buffalo plant expected in service in 1H 2016
  - 200 MMcf/d La Salle County plant in SouthTX expected in service in early 2017
  - Connection of WestTX and SAOU expected in early 2016
- **POP and fee-based contracts**

		Current Gross Processing Capacity (MMcf/d)	Miles of Pipeline
SAOU	Permian East	369	1,750
WestTX	Permian East	655	3,800
Sand Hills	Permian West	175	1,600
Versado	Permian West	240	3,350
WestOK		458	6,100
SouthOK		540	1,500
North Texas		478	4,500
SouthTX		400	976
Badlands		90	528
Total		**3,405**	**24,104**

Footprint



Volumes(1)



(1) *Pro forma Targa/TPL for all years*

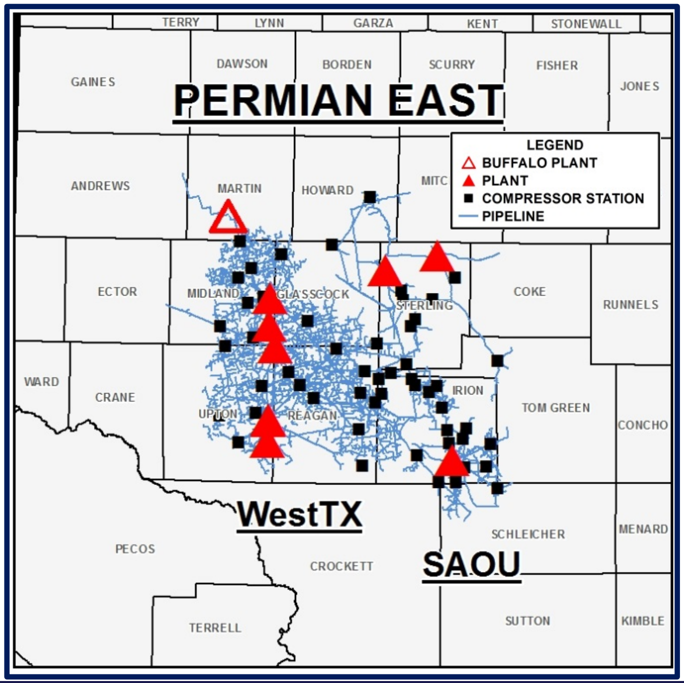
Permian East – Premier Midland Basin Footprint

Summary

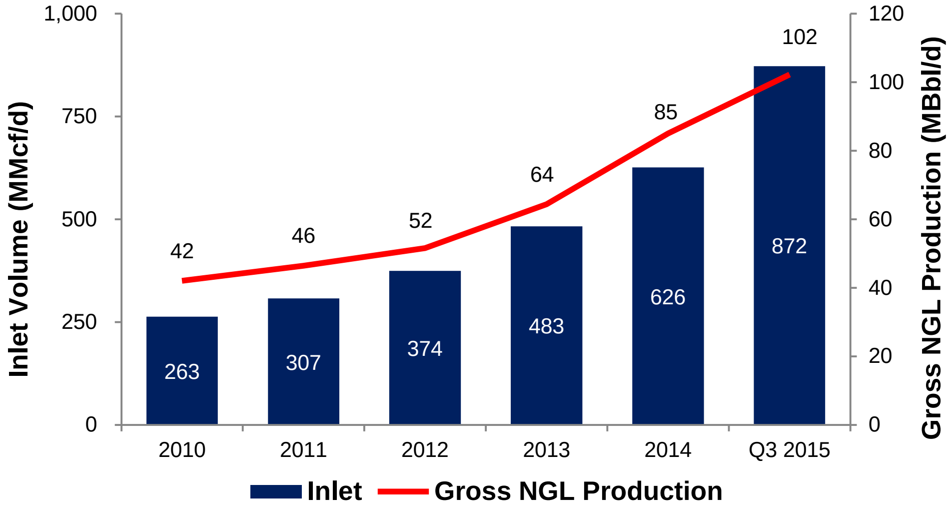
- **Footprint includes approximately 5,500 miles of pipeline in the Midland Basin**
- **Targa is one of the largest Midland Basin gas processors with over 1.0 Bcf/d in gross processing capacity**
  - Significant expansions in 2014 including 200 MMcf/d High Plains plant and 200 MMcf/d Edward plant
  - 200 MMcf/d Buffalo plant expected in service in 1H 2016
  - Connected WestTX and Sand Hills in Q3 2015; Sand Hills and SAOU connected in Q3 2014
  - Reviewing opportunities to connect / optimize systems to enhance reliability, optionality and efficiency for producers
- **Connected to Permian West via the Midland County Pipeline running between SAOU and Sand Hills**
- **Traditionally POP contracts, with additional fee-based services for compression, treating, etc.**

	Current Gross Processing Capacity (MMcf/d)	Miles of Pipeline
SAOU	369	1,750
WestTX	655	3,800
Permian East Total	**1,024**	**5,550**

Footprint



Volumes(1)



