

Atlas Energy, L.P.
Form 425
January 07, 2015

Targa Resources
Goldman Sachs
Global Energy Conference 2015
January 7-8, 2015
Filed by Targa Resources Corp.
Pursuant to Rule 425 of the Securities Act of 1933
and deemed filed pursuant to Rule 14a-12
of the Securities Exchange Act of 1934
Subject Company: Atlas Energy, L.P.
Commission File No.: 001-32953

This
filing
relates
to
a
proposed
business
combination
involving
Targa
Resources
Corp.
and
Atlas
Energy,
L.P.

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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
(TRP
or
the
Partnership)
or
Targa
Resources
Corp.
(TRC
or
the
Company)
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,
2013
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.

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Additional Information

Additional Information and Where to Find It

In connection with the proposed transaction, Targa Resources Corp. (TRC) will file with the U.S. Securities and Exchange Commission a registration statement on Form S-4 that will include a joint proxy statement of Atlas Energy, L.P. (ATLS) and TRC and a prospectus of ATLS (ATLS prospectus statement/prospectus). In connection with the proposed transaction, TRC plans to mail the definitive TRC joint proxy statement/prospectus to its unitholders. ATLS plans to mail the definitive TRC joint proxy statement/prospectus to its unitholders.

Also in connection with the proposed transaction, Targa Resources Partners LP (TRP) will file with the SEC a registration statement on Form S-1.

proxy statement of Atlas Pipeline Partners, L.P. (APL) and a prospectus of TRP (the TRP proxy statement/prospectus). In this transaction, APL plans to mail the definitive TRP proxy statement/prospectus to its unitholders. INVESTORS, SHAREHOLDERS AND UNITHOLDERS ARE URGED TO READ THE TRC JOINT PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT TRC, TRP, APL AND THE TRANSACTION AND RELATED MATTERS.

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of an offer to buy any securities.

A
free
copy
of
the
TRC
Joint
Proxy
Statement/Prospectus,
the
TRP
Proxy
Statement/Prospectus
and
other
filings
containing
information
about
TRC,
TRP,
ATLS
and
APL
may
be
obtained
at
the
SEC's
Internet
site
at
www.sec.gov.
In
addition,
the
documents
filed
with
the
SEC

by
TRC
and
TRP
may
be
obtained
free
of
charge
by
directing
such
request
to:
Targa
Resources,
Attention:
Investor
Relations,
1000
Louisiana,
Suite
4300,
Houston,
Texas
77002
or
emailing
InvestorRelations@targaresources.com
or
calling
(713)
584-1133.
These
documents
may
also
be
obtained
for
free
from
TRC's
and
TRP's
investor
relations
website
at

www.targaresources.com.

The documents filed with the SEC by ATLS may be obtained free of charge by directing such request to:

Atlas Energy, L.P.,
Attn: Investor Relations,
1845 Walnut Street,
Philadelphia, Pennsylvania
19103

or emailing InvestorRelations@atlasenergy.com.

These documents may also be obtained for free from ATLS's investor relations website at

www.atlasenergy.com.

The documents filed with the SEC by APL may be obtained free of charge by directing such request to: Atlas Pipeline Partners, L.P., Attn: Investor Relations, 1845 Walnut Street, Philadelphia, Pennsylvania 19103 or emailing IR@atlaspipeline.com. These documents may also be obtained for free from APL's investor relations website at www.atlaspipeline.com.

Participants in Solicitation Relating to the Merger

TRC, TRP, ATLS and APL and their respective directors, executive

officers and other persons may be deemed to be participants in the solicitation of proxies from

TRC, ATLS or APL shareholders or unitholders, as applicable, in respect of the proposed transaction that will be described in the

statement/prospectus and TRP proxy statement/prospectus. Information regarding TRC's directors and executive officers is contained in TRC's

statement dated April 7, 2014, which has been filed with the SEC. Information regarding directors and executive officers of TRP is contained in TRP's

TRP's Annual Report on Form 10-K for the year ended December 31, 2013, which has been filed with the SEC. Information regarding directors and executive officers of ATLS's general partner is contained in ATLS's definitive proxy statement dated March 21, 2014, which has been filed with the SEC.

