Investor Update

May 2018

NYSE: PSX
www.phillips66.com
CPChem’s Cedar Bayou Ethane Cracker

Cautionary Statement

This presentation contains certain forward-looking statements. 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 the operations of Phillips 66 and Phillips 66 Partners LP (including their respective joint venture operations) are based on management’s expectations, estimates and projections about these entities, their 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 can be found in filings that Phillips 66 and Phillips 66 Partners LP make with the Securities and Exchange Commission. Phillips 66 and Phillips 66 Partners LP are under no obligation (and expressly disclaim any such obligation) to update or alter these forward-looking statements, whether as a result of new information, future events or otherwise.

This presentation includes non-GAAP financial measures. You can find the reconciliations to comparable GAAP financial measures at the end of the presentation materials or in the “Investors” section of the websites of Phillips 66 and Phillips 66 Partners LP.

Diversified Downstream Company

Midstream

Integrated Midstream Network

Pursue Organic and M&A Opportunities

PSXP as a Growth Vehicle

Chemicals

50% Interest in CPChem

Location Advantaged Chemicals Portfolio

USGC Petchem Project Complete

Refining

Diversified Refining Portfolio

Investing in Quick Payout Projects

Footprint Offers Opportunities for Midstream Growth

Marketing & Specialties

Stable, High-return Businesses

Enhancing U.S. Fuels Brands

Executing Strategy

Leading Operating Excellence

Growth

- CPChem USGC Petrochemicals Project
- Phillips 66 Partners
- Bakken Pipeline
- Beaumont Terminal
- Sweeny Hub

Returns

- Refinery yield and feedstock flexibility projects
- U.S. marketing reimaging

Distributions

- 27% dividend CAGR since September 2012
- $13.9 B in total share repurchases/exchanges

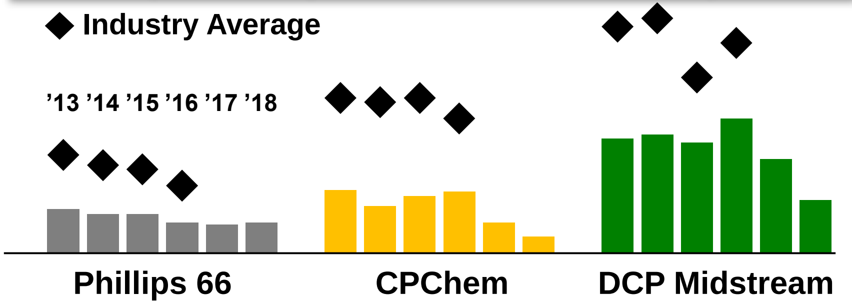
High-Performing Organization

Vacuum Tower, Billings Refinery, Billings, MT

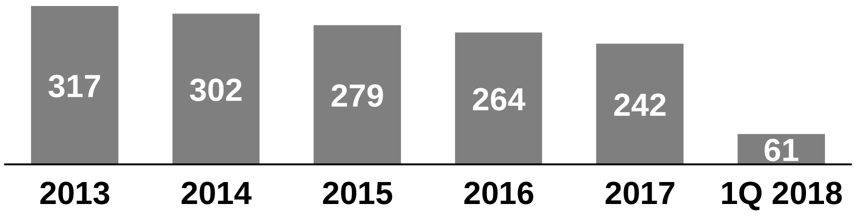
See appendix for footnotes.

Operating Excellence

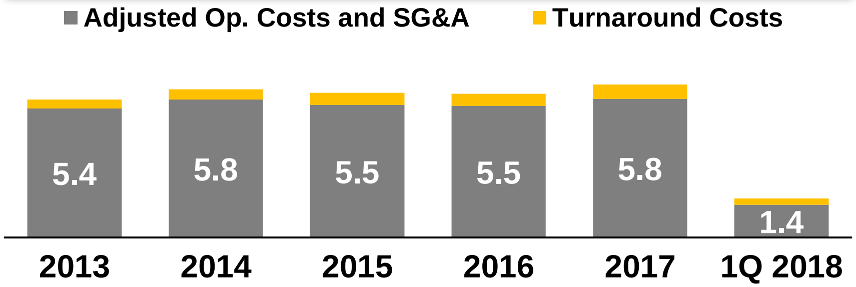
Total Recordable Rates
(Incidents per 200,000 Hours Worked)



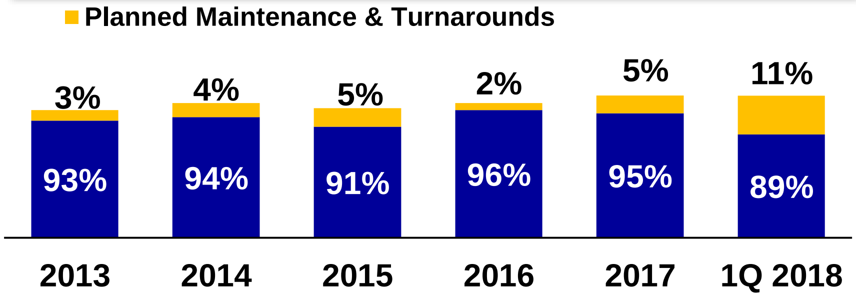
Refining Environmental Metrics
(No. of events)



Operating Costs and SG&A
($B)



Refining Capacity Utilization
(%)



See appendix for footnotes.

Environmental, Social, Governance

Board engaged in setting company ESG strategy

Extensive ESG engagement

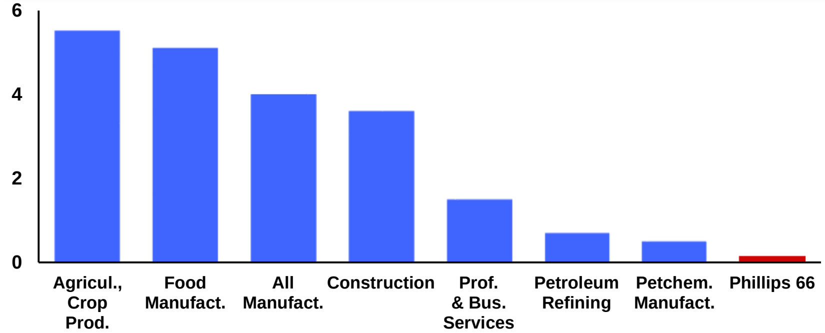
Record low reportable environmental events

Investing in forward-looking research and development technology

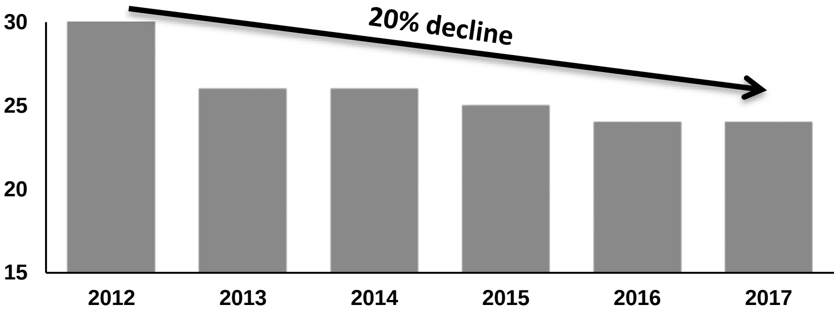
Promoting inclusive and diverse workforce

Committed to corporate and local philanthropic programs

Industry Safety Metrics
(Incidents per 200,000 Hours Worked)

