

Targa Resources Corp.

Development Joint Ventures

February 6, 2018



TARGA

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 Corp. (NYSE: TRGP; "Targa", "TRC" or the "Company") 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 Company's control, which could cause results to differ materially from those expected by management of 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 Company's Annual Report on Form 10-K for the year ended December 31, 2016 and subsequently filed reports with the Securities and Exchange Commission. The Company undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Targa's Significant Visibility to Long-Term Growth



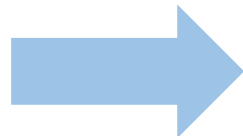
Integrated Midstream Platform Connects Lowest Cost Supply Growth to Key Demand Markets

**Largest Permian
G&P Position**
(and continuing to grow)



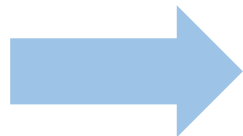
- Greater than 2 million acres dedicated across the Midland and Delaware Basins from a diverse group of producers
- Expected Permian gas and NGL production growth of ~14% CAGR⁽¹⁾ through 2025
- Also have strong SCOOP/STACK, Bakken and Eagle Ford positions

**Visible EBITDA
Growth Backed By
Capital Projects With
Attractive Returns**



- 2018E net growth capex of ~\$1.6 billion⁽²⁾ is expected to drive significant EBITDA growth over time
- Permian volume growth to drive significant incremental EBITDA over the long term

**Transformative
Growth Profile**



- Transformative growth program underway leverages key strategic positions
- Announced projects further integrate midstream services and enhance competitiveness across the midstream value-chain

**Growth Program
Increases Targa
Size and Scale**



- Increasing size and scale, along with growing fee-based contractual cash flow profile
- With the ramp up of the announced projects, Targa will clearly have an asset base and leverage metrics in-line with investment grade peers

**Straight Forward
C-Corp Structure**



- Single C-Corp public security, no IDRs and excellent alignment with common shareholders

Development Joint Ventures – Overview & Key Terms



- On February 6th, Targa announced the formation of ~\$1.1 billion⁽¹⁾ of development joint ventures (“DevCo JVs”) with Stonepeak Infrastructure Partners

DevCo JV Assets	<ul style="list-style-type: none"> Grand Prix DevCo 20% interest in Grand Prix Pipeline (Targa operated Permian to Mont Belvieu NGL Pipeline) GCX DevCo 25% interest in Gulf Coast Express Pipeline (Kinder Morgan operated residue gas pipeline from the Permian to Agua Dulce) Fractionation Train DevCo 100% interest in Targa’s next fractionation train
DevCo JV Ownership	<ul style="list-style-type: none"> Grand Prix DevCo (5% Targa / 95% Stonepeak) GCX DevCo (20% Targa / 80% Stonepeak) Fractionation Train DevCo (20% Targa / 80% Stonepeak)
Committed Capital for DevCo JVs	<ul style="list-style-type: none"> ~\$960 million (including contingency) from Stonepeak, including ~\$190 million distributed to Targa to reimburse Targa for capital spent to date ~\$150 million from Targa, plus ~\$220 million of assets contributed at close
Purchase Option	Targa has the option to acquire all or part of Stonepeak’s interests in the DevCo JVs. Targa may acquire up to 50% of Stonepeak’s invested capital in multiple increments with a minimum of \$100 million, and would be required to acquire Stonepeak’s remaining 50% interest in the invested capital in a final single purchase
Purchase Option Term	4 years beginning on the earlier of the last commercial operations date of the 3 contributed projects or January 1, 2020
Purchase Option Minimum Amount	\$100 million
Purchase Price	Based on a predetermined, fixed return or multiple on invested capital, including distributions received by Stonepeak from the DevCo JVs
Governance	<ul style="list-style-type: none"> Targa controls the management, day-to-day construction and operation of the Grand Prix Pipeline and Targa’s next fractionation train Targa controls the management of the DevCo JVs unless and until Targa declines to exercise its option to acquire Stonepeak’s interests

Development Joint Ventures – Benefits



\$1.1⁽¹⁾ Billion of Development Joint Ventures Significantly Reduce Equity Needs For 2018 and 2019

