

Edgar Filing: ATLAS PIPELINE PARTNERS LP - Form 425

ATLAS PIPELINE PARTNERS LP

Form 425

October 14, 2014

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.

Targa Resources  
Acquisition of Atlas Pipeline Partners,  
L.P. and Atlas Energy, L.P.  
October 2014

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 (NYSE: NGLS; TRP or the Partnership ) or Targa Resources Corp. (NYSE: TRGP; TRC or the Company ) (together Targa ) 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. ( TRGP ) 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 TRGP and a prospectus or prospectus supplement ( joint proxy statement/prospectus ). In connection with the proposed transaction, TRGP plans to mail the definitive TRGP joint proxy statement/prospectus to its unitholders. ATLS plans to mail the definitive TRGP joint proxy statement/prospectus to its unitholders.

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

statement of Atlas Pipeline Partners, L.P. ( APL ) and a prospectus of NGLS (the NGLS proxy statement/prospectus ). In plans to mail the definitive NGLS proxy statement/prospectus to its unitholders.

**INVESTORS, SHAREHOLDERS AND UNITHOLDERS ARE URGED TO READ THE TRGP JOINT PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC CAR BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT TRGP, NGLS, ATLS 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 a free copy of the TRGP Joint Proxy Statement/Prospectus, the NGLS Proxy Statement/Prospectus and other filings containing information about the proposed transaction. A free copy of the TRGP Joint Proxy Statement/Prospectus, the NGLS Proxy Statement/Prospectus and other filings containing information about the proposed transaction 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 TRGP and NGLS may be obtained free of charge by directing such request to: Targa Resources, Attention: Investor Relations, 1000 Louisiana, Suite 4300, Houston, Texas 77002 or by calling (713) 584-1133. These documents may also be obtained for free from TRGP's and NGLS's investor relations website at [www.trgpr.com](http://www.trgpr.com) and [www.nglslp.com](http://www.nglslp.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 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., Attention: Investor Relations, 1845 Walnut Street, Philadelphia, Pennsylvania 19103 or emailing [IR@atlaspipeline.com](mailto:IR@atlaspipeline.com). These documents may also be obtained for free from APL's investor relations website at [www.atlaspipeline.com](http://www.atlaspipeline.com).

#### Participants in Solicitation Relating to the Merger

TRGP, NGLS, ATLS and APL and their respective directors, executive officers and other persons may be deemed to be participants in the proposed transaction. ATLS or APL shareholders or unitholders, as applicable, in respect of the proposed transaction that will be described in the TRGP and NGLS proxy statement/prospectus. Information regarding TRGP's directors and executive officers is contained in TRGP's definitive proxy statement/prospectus dated March 21, 2014, which has been filed with the SEC. Information regarding directors and executive officers of NGLS's general partner is contained in NGLS's definitive proxy statement/prospectus dated March 21, 2014, which has been filed with the SEC. Information regarding directors and executive officers of ATLS 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 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.

4

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 expected to close Q1 2015, subject to shareholder and regulatory approvals

(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%

Targa + Atlas: Benefits All Shareholders

NGLS

Benefits from larger asset base to support  
additional long term growth

Higher dividend growth outlook

Lowers effective cash tax rate

Long term dividend accretion of \$1.00-\$2.00  
per share

5

TRGP

APL NGLS + Cash

ATLS TRGP + Cash

\$1.9 billion total consideration drives

immediate value uplift

Higher distribution/dividend growth outlook

Benefits from transaction accrue to ATLS as

new TRGP shareholders

Direct leverage to pure-play high-growth

midstream GP

Complementary assets in attractive basins

Higher distribution growth outlook

Scale and diversity support enhanced credit

profile

Adds to already strong backlog of projects

under development

Immediate value uplift of 15% premium

Higher distribution growth outlook

Improved balance sheet and capital access to

fund growth

More diverse business mix and higher

percentage of fee based margin to support

distributions

6  
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 plus 500 MMcf/d of announced expansions

Significant organic growth project opportunities

2014 growth capex of ~\$1.2 billion

2015 growth capex expected to exceed \$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 October 10, 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

\$23

billion

Pro

forma

2014E

EBITDA

of

approximately

\$1.3-\$1.4

billion

(3)

