



NGL MIDSTREAM OVERVIEW

Macgill James | Manager, NGL Market Origination
June 16, 2015

CAUTIONARY STATEMENT



FOR THE PURPOSES OF THE “SAFE HARBOR” PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This presentation contains certain 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, which are intended to be covered by the safe harbors created thereby. Words and phrases such as “is anticipated,” “is estimated,” “is expected,” “is planned,” “is scheduled,” “is targeted,” “believes,” “intends,” “objectives,” “projects,” “strategies” and similar expressions are used to identify such forward-looking statements. However, the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements relating to Phillips 66’s operations (including joint venture operations) are based on management’s expectations, estimates and projections about the company, its interests and the energy industry in general on the date this presentation was prepared. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. Factors that could cause actual results or events to differ materially from those described in the forward-looking statements include fluctuations in crude oil, NGL, and natural gas prices, and refining and petrochemical margins; unexpected changes in costs for constructing, modifying or operating our facilities; unexpected difficulties in manufacturing, refining or transporting our products; lack of, or disruptions in, adequate and reliable transportation for our crude oil, natural gas, NGL, and refined products; potential liability from litigation or for remedial actions, including removal and reclamation obligations under environmental regulations; limited access to capital or significantly higher cost of capital related to illiquidity or uncertainty in the domestic or international financial markets; and other economic, business, competitive and/or regulatory factors affecting Phillips 66’s businesses generally as set forth in our filings with the Securities and Exchange Commission. Phillips 66 is under no obligation (and expressly disclaims any such obligation) to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