Information regarding directors and executive officers of APL's general partner is contained in APL's Annual Report on Form 10-K for the year ended December 31, 2013, which has been filed with the SEC.

A more complete description will be available in the registration statement and the joint proxy statement/prospectus.

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Targa Resources

Two Public Companies

(1)

2010 covers time period from IPO (December 6, 2010) through December 31, 2010

Source: Bloomberg

Targa's Diversified Midstream Platform

5

(1)

Operating margin percentages based on LTM as of September 30, 2014

Operating Margin

(1)

6
A Strong Footprint in
Active Basins
And a Leading Position at
Mont Belvieu
Drive Targa s
Long-Term Growth
Leadership position in oil

and liquids rich Permian Basin
Bakken position capitalizes on strong crude oil fundamentals and active drilling activity
Leadership position in the active portion of Barnett Shale - combo play
GOM and onshore Louisiana provide longer term upside potential for well positioned assets
Mont Belvieu is the NGL hub of North America
Increased domestic NGL production is driving capacity expansions into and at Mont Belvieu
Second largest fractionation ownership position at Mont Belvieu
One of only two operating commercial NGL export facilities on the Gulf Coast linked to Mont Belvieu
Position not easily replicated
Approximately \$2.6 billion in announced organic capex projects completed or underway
Increased capacity to support multiple U.S. shale / resource plays
Additional fractionation expansion to support increased NGL supply
Increased connectivity to U.S. end users of NGLs
Expansion of export services capacity for global LPG markets at Galena Park marine terminal

Positioning Pro Forma for
Targa/Atlas Transaction:
Expect to close Q1 2015
An even stronger footprint in
active
basins

modest
change
in fee based margin % and
G&P %
Additional NGL opportunities
Better growth prospects than
standalone

December 10th

Press Release:

Maintaining pro forma 2015
estimates of 11-13% distribution
growth at TRP and 35%
dividend growth at TRC

Expect distribution coverage
of 1.0 to 1.2 times

Commodity prices of
\$3.75/MMBtu for natural gas,
\$60/barrel for crude oil and
\$0.60/gallon for NGLs and
related volume expectations

Commodity prices of
\$4.00/MMBtu for natural gas,
\$80/barrel for crude oil and
\$0.80/gallon for NGLs and
related volume expectations

Well Positioned for 2014 and Beyond

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2014 End of Year Challenges Continue into 2015

Beginning in Q4 2014, the significant drop and resulting uncertainty in commodity prices is impacting producers, and therefore Targa and other midstream companies

Resulting
difficulty
predicting,
planning

and
adjusting
for
producers
future
activity
and
volume
levels

Targa is focused on:

Cost management and flexibility

Capital expenditure efficiency and flexibility

Other opportunities in a challenging environment

Major Announced Capital Projects and Preliminary 2015 CapEx

8

Over \$1 billion of projects completed in 2013 and approximately \$1 billion completed in 2014

Additional high quality growth projects under development for 2015 and beyond, with focus on capex efficiency

CBF Train 5 Expansion (100 MBbl/d)

New Badlands Infrastructure and Potential Plant, which may be downsized/delayed

New Delaware Basin Plant, which may be downsized/delayed

(1)

35

MBbl/d

condensate

splitter/alternative

project

expected

to

be

in-service

end

of

2016

or

early

2017,

depending

on

permit

timing

and

customer

preference

(2)

Includes additional spending in both Permian Basin and North Texas

(3)

Additional gas processing plant will be in-service in Q1 2015

(4)

~\$2.2-\$2.4 billion of fee-based capital, ~74-76% of listed projects

(4)

Downstream Growth Projects

Preliminary

Total CapEx

(\$ millions)

2013 CapEx

(\$ millions)

2014 CapEx

(\$ millions)