7

Attractive Positions in Active Basins

Barnett

Eagle Ford

Delaware

Bakken

Mississippi

Lime



Woodford

Pro Forma Asset Highlights

Atlas

Natural Gas Processing Plant

Natural Gas Pipeline

Targa

Natural Gas Processing Plant

Terminal

Fractionator

Natural Gas Pipeline

Crude Oil Pipeline

NGL Pipeline

U.S. Land Rig Count by Basin

(1)

(1) Source: Baker Hughes Incorporated, as of September 26, 2014

SCOOP

Midland

Legend

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 capacity LPG export terminal

8

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

Driver 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 1Q 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

575

600

784

784

1,084  
195  
455  
655  
855  
855  
770  
1,055  
1,439  
1,639  
1,939  
0  
400  
800  
1,200  
1,600  
2,000  
2012  
2013  
2014E  
2015E  
2016E  
Targa  
Atlas

9

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

606

1,316

1,916

278  
278  
478  
100  
380  
580  
458  
458  
200  
400

400  
800  
1,200  
1,600  
2,000  
2012  
2013  
2014E  
Targa -  
North Texas  
Atlas -  
SouthOK  
Atlas -  
WestOK  
Atlas -  
SouthTX  
228

10

10

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  
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  
121  
124  
129  
137  
149  
48  
54  
77  
115  
118  
169  
178  
206  
251  
268  
0

50  
100  
150  
200  
250  
300  
2010  
2011  
2012  
2013  
YTD 2014  
Targa  
Atlas  
Combined NGL Production (MBbl/d)  
Mont  
Belvieu  
Terminal  
SCOOP

11  
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  
October  
10,  
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 October 10, 2014 based on transaction cons

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

(3)

Market Cap  
~ \$12 Billion

(1)

~ \$5 Billion

(2)

~ \$17 Billion

(1)

Enterprise Value

~ \$15 Billion

(1)

~ \$8 Billion

(2)

~ \$23 Billion

(1)

2014E EBITDA (\$MM)

\$925 -

\$975 Million

\$400 -

\$425 Million

\$1,325 -

\$1,400 Million  
2014E Capital  
Expenditures (\$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

12

Targa's Track Record of Value Creation

(1) 2010 covers time period from IPO (December 6, 2010) through December 31, 2010

(2) 2014 YTD as October 10, 2014

Source: Bloomberg

TRP

Total Return Since 2010

(1)

TRC  
Total Return Since IPO  
TRC  
Dividends  
TRP  
Distributions  
(1)  
NGLS Out/(Under)  
Performance vs. AMZ  
16%  
3%  
2%  
21%  
18%  
TRGP Out/(Under)  
Performance vs. AMZ  
20%  
42%  
30%  
44%  
31%  
(2)  
(2)  
Pro Forma  
Pro Forma  
-10%  
0%  
10%  
20%  
30%  
40%  
50%  
60%  
2010  
2011  
2012  
2013  
2014 YTD  
NGLS  
AMZ  
S&P 500  
UTY Index  
-10%  
0%  
10%  
20%  
30%  
40%  
50%  
60%



70%  
80%  
2010  
2011  
2012  
2013  
2014 YTD  
TRGP  
AMZ  
S&P 500  
UTY Index  
2.49  
2.57  
2.65  
2.72  
2.79  
2.86  
2.93  
2.99  
3.05  
3.12  
\$1.00  
\$1.25  
\$1.50  
\$1.75  
\$2.00  
\$2.25  
\$2.50  
\$2.75  
\$3.00  
\$3.25  
\$3.50  
\$3.75  
\$4.00  
Q1  
Q2  
Q3  
Q4  
Q1  
Q2  
Q3  
Q4  
Q1  
Q2  
Q3  
Q4  
Q1  
Q2  
Q3  
Q4

2012  
2013  
2014  
2015  
1.46  
1.58  
1.69  
1.83  
1.98  
2.13  
2.28  
2.43  
2.59  
2.76  
\$1.00  
\$1.25  
\$1.50  
\$1.75  
\$2.00  
\$2.25  
\$2.50  
\$2.75  
\$3.00  
\$3.25  
\$3.50  
\$3.75  
\$4.00  
\$4.25  
\$4.50  
Q1  
Q2  
Q3  
Q4  
Q1  
Q2  
Q3  
Q4  
Q1  
Q2  
Q3  
Q4  
Q1  
Q2  
Q3  
Q4  
2012  
2013  
2014  
2015

Overview of Transaction Terms

14  
NGLS Transaction Terms and Conditions  
Transaction  
Structure  
Consideration &  
Payments  
Pro Forma  
Ownership