PHILLIPS 66 CURRENT NGL ASSET FOOTPRINT



90

MBD of refinery
NGL production

125

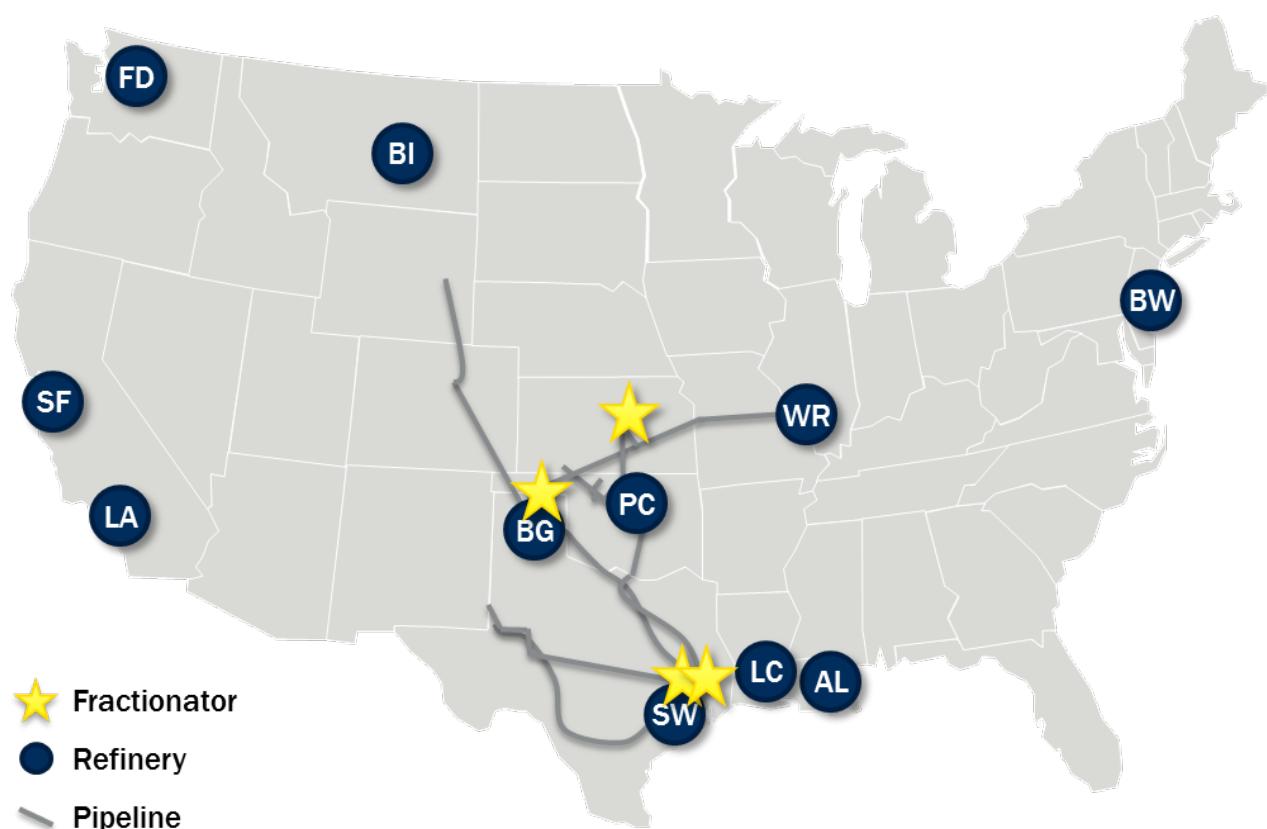
MBD of equity fractionator
capacity

320

MBD of equity NGL and
LPG pipeline capacity

4,330

miles of NGL
and LPG pipelines

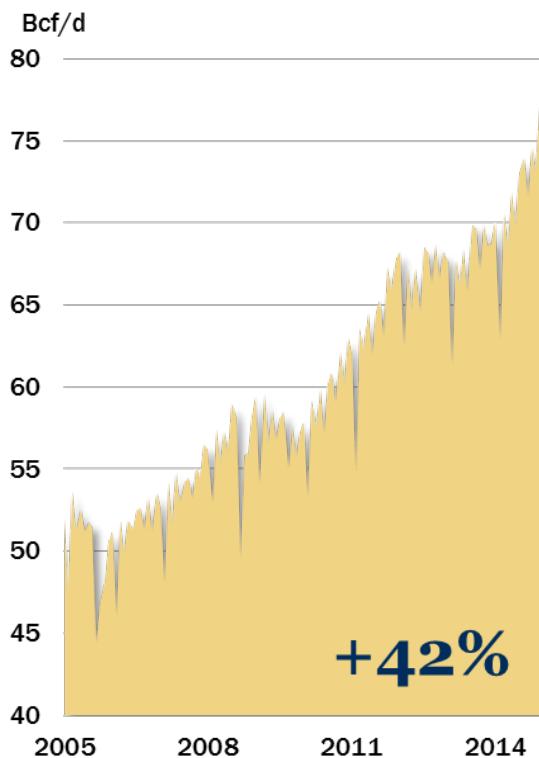


Source: Phillips 66

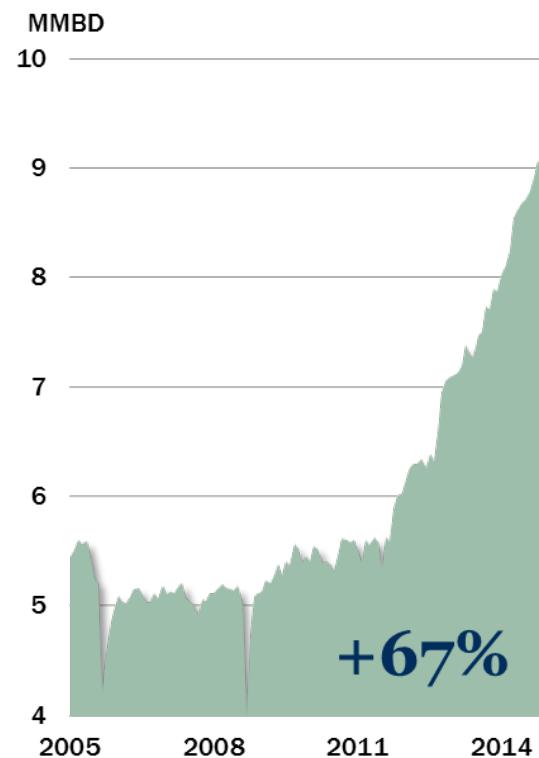
THE SHALE REVOLUTION GROWTH IN U.S. PRODUCTION



