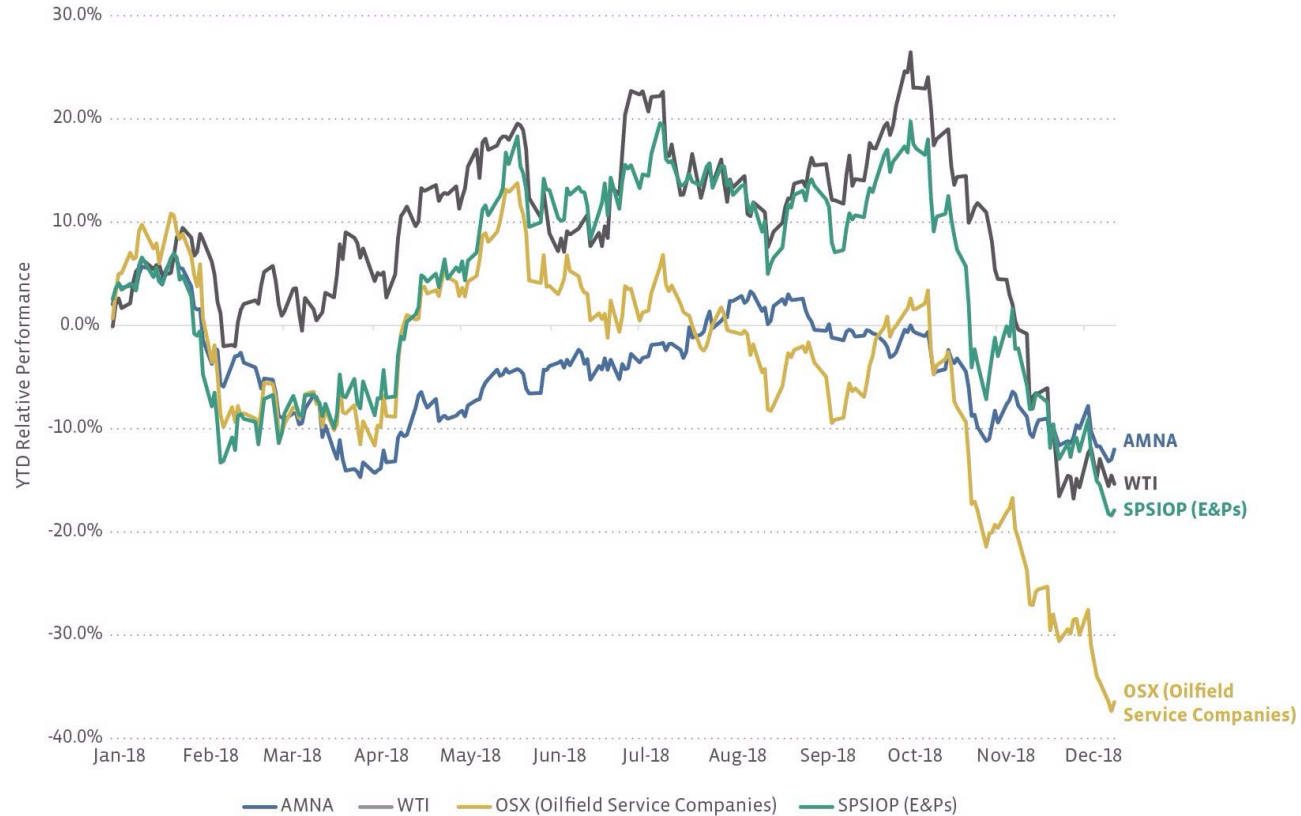


2019 Midstream Outlook

December 18, 2018

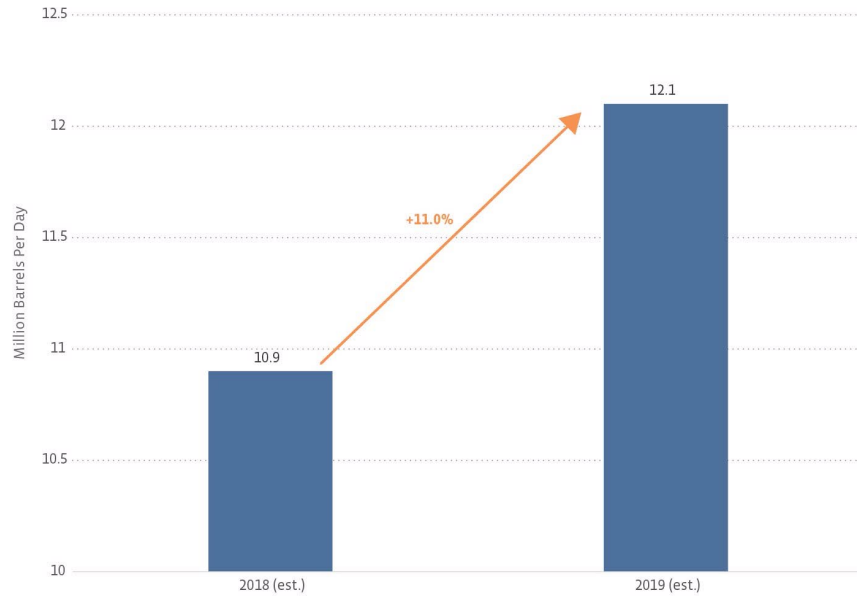
2018 performance recap – midstream defensive as oil fell