Preliminary

2015 CapEx

(\$ millions)

Actual /

Expected

Completion

Primarily

Fee-Based

Petroleum Logistics Projects -

2013 -

2015+

(1)

\$250

\$40
 \$50
 \$30
 2013 -
 2015+
 CBF Train 4 Expansion (100 MBbl/d)
 385
 120
 20
 0
 Mid 2013
 CBF Train 5 Expansion (100 MBbl/d)
 385
 0
 50
 200
 Mid 2016
 International Export Project
 480
 250
 165
 0
 Q3 2013/Q3 2014
 Other
 130
 30
 50
 25
 Total Downstream Projects
 \$1,630
 \$440
 \$335
 \$255
 \$1,630
 G&P Growth Projects
 Preliminary
 Total CapEx
 (\$ millions)
 2013 CapEx
 (\$ millions)
 2014 CapEx
 (\$ millions)
 Preliminary
 2015 CapEx
 (\$ millions)
 Actual /
 Expected
 Completion
 Primarily
 Fee-Based

Gathering & Processing Expansion Program -

2013 -

2015+

(2)

\$185

\$75

\$110

\$50

2013 -

2015+

North Texas Longhorn Project (200 MMcf/d)

150

40

20

0

May 2014

SAOU High Plains Plant (200 MMcf/d)

225

125

85

0

June 2014

Badlands Expansion Program -

2013 -

Q1 2015

(3)

465

250

215

0

2013/Q1 2015

New Badlands Infrastructure and Potential Plant

150-320

0

0

125-250

YE 2015+

New Delaware Basin Plant (100-300 MMcf/d)

100-250

0

0

50-110

Mid 2016+

Other

40

25

15

10

Total G&P Projects

\$1,315 -

\$1,635
\$515
\$445
\$235 -
\$420
\$615 -
\$785
Total Projects
\$2,945 -
\$3,265
\$955
\$780
\$490 -
\$675
\$2,245 -
\$2,415

Additional Growth Opportunities
Total CapEx
(\$ millions)
Estimated
Timing
Primarily
Fee-Based
Badlands Expansion Program

Permian Expansion Program

Train 6 Expansion

Train 7 Expansion

Additional Condensate Splitter/Export Projects

Ethane Export Project

Other Projects

primarily

Total

\$2,000+

2015 and beyond

Major Capital Projects Under Development

9

In current environment, Targa is focused on capital efficiency and flexibility

Over \$2 billion of additional opportunities are in various stages of development

Opportunities include additional infrastructure in both G&P and Downstream

Increasing NGL supplies across the country will continue to drive the need for more processing, fractionation and connectivity

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

TRP's current hedges include:

Approximately 80% of 2014 natural gas and approximately 30% of 2014 combined NGL and condensate

Approximately 50% to 60% of natural gas equity volumes for 2015

(1)

and 20% to 30% for 2016

(1)

Approximately 45% to 55% of condensate equity volumes for 2015 and 25% to 35% for 2016

Given our hedge position and our large fee-based operating margin, we estimate the following sensitivities

for

Targa

Standalone

2015

EBITDA:

A \$5 drop in crude price would decrease EBITDA by ~\$3 million

A \$0.05 drop in the weighted average NGLS price would decrease EBITDA by ~\$12 million

A \$0.25 drop in natural gas price would result in an approximate \$5 million decrease in EBITDA

10

(1)

Will be towards bottom-end of range if there is significant ethane rejection in these years

\$120

\$100

\$80

\$60

11

Targa Leverage and Liquidity

(1)

Includes TRP's total availability under the revolver plus cash, less outstanding borrowings and letters of credit under the TRP

(2)

Adjusts EBITDA to provide credit for material capital projects that are in process, but have not started commercial operation, a

(2)

Compliance Leverage Ratio

Liquidity

(1)

Completed \$800 million 4.125%
unsecured notes offering in
October 2014

Pro forma for offering, liquidity as of
September 30, 2014 is \$1.45 billion
including capacity under accounts
receivable securitization facility
YTD through September 2014, raised
net proceeds of \$257 million from
equity issuances under at-the-market
(ATM) program