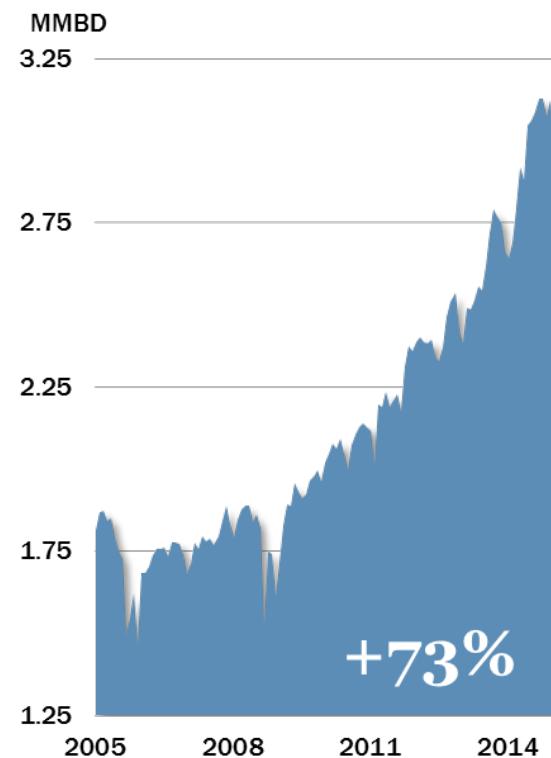
Natural Gas Production



Crude Oil Production



NGL Production

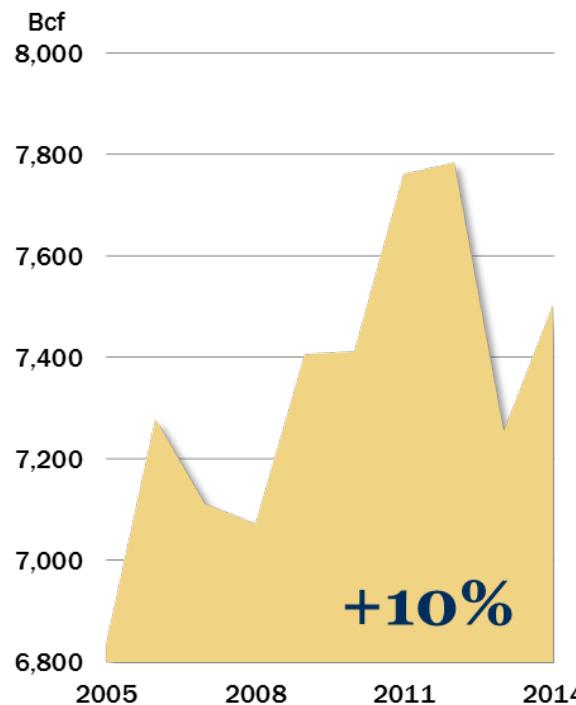


Source: U.S. Energy Information Administration (Percentage growth is 2014 vs. 2005 average)

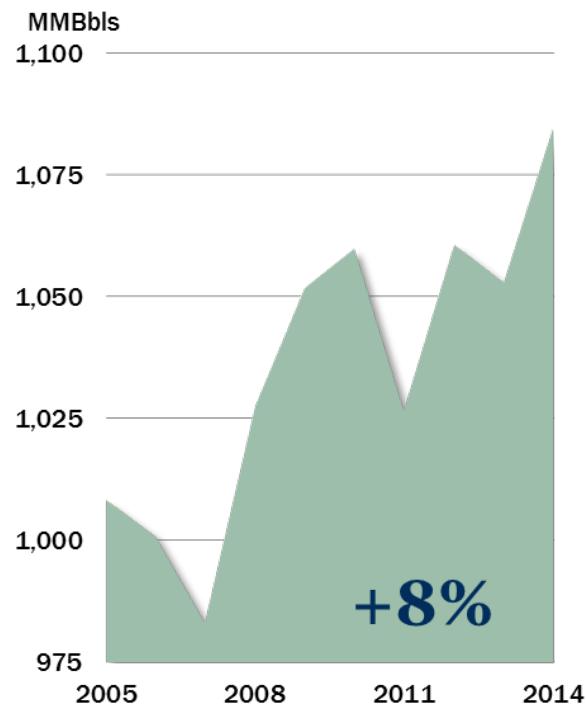
THE SHALE REVOLUTION BUILDING U.S. INVENTORIES



