



TARGA

Targa Resources Partners LP

**Wells Fargo Securities
8th Annual Pipeline & MLP
Symposium**

December 8, 2009

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 the Targa Resources Partners LP ("NGLS" or the "Partnership") 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 Partnership's control, which could cause results to differ materially from those expected by management of Targa Resources Partners. 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 Annual Report on Form 10-K for the year ended December 31, 2008 and other reports filed with the Securities and Exchange Commission. The Partnership undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Overview of Targa Resources Partners LP (NASDAQ: NGLS)

◆ Overall

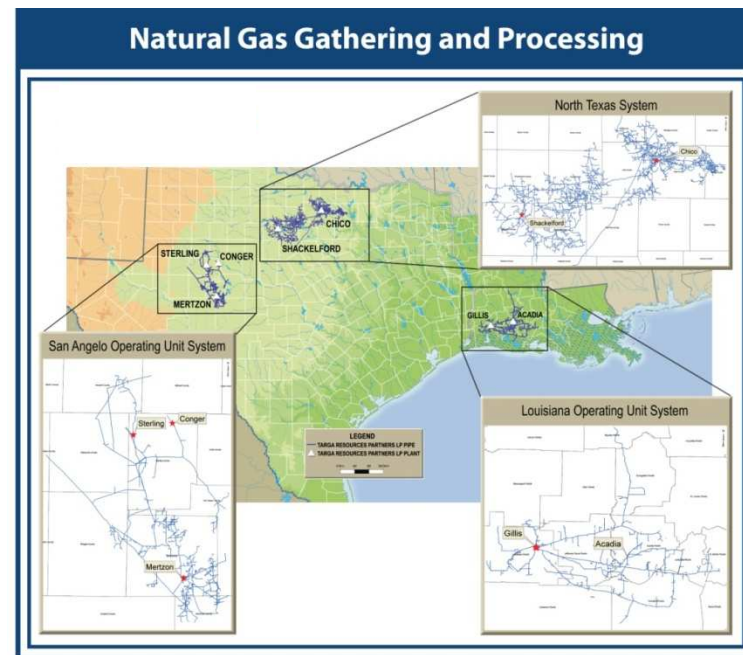
- ❖ \$2.1 billion of assets
- ❖ \$1.3 billion of equity market capitalization
- ❖ \$202 million in Adjusted EBITDA through nine months 2009
- ❖ Leading natural gas gatherer and processor
- ❖ Leading NGL logistics and marketing business

◆ Natural Gas Gathering and Processing

- ❖ Approximately 6,300 miles of natural gas pipelines
- ❖ Gathering systems encompassing 13,500 square miles
- ❖ Own and operate 7 natural gas processing plants and 2 operating fractionators integrated with plants
- ❖ Gross processing capacity of approximately 670 MMcf/d
- ❖ Contracts predominantly percent-of-proceeds with some wellhead purchase/keep whole

◆ NGL Logistics and Marketing (the “Downstream Business”)

- ❖ Gross capacity to fractionate approximately 380 MBbl/d of NGLs through interests in 3 fractionators, with above ground storage of approximately 900 MBbl and 65 MMBbl of below ground storage
- ❖ Approximately 15 terminals, 21 pressurized NGL barges, 70 transport tractors, 100 tank trailers and 770 railcars
- ❖ Predominantly fee-based business
- ❖ Expected to exceed 2009 Adjusted EBITDA guidance range of \$80 to \$85 million



Note: Financial data as of September 30, 2009.

Market capitalization calculated using NGLS closing price of \$20.70 on December 3, 2009.

NGLS Investment Highlights

Strategically Located Assets

Gathering & Processing

- ♦ Located in active and attractive basins
- ♦ Drilling and production activity diversified across geographic basins and across crude oil and natural gas

Downstream Business

- ♦ Fee-based Logistics Assets in Texas and Louisiana Gulf Coast well positioned to benefit from industry capacity constraints

Positioned to Weather Market Volatility

Low leverage

- ♦ Debt/LTM Adjusted EBITDA ~3.3x as of September 30, 2009

Strong liquidity

- ♦ Approximately \$450 million as of September 30, 2009

Solid distribution coverage

- ♦ 1.46x coverage of Q3 2009 distributions paid of \$35.2 million
- ♦ If needed, distribution support starting Q4 2009 through Q4 2011

Well-hedged

- ♦ Majority of gathering and processing equity natural gas and NGL volumes hedged in 2010

Low capital requirements

- ♦ Total 2009 capex ~\$50 million (including the Downstream Business)

No near term debt maturities

- ♦ Earliest maturity is February 2012

Focused on Execution

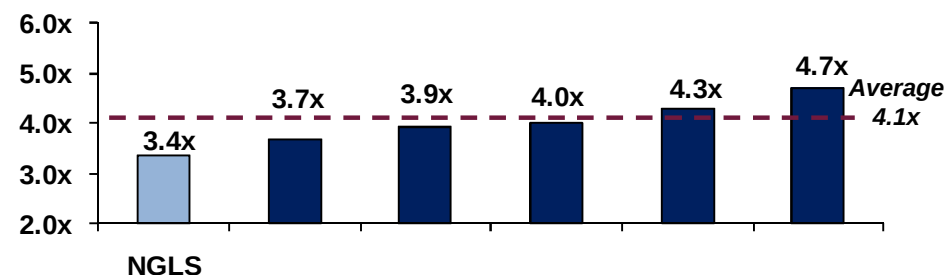
- ♦ Focused on operating cost control and reduction
- ♦ Continuing to evaluate organic, new shale development and acquisition-based growth opportunities
- ♦ Disciplined hedging program
- ♦ Proven management team with history of successful execution
- ♦ Parent continues dropdown strategy with the \$530 million Downstream Transaction

NGLS Key Financial Ratios Versus Peers

Leverage Ratio Below Peer Average

- ◆ NGLS Q309 actual leverage ratio of 3.3x is well below G&P peer average of 4.1x
- ◆ Q309 leverage ratio well below 6.0x covenant