Pro Forma

Leverage

Closing

Conditions

NGLS acquires APL for total consideration of \$5.8 billion

(1)

Includes \$1.8 billion of APL debt at September 30, 2014 (\$1.55 billion senior notes in place; revolver repaid)

APL's Class D convertible preferred units are converted to common units

APL's Class E perpetual preferred units are redeemed for an aggregate cash payment of \$126.5 million

0.5846 NGLS units exchanged for each APL LP unit outstanding (implied consideration of \$37.40 per APL LP unit

(1)

)

\$1.26 per LP unit (~\$127 million total) one-time cash payment to APL unitholders

Total consideration of \$38.66 per APL LP unit

(1)

(15% premium)

\$65 million for transaction fees and expenses and change of control payments

Current NGLS unitholders will own approximately 66% of the combined partnership

Current APL unitholders will own approximately 34% of the combined partnership

3.3x Total Debt / 2014E EBITDA

(3)

at NGLS

APL unitholder vote

Regulatory and other customary conditions

GP/IDR Giveback

from TRC

GP/IDR

giveback

(2)

of

\$37.5

million,

\$25.0

million,

\$10.0

million

and

\$5.0

million

for

the

four

years following closing

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

(2) These amounts will be applied in equal quarterly installments for each successive four quarter period following closing

(3) Based on total PF Debt / 2014E PF Compliance EBITDA

15  
TRGP Transaction Terms and Conditions  
Transaction  
Structure  
ATLS Asset  
Spin-Off  
Consideration &  
Payments

Financing

Pro Forma

Leverage / Taxes

GP/IDR Giveback

TRGP acquires ATLS for total consideration of \$1.9 billion

(1)

(post spin-off)

Includes acquisition of 5.8 million APL units held by ATLS that will be exchanged for NGLS units

ATLS spins off all assets unrelated to APL prior to transaction

10.35 million TRGP shares issued to ATLS

\$610 million of cash

\$190 million for change of control payments and transaction fees  
and expenses

\$1.1 billion committed financing in place for cash components of  
acquisitions, no financing  
contingencies

3.8x Standalone Debt / 2014E EBITDA

(2)

at TRGP

3.9x Consolidated Debt / 2014E EBITDA

(3)

Additional depreciation and amortization reduces taxable income

10-15% pro forma effective cash tax rate

(4)

for 2015 compared to 2014 guidance of 33%

GP/IDR giveback

(5)

of \$37.5 million, \$25.0 million, \$10.0 million and \$5.0 million

for the four

years following closing

Closing

Conditions

TRGP shareholder and ATLS unitholder votes

Contingent on closing of NGLS

acquisition of APL

Regulatory and other customary conditions

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

(2)

Based

on

PF

TRGP

Debt

/

2014E

EBITDA.

TRGP

EBITDA

based

on

cash  
distributions  
received  
from  
LP  
units,  
GP  
units  
and  
IDRs  
less  
TRGP  
G&A

(3) Based on PF total NGLS and TRGP debt divided by PF NGLS Compliance EBITDA

(4) Effective cash tax rate calculated as cash taxes divided by pre-tax cash available for dividends

(5) These amounts will be applied in equal quarterly installments for each successive four quarter period following closing



16  
Pro Forma Organizational and Capital Structure  
Targa Resources Corp.  
(NYSE: TRGP)  
( TRC  
or the Company )  
PF Standalone Leverage  
(1)

: 3.8x  
PF Consolidated Leverage

(2)

: 3.9x

Targa Resources

GP LLC

Targa Resources Partners LP

(NYSE: NGLS)

( TRP

or the Partnership )

PF Leverage

(3)

: 3.3x

Lenders

Lenders

Public Shareholders

Legacy TRGP: 80%

Legacy ATLS: 20%

Public Unitholders

Legacy NGLS: 59%

Legacy APL: 32%

\$750 million of new Term Loan B borrowings

\$92 million of existing revolver borrowings

plus \$115 million of new revolver borrowings

under new \$350 million revolver

\$3.0 billion of existing debt at NGLS

\$1.8 billion of debt from APL

\$0.2 billion of new revolver borrowings

100% Interest

(52.5 million shares)

100% Indirect

Ownership

9% LP Interest

(16.3 million LP Units)

2% General

Partner Interest & IDRs

\$5.0 billion

of debt

91% LP Interest

(158.5 million LP units)

\$957 million

of debt

Note: Debt balances as of September 30, 2014. Transaction adjustments include estimated fees and expenses

(1) Based

on

PF

TRGP

Debt

/

2014E

EBITDA.