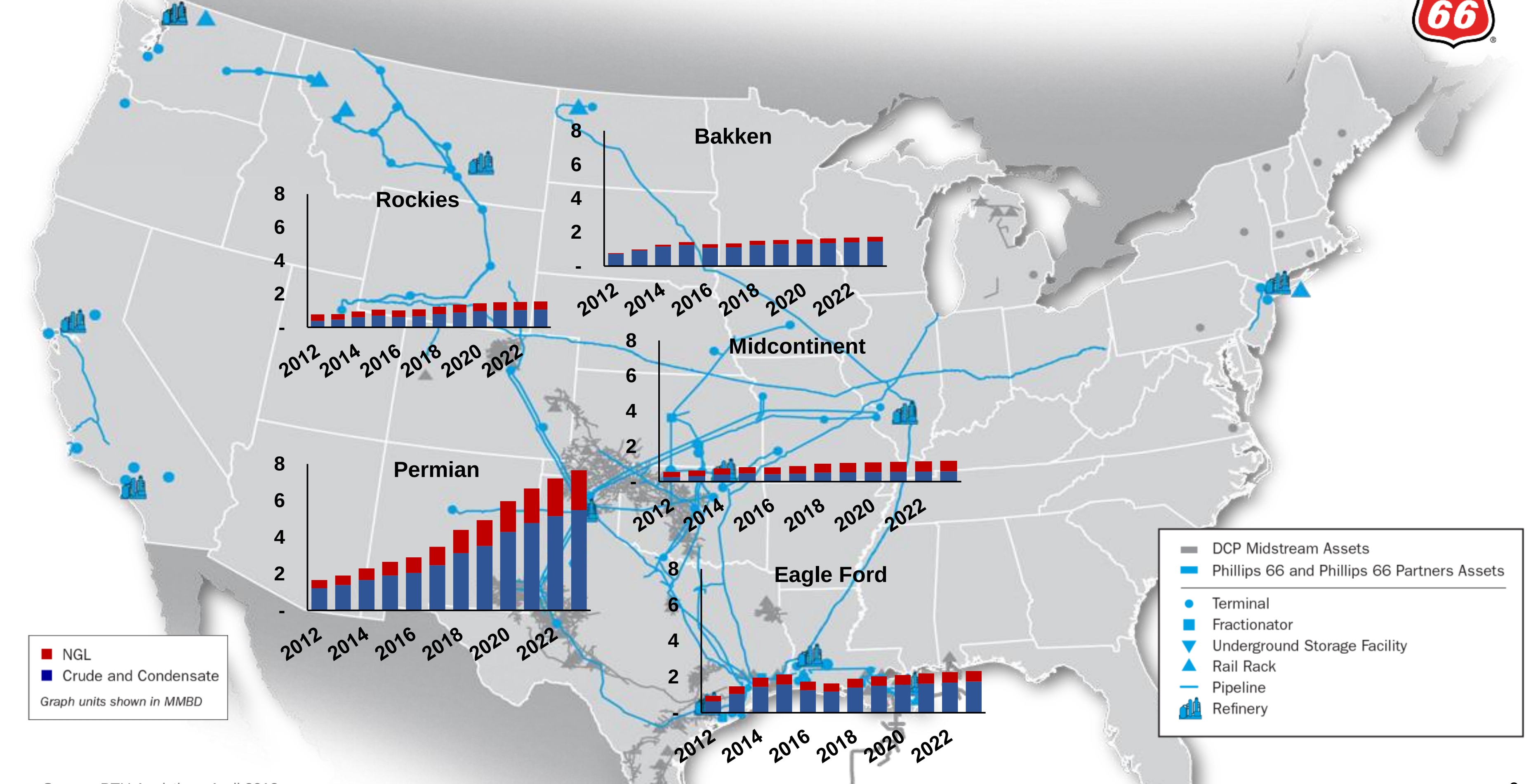


Phillips 66 SOx, NOx, PM Emissions
(Thousand tonnes)



See appendix for footnotes.

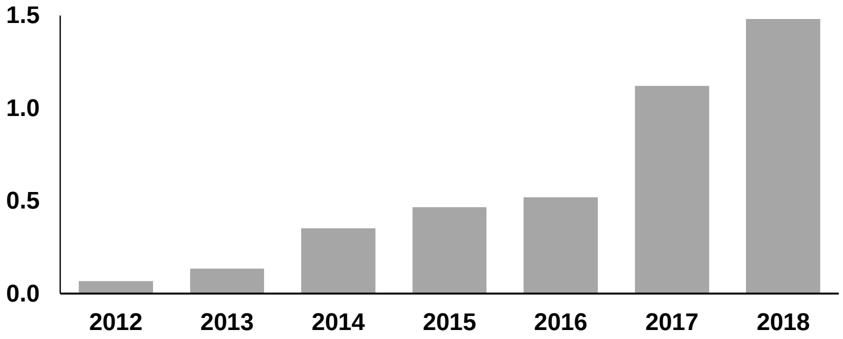
U.S. Crude Oil and Gas Plant NGL Production



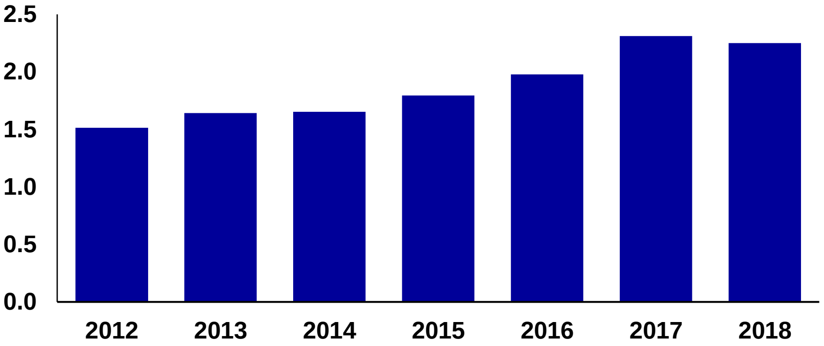
Source: BTU Analytics., April 2018

Midstream Macro Environment

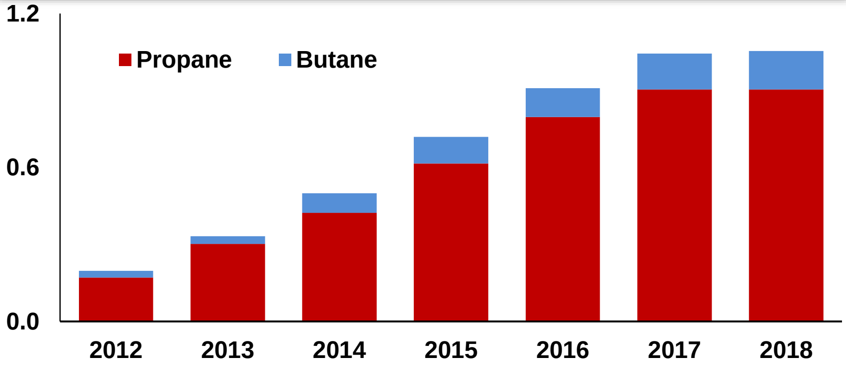
U.S. Crude Oil Export Volume (MMBD)