(1) *Pro forma Targa/TPL for all years*

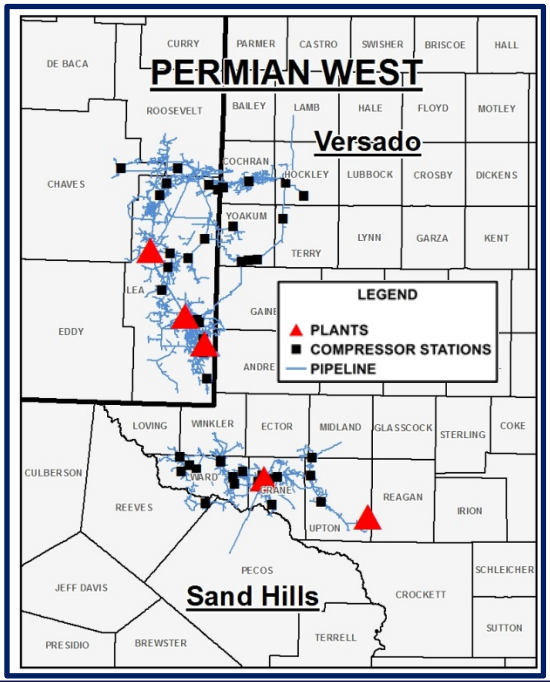
Permian West – Poised to Capture Growth

Summary

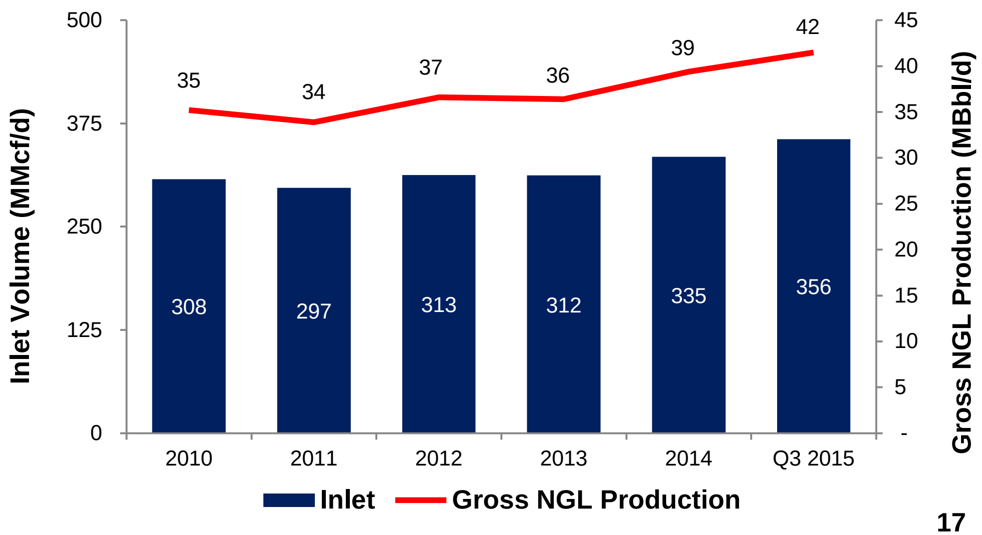
- **Footprint includes approximately 5,000 miles of pipeline**
- **Significant growth opportunities driven by continued producer activity**
  - Processing capacity available at Versado to capture new volumes
  - Adding compression and a high pressure pipeline to move gas from the Delaware Basin into Versado
  - Connected WestTX and Sand Hills in Q3 2015; Sand Hills and SAOU connected in Q3 2014
  - Volume growth at Sand Hills can be moved to SAOU High Plains Plant
- **Traditionally POP contracts, with additional fee-based services for compression, treating, etc.**

	Current Gross Processing Capacity (MMcf/d)	Miles of Pipeline
Sand Hills	175	1,600
Versado	240	3,350
Permian West Total	**415**	**4,950**

Footprint



Volumes(1)



(1) *Pro forma Targa/TPL for all years*

TARGA

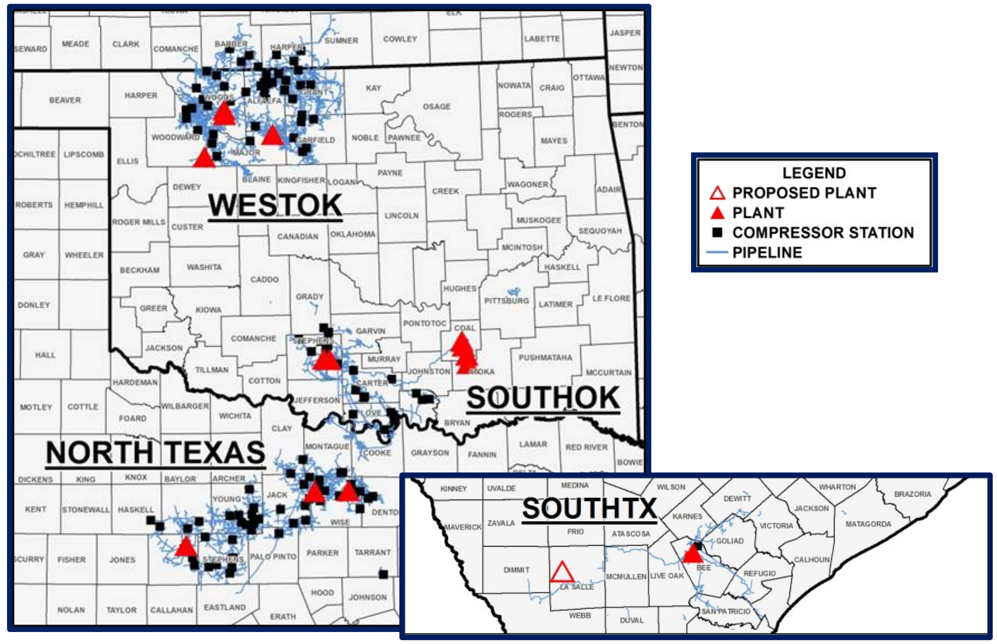
Strategic North Texas, SouthTX and Oklahoma Positions

Summary

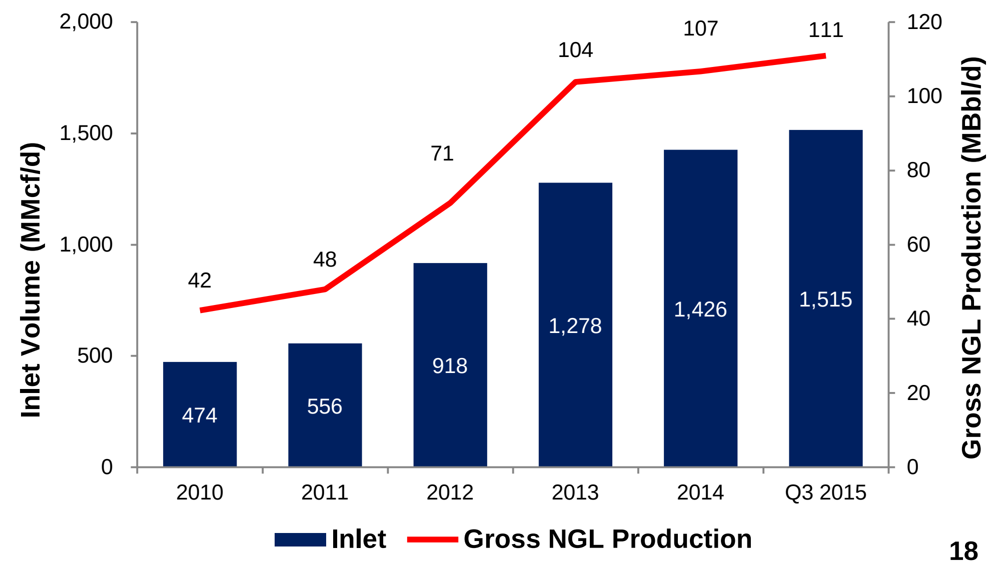
- **Four footprints including over 13,000 miles of pipeline**
- **Over 1.8 Bcf/d of gross processing capacity**
  - 200 MMcf/d Longhorn, Silver Oak II, and Stonewall plants placed in service in May 2014
  - Recently announced Sanchez Energy Corporation joint venture in SouthTX to build 200 MMcf/d plant and ~45 miles of associated pipelines in La Salle County expected in service in early 2017
  - 15 processing plants across the liquids-rich Eagle Ford Shale, Barnett Shale, Anadarko Basin, Ardmore Basin and Arkoma Basin
  - Reviewing opportunities to connect / optimize systems to enhance reliability, optionality and efficiency for producers
- **Traditionally POP contracts in North Texas and WestOK with additional fee-based services for compression, treating, etc.**
- **Majority of SouthTX and SouthOK contracts are fee-based**