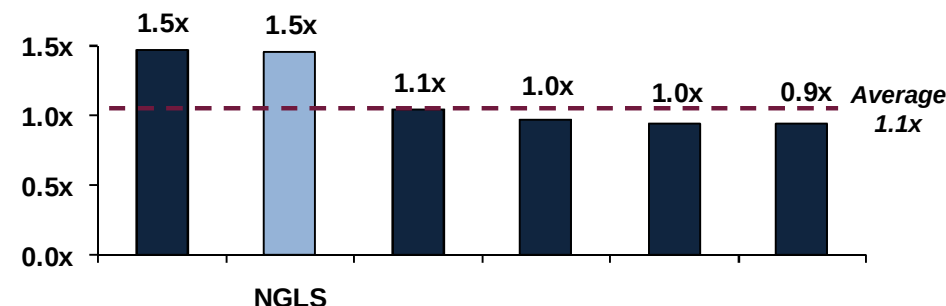
Q3 2009 Leverage Ratio ¹



Distribution Coverage Exceeds Peer Average

- ◆ NGLS Q309 distribution coverage of 1.46x exceeds G&P peer average of 1.1x for the same period
- ◆ Distribution support mechanism in place through Q4 2011 provides additional security regarding distribution

Q3 2009 Coverage Ratio ²



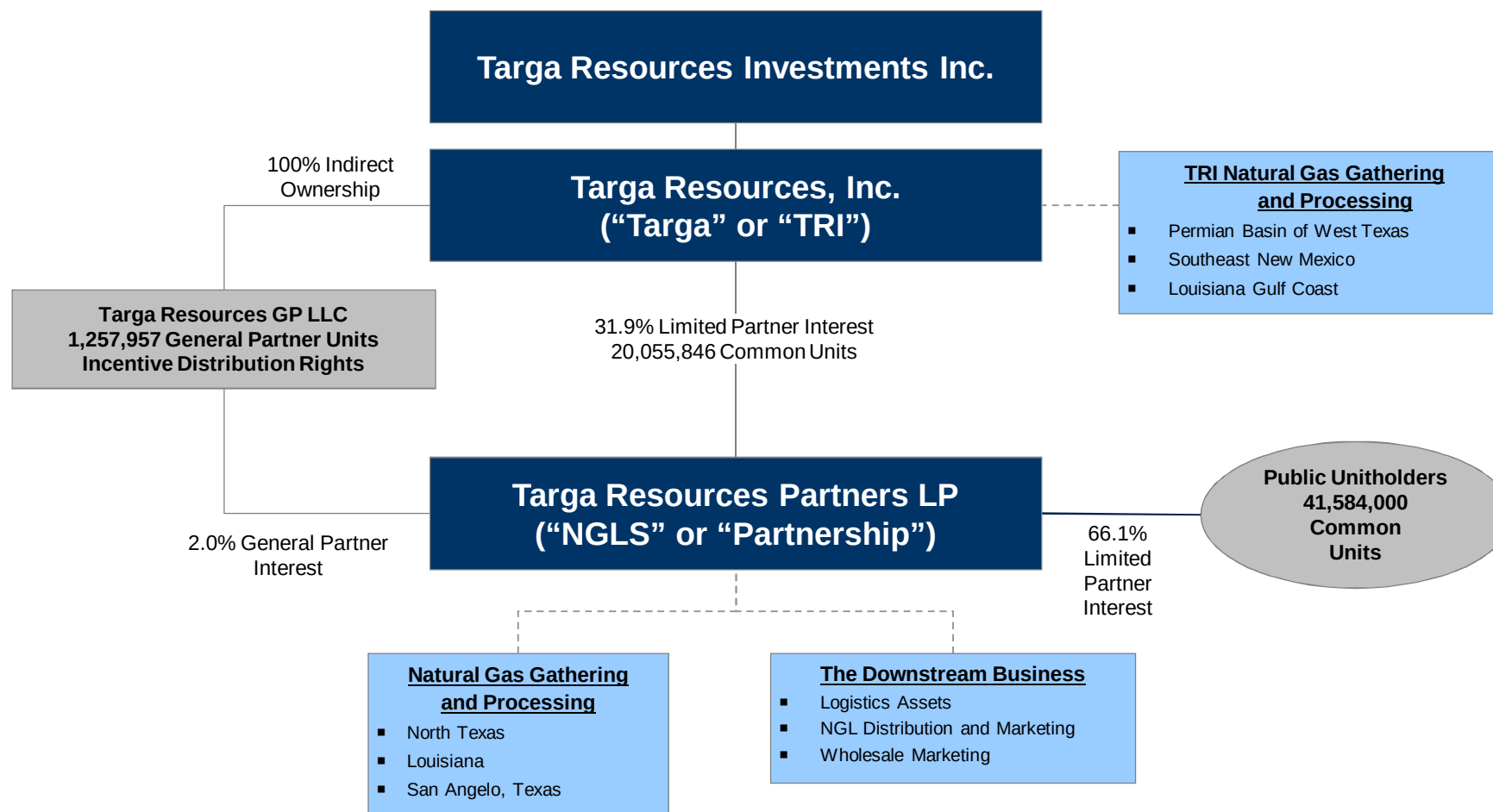
NGLS has delivered superior total return since formation while demonstrating conservative financial management

1. Leverage ratio generally defined as total long-term debt divided by trailing twelve months EBITDA as of Sep 30, 2009. Sourced from analyst reports and company filings. Average excludes NGLS.

2. Q3 2009 Coverage ratio calculated as third quarter distributable cash flow divided by distributions paid to both the general and limited partners. Adjusted for one time items such as early hedge monetization, gains on debt repurchases and other distributable cash flow support mechanisms. Sourced from company filings, analyst reports and internal estimates.

Note: Total return defined as unit price change plus distributions received for NGLS and 5 G&P peers calculated using closing prices and distributions received as of 2-8-07 through 11-30-09.