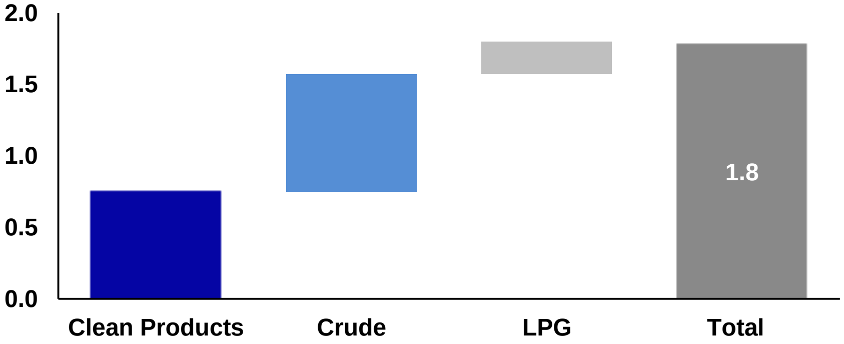
U.S. Clean Product Exports (MMBD)



U.S. LPG Export Volume (MMBD)



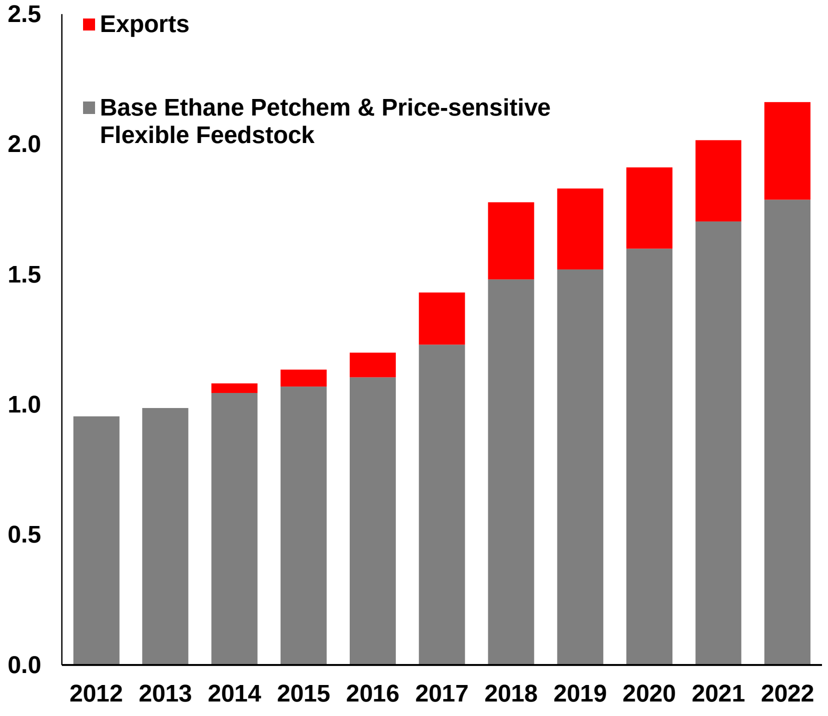
Phillips 66 Export Capacity (MMBD)



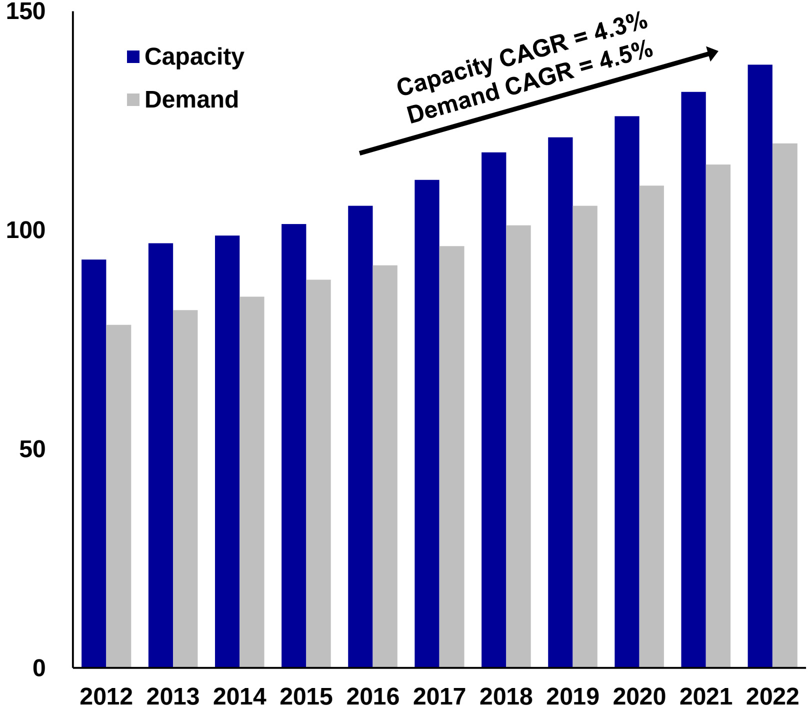
Source: EIA, annual averages data through February 2018, Petroleum Monthly

Chemicals Macro Environment

U.S. Ethane Demand
(MMBD)



Global PE Capacity and Demand
(MMTA)



Source: I.H.S., Ethane Demand as of April 2017.