- ✓ **No dilution to Targa's existing shareholders and does not reduce dividend coverage during construction period**
- ✓ **Secure financing at an attractive cost of capital that reduces leverage and preserves balance sheet strength**
- ✓ **Flexibility for Targa to acquire interests in \$100 million increments over 4 years⁽²⁾ at predetermined, fixed return**
- ✓ **Targa controls the management, construction and operations of Grand Prix and the additional fractionation train**
- ✓ **Existing Targa shareholders retain upside of projects given the attractive purchase option**

Executing on 2018 Equity Financing



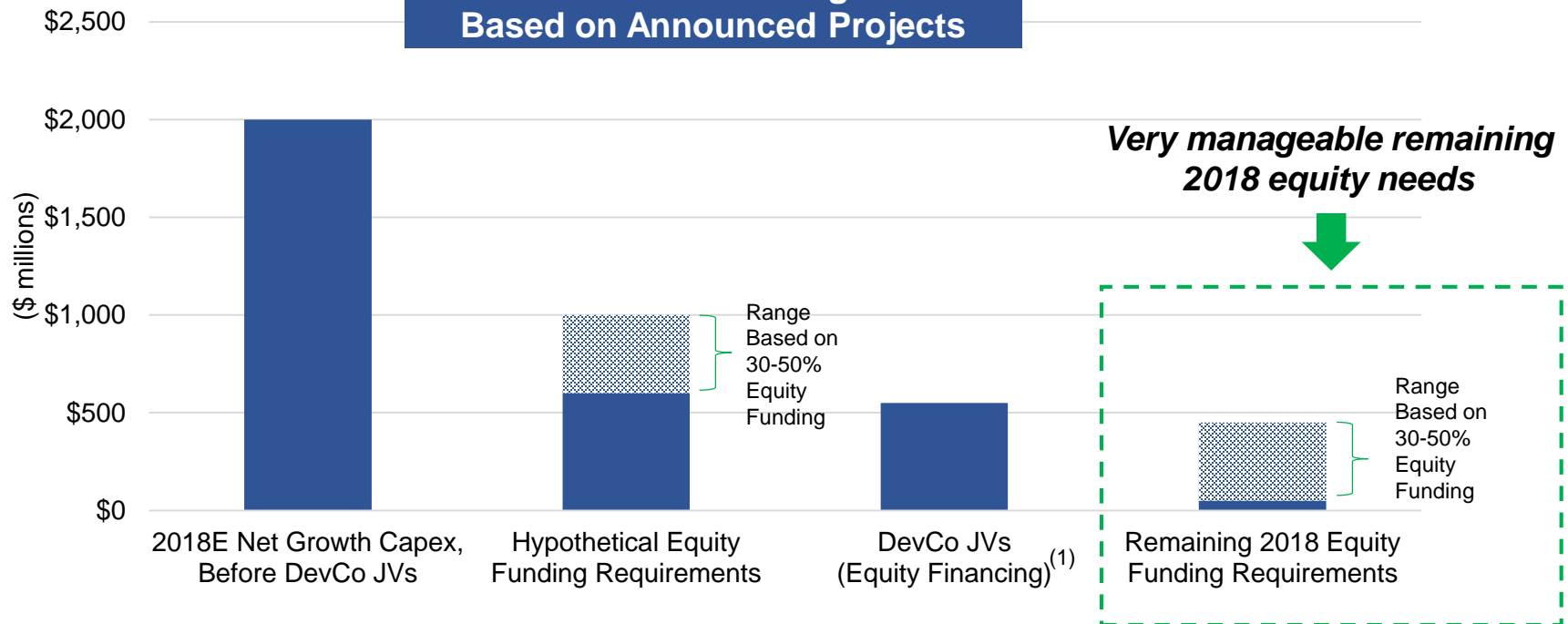
- **Significant progress made already in 2018 to finance growth capital program underway and add incremental value through alignment with key strategic partners**
 - ✓ Executed DevCo JVs secure attractive private capital equity funding
 - ✓ Executed 50/50 JV in the Bakken to construct a new 200 MMcf/d gas processing plant
 - ✓ Executed an expanded Centrahoma JV in Oklahoma to add 150 MMcf/d of additional gas processing
- **Targa is continuing to evaluate additional financing opportunities to supplement its remaining equity needs for 2018 and 2019, which may include a combination of:**
 - ▶ **Asset sales, additional asset and/or development joint ventures**
- **Targa's visibility to increasing EBITDA provides balance sheet flexibility during period of significant capital investment**