Targa Family Corporate Structure



TRI Standalone Remaining Assets

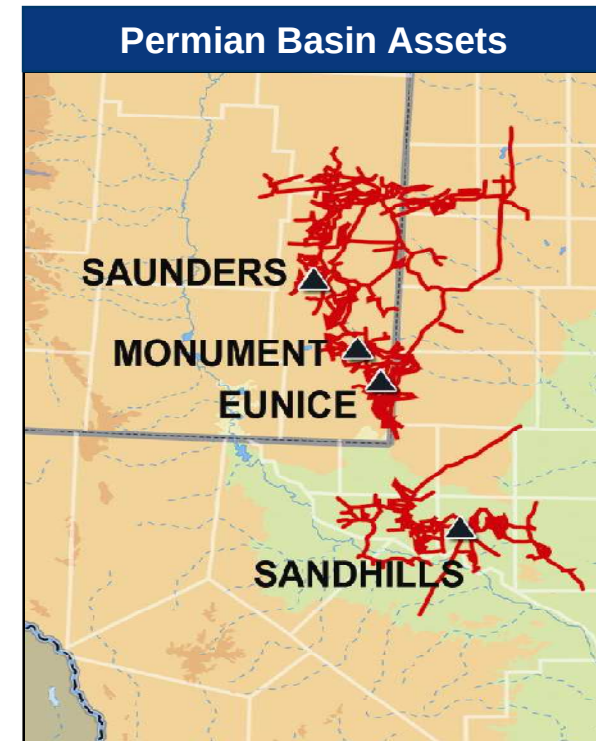
TRI continues to operate high quality, strategic natural gas gathering and processing assets

◆ Permian Basin Assets

- ❖ Gross processing capacity of 430 MMcf/d across four processing plants
- ❖ Geographic scope with approximately 4,400 miles of combined gathering pipelines in Southeast New Mexico and West Texas
- ❖ Versado System is a joint venture 63% Targa-owned, 37% CVX-owned (280 MMcf/d capacity)
- ❖ West Texas Assets are 100% Targa-owned (150 MMcf/d capacity)
- ❖ Plants and systems generally on par or advantaged relative to competition
- ❖ Essentially all contracts are percent-of-proceeds
- ❖ Active drilling given commodity prices and new technology enhancing drilling/completions in a variety of formations including the Morrow, Wolfcamp/Spraberry, and Bone Springs

◆ Coastal Straddle Plants

- ❖ Plants capture volumes from all corridors of the Gulf of Mexico shelf and deepwater
- ❖ Attractive market access
- ❖ Recent Gulf of Mexico lease and drilling activity encouraging for both shelf and deepwater prospects
- ❖ Life-of-field dedications from Chevron (and successor) committed areas
- ❖ Consist primarily of hybrid contracts with a fee floor; often settling as percent-of-liquids



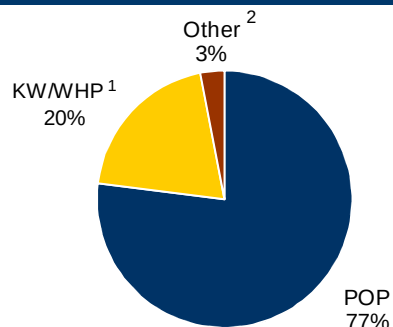


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NGLS Business Overview

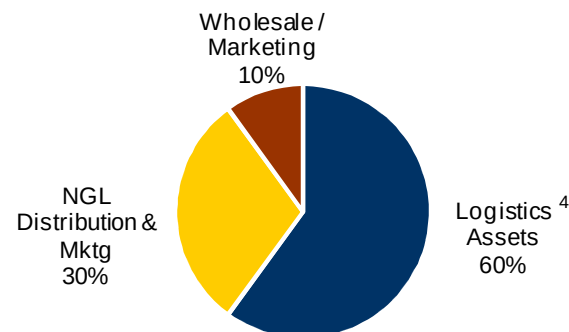
Contract Mix Diversified Across G&P and Downstream Businesses

Gathering and Processing – Contract Mix Throughput Volumes 2008A



Downstream Contract Mix Operating Margin 2009E³

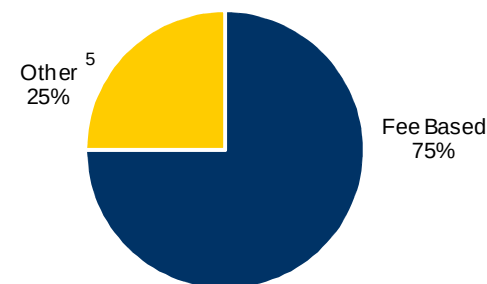
Segment Mix



Contract Discussion Points

- ❖ Downstream Business is largely fee-based
- ❖ Majority of gathering and processing natural gas and NGL equity volumes are hedged in 2010
- ❖ Keep-whole risk mitigated – LOU System provides operational and commercial flexibility

Contract Mix



1. KW/WHP = Keep-whole / wellhead purchase contract.

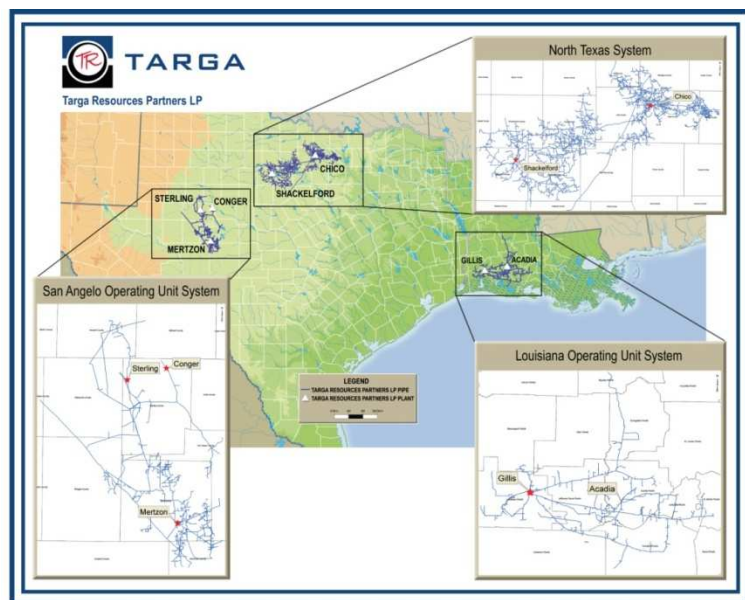
2. Other contract includes fee-based and hybrid.