TRGP

EBITDA

based

on

cash

distributions

received

from

LP

units,

GP

units

and

IDRs

less

TRGP

G&A

(2) Based on PF total NGLS and TRGP debt divided by 2014E PF NGLS Compliance EBITDA

(3)

Based

on

PF

total

NGLS

Debt

/

2014E

PF

NGLS

Compliance

EBITDA

Q&A

Atlas Asset Overview

APL Asset Overview

19

(1) Indicates gross capacity, where APL owns 412 MMcf/d net processing capacity currently and will own 460 MMcf/d in net

(2) Centrahoma JV ownership applies to Atoka, Coalgate and Stonewall plants. Velma and Tupelo plants are 100%-owned by Diversified Asset Base Oil / NGL-Rich Areas Provides Significant Exposure to Increased Drilling Activity

Geographic Area:

Eagle Ford Shale

Gross Processing Capacity:

400 MMcf/d

Processing Plants:

2

Miles of Pipeline:

~500

YE 2014 Capacity:

400 MMcf/d (as of 2Q 2014)

JV Partners:

Southcross/TexStar

JV Ownership:

High Pressure Pipe:

APL

75.0%

Southcross/TexStar

25.0%

Cogen:

APL

50.0%

Southcross/TexStar

50.0%

1

2

3

4

Processing Plant

Treating Facility

Natural Gas Gathering Pipeline

1

2

4

3

West TX System

Geographic Area:

Permian Basin

Gross Processing Capacity:

655 MMcf/d

Processing Plants:

5

Miles of Pipeline:

~3,600

YE 2014 Capacity:

655 MMcf/d (as of 3Q 2014)

JV Partner:

Pioneer Natural Resources

JV Ownership:

APL

72.8%

Pioneer

27.2%

SouthTX System

Geographic Area:  
Woodford Shale / Ardmore /  
Arkoma / SCOOP

Gross Processing Capacity:  
500 MMcf/d

(1)

Processing Plants:

6

Miles of Pipeline:

~1,300

YE 2014 Capacity:

580 MMcf/d

(1)

(as of 4Q 2014)

JV Partner

(2)

:

MarkWest

JV Ownership

(2)

:

APL

60.0%

MarkWest

40.0%

SouthOK System

Geographic Area:

Anadarko Basin /

Mississippi Lime

Gross Processing Capacity:

458 MMcf/d

Processing Plants:

4

Miles of Pipeline:

~5,700

YE 2014 Capacity:

458 MMcf/d

WestOK System



Summary

WestOK Asset Map

Owner and operator of 5,700 miles of natural gas gathering pipelines located in the Anadarko Basin / Mississippi Lime ( WestOK )

APL connecting approximately a well a day behind system and is the largest gatherer and processor in the Mississippi Lime Additionally owns and operates four processing plants (458

MMcf/d gross):

Waynoka I Plant

200 MMcf/d (gross) cryogenic plant in Woods County

Waynoka II Plant

200 MMcf/d (gross) cryogenic plant in Woods County

Chester processing facility

28 MMcf/d (gross) in Woodward County

Chaney Dell Plant

30 MMcf/d (gross) refrigeration plant located in Woods County

458 MMcf/d of nameplate capacity

Recently completed enhancements to increase capacity to 110% of nameplate

System remains full and some volumes continue to be bypassed and/or offloaded to third parties

The primary producers on the WestOK system include

SandRidge Exploration and Production, LLC and Chesapeake Energy Corporation

Average Processed Volume (MMcf/d)

APL

WestOK System

20

279

316

380

413

425

484

479

513

510

530

0

100

200

300

400

500

600

Q1

2012

Q2

2012

Q3

2012

Q4

2012

Q1

2013

Q2

2013  
Q3  
2013  
Q4  
2013  
Q1  
2014  
Q2  
2014

Summary

SouthOK Asset Map

Owner and operator of 1,300 miles of natural gas gathering pipelines located in the Woodford Shale / SCOOP play consisting of the Velma and Arkoma Systems (1,200 miles and 100 miles, respectively) ( SouthOK )

Additionally owns and operates five processing plants (500 MMcf/d gross):