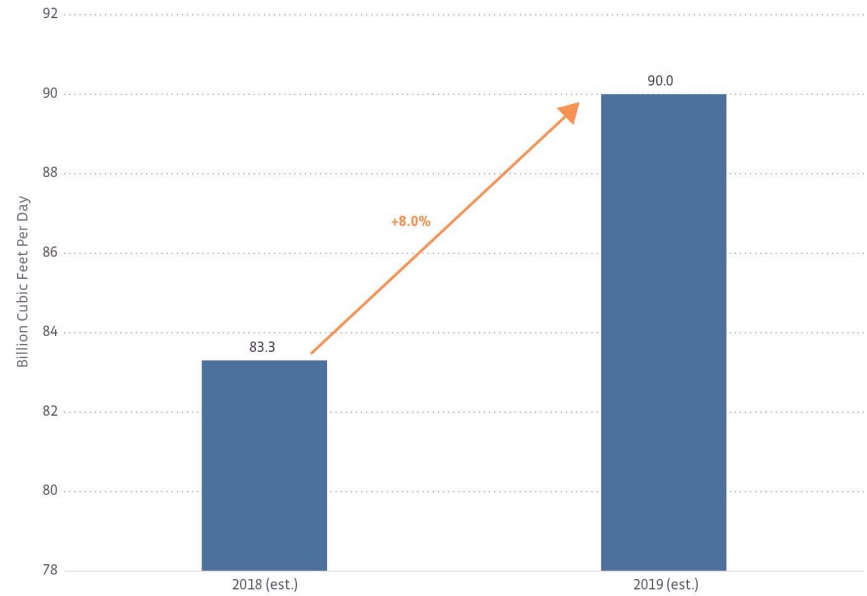
Source: Bloomberg as of December 12, 2018

Production growth outlook remains strong

Estimated US Oil Production Growth



Estimated US Dry Natural Gas Production Growth



Robust EBITDA growth anticipated in 2019

Midstream Company	Ticker	Adjusted EBITDA Guidance		
		2018 (\$MM)	2019 (\$MM)	% Increase
Cheniere Energy	LNG	2,450–2,550	2,900–3,200	22%
Crestwood Equity Partners	CEQP	400–420	460–480	15%
Enable Midstream Partners	ENBL	975–1,050	1,090–1,180	11%
EnLink Midstream Partners	ENLK	1,000–1,050	1,075	5%
Kinder Morgan	KMI	7,500	7,800	4%
MPLX LP	MPLX	3,500	3,900	11%
NuStar Energy	NS	635–685	665–715	5%
Pembina Pipeline Corporation	PPL	2,750–2,850	2,800–3,000	4%
Plains All American Pipeline	PAA	2,550	2,800	10%
Targa Resources*	TRGP	1,325	1,500–1,700	21%
Williams Companies	WMB	4,450–4,650	4,850–5,150	10%

* The \$1,325 MM represents the top end of 2018 guidance, which TRGP expects to exceed.

Source: Company reports as of December 10, 2018

MLP consolidations have continued, getting to late innings

2014



2016



2017



2018

Completed



Pending as of November 30, 2018



2019 outlook for midstream stocks

> Potential catalysts

- Oil price improvement
- Generalist or new investors entering the space
- MLP unit buybacks (likely limited)
- Major private equity transaction

> Tailwinds

- Conclusion of restructurings
- Positive momentum from strong 2Q18 and 3Q18 results
- Solid guidance for 2019
- Becoming more investable (IDR eliminations, self-funding equity, distributions stabilizing)

> Headwinds

- Oil price weakness
- Underinvestment in energy

Bottom line

- › **Fundamentals for midstream remain strong**
- › **Several companies guiding to significant EBITDA growth in 2019**
- › **MLP and midstream space becoming more investable**



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