



TARGA

Targa Resources Partners LP

Investor Presentation

January 26, 2010

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.

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

- ◆ Logistics Assets in Texas and Louisiana Gulf Coast well positioned to benefit from industry capacity constraints
- ◆ Diversified customer base

Positioned to Weather Market Volatility

Low leverage

- ◆ PF Debt/LTM Adjusted EBITDA ~2.8x as of September 30, 2009

Strong liquidity

- ◆ PF liquidity approximately \$590 million as of September 30, 2009

Solid distribution coverage

- ◆ 1.46x coverage of Q3 2009 distributions paid of \$35.2 million
- ◆ Distribution support available Q4 2009 through Q4 2011, if required

Fee-based Logistics Assets, well-hedged G&P

- ◆ Substantial portion of gathering and processing equity natural gas and NGL volumes hedged in 2010
- ◆ Logistics Assets segment is fee-based

Growth oriented capex

- ◆ Forecasted 2010 capex ~\$130 million including fractionation expansion (only ~25% maintenance)

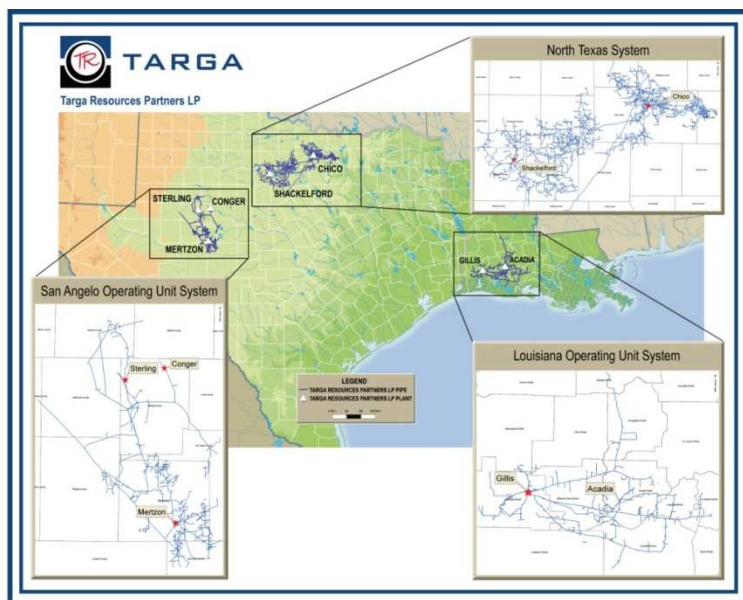
No near term debt maturities

- ◆ 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 expects to continue dropdown strategy

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

North Texas System

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

- ◆ Current producer activity combined with growth projects indicate 2010 wellhead volumes should approximate 2009 volumes
- ◆ Volume outlook could be impacted by weakness in commodity prices and economic environment

San Angelo – SAOU System

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

- ◆ Current producer activity indicates 2010 wellhead volumes should exceed 2009 volumes
- ◆ Economics of oil development on dedicated acreage have improved the volume outlook

Louisiana – LOU System

MMcf/d System	Inlet Volumes				Processing Capacity
	2006	2007	2008	9M09	
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
- ◆ 2010 volumes should approximate 2009 volumes based on current frac spread projections for 2010
- ◆ New discretionary pipeline volumes were added to existing sources in 2009 and additional sources expected in 2010