3. Based on midpoint of 2009 operating margin guidance for the Downstream Business of \$124.4 million

4. Includes equity earnings in GCF (Gulf Coast Fractionators) and other minority interest

5. Other includes margin-based contracts and hybrid contracts with fee floor.

Natural Gas Gathering and Processing



The Partnership's three G&P systems

- ❖ Operate in geographically diverse and strategic producing regions including the Permian Basin and Barnett Shale
- ❖ Demonstrate volume stability
- ❖ Continue to have a favorable volume outlook for 2009

North Texas System

MMcf/d	Inlet Volumes				Processing
System	2006	2007	2008	9M09	Capacity
Chico	151	152	152		265
Shackelford	11	10	11		13
Total	162	162	163	176	278

- ◆ Current producer activity combined with recent growth projects indicate 2009 wellhead volumes should meet or exceed 2008 volumes
- ◆ Volume outlook could be impacted by weakness in commodity prices and economic environment

San Angelo – SAOU System

MMcf/d	Inlet Volumes				Processing
System	2006	2007	2008	9M09	Capacity
Mertzon	30	40	46		48
Sterling	53	49	44		62
Conger		Standby	Standby	Standby	25
Total	83	89	90	92	135

- ◆ Current producer activity indicates 2009 wellhead volumes should approximate 2008 volumes
- ◆ Volume outlook improving due to economics of oil development on dedicated acreage

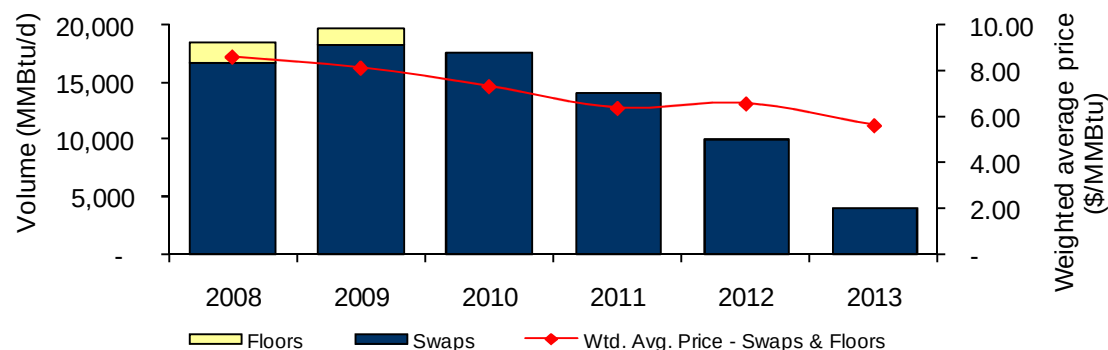
Louisiana – LOU System

MMcf/d	Inlet Volumes				Processing
System	2006	2007	2008	9M09	Capacity
Gillis	129	149	140		180
Acadia	40	29	28		80
Total	169	178	168	174	260

- ◆ Discretionary volumes purchased from other pipeline systems are attractive when processing economics are favorable
 - ❖ These volumes contribute lower margin to NGLS
- ◆ Well connection activity has slowed, but new discretionary pipeline volumes have recently been added to existing sources

Disciplined NGLS Hedging Program

Natural Gas Hedges*



NGL Hedges*



- ◆ Highly correlated hedges including specific NGL components (ethane, propane, butane, etc.) and basis differentials for natural gas
- ◆ No margin or collateral posting requirements
- ◆ Majority of gathering and processing natural gas and NGL equity volumes hedged in 2010

* As of 9-30-09

The Downstream Business Scope



Key Operating Performance

	Nine Months Ending September 30, 2009	Twelve Months Ending December 31, 2008	Twelve Months Ending December 31, 2007
<u>Logistic Assets</u>			
Fractionation Volumes, MBbl/d	215.4	212.2	209.2
Treating Volumes, MBbl/d	18.5	20.7	9.1
<u>NGL Distribution and Marketing</u>			
NGL Sales, MBbl/d	251.2	244.6	275.6
<u>Wholesale Marketing</u>			
NGL Sales, MBbl/d	54.9	62.5	63.6

Highlights

- ◆ Extensive asset base across the U.S.
- ◆ Primarily fee-based contracts
- ◆ Access to attractive end-use markets (e.g. petrochemical production, motor gasoline production, residential and commercial heating, agricultural) and liquid market hubs (e.g. Mont Belvieu, Lake Charles, Hattiesburg)
- ◆ Integrated business attractive to customers

The Downstream Business Includes Three Segments

Logistics Assets

- Fractionation
 - ◆ Majority under fee-based arrangements
 - ◆ 3 facilities with ~380 MBbl/d maximum gross capacity
- Storage and Terminalling
 - ◆ Long- and short-term storage and terminalling services and throughput capability to affiliates and third party customers for a fee
 - ◆ Storage wells with ~65 MMBbl of capacity and 15 terminal facilities; 800 miles of pipeline support fractionation, storage and terminalling
- Transportation and Distribution
 - ◆ Fee-based transportation services to refineries and petrochemical companies throughout the U.S.
 - ◆ Approximately 770 railcars leased and managed, 70 owned and leased transport tractors, 100 tank trailers, and 21 pressurized NGL barges

NGL Distribution and Marketing

- ◆ Primarily a physical settlement business which earns a margin from purchasing and selling NGL products from producers under contract
- ◆ Also earn margins by purchasing and reselling NGL products in the spot and forward physical markets
- ◆ 2008 sales of 245 MBbl/d

Wholesale Marketing

- ◆ Refinery Services
 - ❖ Generally retain a portion of the resale price of NGL sales or receive a fixed minimum fee per gallon
 - ❖ Earn fees for locating and supplying NGL feedstocks to the refineries based on a percentage of the cost or a minimum fee per gallon
- ◆ Wholesale propane marketing
 - ❖ Sell propane on a fixed or posted price at delivery and, in some circumstances, earn a margin on a net-back basis

Logistics Assets Well Positioned For Growth

◆ Fractionation assets benefiting from positive fundamental environment

- ❖ Capacity utilization rates increasing, for example Upper Texas Gulf Coast ¹
 - ✦ 80-85% during 2000-2006 ; 93% in 2007 and “Full” during the 1st & 2nd quarter 2008
- ❖ Cedar Bayou Fractionators LP (“CBF”) capacity fully subscribed in first half of 2009
- ❖ Capacity utilization expected to remain high and expansion under consideration
- ❖ Fundamentals resulting in new long-term contracts with higher fees

