

ATLAS PIPELINE PARTNERS LP

Form 425

January 07, 2015



Targa Resources  
Goldman Sachs  
Global Energy Conference 2015  
January 7-8, 2015  
Filed by Targa Resources Partners LP  
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 Pipeline Partners, L.P.  
Commission File No.: 001-14998

This  
filing  
relates  
to  
a  
proposed  
business  
combination  
involving  
Targa  
Resources  
Partners  
LP  
and  
Atlas  
Pipeline  
Partners,  
L.P.

2  
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.

3

**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](http://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](mailto: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](http://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](mailto:InvestorRelations@atlasenergy.com).

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

[www.atlasenergy.com](http://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

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

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.

filed with the SEC.

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



4

Targa Resources

Two Public Companies

(1)

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

Source: Bloomberg

TRP

Annual Total Return Since 2010

TRC

Annual Total Return Since IPO

TRC

Dividends

TRP

Distributions

NGLS Out/(Under)

Performance vs. AMZ

16%

3%

2%

21%

(9)%

TRGP Out/(Under)

Performance vs. AMZ

20%

42%

30%

44%

18%

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 10

th  
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

7

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

Adjusted EBITDA vs. Commodity Prices

(1)

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

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

12  
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%

13

Targa + Atlas: Attractive Positions in Active Basins

Barnett

Eagle Ford

Delaware

Bakken

Mississippi

Lime

Woodford

Pro Forma Asset Highlights

39 natural gas processing plants (~6.9 Bcf/d gross processing capacity)

Over 22,500 miles of natural gas and crude oil gathering pipeline

Gross NGL production of 278.9 MBbls/d in 2Q 2014

3 crude oil and refined products terminals with 2.5 MMBbls of storage

17 gas treating facilities

573 MBbl/d gross fractionation capacity

~6.5 MMBbl/month effective capacity LPG export terminal

Atlas

Natural Gas Processing Plant

Natural Gas Pipeline

Targa

Natural Gas Processing Plant

Terminal

Fractionator

Natural Gas Pipeline

Crude Oil Pipeline

NGL Pipeline

Legend

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

SCOOP

Midland

U.S. Land Rig Count by Basin

(1)



14

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  
Barnett  
Eagle Ford  
Midland  
Mississippi Lime  
Woodford  
Delaware  
Marcellus &  
Others  
Rockies  
Galena Park Marine  
Import / Export  
Terminal  
Mont  
Belvieu  
Terminal  
SCOOP





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)

18  
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

20

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  
21

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

23

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

24

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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