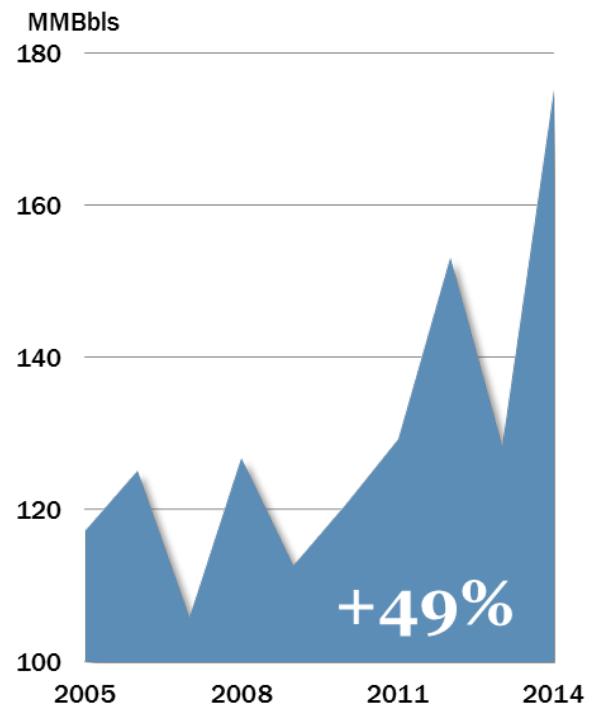
Natural Gas
Annual Ending Stocks



Crude Oil
Annual Ending Stocks

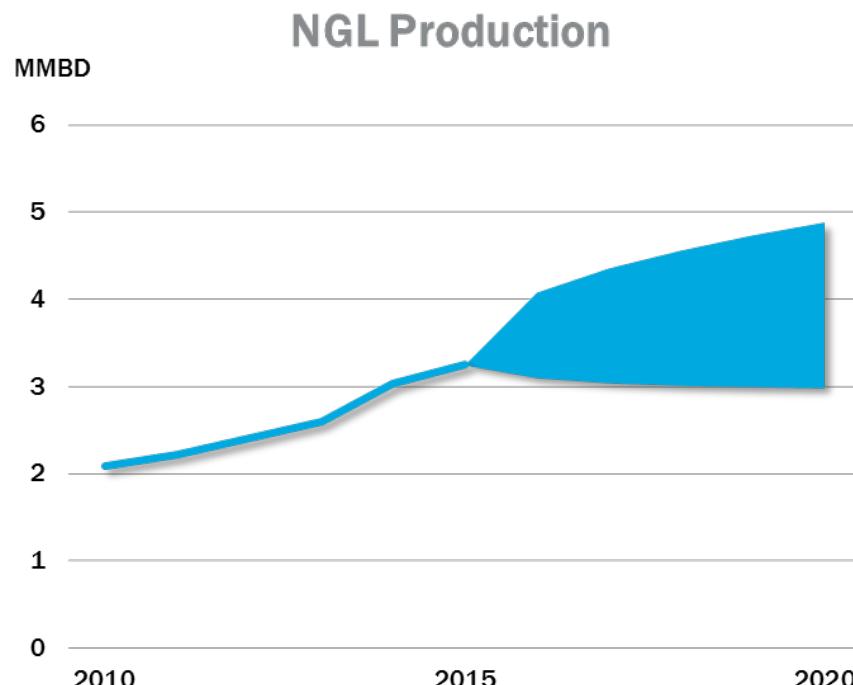


NGL
Annual Ending Stocks



Source: U.S. Energy Information Administration (Percentage growth is 2014 vs. 2005 average)

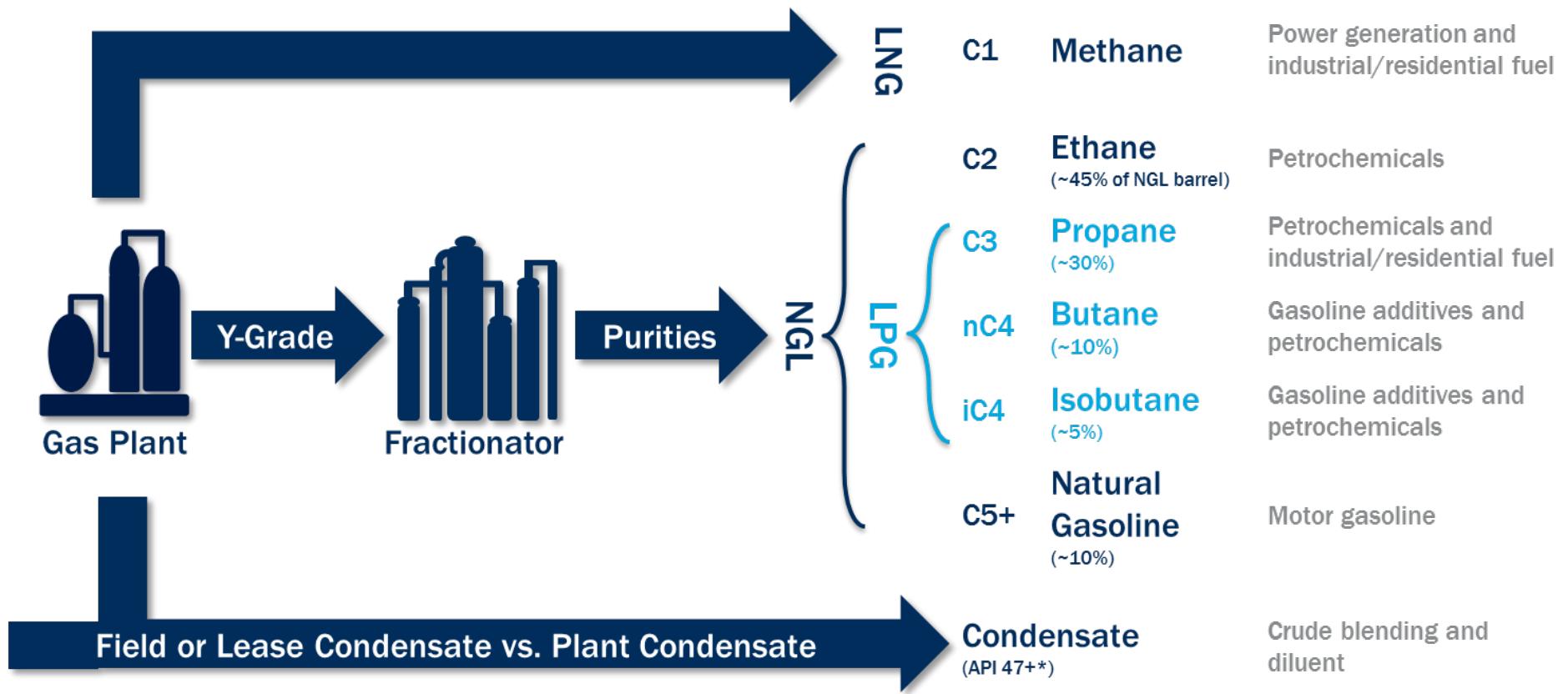
SUPPLY AND DEMAND U.S. NGL PRODUCTION CONTINUES TO GROW