The Downstream Business – Majority Fee-Based

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

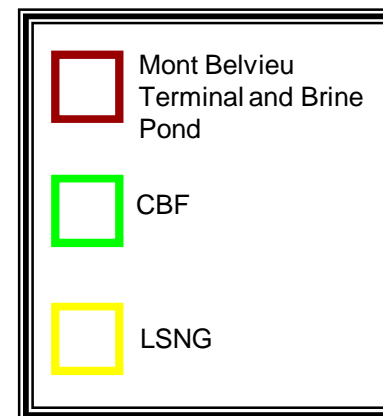
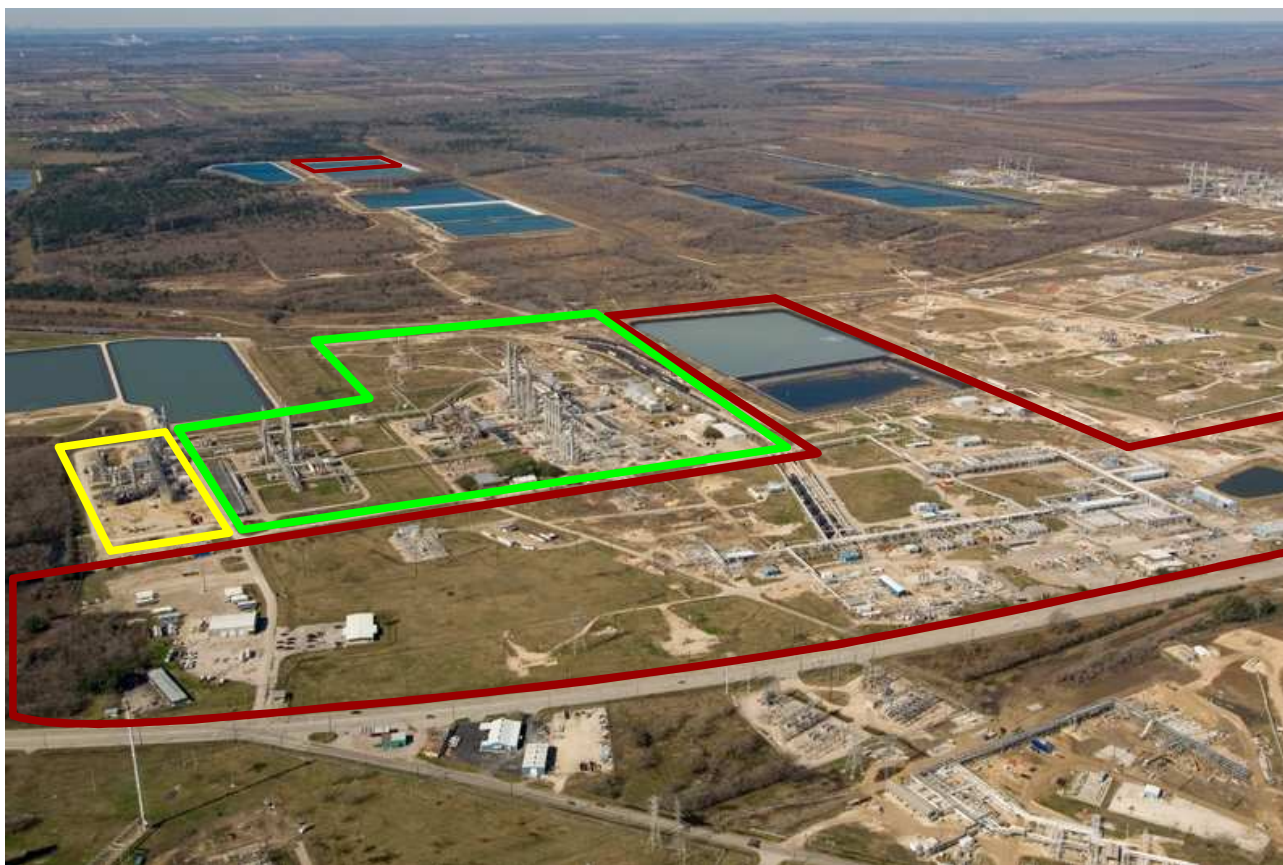
NGL Distribution and Marketing

- ◆ 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 Segment – Mont Belvieu Complex