Velma Plant 1 and 2

100 MMcf/d (gross) and 60 MMcf/d (gross) cryogenic plants in Stephens County

Atoka Plant (60% owner/operator)

20 MMcf/d (gross) cryogenic plant in Atoka County

Colgate plant (60% owner/operator)

80 MMcf/d (gross) cryogenic plant in Coal County

Tupelo Plant

120 MMcf/d (gross) cryogenic plant in Coal County

Stonewall Plant (60% owner/operator)

120 MMcf/d (gross) cryogenic plant in Coal County which is being expanded to 200 MMcf/d (gross) in 4Q 2014

Currently completing connection of the Velma and Arkoma Systems to create a gathering and processing super-system \$80.0 million project to construct 55 miles of pipeline to connect the systems

The primary producers on the SouthOK system include XTO Energy, Inc., Marathon Oil Company and Vanguard Natural Resources, LLC

Average Processed Volume (MMcf/d)

APL

SouthOK System (Velma and Arkoma)

21

123

129

133

107

327

335

397

376

373

409

0

100

200

300

400

500

Q1

2012

Q2

2012

Q3

2012

Q4

2012

Q1

2013

Q2

2013

Q3

2013

Q4

2013

Q1

2014

Q2

2014

Includes Velma

Volumes Only

72.8% owner and operator of 3,600 miles of natural gas gathering pipelines located across seven counties in the Permian Basin in West Texas ( WestTX )  
Minority interest owned by Pioneer Natural Resources Company ( Pioneer ), one of the largest active drillers in the Spraberry Trend  
Pioneer has over 900,000 acres in the Permian  
Gathering system being extended north into Martin County to

serve further growth from production in Northern Permian  
Additionally owns and operates five processing plants (655  
MMcf/d gross):

Consolidator Plant

150 MMcf/d (gross) cryogenic plant in Reagan County

Driver Plant

200 MMcf/d (gross) cryogenic plant in Midland County

Benedum Plant

45 MMcf/d (gross) cryogenic plant in Upton County

Midkiff Plant

60 MMcf/d (gross) cryogenic plant in Reagan County

Edward Plant

200 MMcf/d (gross) cryogenic plant in Upton County

Currently constructing one additional 200 MMcf/d (gross)  
processing plant to bring nameplate capacity to 855 MMcf/d  
(gross) by the second half of 2015

The primary producers include Pioneer, COG Operating, LLC  
and Laredo Petroleum, Inc.

Summary

WestTX Asset Map

Average Processed Volume (MMcf/d)

APL

WestTX System

22

Edward

231

236

256

272

281

314

355

364

390

439

0

100

200

300

400

500

Q1

2012

Q2

2012

Q3

2012

Q4

2012

Q1



2013  
Q2  
2013  
Q3  
2013  
Q4  
2013  
Q1  
2014  
Q2  
2014

Summary

South Texas gathering and processing assets ( SouthTX )  
were acquired through the purchase of TEAK Midstream, L.L.C.

Located in the wet gas / condensate window of the Eagle Ford  
Shale

Gathering assets consist of:

265 miles of primarily 20-24 inch gathering and residue  
pipelines

275 miles of low pressure gathering lines  
75% interest in a joint venture that owns a 62 mile, 24-inch gathering pipeline  
75% interest in a joint venture that owns a 45 mile, 16-inch gathering pipeline, a 71 mile, 24-inch gathering pipeline and a 50 mile residue pipeline  
50% interest in a cogeneration facility  
Additionally owns and operates two 200 MMcf/d (gross) cryogenic natural gas processing plants  
Silver Oak II plant was placed in-service during the second quarter of 2014  
The primary producers on SouthTX include Talisman Energy USA Inc. and Statoil Natural Gas LLC  
Added numerous producers to the system in 2014 and well positioned to capture processing volumes as current agreements with third party plants expire in 2015 and 2016  
Average Processed Volume (MMcf/d)  
APL  
SouthTX System  
SouthTX Asset Map  
23  
Silver Oak I  
Silver Oak II  
121  
141  
133  
116  
115  
0  
40  
80  
120  
160  
200  
Q2 2013  
Q3 2013  
Q4 2013  
Q1 2014  
Q2 2014

24  
1000 Louisiana  
Suite 4300  
Houston, TX 77002  
Phone: (713) 584-1000  
Email: [InvestorRelations@targaresources.com](mailto:InvestorRelations@targaresources.com)  
Website: [www.targaresources.com](http://www.targaresources.com)