- Production to-date has been driven by associated gas and liquids-rich drilling
- Production growth slowdown likely to be temporary:
 - Cost deflation
 - High grading
 - Innovation
 - Consolidation
 - Global fundamentals

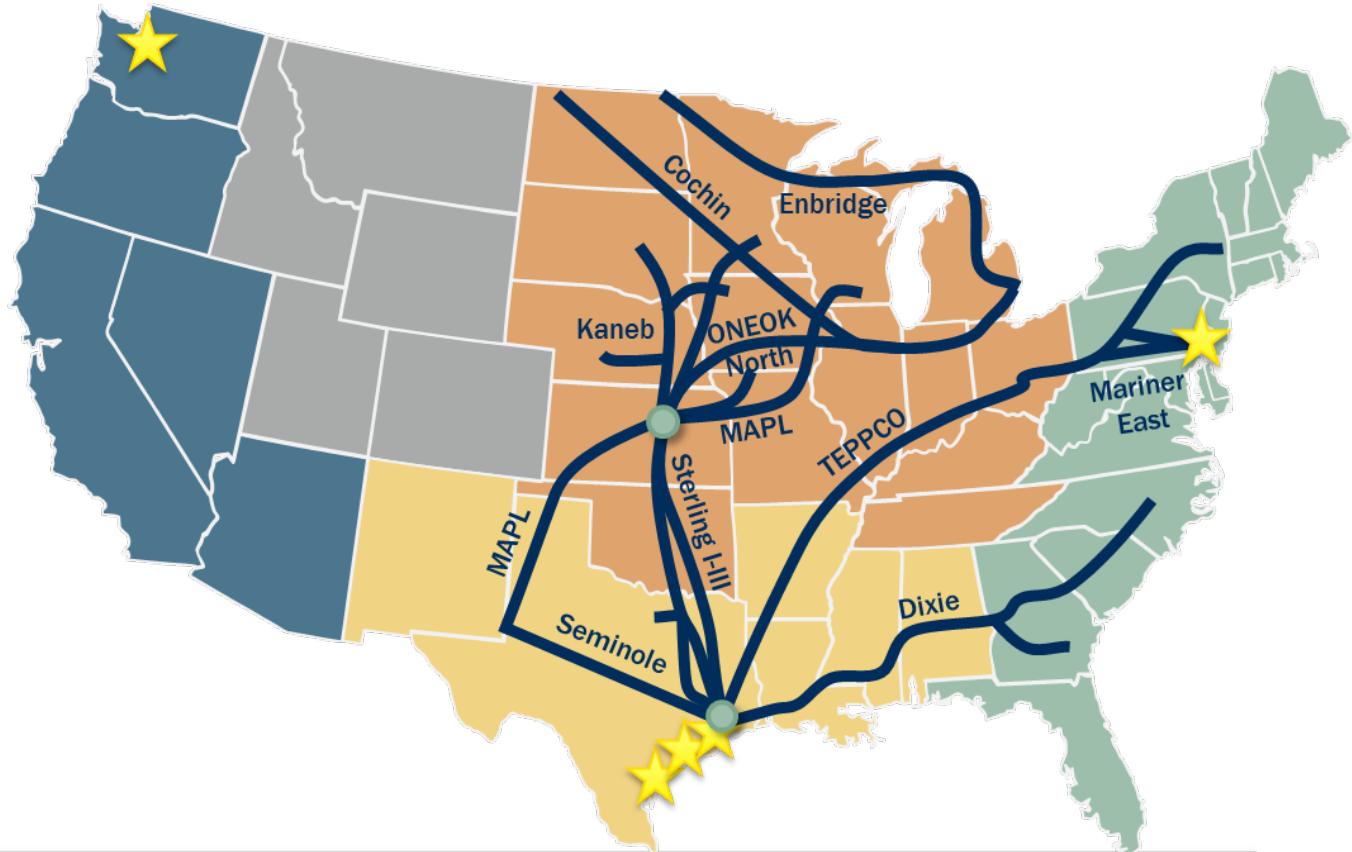
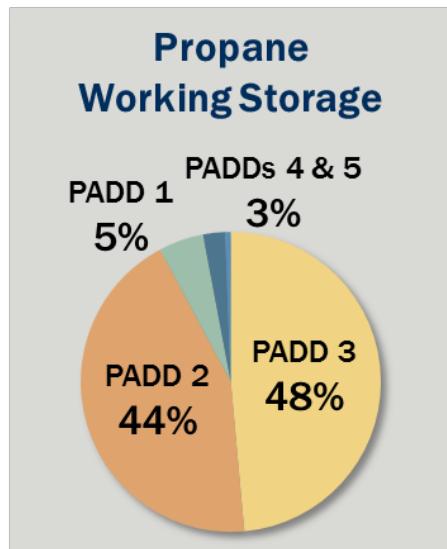
In the long run, US producers will have major cost advantages over their international peers