Mont Belvieu Complex Processing Upgrade and Expansion Opportunities

- ◆ 60 MBbl/d fractionation expansion has been announced for CBF with Q1 2011 estimated completion
- ◆ 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)	Pro Forma As of 9-30-09 ¹
Debt	
Senior secured revolving credit facility, variable rate, due February 2012	367.7
Senior unsecured notes, 8.25% fixed rate, due 2016	209.1
Senior unsecured notes, 11.25% fixed rate, due 2017	219.9
Total Debt	796.6
Total Partners' Capital	1,023.2
Total Capitalization	1,819.8
Cash	
Total Cash	57.8
Credit Metrics	
Net debt ²	738.9
LTM Adjusted EBITDA	284.5
Total Debt / Capitalization	44%
Net Debt Leverage Ratio ³	2.6x
Leverage Ratio³	2.8x
<i>Covenant required Consolidated Leverage Ratio</i>	<i>6.0x</i>

Liquidity (\$ in millions)	Pro Forma As of 9-30-09 ¹	
Sr secured revolving credit facility total commitment	977.5	
Less:		
Net unfunded Lehman commitment	19.0	
Drawn commitment	367.7	
Letters of credit outstanding	58.8	
Plus:		
Cash	57.8	
Total Liquidity	589.7	
Credit Ratings		
	Moody's	S&P
Corporate family rating	Ba3	BB-
Senior unsecured notes	B2	B

1. Pro forma for 6.325 million common unit equity offering closed January 19, 2010
 2. Net debt equals total debt less cash
 3. Leverage ratio and net debt leverage ratio equal total debt and net debt divided by LTM Adjusted EBITDA, respectively.





TARGA

Appendix

Overview of Targa Resources Partners LP (NYSE: NGLS)

◆ Overall

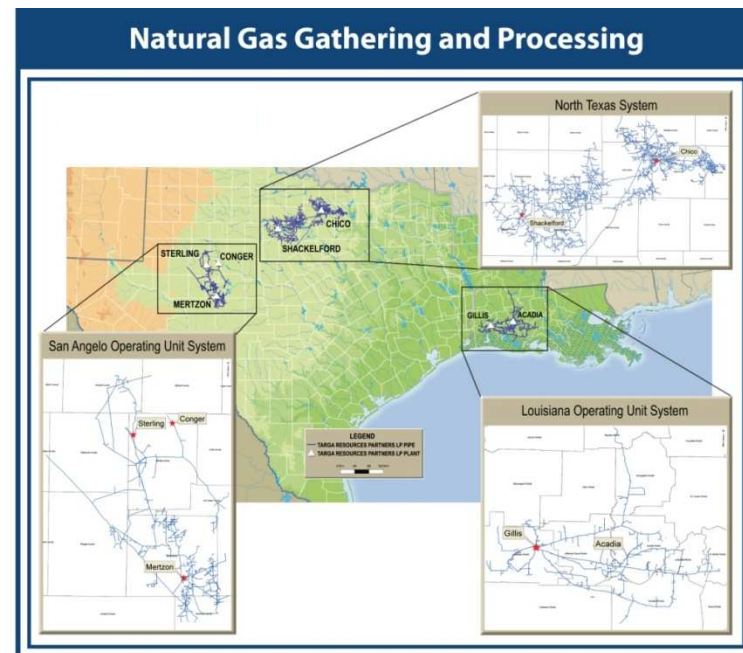
- ❖ \$2.1 billion of assets
- ❖ \$1.6 billion of equity market capitalization
- ❖ \$202 million in Adjusted EBITDA through nine months 2009
- ❖ Leading natural gas gatherer and processor
- ❖ Leading NGL logistics and marketing business

◆ 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



Note: Financial data as of September 30, 2009.

LP market capitalization calculated using NGLS closing price of \$24.03 on January 25, 2010.

Non-GAAP Measures Reconciliation

This presentation includes non-GAAP financial measures of Adjusted EBITDA 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, 2009	September 30, 2009	September 30, 2008	December 31, 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	\$ 69.1	\$ 201.8	\$ 186.7	\$ 269.4
	(In millions)			
	Three Months	Nine Months		
	Ended	Ended		
	September 30,	September 30,		
	2009	2009		
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	\$ 51.5	\$ 158.6		

Note: See section of this presentation starting on page 13 for a discussion of Adjusted EBITDA and distributable cash flow

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.

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.