◆ Targa has the second largest LPG import / export facility on the Gulf Coast

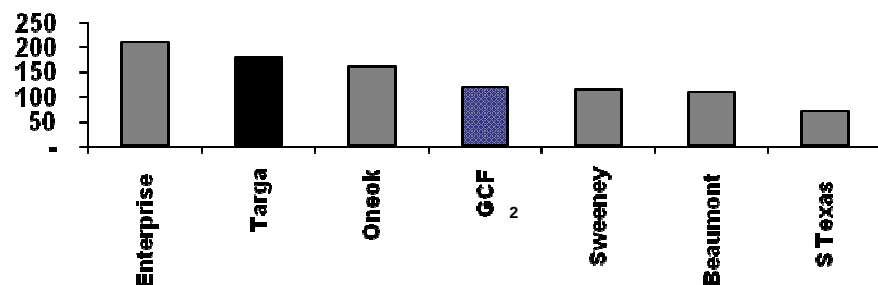
- ❖ Well positioned to benefit from expected future increases in import activity

◆ Other Logistics Assets benefiting from positive fundamental environment

- ❖ Assets integrated with fractionation benefit from higher throughput and potentially higher fees

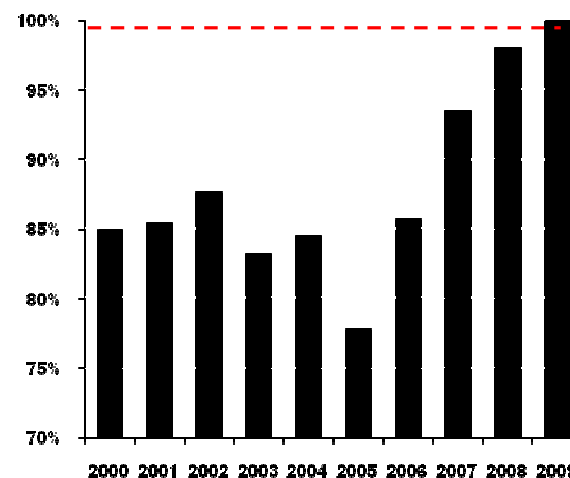
Raw Mix Fractionation Capacity ¹

(MBbl/d)



TX Gulf Coast Fractionation Capacity Utilization ³

(% of Name Plate Capacity)

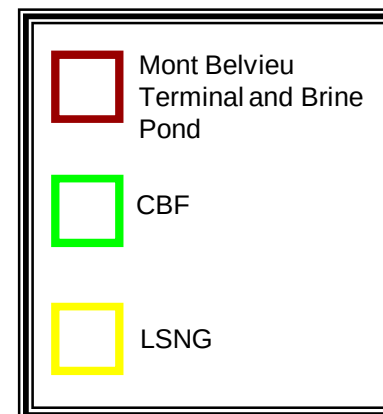
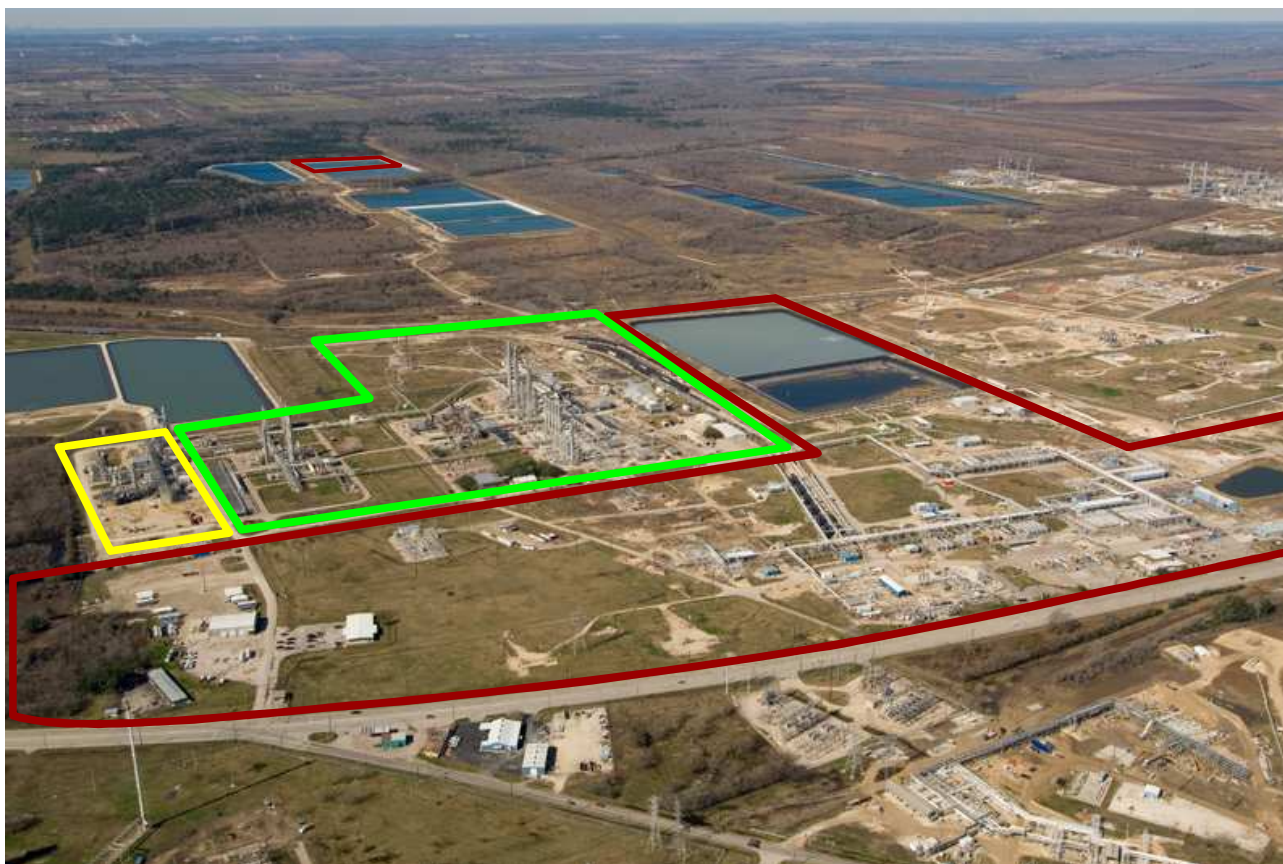


1. Petral Worldwide, Inc. Combined capacity of raw mix fractionators is for the Upper TX Coast.

2. Targa owns a 38.8% interest in GCF (Gulf Coast Fractionators).

3. 2000 – 2008 data per Petral Worldwide, Inc. Combined capacity of raw mix fractionators is for the Upper TX Coast. 2009 is an internal Targa estimate.