Target
compliance
leverage

3x

-

4x

Debt/EBITDA

Have historically been on low end of
range

Leverage increased at end of 2012
due to Badlands acquisition

Q3 2014 compliance leverage was
2.7x

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Targa + Atlas: Transaction Overview
Targa Resources Partners LP (NYSE: NGLS; TRP
or the Partnership) has executed a definitive agreement to acquire
Atlas Pipeline Partners, L.P. (NYSE: APL) for \$5.8 billion
(1)
0.5846 NGLS common units plus a one-time cash payment of \$1.26 for each APL LP unit (implied premium
(1)

of 15%)

\$1.8 billion of debt at September 30, 2014

Targa Resources Corp. (NYSE: TRGP; TRC

or the Company) has executed a definitive agreement to acquire Atlas

Energy, L.P. (NYSE: ATLS), after its spin-off of non APL-related assets, for \$1.9 billion

(1)

Prior to TRGP's acquisition, all assets held by ATLS not associated with APL will be spun out to existing ATLS unitholders

10.35 million TRGP shares issued to ATLS unitholders

\$610 million of cash to ATLS

Each existing ATLS (after giving effect to ATLS

spin out) unit will receive 0.1809 TRGP shares and \$9.12 in cash

Accretive to NGLS and TRGP cash flow per unit and share, respectively, immediately and over the longer-term, while providing APL and ATLS unitholders increased value now and into the future

Post

closing

(2)

,

NGLS

plans

to

increase

its

quarterly

distribution

by

\$0.04

per

LP

unit

(\$0.16

per

LP

unit

annualized

rate)

NGLS expects 11-13% distribution growth in 2015 compared to 7-9% in 2014

Post closing

(2)

, TRGP plans to increase its quarterly dividend by \$0.10 per share (\$0.40 per share annualized rate)

TRGP

expects

approximately

35%

dividend

growth

(3)

in

2015

compared

to

25%+

in

2014

Transactions are cross-conditional and subject to shareholder and regulatory approvals

HSR clearance received

Continue to expect transaction to close in Q1 2015

(1) Based on market data as of October 10, 2014, excluding transaction fees and expenses

(2) Management intends to recommend this increase at the first regularly scheduled quarterly distribution declaration Board meeting

(3) Assumes NGLS distribution growth of 11-13%

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Targa + Atlas: Attractive Positions in Active Basins

(1) Source: Baker Hughes Incorporated, as of October 20, 2014

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World Class Permian Footprint

Atlas

WestTX system sits in the core of the Midland Basin

between Targa's existing SAOU and Sand Hills systems

More than 75% of the rigs currently running in the Midland

Basin are in counties served by the combined systems

Pro

forma,
NGLS
will
be
the
2
nd
largest
Permian
processor
with
1.4
Bcf/d
in
gross
processing
capacity
Recent
activity
includes
Targa s
200
MMcf/d
High
Plains
plant
placed
in
service
June
2014
and
Atlas
200
MMcf/d
Edward plant placed in service September 2014
Announced
expansions
include
Atlas
200
MMcf/d
Buffalo
plant
(in
service
mid
2015)
and
Targa s

300
MMcf/d
Delaware
Basin
plant
(in
service
mid
2016)
Combined Permian Footprint
Year-End Permian Gross Processing Capacity
Legend
Atlas
Natural Gas Processing Plant
Natural Gas Pipeline
Targa
Natural Gas Processing Plant
Natural Gas Pipeline
Current Permian Gross
Processing Capacity
(MMcf/d)
Miles of Pipeline
SAOU
369
1,800
Sand Hills
175
1,500
Versado
240
3,350
Total: Targa
784
6,650
Atlas WestTX
655
3,600
Total: PF Targa
1,439
10,250
Delaware
Midland