MIDSTREAM NGL OVERVIEW PRODUCTS



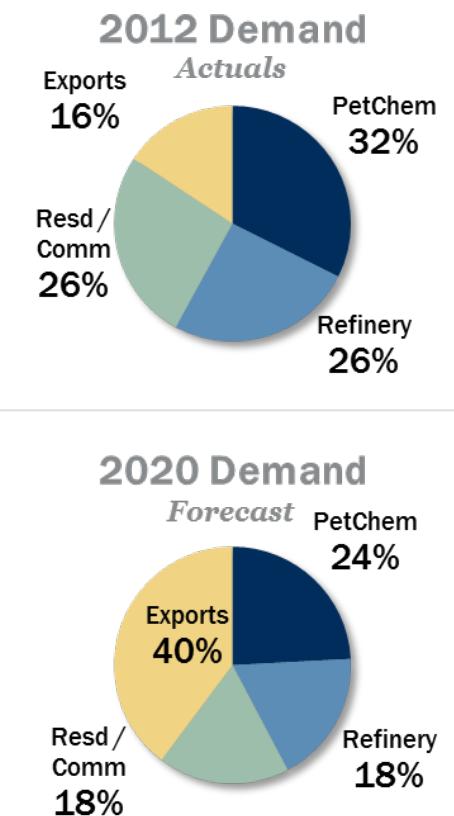
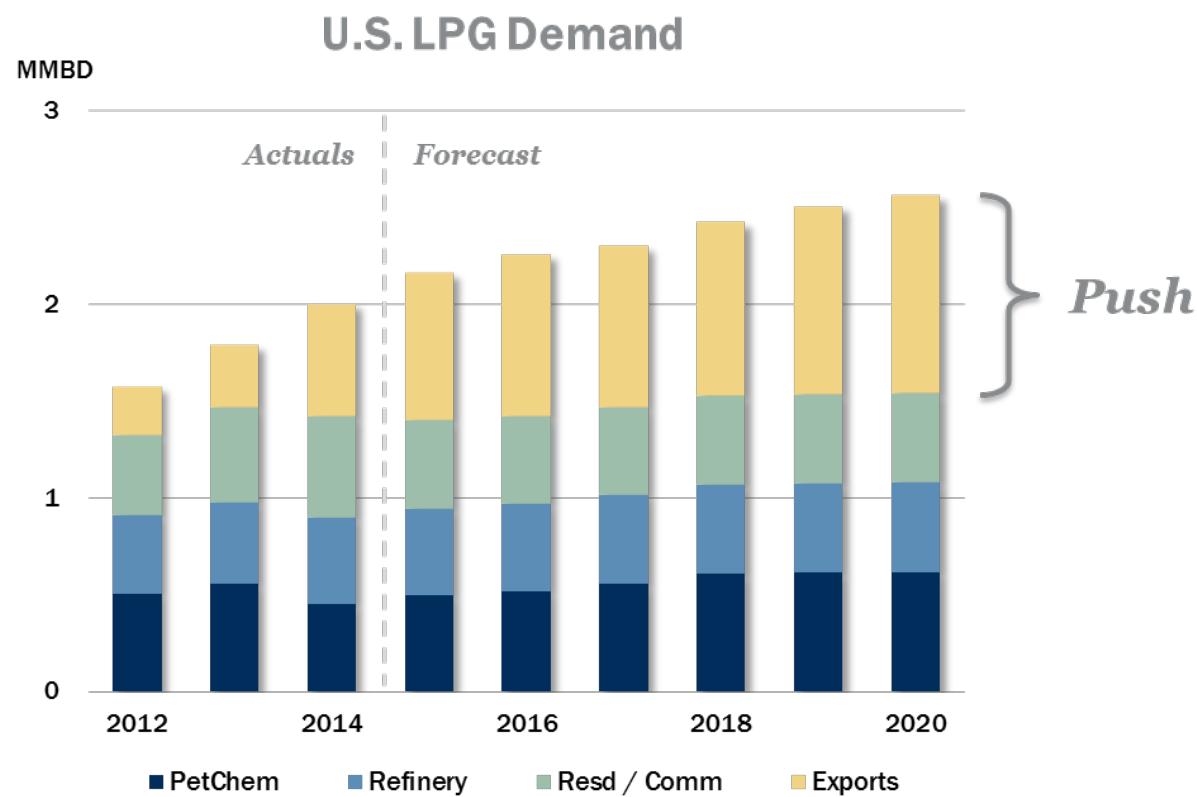
*Exception: Eagle Ford 45-47 API considered “super light” though lacking distillation issues in refineries typically seen from running super light oil