2018 Financing Overview



- 2018E net growth capex estimated at ~\$1.6 billion (pro forma DevCo JVs), based on announced projects**
 - DevCo JVs provide approximately \$550 million⁽¹⁾ of capital in 2018, reducing total net growth capex from ~\$2 billion to \$1.6 billion, and also provide additional capital savings in 2019**
- Targa has the balance sheet flexibility to fund growth capex with more debt than 50/50 in 2018 given decision to fund majority of growth capital program in 2016 and 2017 with equity**

**Illustrative 2018 Financing Overview
Based on Announced Projects**



⁽¹⁾ Includes an initial contribution of ~\$190 million from Stonepeak to reimburse Targa for capital spent to date on the DevCo JV projects and ~\$360 million of expected Stonepeak DevCo projects funding in 2018

2018 Announced Net Growth Capex



- 2018E net growth capex based on announced projects after DevCo JVs estimated at ~\$1.6 billion

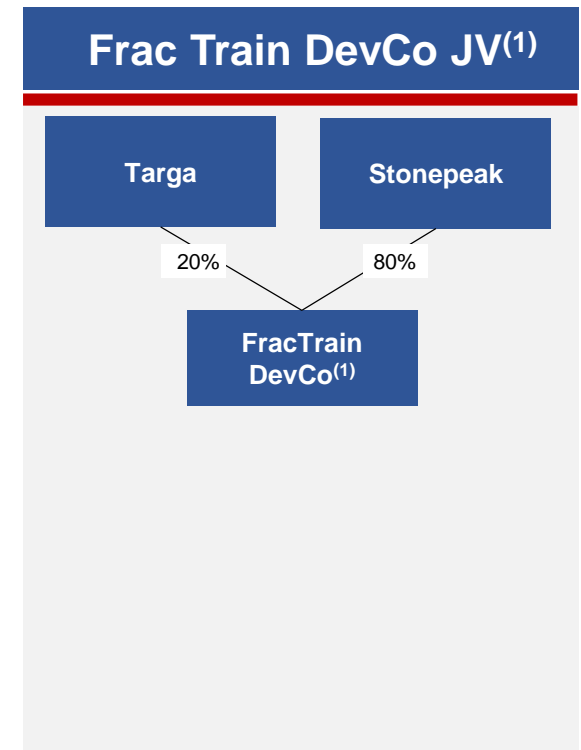
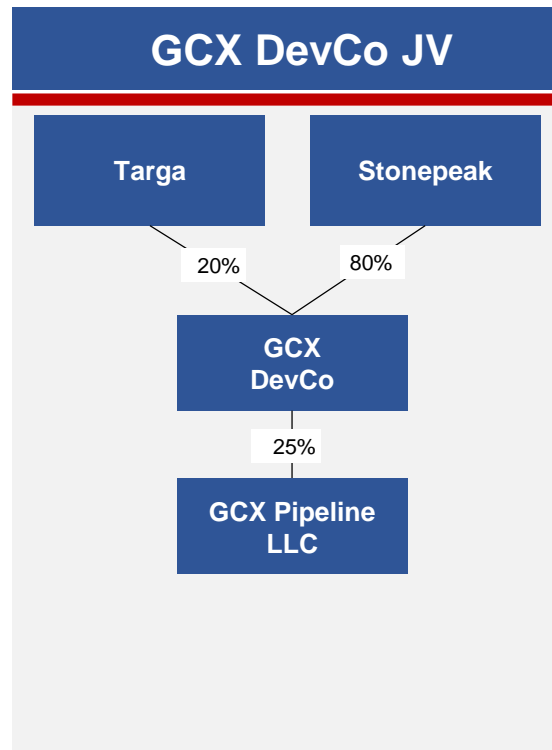
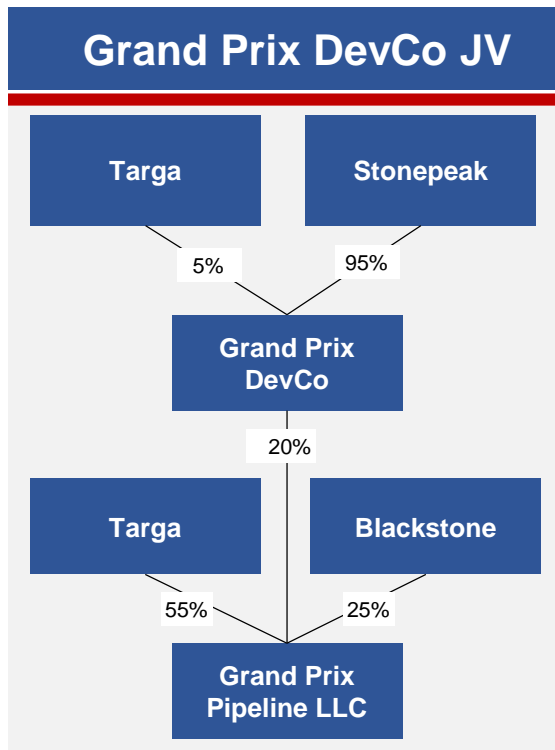
(\$ in millions)	Location	Total Net Capex	2018E Net Capex	Expected Completion	Primarily Fee-Based
200 MMcf/d WestTX Joyce Plant and Related Infrastructure	Permian - Midland			Q1 2018	
200 MMcf/d WestTX Johnson Plant and Related Infrastructure	Permian - Midland			Q3 2018	
250 MMcf/d WestTX Plant and Related Infrastructure	Permian - Midland			Q1 2019	
250 MMcf/d WestTX Plant and Related Infrastructure	Permian - Midland			Q3 2019	
Additional Permian Midland Gas and Crude Gathering Infrastructure	Permian - Midland			2018	