15

Leading Positions in Active Basins

Combined Footprint

Year-End NorthTX/SouthTX/OK Gross Processing Capacity

Atlas
Natural Gas Processing Plant
Natural Gas Pipeline
Targa
Natural Gas Processing Plant
Terminal
Fractionator
Natural Gas Pipeline
Crude Oil Pipeline
NGL Pipeline
Legend
Barnett
Eagle Ford
Woodford
Mississippi Lime

Atlas
assets also provide exposure to significant drilling
activity in the Mississippi Lime, SCOOP, Arkoma Woodford
and Eagle Ford plays

Largest gathering and processing footprint in the Mississippi
Lime with 458 MMcf/d of nameplate capacity

System remains full with volumes offloaded to third parties

Current project underway to connect Velma & Arkoma
systems to create a gathering and processing super-system

Further potential to connect to Targa's North Texas assets

Long-term contracts with active producers in the Eagle Ford

SCOOP

Current North

Texas/SouthTX/OK Gross

Processing Capacity

(MMcf/d)

Miles of Pipeline

SouthOK

500

1,300

WestOK

458

5,700

SouthTX

400

500

Total: Atlas

1,358

7,500

Targa North Texas

478

4,500

Total: PF Targa

1,836

12,000

16

16

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

Combined NGL Production (MBbl/d)

Atlas

Natural Gas Processing Plant

Natural Gas Pipeline

Targa

Natural Gas Processing Plant

Terminal

Fractionator

Natural Gas Pipeline

Crude Oil Pipeline

NGL Pipeline

Third Party

Ethylene Cracker

Illustrative Y-Grade Flows

Import / Export

Legend

Market Cap

~ \$10 Billion

(1)

~ \$3 Billion

(2)

~ \$13 Billion

(1)

Enterprise Value

~ \$13 Billion

(1)

~ \$6 Billion

(2)

~ \$19 Billion

(1)

2014E EBITDA (\$MM)

\$925 - \$975 Million

\$400 - \$425 Million

\$1,325 - \$1,400 Million

2014E Growth

CAPEX (\$MM)

\$780 Million

\$400 - \$450 Million

\$1,180 - \$1,230 Million

2014E Operating

Margin by Segment

YE 2014E % Fee-

Based

68%

32%

Fixed Fee

Percent of Proceeds

35%

7%

38%

20%

Field G&P

Coastal G&P

Logistics

Marketing and Dist.

40%

60%

Texas

Oklahoma

25%

5%

27%

15%

11%

17%

Field G&P - Targa

Coastal G&P - Targa

Logistics - Targa

Marketing and Dist. - Targa

Texas - Atlas

Oklahoma - Atlas

40%

60%

Fixed Fee

Percent of Proceeds

60%

40%

Fixed Fee

Percent of Proceeds

17

Targa + Atlas: Increased Size and Scale Enhance Credit Profile

Targa

Atlas

Pro Forma Targa

(1) Represents

combined

market

cap

and

enterprise

value

for

NGLS

and

TRGP

as

of
December
31,
2014,
less
the
value
of
NGLS
units
or
PF
NGLS
units
owned
by
TRGP

(2) Represents combined market cap and enterprise value for APL and ATLS as of December 31, 2014 based on transaction cost

(3) Includes keep-whole at 1% of total margin

(3)

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Targa + Atlas: Strategic Highlights
Attractive Positions
in Active Basins
Creates World-
Class Permian
Footprint
Complementary

Assets with
Significant Growth
Opportunities
Enhances
Credit Profile
Significant Long-
Term Value Creation

Already strong positions in Permian and Bakken enhanced with entry into Mississippi Lime and Eagle Ford

4
of
the
top
5
basins
by
active
rig
count
and
unconventional

well
spuds
(1)
Top 3 basins by oil production

(1)
Also
exposed
to
emerging
SCOOP
play
and
continued
development
of
NGL-rich
Barnett
Shale