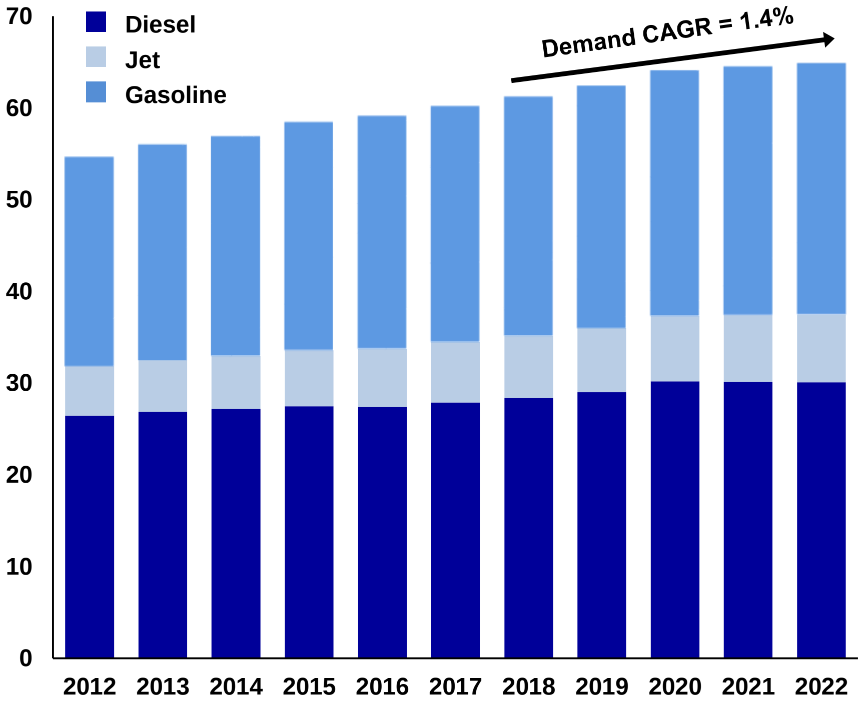
Refining Macro Environment

Global clean product demand expected to grow, driven largely by diesel

Global utilization rates expected in low-80s, with U.S. refining in low-90s

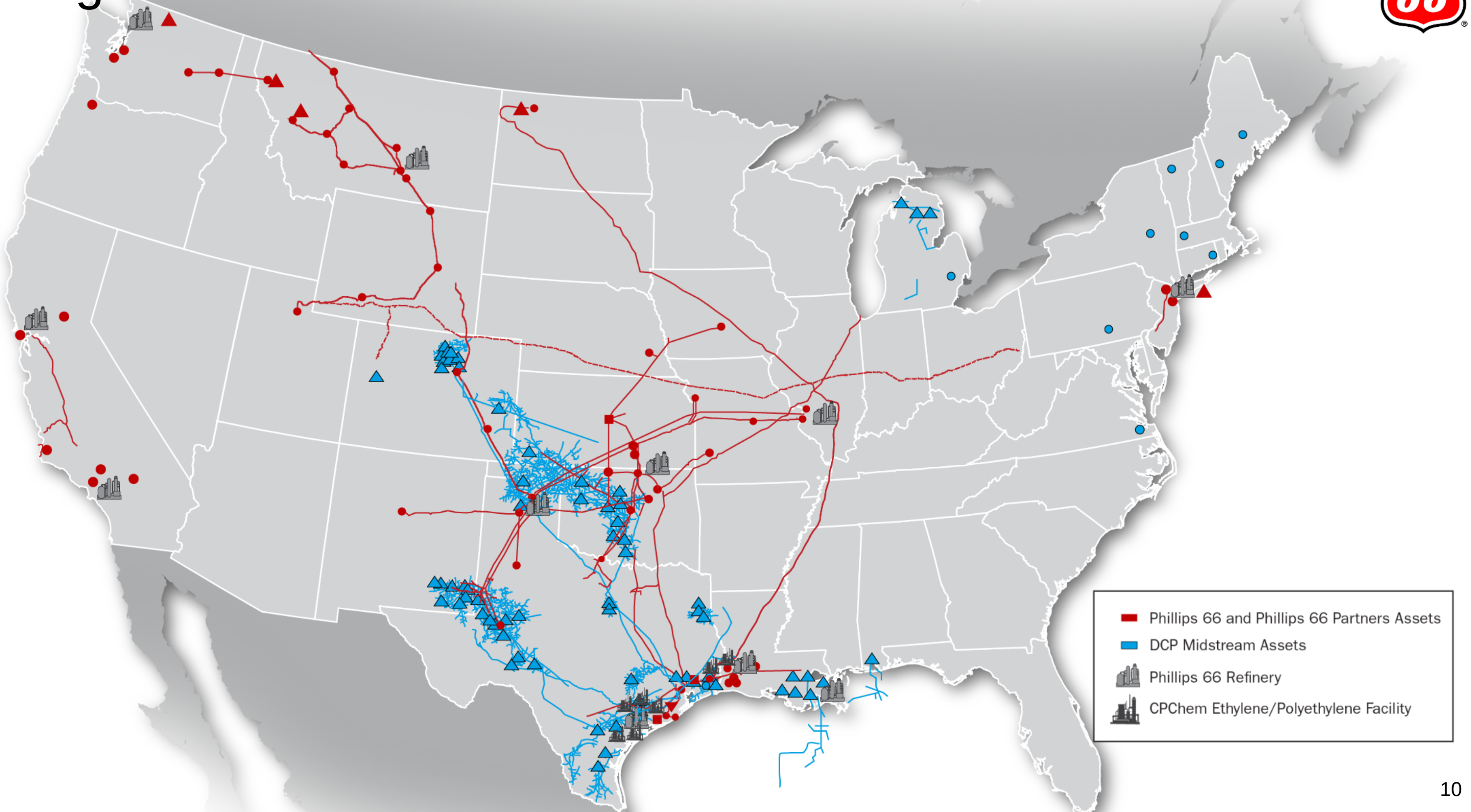
Strong U.S. utilization due to cost and reliability advantages, and growing export demand

Global Clean Product Demand
(MMBD)



Source: I.H.S., April 2018

Integrated Midstream Network



Midstream

Transportation

21,000 miles of US pipeline systems

40 finished product terminals

38 storage locations

19 crude oil terminals

5 LPG terminals and 1 petroleum coke exporting facility

NGL and Other

200,000+ BPD fractionation capacity

36,000 BPH LPG export capacity

2,600+ miles of pipelines

125,000 BPD vacuum distillation capacity

DCP Midstream

61 natural gas processing facilities with 7.8 BCFD net capacity

63,000 miles of natural gas pipeline systems

Beaumont Terminal, Nederland, TX

Midstream Growth

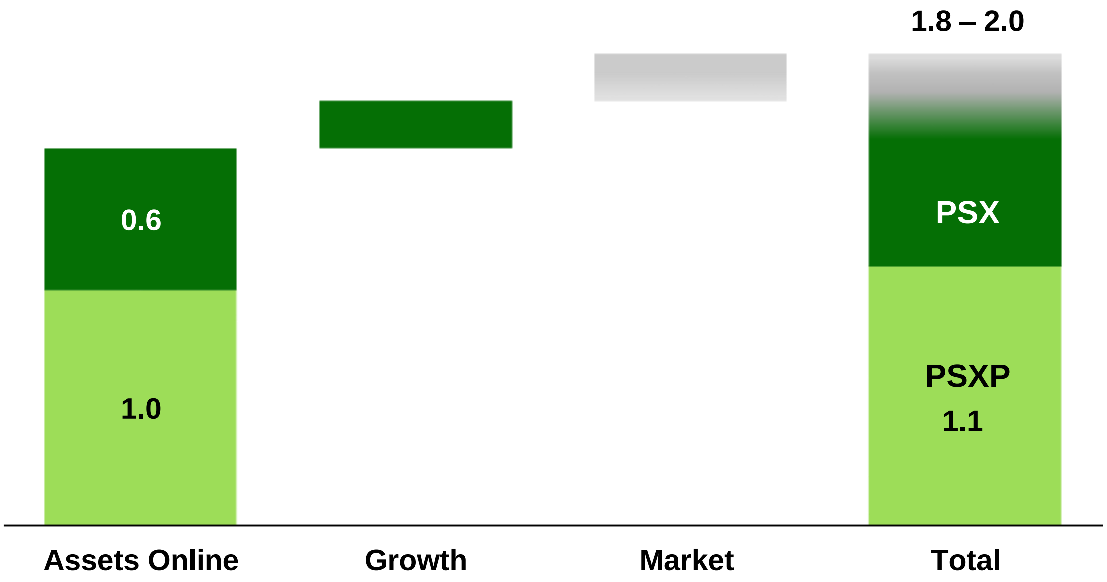
Platform for growth

Focus on NGL value chain

Expand crude and products export capability

PSXP 2018E year-end run-rate adjusted EBITDA $1.1 B

2018E Annual Year-End Run-Rate Adjusted EBITDA ($B)



See appendix for footnotes.