Total Permian - Midland	Permian - Midland	\$685	\$475		
250 MMcf/d Wildcat Plant and Related Infrastructure	Permian - Delaware			Q2 2018	✓
Additional Permian Delaware Gas and Crude Gathering Infrastructure	Permian - Delaware			2018	✓
Total Permian - Delaware	Permian - Delaware	\$280	\$180		✓
Grand Total Permian	Permian	\$965	\$655		
Hickory Hills Plant and Related Infrastructure	Arkoma Woodford			2018	✓
Other Central Additional Gas Gathering Infrastructure	Central			2018	
Total Central	Eagle Ford, STACK, SCOOP	\$100	\$100		
200 MMcf/d Little Missouri 4 Plant and Related infrastructure	Bakken			2018	✓
Additional Bakken Gas and Crude Gathering Infrastructure	Bakken			2018	✓
Total Badlands	Bakken	\$125	\$115		✓
Total - Gathering and Processing		\$1,190	\$870		
Crude and Condensate Splitter	Channelview			Q2 2018	✓
Downstream Other Identified Spending	Mont Belvieu			2018	✓
Grand Prix NGL Pipeline	Permian Basin to Mont Belvieu			Q2 2019	✓
Fractionation Train and Other Frac Related Infrastructure ⁽¹⁾	Mont Belvieu			Q1 2019	✓
Gulf Coast Express Pipeline	Permian to Agua Dulce			Q4 2019	✓
Total - Downstream		\$1,175	\$760		
Total Net Growth Capex⁽²⁾		\$2,365	\$1,630		

Supplemental Information

Development Joint Ventures – Structure



- Grand Prix DevCo JV owns a 20% interest in Targa’s Grand Prix NGL Pipeline
- GCX DevCo JV owns Targa’s 25% interest in the Gulf Coast Express Pipeline
- Frac Train DevCo JV will own a 100% interest in Targa’s next fractionation train





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NYSE**

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