INFRASTRUCTURE CHANGING PROPANE LANDSCAPE



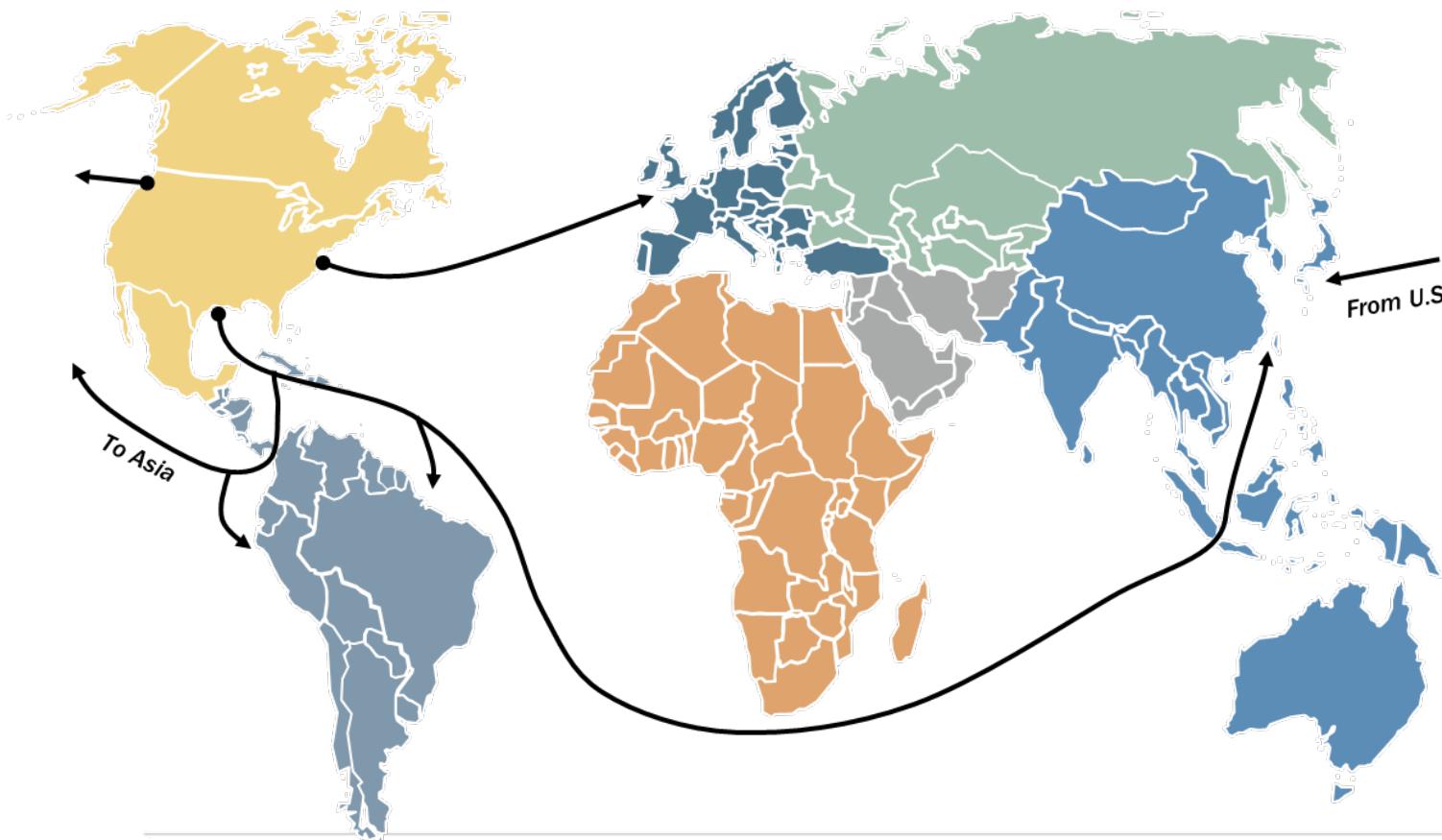
Source: U.S. Energy Information Administration and various industry sources