Adds diversity and leadership position in all basins/plays
Combines strong Permian Basin positions to create a premier franchise
Provides new customer relationships with the most active operators in each basin
Current combined processing capacity of 1,439 MMcf/d
Significant organic growth project opportunities
2014 pro forma growth capex of ~\$1.2 billion
Additional projects under development of over \$3 billion
NGL production to support Targa's leading NGL position in Mont Belvieu and Galena Park

Estimated
pro
forma
leverage

ratio
of
3.3x
Total
Debt
/
2014E
EBITDA
(4)
at
NGLS

Increased size and scale move NGLS credit metrics closer to investment grade over time

Immediately accretive to distributable cash flow at both NGLS and TRGP

Increases FY 2015 vs FY 2014 distribution growth at NGLS to 11-13% and at TRGP to approximately 35%

Provides larger asset base with additional long-term growth opportunities

Higher long-term distribution/dividend growth profile than Targa standalone

(1) Source: Oil & Gas Investor

(2) Based

on
market
data

as
of
December

31,
2014,

less
the
value

of
16.3
MM

PF
NGLS

units
owned

by
TRGP

(3) Based on NGLS and APL guidance ranges

(4) Based on estimated compliance ratio

Increased Size and
Scale

Combined partnership will be one of the largest diversified MLPs

Pro forma enterprise value

(2)
of \$19 billion

Pro
forma
2014E
EBITDA

of
approximately
\$1.3-\$1.4
billion
(3)

Targa Resources

Diversified MLP with Increased Scale

19

MLPs Ranked by 2015E EBITDA

(1)

Creates 11th largest diversified MLP on EBITDA basis (upper mid-cap / lower large-cap MLP)

Note: TRP/APL combination includes \$20 million of synergies

(1) Source: Wall Street research estimates

Investment Grade MLPs
Non-Investment Grade MLPs

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Targa + Atlas: Current Commodity Price Environment

Despite the current and forward commodity price environment being weaker than when the Targa/Atlas transaction was announced on October 13, 2014, we maintain the pro forma distribution and dividend growth estimates originally provided:

2015 distribution growth for TRP of 11% to 13%

2015 dividend growth for TRC of 35%

TRP currently expects the above referenced pro forma distribution growth range for 2015, along with pro forma

distribution
coverage
of
approximately
1.0
to
1.2
times,
under
a
range
of
possible
scenarios:

(i) (a) commodity prices of \$3.75 per MMBtu for natural gas, \$60 per barrel for crude oil and \$0.60 per gallon for NGLs; (b) current expectations of activity levels at these prices, resulting in low single digit annual volume growth for pro forma TRP and APL field gathering and processing businesses compared to current estimated fourth quarter 2014

volumes;
and

(c)
only
LPG
export
volumes
that
are
currently
under
contract

(ii) (a) commodity prices of \$4.00 per MMBtu for natural gas, \$80 per barrel for crude oil and \$0.80 per gallon for NGLs; (b) volume growth in line with historical growth rates as expected at the time of announcement for pro forma TRP

and
APL
field
gathering
and
processing
businesses;

and
(c)
a
modest
level
of
export
volumes
above
those

currently under contract

Targa Investment Highlights
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Well positioned in U.S.
shale / resource plays, with
an even stronger footprint in
active basins with close of
the Targa/Atlas transaction
Leadership position at Mont

Belvieu and associated LPG
export facility at Houston
Ship Channel
Increasing scale, diversity
and fee-based margin
Strong financial profile
Strong track record of
distribution and dividend
growth
Experienced management
team

Appendix

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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

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Adjusted EBITDA

The Partnership and Targa define 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 extinguishment and asset disposals; non-cash risk management activities related to derivative instruments; changes in the fair value of the Badlands acquisition contingent consideration and the non-controlling interest portion of depreciation and amortization expenses. 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. 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.

Adjusted EBITDA is a non-GAAP financial measure. The GAAP measures most directly comparable to Adjusted EBITDA are net cash provided by operating activities and net income (loss) 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. Adjusted EBITDA has important limitations as an analytical tool. Investors 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 net cash provided by operating activities 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.

Non-GAAP Measures Reconciliation

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