Logistics Assets Segment – Mont Belvieu Complex



Mont Belvieu Complex Processing Upgrade and Expansion Opportunities

- ◆ 60 MBbl/d fractionation expansion is under consideration for CBF
- ◆ Current CBF maximum gross capacity of 215 MBbl/d consists of about 175 MBbl/d “Y-grade” capacity and 40 MBbl/d “heavy” capacity
- ◆ LSNG (low sulfur natural gasoline) unit is a fee-based processing asset that became fully operational in 2008
- ◆ LSNG unit has potential process upgrade opportunities

NGLS Capitalization, Credit Metrics and Liquidity

Capitalization and Credit Metrics (\$ in millions)	As of 9-30-09
Debt	
Sr secured revolving credit facility, variable rate, due February 2012	510.5
Sr notes, 8.25% fixed rate, due 2016	209.1
Sr notes, 11.25% fixed rate, due 2017	219.9
Total Debt	939.4
Total Partners' Capital	880.4
Total Capitalization	1,819.8
Cash	
Total Cash	57.8
Credit Metrics	
Net debt ¹	881.7
LTM Adjusted EBITDA	284.5
Total Debt / Capitalization	52%
Net Debt Leverage Ratio ²	3.1x
Leverage Ratio²	3.3x
<i>Covenant required Consolidated Leverage Ratio</i>	<i>6.0x</i>
Interest Coverage Ratio³	6.1x
<i>Covenant required Consolidated Interest Coverage Ratio</i>	<i>2.25x</i>

Liquidity (\$ in millions)	As of 9-30-09
Sr secured revolving credit facility total commitment	977.5
Less:	
Net unfunded Lehman commitment	18.4
Drawn commitment	510.5
Letters of credit outstanding	58.8
Plus:	
Cash	57.8
Total Liquidity	447.5

1. Net debt equals total debt less cash

2. Leverage ratio and net debt leverage ratio equal total debt and net debt divided by LTM Adjusted EBITDA, respectively.

3. Interest coverage ratio equals LTM Adjusted EBITDA divided by LTM interest expense of \$46.8 million which excludes interest expense from affiliates.

NGLS Business Outlook

- ◆ Mixed pace of drilling in areas of operations
 - ❖ Because of recent growth projects, 2009 wellhead volumes should meet or exceed 2008 volumes in North Texas
 - ❖ 2009 SAOU inlet volumes should approximate 2008 volumes
 - ❖ Total 2009 LOU inlet volumes will exceed 2008 volumes, while wellhead volumes will be lower than 2008

- ◆ Petrochemical industry fundamentals have improved throughout 2009
 - ❖ U.S. steam cracker operating rates have improved vs. Q408 lows and settled in the 80-85% range
 - ❖ Low relative pricing of lighter, natural gas-based feedstocks like ethane and propane have lead to lower ethylene production costs versus crude-based feedstocks (naptha)
 - ❖ Some operators may convert crackers to handle natural gas-based versus crude-based feedstocks
 - ❖ Low feedstock costs have created a domestic export window

- ◆ Organic growth opportunities on the horizon
 - ❖ Downstream Business contains large portfolio of potential growth projects
 - ❖ Development of fee-based, shale-play gathering opportunities is ongoing

- ◆ Continue to evaluate accretive acquisition opportunities
 - ❖ Must reflect sound economics
 - ❖ Must be complimentary to the Partnership's existing assets
 - ❖ Although conditions have improved somewhat, given ongoing economic and capital markets weakness, management reviews opportunities with increased scrutiny and higher hurdle rates





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Appendix

NGLS Key Operating Results and Balance Sheet

(\$ in millions)	<u>Q3 2009 ¹</u>	<u>YE 2008</u>	<u>YE 2007</u>
<u>KEY OPERATING RESULTS</u>			
LTM Revenue	3,881.2	2,074.1	1,661.5
LTM Income from Operations	116.9	119.0	113.4
LTM Adjusted EBITDA	284.5	228.9	185.8
<u>BALANCE SHEET</u>			
ASSETS			
Current Assets	400.3	255.5	208.5
PP&E, net	1,690.4	1,244.3	1,259.6
Other Assets	<u>57.6</u>	<u>81.1</u>	<u>11.9</u>
TOTAL ASSETS	<u>2,148.3</u>	<u>1,580.9</u>	<u>1,480.0</u>
LIABILITIES & PARTNERS' CAPITAL			
Current Liabilities	302.8	106.5	192.5
Long Term Debt	939.4	696.8	626.3
Other Liabilities	<u>25.7</u>	<u>15.2</u>	<u>46.9</u>
TOTAL LIABILITIES	<u>1,268.0</u>	<u>818.5</u>	<u>865.8</u>
Partners' Capital	<u>880.4</u>	<u>762.4</u>	<u>614.2</u>
TOTAL LIABILITIES & PARTNERS' CAPITAL	<u>2,148.3</u>	<u>1,580.9</u>	<u>1,480.0</u>

1. 2009 figures include the historical results of the Downstream Business. 2007 and 2008 figures are as reported.