Phillips 66 Partners

Funding Midstream growth

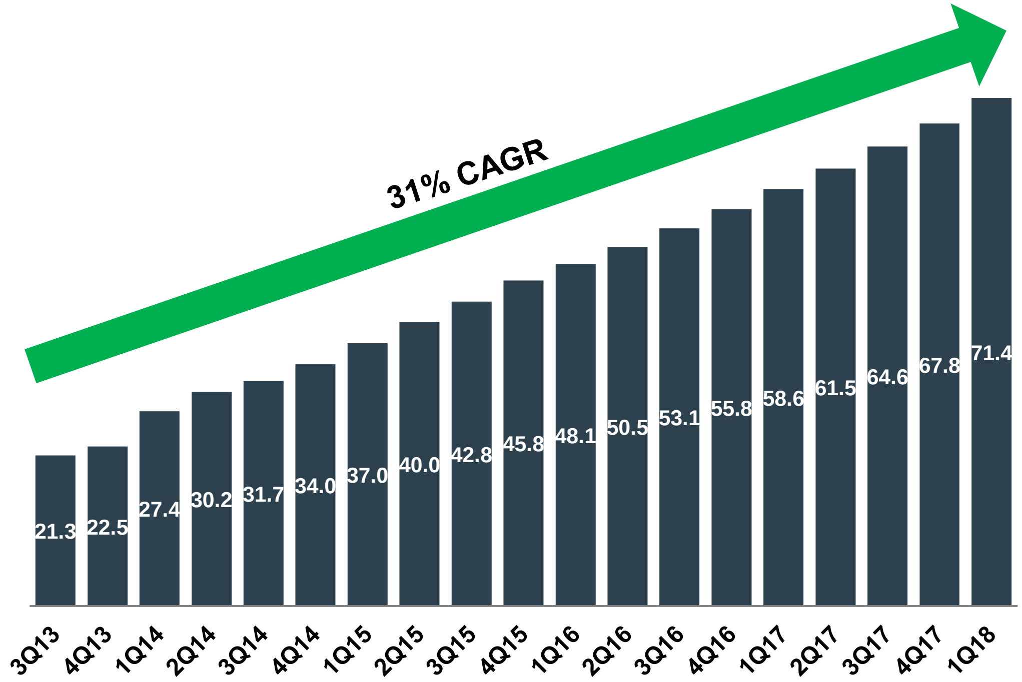
Organic growth opportunities

- Gray Oak Pipeline (TX)
- South Texas Gateway Terminal (TX)
- Sand Hills Pipeline expansions (TX)
- Bayou Bridge Pipeline extension (LA)
- Lake Charles Pipeline Project (LA)
- Lake Charles Isomerization Unit (LA)

30% distribution CAGR 2013-2018

Top quartile growth post-2018

Distribution Growth
(cents/unit)



Gray Oak Pipeline

Crude oil transport from West Texas to Corpus Christi and Sweeny/Freeport

Expected to be in service end of 2019

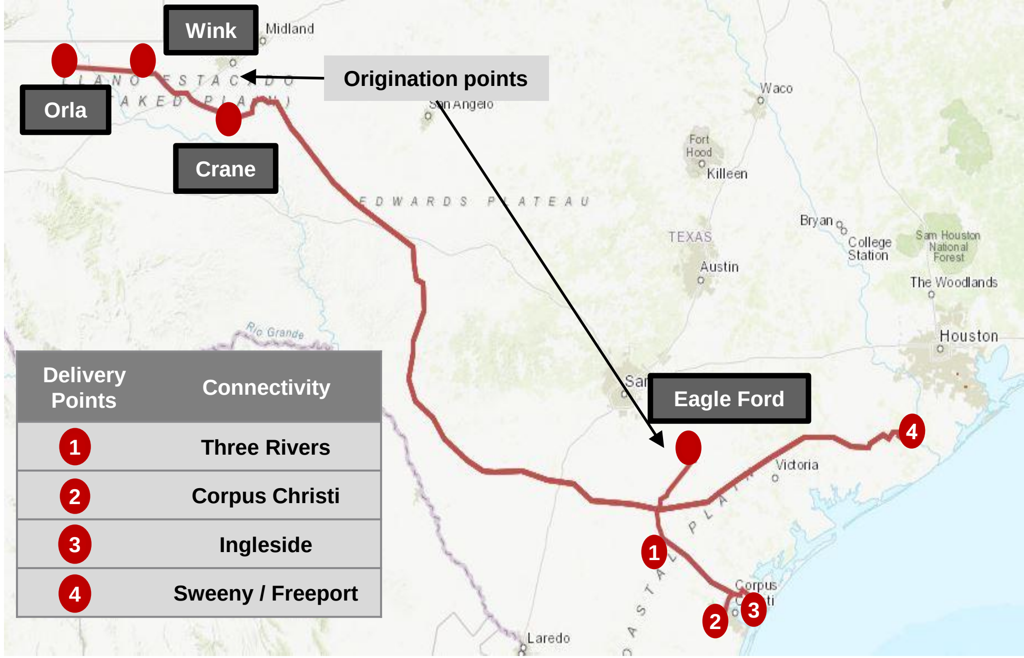
Up to 700 MBD based on shipper interest

Undergoing second binding open season

75% PSXP and 25% ANDV ownership*

Operated by Phillips 66

Gray Oak Pipeline



Delivery Points	Connectivity
1	Three Rivers
2	Corpus Christi
3	Ingleside
4	Sweeny / Freeport