	Current Gross Processing Capacity (MMcf/d)	Miles of Pipeline
WestOK	458	6,100
SouthOK	540	1,500
North Texas	478	4,500
SouthTX	400	976
Total	**1,876**	**13,076**

Footprint



Volumes(1)



(1) *Pro forma Targa/TPL for all years*

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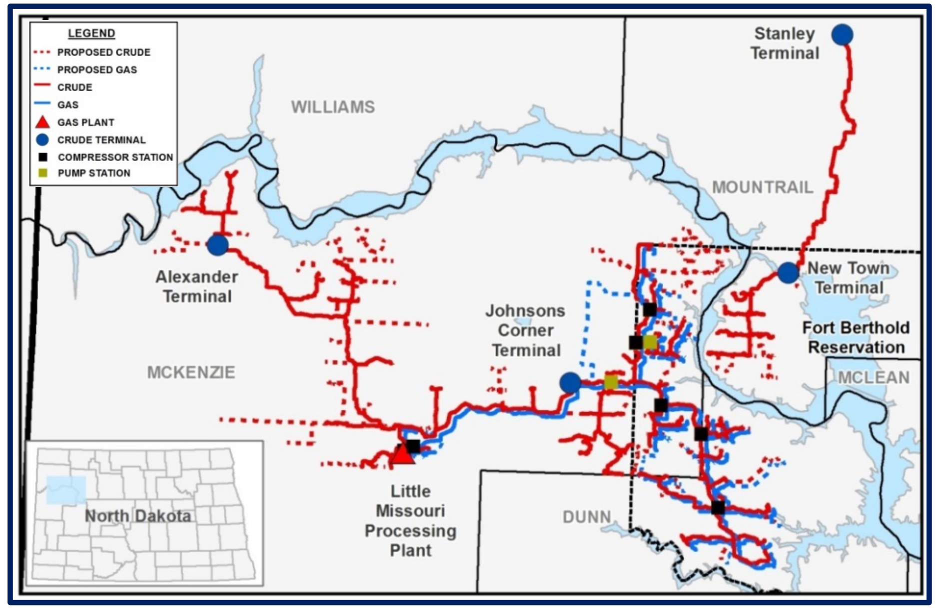
Strategic Position in the Core of the Williston Basin

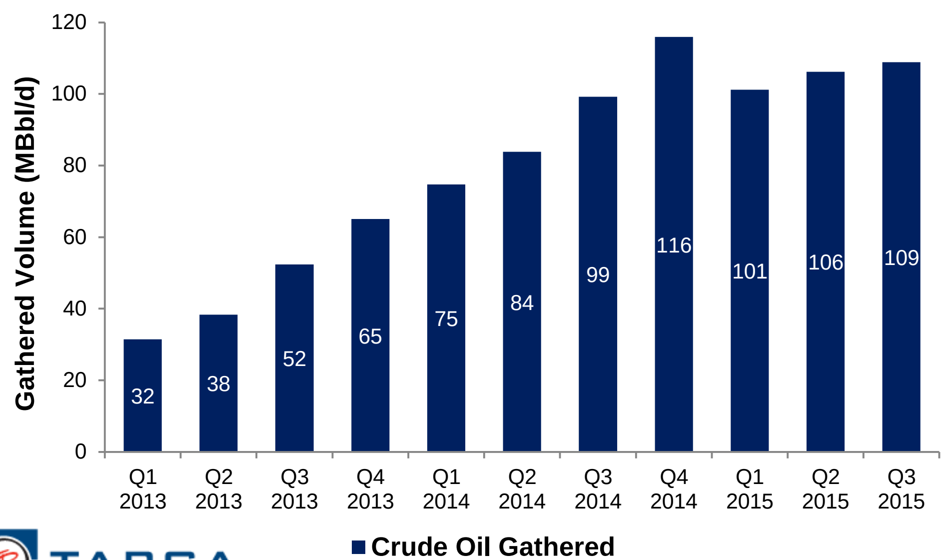
Summary

- **System currently consists of oil gathering and terminaling and natural gas gathering and processing in McKenzie, Dunn and Mountrail Counties, ND**
- **Acquired in December 2012; substantial build-out of system since January 2013**
  - ~240% growth in crude gathering volumes since acquisition
  - ~200% growth in gas plant inlet volumes since acquisition
- **Total natural gas processing capacity of ~90 MMcf/d**
  - Little Missouri 3 plant expansion completed in Q1 2015
- **Fee-based contracts**