Targa Resources, Inc. Key Operating Results and Balance Sheet

(\$ in millions)	<u>Q3 2009</u>	<u>YE 2008</u>	<u>YE 2007</u>
<u>KEY OPERATING RESULTS</u>			
LTM Revenue	4,278.6	7,970.2	7,269.7
LTM Income from Operations	160.5	234.9	280.6
LTM Adjusted EBITDA	362.8	364.9	375.8
<u>BALANCE SHEET</u>			
ASSETS			
Cash and Cash Equivalents	187.9	362.8	177.9
Current Assets	430.6	494.4	1,084.4
PP&E, net	2,563.9	2,617.4	2,430.1
Other Assets	<u>149.2</u>	<u>174.1</u>	<u>97.5</u>
TOTAL ASSETS	<u>3,331.5</u>	<u>3,648.6</u>	<u>3,790.0</u>
LIABILITIES & STOCKHOLDERS' EQUITY			
Current Liabilities (excl. ST debt)	424.9	455.0	925.7
Total Debt	1,254.7	1,564.9	1,411.0
Other Liabilities	<u>136.3</u>	<u>99.3</u>	<u>145.8</u>
TOTAL LIABILITIES	<u>1,815.9</u>	<u>2,119.3</u>	<u>2,482.4</u>
Non-controlling Interest	951.1	949.6	815.1
Stockholder's Equity	<u>564.5</u>	<u>579.6</u>	<u>492.4</u>
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	<u>3,331.5</u>	<u>3,648.6</u>	<u>3,790.0</u>

Non-GAAP Measures Reconciliation

This presentation includes non-GAAP financial measures of Adjusted EBITDA, operating margin and distributable cash flow. The presentation provides reconciliations of these non-GAAP financial measures to their 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

The following table presents a reconciliation of Adjusted EBITDA and distributable cash flow to net income (loss) for the periods shown for NGLS. The results of operations for NGLS below include the historical results of the Downstream business:

Targa Resources Partners LP (\$ in millions)	Three Months	Nine Months	Nine Months	Twelve Months
	Ended	Ended	Ended	Ended
	September 30,	September 30,	September 30,	December 31,
	2009	2009	2008	2008
	(In millions)			
Reconciliation of net income (loss) to Targa Resources Partners LP to Adjusted EBITDA:				
Net income (loss) to Targa Resources Partners LP	\$ 10.0	\$ 13.6	\$ 29.6	\$ 49.4
Add:				
Interest expense, net	29.8	78.8	71.6	97.1
Income tax expense (benefit)	(0.2)	0.8	1.8	2.4
Depreciation and amortization expense	25.6	75.5	72.8	97.8
Non-cash loss related to derivatives	4.1	33.8	11.6	23.4
Noncontrolling interest adjustment	(0.2)	(0.7)	(0.7)	(0.7)
Adjusted EBITDA	<u>\$ 69.1</u>	<u>\$ 201.8</u>	<u>\$ 186.7</u>	<u>\$ 269.4</u>
	Three Months	Nine Months		
	Ended	Ended		
	September 30,	September 30,		
	2009	2009		
	(In millions)			
Reconciliation of net income (loss) to Targa Resources Partners LP to distributable cash flow				
Net income (loss) to Targa Resources Partners LP	\$ 10.0	\$ 13.6		
Add:				
Depreciation and amortization expense	25.6	75.5		
Deferred income tax expense (benefit)	0.1	0.8		
Noncash interest expense	15.0	45.9		
Loss on debt repurchases	1.5	1.5		
Non-cash loss related to derivatives	4.1	33.8		
Maintenance capital expenditures	(4.7)	(12.1)		
Other	(0.1)	(0.4)		
Distributable cash flow	<u>\$ 51.5</u>	<u>\$ 158.6</u>		

Note: See section of this presentation starting on page 26 for a discussion of Adjusted EBITDA, operating margin and distributable cash flow

Non-GAAP Measures Reconciliation

The following table presents a reconciliation of Adjusted EBITDA to net income (loss) for the periods shown for NGLS. The results of operations for NGLS below do not include the historical results of the Downstream Business:

Targa Resources Partners LP (\$ in millions)	Year Ended		
	Dec 31	Dec 31	Dec 31
	2006	2007	2008
Reconciliation of net income to Adjusted EBITDA:			
Net income	11.6	40.3	91.5
Add:			
Allocated interest expense, net	88.0	19.4	-
Interest expense, net	-	22.0	38.3
Deferred income tax expense	2.9	1.5	1.4
Depreciation and amortization expense	69.9	71.8	74.3
Non-cash (gain) loss related to derivative instruments	(18.3)	30.8	23.4
Adjusted EBITDA	<u>\$ 154.1</u>	<u>\$ 185.8</u>	<u>\$ 228.9</u>

The following table presents a reconciliation of operating margin and adjusted EBITDA to net income (loss) for the period shown for the Downstream Business:

The Downstream Business (\$ in millions)	Twelve Months Ended	
	December 31,	
	2009	2009
	(In millions)	
	Low Range	High Range
Reconciliation of net loss to operating margin		
Net loss	\$ (5.6)	\$ (0.6)
Add:		
Depreciation and amortization	25.4	25.4
General and administrative expense	41.9	41.9
Interest expense	59.4	59.4
Income tax expense	0.8	0.8
Operating margin	<u>\$ 121.9</u>	<u>\$ 126.9</u>
Reconciliation of operating margin to Adjusted EBITDA		
	Low Range	High Range
Operating margin	\$ 121.9	\$ 126.9
Add:		
General and administrative expense	(41.9)	(41.9)
Adjusted EBITDA	<u>\$ 80.0</u>	<u>\$ 85.0</u>

Note: See section of this presentation starting on page 26 for a discussion of Adjusted EBITDA, operating margin and distributable cash flow

Non-GAAP Measures Reconciliation

The following table presents a reconciliation of standalone adjusted EBITDA to net income (loss) for the period shown for Targa Resources, Inc. ¹