*Assuming outstanding options exercised, PSXP would own 42.25%

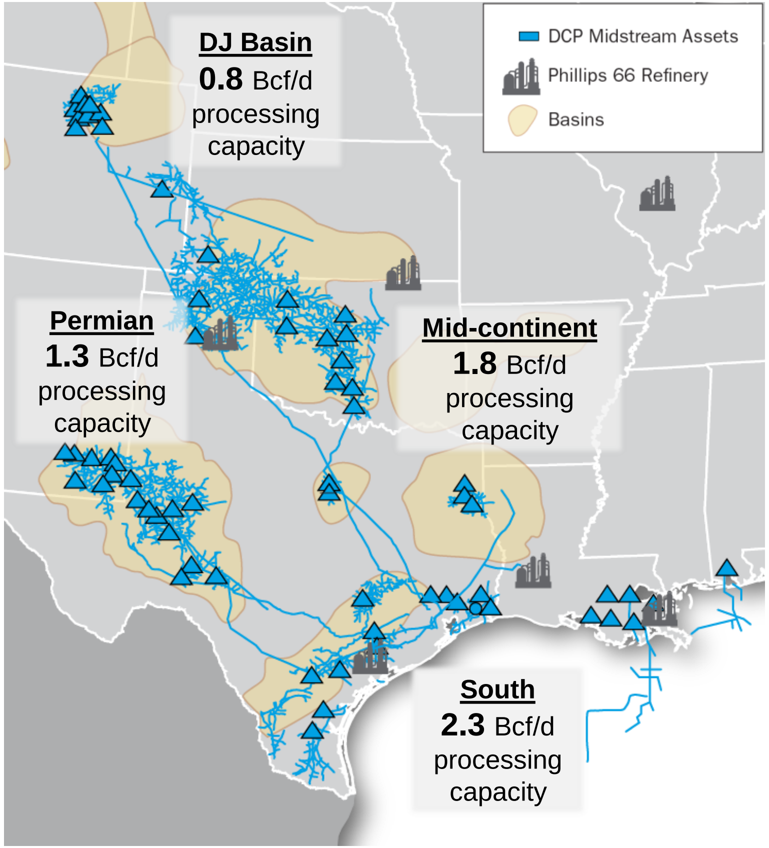
DCP Midstream

Well positioned in low-cost supply basins

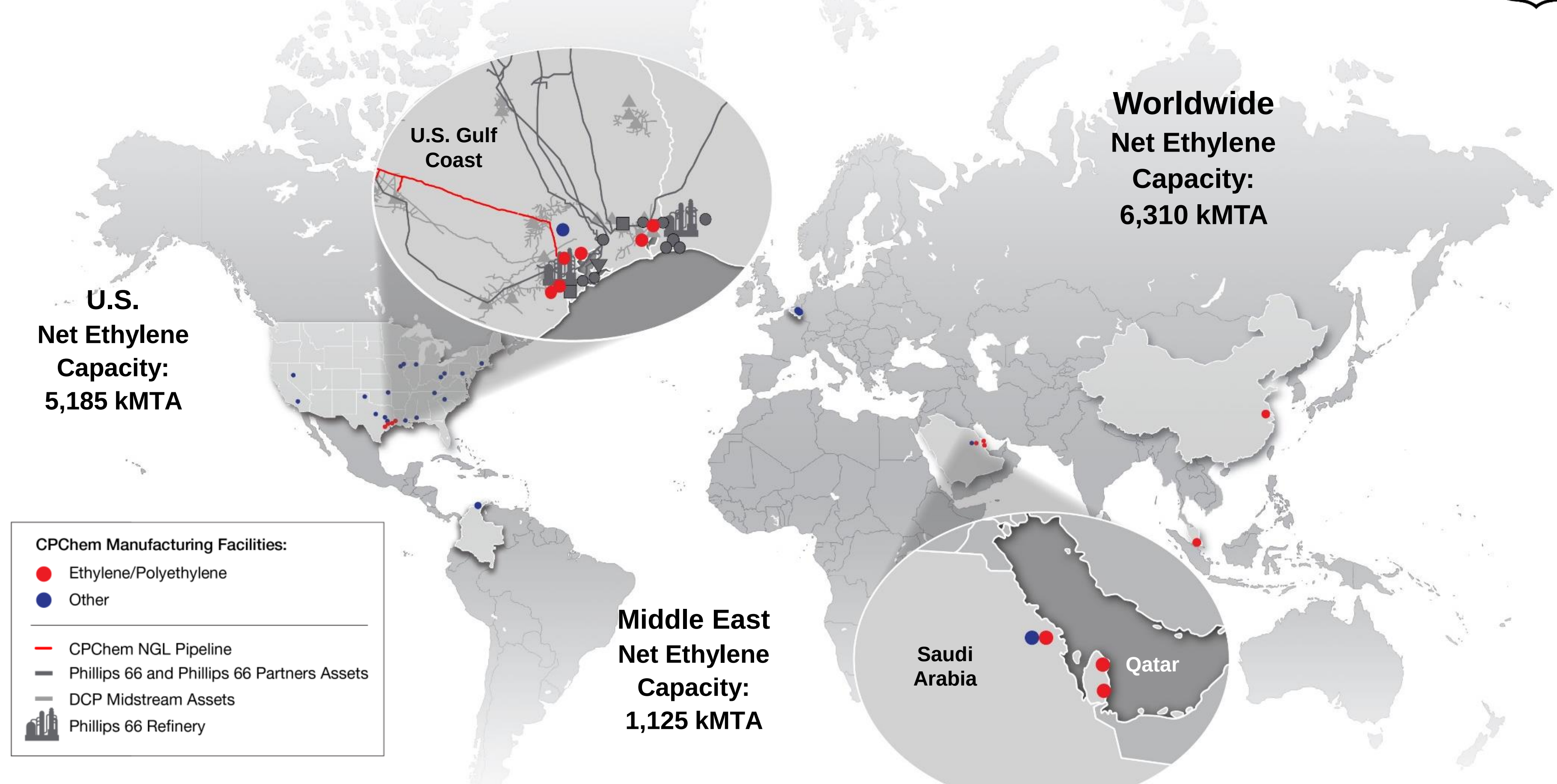
Strong growth projects around existing footprint

- Sand Hills NGL Pipeline expansions to 400 MBD in 1Q 2018, 485 MBD by the end of 2018
- DJ Basin gathering and processing infrastructure expansions of ~200 MMCFD in Aug. 2018 with another ~200 MMCFD in service 2Q 2019
- Gulf Coast Express Permian ~2.0 BCFD natural gas JV pipeline expected in service 4Q 2019
- 220 MBD NGL takeaway addition in DJ basin through Southern Hills extension via White Cliffs capacity lease, Front Range and Texas Express expansions

Stable distributions to LP unit holders and resumed distributions to owners



Feedstock Advantaged Chemicals Portfolio



As of April 30, 2018

Chemicals

Olefins and Polyolefins

- 11,145 kMTA/year North America capacity
- 2,510 kMTA/year Middle East capacity

Specialties, Aromatics and Styrenics

- 2,710 kMTA/year North America capacity
- 1,050 kMTA/year Middle East capacity

16 North American facilities

5 Middle East facilities

CPChem USGC Polyethylene Units, Cedar Bayou, TX

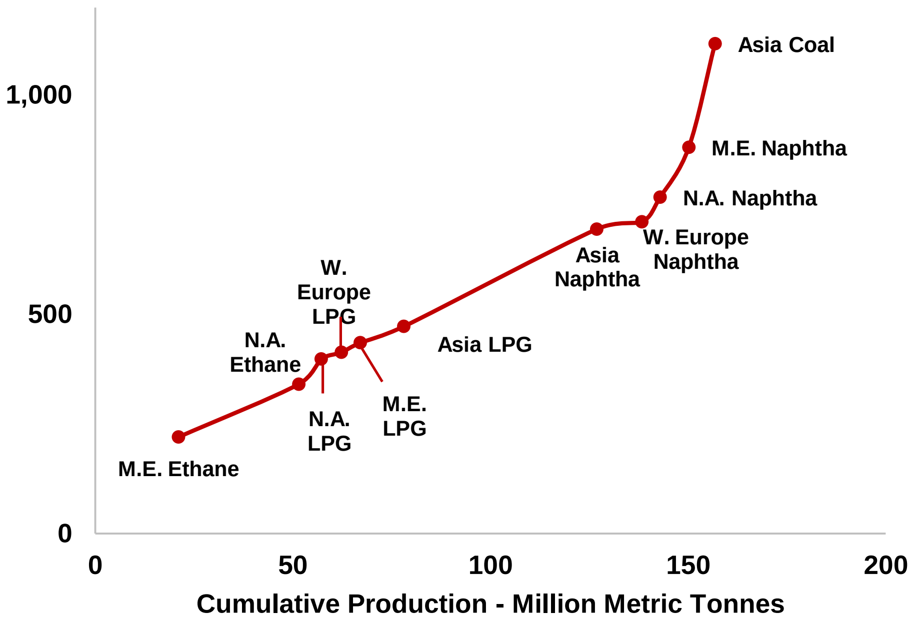
Chemicals Outlook

Middle East ethane and North America NGLs remain positioned at the low end of the cost curve

Ethylene demand growth outpacing global GDP

Expect demand growth to rapidly balance new capacity additions

2018E Average Ethylene Production Cost Curve
($/Tonnes)



Source: I.H.S., March 2018.