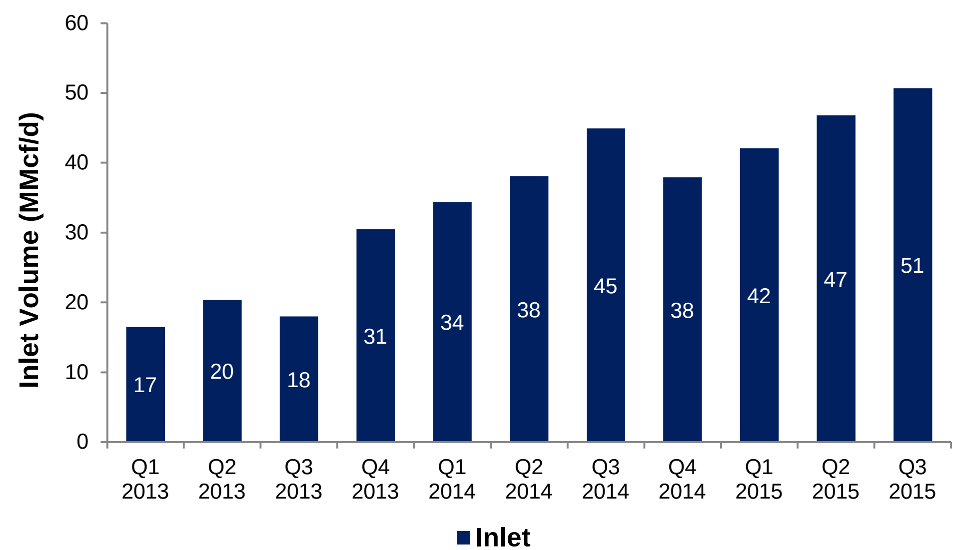
Footprint



Crude Oil Gathered



Natural Gas Volumes



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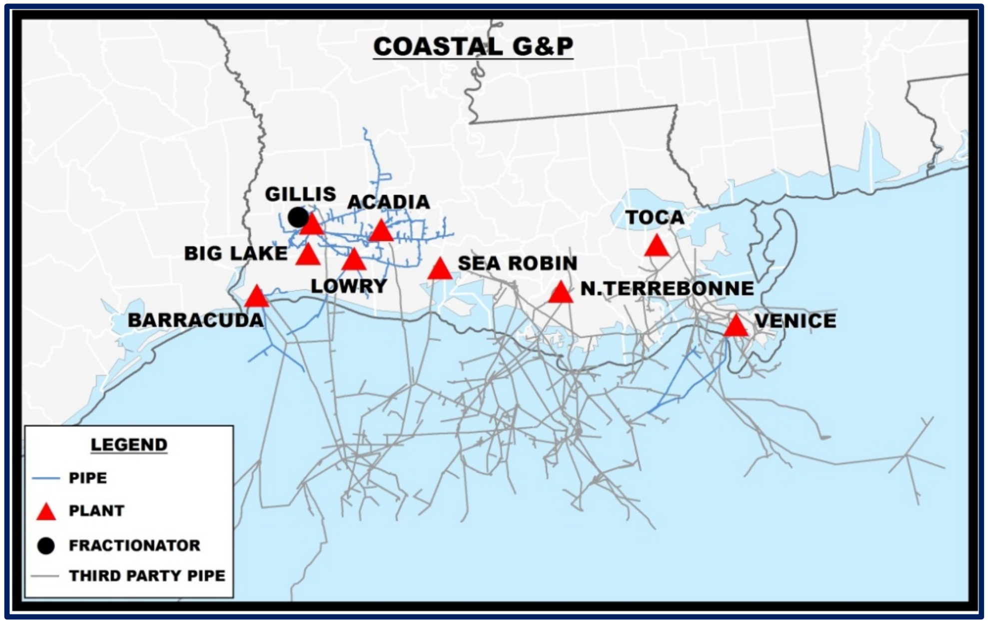
Well Positioned Along the Louisiana Gulf Coast

Summary

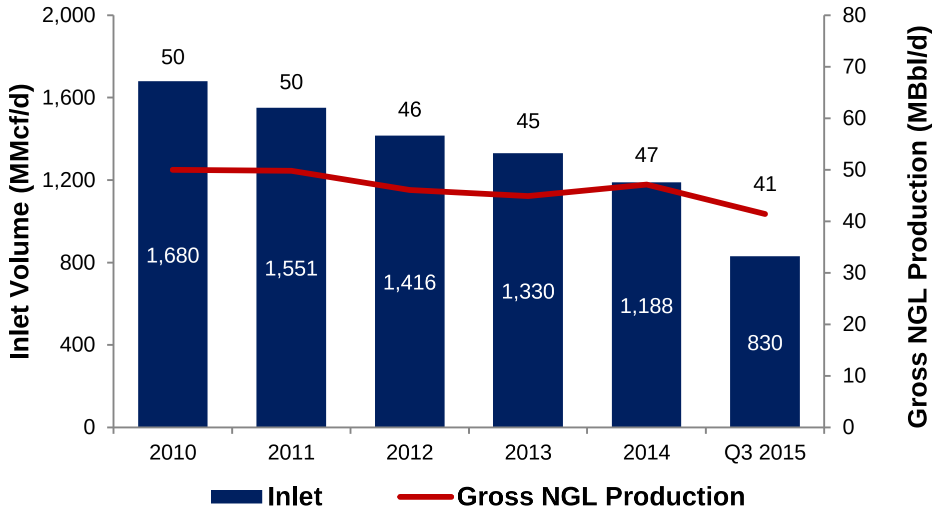
- **LOU (Louisiana Operating Unit)**
  - 440 MMcf/d of gas processing (180 MMcf/d Gillis plant, 80 MMcf/d Acadia plant and 180 MMcf/d Big Lake plant)
  - Interconnected to Lake Charles Fractionator (LCF)
- **Coastal Straddles (including VESCO)**
  - Positioned on mainline gas pipelines processing volumes of gas collected from offshore
- **Inlet volumes and gross NGL production have been declining, but NGL production decreases have been partially offset by moving volumes to more efficient plants**
- **Primarily POL contracts**

	Current Gross Processing Capacity (MMcf/d)	NGL Production (MBbl/d)
LOU	440	7
Vesco	750	28
Other Coastal Straddles	3,255	7
Total	**4,445**	