SUPPLY AND DEMAND U.S. LPG DEMAND



Sources: Bentek, Phillips 66 internal analysis

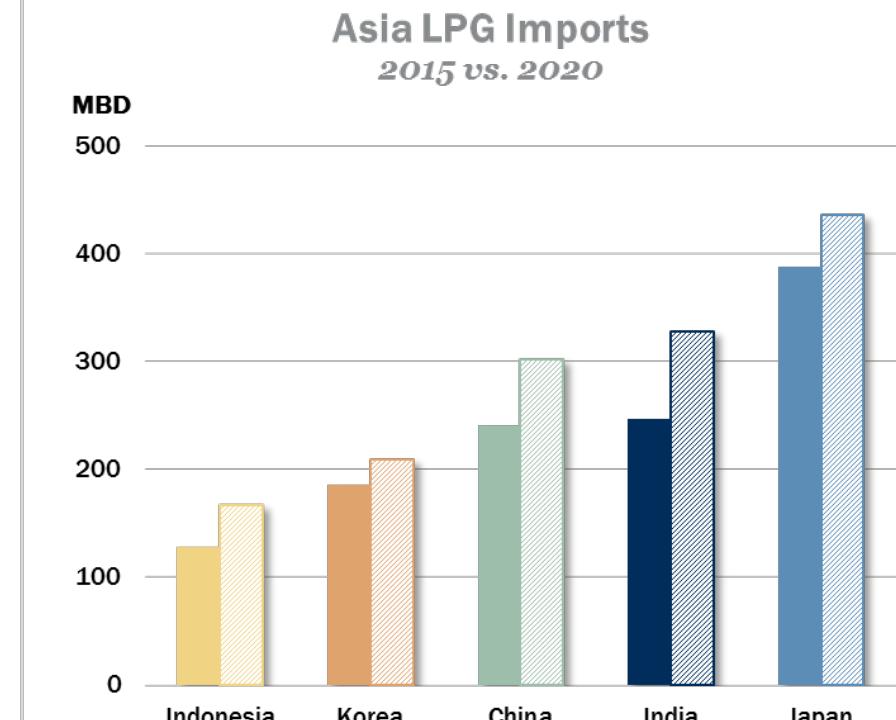
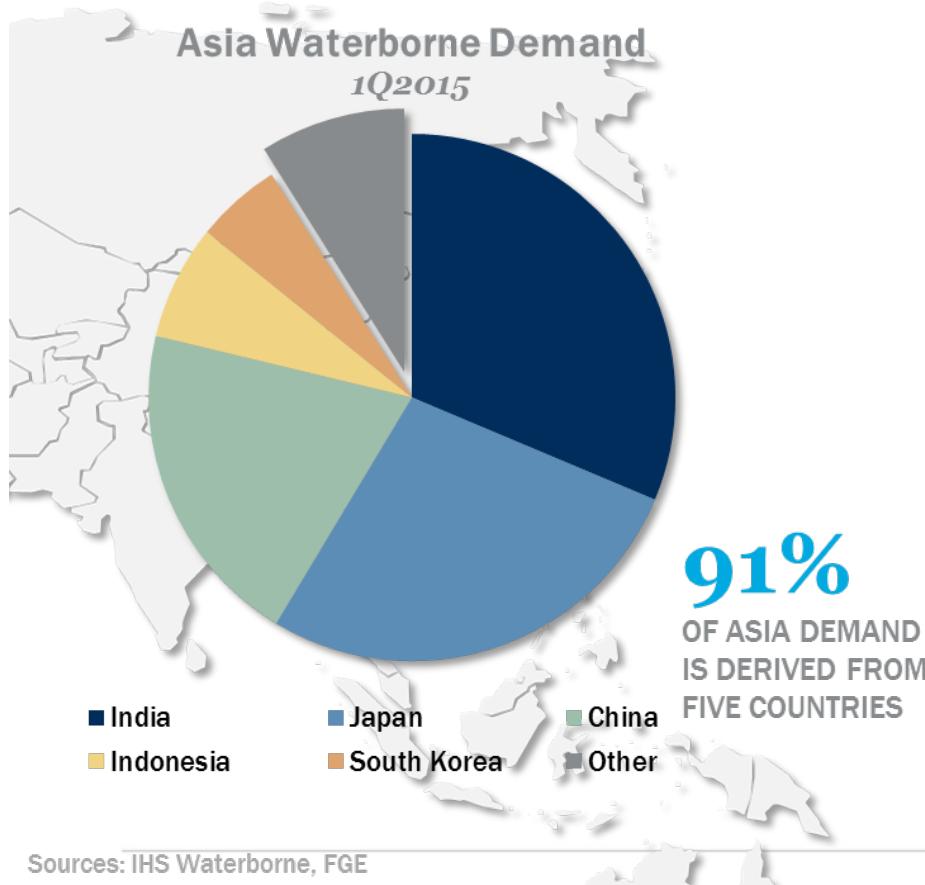
EXPORTS U.S. LPG TRADE FLOWS



Dynamics

- Asia Pctchem Demand
- Europe Pctchem Demand
- South American Demand
- Freight Rates
- Panama Canal
- Naphtha Prices

LPG DEMAND PULL ASIA'S GROWTH



PHILLIPS 66 OFF MONT BELVIEU HUB



- **Sweeny Fractionator One: 100 MBPD**
 - Startup expected in the second half of 2015
- **Freeport LPG Export Terminal: 150 MBPD**
 - Startup expected in the second half of 2016
- **Pipelines to Mont Belvieu and Stratton Ridge**
- **NGL salt dome storage at Clemens**
- **Adjacent to Sand Hills pipeline**

PHILLIPS 66 COMMITMENT TO OPERATING EXCELLENCE



- Improve personal and process safety
- Practice environmental stewardship
- Enhance reliability
- Drive cost and operating efficiency





THANK YOU