CPChem

USGC Petrochemicals Project

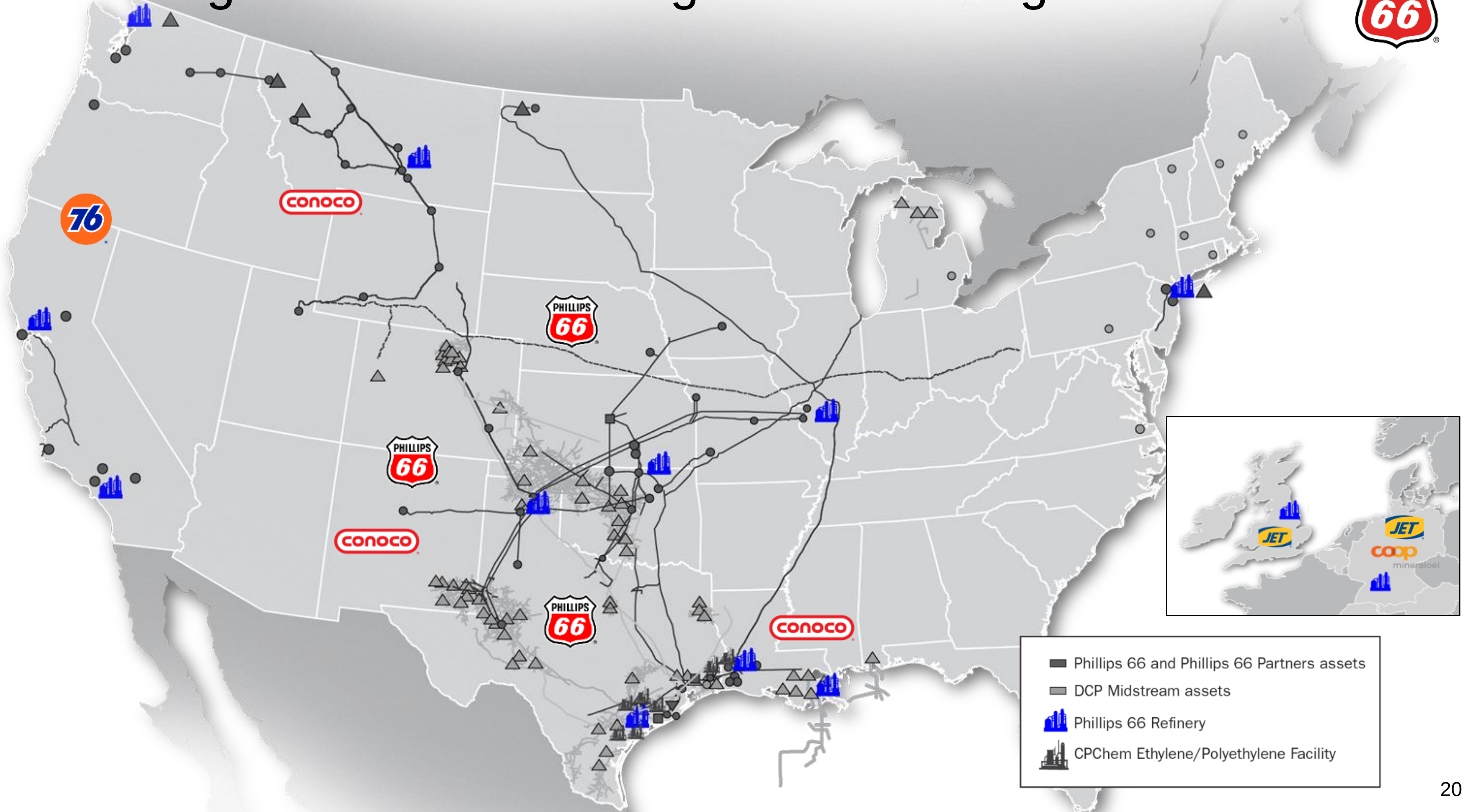
- 1,000 kMTA polyethylene at Old Ocean, TX
- 1,500 kMTA ethylene at Cedar Bayou, TX
- Long-term mid-cycle EBITDA ~ $1.2-1.4 B

Additional projects in future years

Cash flow improvement expected in 2018 following heavy investment cycle

EBITDA estimate is on a CPChem 100% basis and is based on July 2017 IHS forecast premises.

Enhancing Returns in Refining and Marketing



Refining and Marketing

Refining

13 refineries in U.S. and Europe

In 5 U.S. PADDs

2,146 MBD crude capacity

35% heavy, 30% light, 35% medium crude mix

Marketing

9,000+ global sites, including 5,700 wholesale outlets

1,400+ re-imaged sites since 2015

Sweeny Refinery, Sweeny, TX

Enhancing Refining Returns

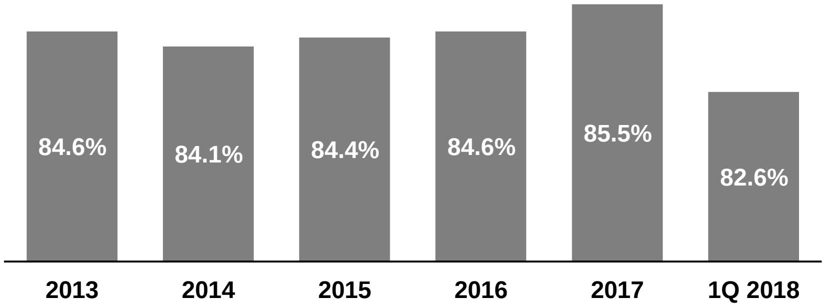
Improving returns projects

- Billings heavy crude project (complete)
- Ponca City yield flexibility (complete)
- Wood River FCC modernization (complete)
- Bayway FCC modernization (complete)
- Lake Charles crude flexibility (2H 2018)
- ~ 25 other low-cost, high-return projects

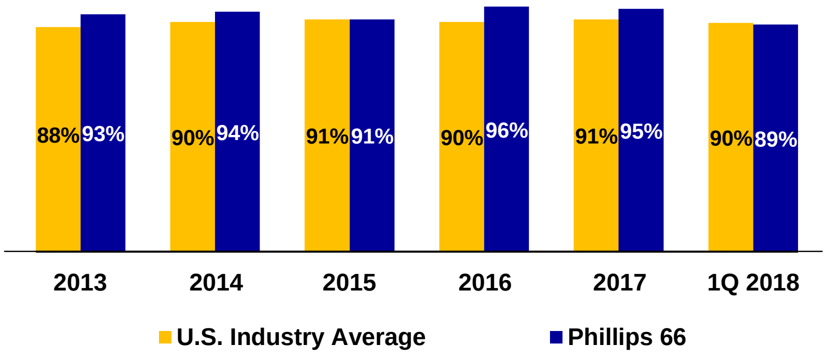
Increasing clean product yield

Top tier refinery utilization rates

PSX Global Clean Product Yield



U.S. Refining Capacity Utilization



See appendix for footnotes.

IMO 2020 Preparedness

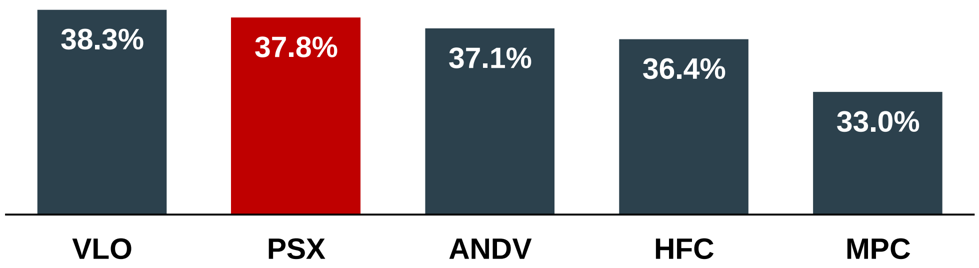
Existing PSX portfolio well positioned for IMO 2020