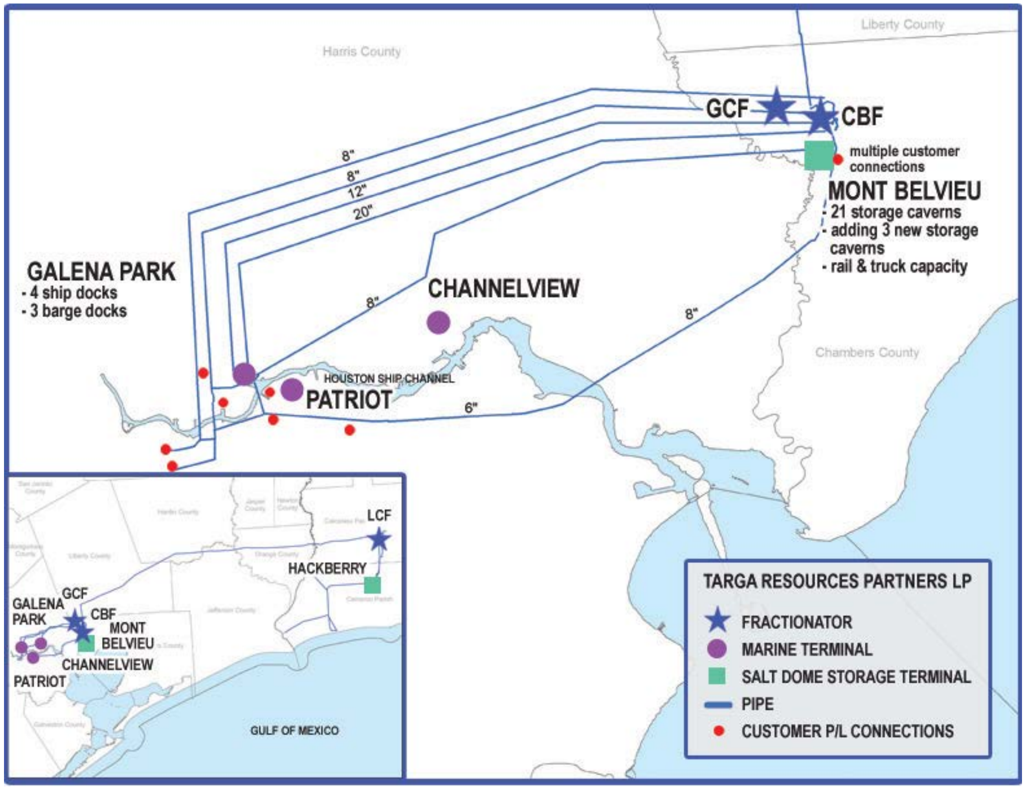
Footprint



Volumes



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
21 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	LEP / HD5 / NC4	~6.5 - 7.0
Other Assets		
700 MBbls in Above Ground Storage Tanks		
4 Ship Docks		

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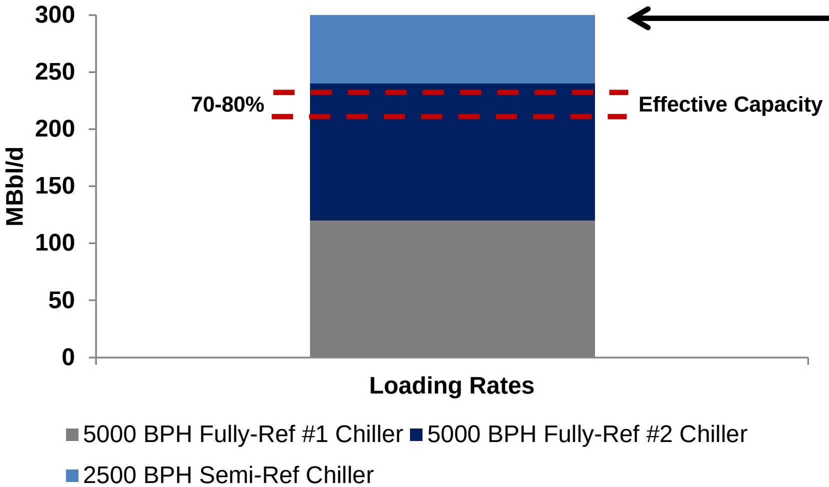
(1) 100 MBbl/d Train 5 expansion currently under construction
(2) Net capacity is calculated based on TRP's 88% ownership of CBF and 39% ownership of GCF

Galena Park Marine Terminal Effective Export Capacity

Galena Park Loading Rates



- **Phase I expansion completed in September 2013**
- **Phase II expansion completed in September 2014**
  - Phase II expansion was completed in stages
  - Additional 12" pipeline, refrigeration, and new VLGC-capable dock were placed in-service in Q1 and Q2 2014
  - Additional de-ethanizer at Mont Belvieu was placed in-service 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 to 7 MMBbl/month is ~70-80% of the nameplate**

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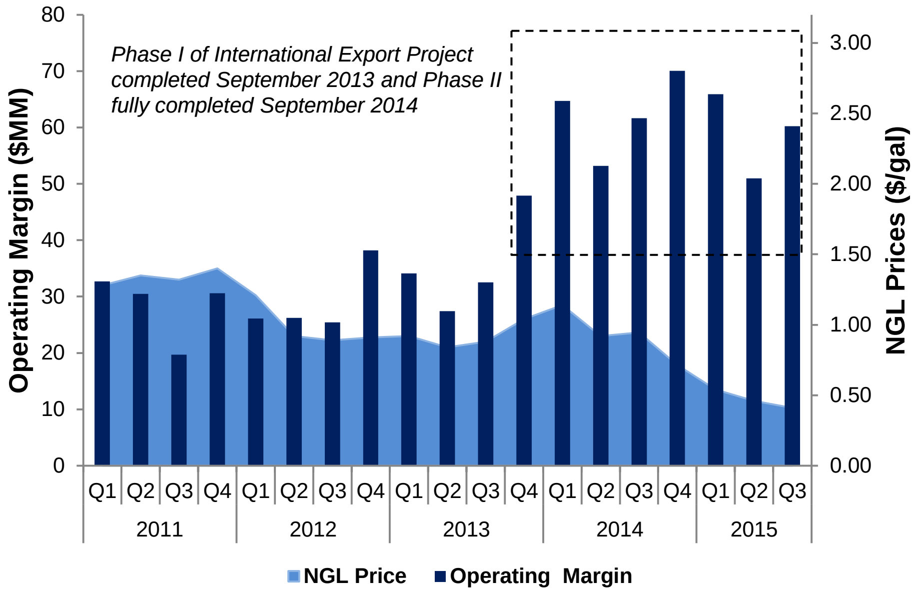
Petroleum Logistics – Highlights

Terminal	Current Storage	Products	Capabilities
Targa Channelview Houston, TX	553 MBbl	Crude oil, blend stock, asphalt, marine diesel oil, used motor oil, vacuum gas oil, residual fuel oil	Truck and barge transport; Blending and heating; Vapor controls
Targa Sound Tacoma, WA	1,457 MBbl	Crude oil, gasoline, distillates, asphalt, residual fuel oils, LPGs, ethanol, biodiesel	Ship, barge, pipe, rail, and truck transport; Blending and heating; Vapor controls
Targa Baltimore Baltimore, MD	505 MBbl	Asphalt, fuel oil, vacuum gas oil; ability to expand product handling	Truck, rail, and barge transport; Blending and heating; Can add pipe and ship
Total	**2,515MBbl**		

- **At TRP's Channelview and Patriot Terminals:**
  - Expanding presence along the Houston Ship Channel
  - In 2014 completed construction of a new 8 bay truck rack and installed a marine vapor combustor for crude barge loading at Channelview
  - Agreements with Noble Americas Corp. to build a storage terminal at Patriot, condensate splitter at Channelview, or some combination of both projects
- **At TRP's Sound Terminal:**
  - Increased storage capacity in 2014, and added ethanol, biodiesel and gasoline blending to the truck loading racks
  - Evaluating rail capacity expansions, new dock access for deeper draft and other growth opportunities