	Twelve Months Ended September 30, 2009A	Three Months Ended December 31, 2008A	Nine Months Ended September 30, 2009A2008A		Twelve Months Ended December 31, 2008A	Twelve Months Ended December 31, 2007A
Reconciliation of net income to Adjusted EBITDA:						
Net income:	\$ 22.7	\$ 9.2	\$ 13.5	\$ 43.7	\$ 52.9	\$ 68.6
Plus:						
Interest expense, net	120.1	28.2	91.9	73.8	102.0	142.6
Income tax expense (benefit)	2.0	(2.9)	4.9	29.2	26.3	31.3
Depreciation and amortization expense	170.8	42.9	127.9	118.0	160.9	148.1
Non-cash loss related to derivatives	47.2	12.1	35.1	10.7	22.8	(14.8)
Adjusted EBITDA	\$ 362.8	\$ 89.5	\$ 273.3	\$ 275.4	\$ 364.9	\$ 375.8
	Twelve Months Ended September 30, 2009A 2	Three Months Ended December 31, 2008A 2	Nine Months Ended September 30, 2009A 22008A 2		Twelve Months Ended December 31, 2008A	Twelve Months Ended December 31, 2007A
Reconciliation of Adjusted EBITDA to Standalone Adjusted EBITDA:						
Adjusted EBITDA	\$ 362.8	\$ 89.5	\$ 273.3	\$ 275.4	\$ 364.9	\$ 375.8
Plus:						
Noncontrolling interest in NGLS	25.4	18.4	7.0	46.5	64.9	19.4
NGLS distributions received	54.6	13.7	41.0	41.0	27.0	10.4
Less:						
NGLS Adjusted EBITDA	(284.5)	(82.7)	(201.8)	(186.7)	(228.9)	(185.8)
Standalone Adjusted EBITDA	\$ 158.3	\$ 38.9	\$ 119.5	\$ 176.2	\$ 227.9	\$ 219.8

¹ See section of this presentation starting on page 26 for a discussion of Adjusted EBITDA, operating margin and distributable cash flow

² Results for periods shown are pro forma for closing of the Downstream transaction. Results assume distributions paid to Targa for ownership in GP and IDR interests and 20,055,846 NGLS LP interests at the \$2.07 distribution per LP unit per year rate.

Non-GAAP Measures Reconciliation

Adjusted EBITDA – The Partnership and Targa define Adjusted EBITDA as net income before interest, income taxes, depreciation and amortization and non-cash income or loss related to derivative instruments. 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, to assess: (1) the financial performance of our assets without regard to financing methods, capital structure or historical cost basis; (2) our operating performance and return on capital as compared to other companies in the midstream energy sector, without regard to financing or capital structure; and (3) the viability of acquisitions and capital expenditure projects and the overall rates of return on alternative investment opportunities. 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. The GAAP measure most directly comparable to Adjusted EBITDA is net income (loss). Our non-GAAP financial measure of Adjusted EBITDA should not be considered as an alternative to GAAP net income (loss). Adjusted EBITDA is not a presentation made in accordance with GAAP and has important limitations as an analytical tool. You should not consider Adjusted EBITDA in isolation or as a substitute for analysis of our results as reported under GAAP. Because Adjusted EBITDA excludes some, but not all, items that affect net income and 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.

Operating Margin - With respect to the Natural Gas Gathering and Processing division, the Partnership and Targa define operating margin as total operating revenues, which consist of natural gas and NGL sales plus service fee revenues, less product purchases, which consist primarily of producer payments and other natural gas purchases less operating expense. Natural gas and NGL sales revenue includes settlement gains and losses on commodity hedges. Our Natural Gas Gathering and Processing segment operating margin is impacted by volumes and commodity prices as well as by our contract mix and hedging program, which are described in more detail in the Partnership's reports and other filings with the Securities and Exchange Commission. With respect to our NGL Logistics and Marketing division, the Partnership defines operating margin as total revenue, which consists primarily of service fee revenues and NGL sales, less cost of sales, which consists primarily of NGL purchases and changes in inventory valuation. Within this division, our management analyzes segment operating margin for each of the three segments per unit of NGL handled or sold as an indicator of operational and commercial performance. The GAAP measure most directly comparable to operating margin is net income. The Partnership's non-GAAP financial measure of operating margin should not be considered as an alternative to GAAP net income. Operating margin is not a presentation made in accordance with GAAP and has important limitations as an analytical tool. You should not consider operating margin in isolation or as a substitute for analysis of the Partnership's results as reported under GAAP. Because operating margin excludes some, but not all, items that affect net income and is defined differently by different companies, the Partnership's definition of operating margin may not be comparable to similarly titled measures of other companies, thereby diminishing its utility. Management compensates for the limitations of operating margin as an analytical tool by reviewing the comparable GAAP measures, understanding the differences between the measures and incorporating these learnings into its decision-making processes.

Non-GAAP Measures Reconciliation

Distributable Cash Flow – Distributable cash flow is a significant performance metric used by us and by external users of our financial statements, such as investors, commercial banks, research analysts and others to compare basic cash flows generated by us (prior to the establishment of any retained cash reserves by our general partner) to the cash distributions we expect to pay our unitholders. Using this metric, management can quickly compute the coverage ratio of estimated cash flows to planned cash distributions. Distributable cash flow is also an important non-GAAP financial measure for our unitholders because it serves as an indicator of our success in providing a cash return on investment. Specifically, this financial measure indicates to investors whether or not we are generating cash flow at a level that can sustain or support an increase in our quarterly distribution rates. Distributable cash flow is also a quantitative standard used throughout the investment community with respect to publicly-traded partnerships and limited liability companies because the value of a unit of such an entity is generally determined by the unit's yield (which in turn is based on the amount of cash distributions the entity pays to a unitholder). The economic substance behind our use of distributable cash flow is to measure the ability of our assets to generate cash flows sufficient to make distributions to our investors.

The GAAP measure most directly comparable to distributable cash flow is net income (loss). Our non-GAAP measure of distributable cash flow should not be considered as an alternative to GAAP net income (loss). Distributable cash flow is not a presentation made in accordance with GAAP and has important limitations as an analytical tool. You should not consider distributable cash flow in isolation or as a substitute for analysis of our results as reported under GAAP. Because distributable cash flow excludes some but not all, items that affect net income (loss) and is defined differently by different companies in our industry, our definition of distributable cash flow may not be compatible to similarly titled measures of other companies, thereby diminishing its utility.

We compensate for the limitations of distributable cash flow as an analytical tool by reviewing the comparable GAAP measures, understanding the differences between the measures and incorporating these insights into our decision-making processes.