Marketing and Distribution Segment

Operating Margin vs. NGL Price



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
  - **Provide propane and butane for international export with ~50% / 50% margin split with Logistics**
  - 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
  - 681 railcars leased and managed
  - 85 owned and leased transport tractors
  - 21 pressurized NGL barges

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

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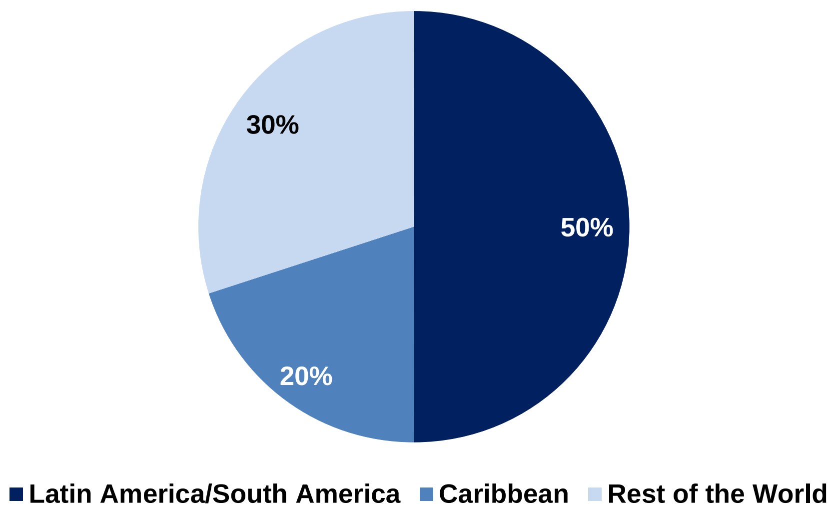
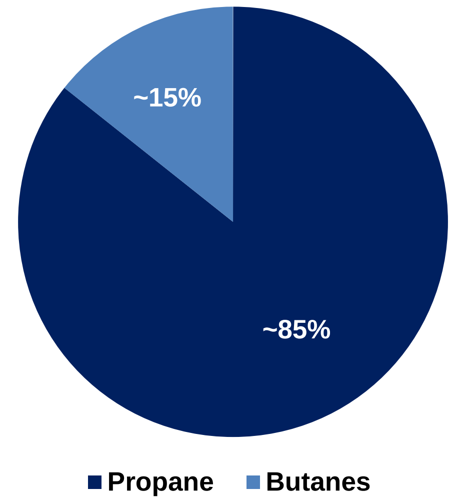
Targa's LPG Export Business

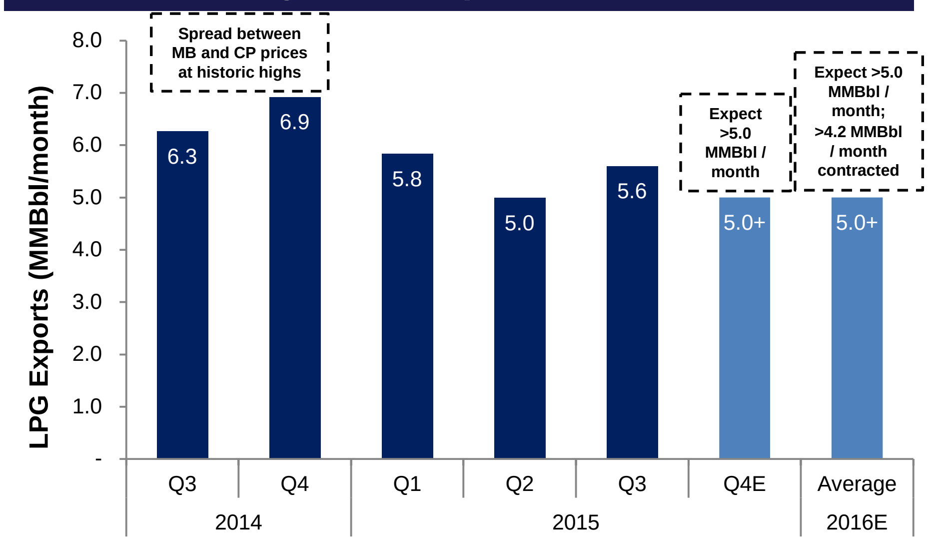
Trailing 12 Months[1] – Targa LPG Exports by Destination



Trailing 12 Months[1] – Targa Propane and Butane Exports



Targa LPG Export Volumes



- **Fee based business with no direct commodity price exposure – charge fee for loading vessel at the dock**
- **Targa advantaged versus some competitors given support infrastructure (fractionation, salt cavern storage, refrigeration, de-ethanizers)**
- **Nameplate capacity of 9.0 MMBbl/month; effective operational capacity of 6.5 – 7.0 MMBbl/month**
- **Multi-year contracts with end users and international trading houses**
  - Also support existing LT clients and other third parties with short-term contracts on as-needed basis
- **Majority of Targa volumes staying in the Western Hemisphere, but some volumes traveling to Europe and the Far East**
- **Targa expects to export more than 5.0 MMBbl/month in Q4 2015 and 2016**

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(1) As of September 30, 2015

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 defines 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 extinguishments and asset disposals; risk management activities related to derivative instruments including the cash impact of hedges acquired in the APL merger; non-cash compensation on Partnership equity grants; non-recurring transaction costs related to acquisitions; earnings/losses from unconsolidated affiliates net of distributions and the non-controlling interest portion of depreciation and amortization expenses. Adjusted EBITDA is used as a supplemental financial measure by the Partnership and by external users of its 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 the Partnership's assets to generate cash sufficient to pay interest costs, support indebtedness and make distributions to investors.

Adjustment EBITDA is a non-GAAP measure. The GAAP measures most directly comparable to Adjusted EBITDA are net cash provided by operating activities and net income 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 attributable to Targa Resources Partners LP. Adjusted EBITDA has important limitations as an analytical tool. Investors should not consider Adjusted EBITDA in isolation or as a substitute for analysis of the Partnership's results as reported under GAAP. Because Adjusted EBITDA excludes some, but not all, items that affect net income attributable to Targa Resources Partners LP and net cash provided by operating activities and is defined differently by different companies in the Partnership's industry, the Partnership's definition of Adjusted EBITDA may not be comparable to similarly titled measures of other companies, thereby diminishing its utility.

Management compensates for the limitations of Adjusted EBITDA as an analytical tool by reviewing the comparable GAAP measures, understanding the differences between the measures and incorporating these insights into its decision-making processes.

Non-GAAP Reconciliation – Q3 2015 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 September 30,		Six Months Ended September 30,	
	2015	2014	2015	2014
	($ in millions)			
Reconciliation of net income (loss) attributable to Targa Resources Partners LP to Adjusted EBITDA:				
Net income to Targa Resources Partners LP	$ 48.5	$ 128.3	$ 167.1	$ 359.6
Add:				
Interest expense, net	64.1	36.0	177.2	104.1
Income tax expense (benefit)	(0.4)	1.3	0.4	3.7
Depreciation and amortization expense	165.8	87.5	448.3	252.8
Gain on sale or disposition of assets	-	(4.4)	(0.2)	(5.6)
Loss from financing activities	0.5	-	0.5	-
(Earnings) loss from unconsolidated affiliates	1.6	(4.7)	1.1	(13.8)
Distributions from unconsolidated affiliates	4.2	4.7	11.2	13.8
Compensation on TRP equity grants	3.9	2.1	12.8	7.0
Transaction costs related to business acquisitions	0.6	-	14.9	-
Risk management activities	21.8	1.5	46.0	0.9
Other	-	-	0.6	-
Noncontrolling interest adjustment	(4.8)	(3.5)	(13.4)	(10.4)
Adjusted EBITDA	$ 305.8	$ 248.8	$ 866.5	$ 712.1

	Three Months Ended September 30,		Six Months Ended September 30,	
	2015	2014	2015	2014
	($ in millions)			
Reconciliation of gross margin and operating margin to net income (loss):				
Gross margin	$ 459.7	$ 407.8	$ 1,333.5	$ 1,171.5
Operating expenses	(133.6)	(112.8)	(381.8)	(323.6)
Operating margin	326.1	295.0	951.7	847.9
Depreciation and amortization expenses	(165.8)	(87.5)	(448.3)	(252.8)
General and administrative expenses	(42.9)	(40.4)	(130.1)	(115.3)
Interest expense, net	(64.1)	(36.0)	(177.2)	(104.1)
Income tax expense	0.4	(1.3)	(0.4)	(3.7)
Gain on sale or disposition of assets	-	4.4	0.2	5.6
Loss from financing activities	(0.5)	-	(0.5)	-
Other, net	0.1	4.0	(11.0)	12.9
Net income	$ 53.3	$ 138.2	$ 184.4	$ 390.5

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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 2013	30-Jun 2013	30-Sep 2013	31-Dec 2013	31-Mar 2014	30-Jun 2014	30-Sep 2014	31-Dec 2014	31-Mar 2015	30-Jun 2015	30-Sep 2015
Reconciliation of net income (loss) attributable to Targa Resources Partners LP to distributable cash flow:											
Net income (loss) attributable to Targa Resources Partners LP	$ 38.9	$ 26.3	$ 59.7	$ 108.6	$ 122.4	$ 108.8	128.3	$ 108.2	$ 71.6	$ 45.8	$ 48.5
Add:											
Depreciation and amortization expense	63.9	65.7	68.9	73.1	79.5	85.8	87.5	93.7	119.6	163.9	165.8
Deferred income tax (expense) benefit	0.4	0.4	-	0.1	0.4	0.3	0.4	0.5	0.6	(0.3)	(0.6)
Non-cash interest expense	4.0	4.0	3.8	3.7	3.4	3.3	2.2	2.5	3.0	3.0	3.3
Loss from financing activities	-	7.4	7.4	-	-	-	-	12.4	-	-	0.5
(Earnings) loss from unconsolidated affiliates	-	-	-	-	-	-	-	-	1.0	1.5	1.6
Distributions from unconsolidated affiliates	-	-	-	-	-	-	-	-	-	4.3	4.2
Change in contingent consideration	0.3	(6.5)	(9.1)	-	-	-	-	-	-	-	-
Gain on sale or disposition of assets	(0.1)	3.9	(0.7)	0.8	(0.8)	(0.5)	(4.4)	0.8	0.6	(0.1)	-
Compensation on equity grants	-	-	-	-	2.6	2.3	2.3	2.2	3.8	5.1	3.9
Risk management activities	(0.2)	0.2	(0.3)	(0.3)	(0.2)	(0.4)	1.5	3.8	(0.7)	24.8	21.8
Maintenance capital expenditures	(21.7)	(21.8)	(17.0)	(19.5)	(13.7)	(20.0)	(21.9)	(23.6)	(20.3)	(27.6)	(26.7)
Non-recurring transaction costs related to business acquisitions	-	-	-	-	-	-	-	-	13.7	0.6	0.6
Other	-	(0.6)	(1.9)	(1.6)	(2.0)	(2.0)	(1.1)	(1.2)	(2.0)	(2.6)	(2.2)
Distributable cash flow	$ 85.5	$ 79.0	$ 110.8	$ 164.9	$ 191.6	$ 177.6	$ 194.8	$ 199.3	$ 190.9	$ 218.4	$ 220.7
Distributions Declared	95.7	102.4	108.5	115.8	121.3	125.7	130.9	137.4	193.9	200.4	200.4
Distribution Coverage	0.9x	0.8x	1.0x	1.4x	1.6x	1.4x	1.5x	1.5x	1.0x	1.1x	1.1x

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Non-GAAP Reconciliation – 2010-2012 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	3/31/2012	6/30/2012	9/30/2012	12/31/2012
	($ in millions)											
Reconciliation of gross margin and operating margin to net income (loss):												
Gross margin	$ 185.9	$ 179.8	$ 184.8	$ 221.7	$ 213.9	$ 248.2	$ 227.2	$ 258.8	$ 261.4	$ 243.8	$ 239.9	$ 259.6
Operating expenses	(62.2)	(62.0)	(66.0)	(69.4)	(65.9)	(71.6)	(76.5)	(72.9)	(71.6)	(77.2)	(78.3)	(85.8)
Operating margin	123.7	117.8	118.8	152.3	148.0	176.6	150.7	185.9	189.8	166.6	161.6	173.8
Depreciation and amortization expenses	(42.0)	(43.0)	(43.3)	(47.8)	(42.7)	(44.5)	(45.0)	(46.0)	(46.7)	(47.6)	(47.9)	(55.2)
General and administrative expenses	(25.0)	(28.2)	(26.7)	(42.5)	(31.8)	(33.2)	(33.7)	(29.2)	(32.9)	(33.5)	(33.5)	(31.6)
Interest expense, net	(31.0)	(27.6)	(27.2)	(24.2)	(27.5)	(27.2)	(25.7)	(27.3)	(29.4)	(29.4)	(29.0)	(29.0)
Income tax expense	(1.5)	(0.9)	(1.7)	0.1	(1.8)	(1.9)	(1.5)	0.9	(1.0)	(0.8)	(0.9)	(1.5)
Loss (gain) on sale or disposal of assets	-	-	-	-	-	-	0.3	(0.5)	-	-	(15.6)	3.2
(Loss) gain on debt redemption and early debt extinguishments	-	-	(0.8)	-	-	-	-	-	-	-	-	(12.8)
Change in contingent consideration	-	-	-	-	-	-	-	-	-	-	-	-
Risk management activities	25.4	2.4	(1.9)	-	-	(3.2)	(1.8)	-	-	-	-	-
Equity in earnings of unconsolidated investments	0.3	2.4	1.1	1.6	1.7	1.3	2.2	-	-	-	-	-
Other Operating income (loss)	-	-	-	3.3	-	-	-	-	-	-	-	-
Other, net	-	-	-	-	(0.2)	0.1	(0.6)	3.1	2.0	(0.6)	(6.6)	(8.3)
Net income	$ 49.9	$ 22.9	$ 18.3	$ 42.8	$ 45.7	$ 68.0	$ 44.9	$ 86.9	$ 81.8	$ 54.7	$ 28.1	$ 38.6
Fee Based operating margin percentage	19%	25%	31%	31%	25%	28%	30%	30%	32%	39%	45%	46%
Fee Based operating margin	$ 23.0	$ 30.0	$ 36.9	$ 47.1	$ 37.3	$ 48.8	$ 44.8	$ 55.3	$ 60.3	$ 65.7	$ 73.3	$ 80.0

Non-GAAP Reconciliation – 2013-2015 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										
	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015
($ in millions)	**($ in millions)**										
Reconciliation of gross margin and operating margin to net income (loss):											
Gross margin	$ 260.3	$ 265.2	$ 297.1	$ 355.1	$ 379.6	$ 384.0	$ 407.8	$ 398.2	$ 411.4	$ 462.4	$ 459.7
Operating expenses	(86.1)	(96.1)	(97.6)	(96.5)	(104.3)	(106.6)	(112.8)	(109.4)	(111.3)	(136.9)	(133.6)
Operating margin	174.2	169.1	199.5	258.6	275.3	277.4	295.0	288.8	300.1	325.5	326.1
Depreciation and amortization expenses	(63.9)	(65.7)	(68.9)	(73.1)	(79.5)	(85.8)	(87.5)	(93.7)	(119.6)	(163.9)	(165.8)
General and administrative expenses	(34.1)	(36.1)	(35.4)	(37.4)	(35.9)	(39.1)	(40.4)	(24.6)	(40.3)	(46.8)	(42.9)
Interest expense, net	(31.4)	(31.6)	(32.6)	(35.4)	(33.1)	(34.9)	(36.0)	(39.7)	(50.9)	(62.2)	(64.1)
Income tax (expense) benefit	(0.9)	(0.9)	(0.7)	(0.4)	(1.1)	(1.3)	(1.3)	(1.1)	(1.1)	0.3	0.4
Gain on sale or disposition of assets	0.1	(3.9)	0.7	(0.8)	0.8	0.5	4.4	(0.8)	(0.6)	0.1	-
(Loss) from financing activities	-	(7.4)	(7.4)	-	-	-	-	(12.4)	-	-	(0.5)
Other, net	1.0	2.7	0.7	4.1	4.8	4.1	4.0	(1.8)	(11.1)	0.3	0.1
Net income	$ 45.3	$ 32.7	$ 65.0	$ 115.6	$ 131.3	$ 120.9	$ 138.2	$ 114.7	$ 76.5	$ 53.3	$ 53.3
Fee Based operating margin percentage	53%	52%	57%	62%	60%	67%	72%	76%	76%	72%	72%
Fee Based operating margin	$ 91.8	$ 87.6	$ 113.0	$ 160.2	$ 164.0	$ 187.0	$ 211.1	$ 218.6	$ 226.7	$ 234.6	$ 235.6

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Reconciliation of Total TRP Distributions

($ in Millions, except per unit data)	Actual Q4 2014	Actual Q1 2015	Actual Q2 2015	Actual Q3 2015	Actual Q3 2015 Annualized
Distributions to LP Units	$96.3	$138.9	$143.1	$143.1	$572.4
Distributions to GP Units	2.7	3.9	4.0	4.0	16.0
Distributions to GP IDRs	38.4	51.1	53.3	53.3	213.2
Total Distributions	$137.4	$193.9	$200.4	$200.4	$801.6
IDR Giveback Adjustments:					
Distributions to LP Units	*–*	*$9.375*	*$9.375*	*$9.375*	*$37.500*
Distributions to GP Units	*–*	*–*	*–*	*–*	*–*
Distributions to GP IDRs	*–*	*(9.375)*	*(9.375)*	*(9.375)*	*(37.500)*
After IDR Giveback:					
Distributions to LP Units (a)	$96.3	$148.3	$152.5	$152.5	$609.9
Distributions to GP Units	2.7	$3.9	4.0	4.0	16.0
Distributions to GP IDRs	38.4	$41.7	43.9	43.9	175.7
Total Distributions	$137.4	$193.9	$200.4	$200.4	$801.6
Total LP Units Outstanding (b)	118,880,758	180,830,462	184,833,099	184,847,901	184,847,901
Declared Distribution per LP Unit (c)	$0.8100	$0.8200	$0.8250	$0.8250	$3.3000

Note: (a) / (b) = (c); in example for Q2 2015 annualized, $609.9 million / 180,847,901 units = $3.30/unit; where $3.30 is the resulting LP Distribution after the GP giveback transfer from GP IDRs to LP units per the Partnership Agreement

Excerpt from Amendment No. 3 to TRP's Partnership Agreement dated February 27, 2015:

"…(c) Notwithstanding anything to the contrary in Section 6.4, commencing with the first quarterly distribution declaration following February 27, 2015 (the Quarter with respect to such quarterly distribution declaration, the "First Reduction Quarter"), aggregate quarterly distributions, if any, to holders of the Incentive Distribution Rights provided by clauses (iii)(B), (iv)(B) and (v)(B) of Subsection 6.4(b) shall be reduced (w) by $9,375,000 per Quarter for the First Reduction Quarter and the following three Quarters, (x) by $6,250,000 per Quarter for the following four Quarters, (y) by $2,500,000 per Quarter for the following four Quarters and (z) by $1,250,000 per Quarter for the following four Quarters (the amount reduced each quarter pursuant to each of (w) – (z) is referred to as the "Reduced Amount"); provided, that for any such Quarter that is subject to this Section 6.4(c), the Reduced Amount shall be distributed Pro Rata to the holders of Outstanding Common Units."

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