High distillate production

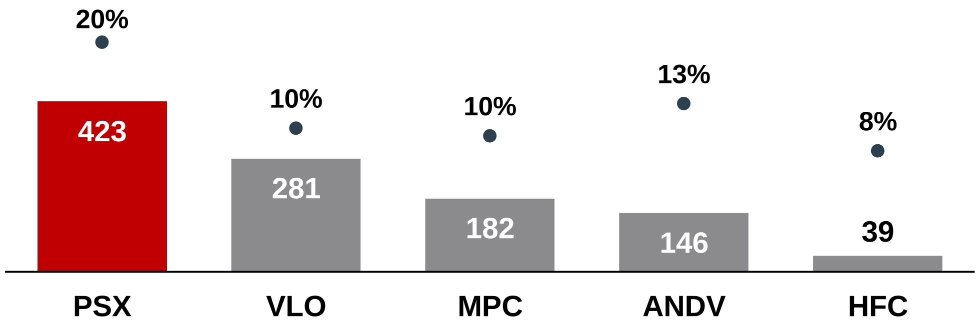
Industry leading coking capacity

Industry leading coking capacity as a percent of crude unit capacity

2017 Distillate Production as % Total Throughput



Global Coking Capacity (MBD) and Coking as % CDU



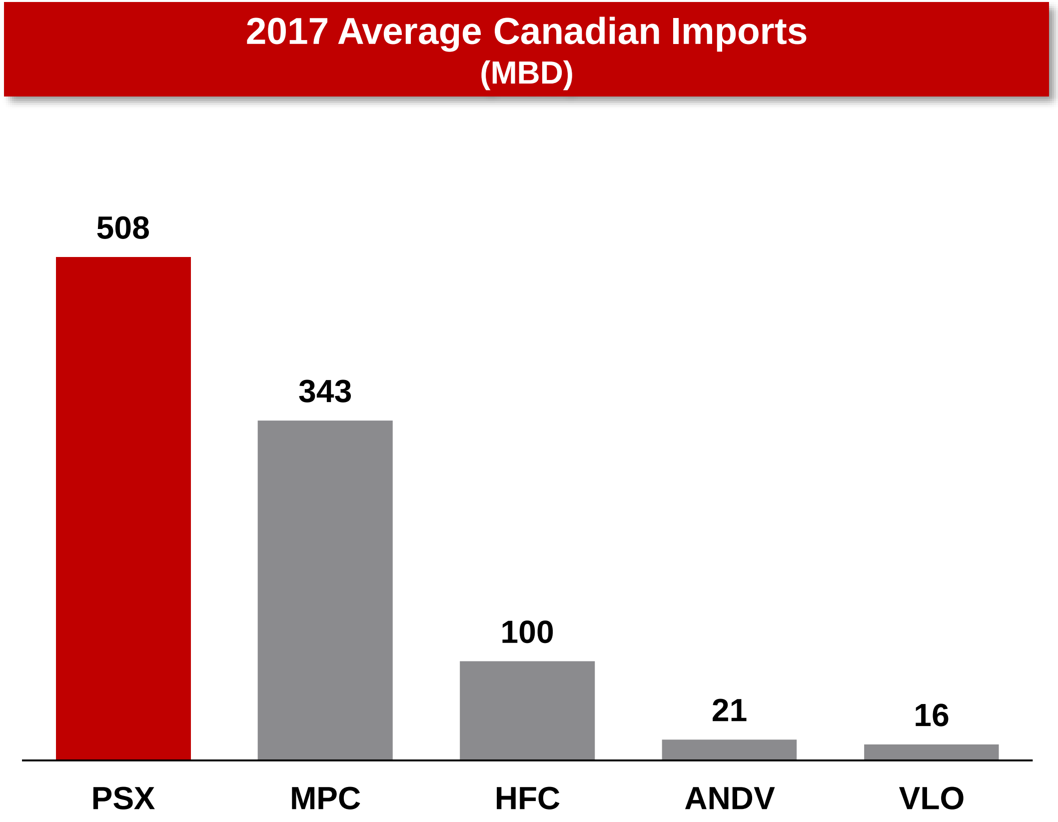
Source: 2018 Oil and Gas Journal. Phillips 66 includes Humber, 18.75% MiRO, and 50% WRB.

Canadian Imports

PSX is the largest U.S. importer of Canadian crude

Averaged 508 MBD of imports in 2017

Processed Canadian crude in 9 U.S. refineries



Source: E.I.A, May 2018.

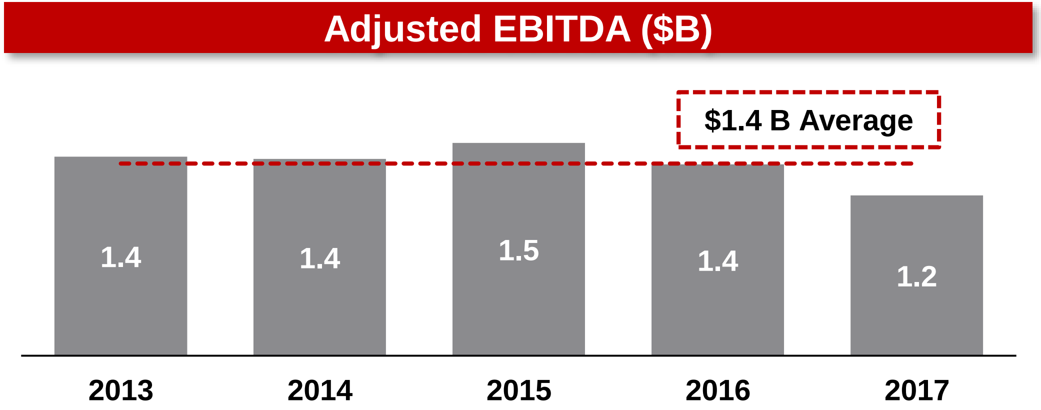
Stable, High Return Marketing and Specialties Network

Marketing

- Enhancing U.S. fuels brands
- Adding 25-30 European sites per year
- Expanding brand licensing
- Providing ratable refinery off-take

Specialties

- Increasing value through integration, optimization, and product innovation



Capital Structure

Investment-grade credit ratings

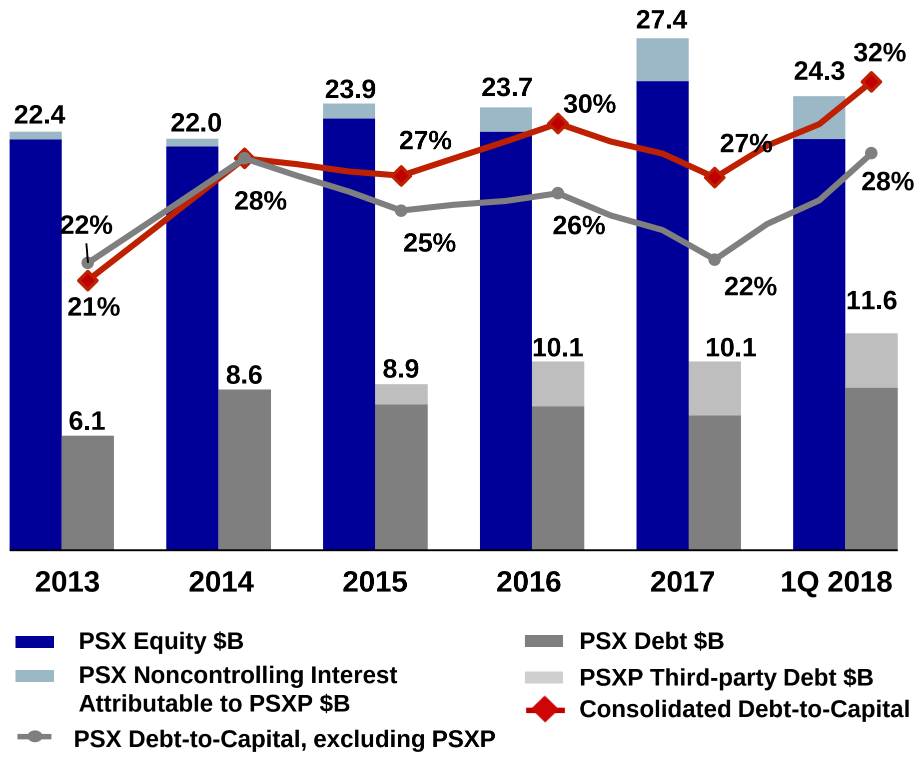
PSX – BBB+ / A3

PSXP – BBB / Baa3

$6.6 B of total liquidity

~3.5x Debt/EBITDA target at PSXP

Equity and Debt



Capital Allocation

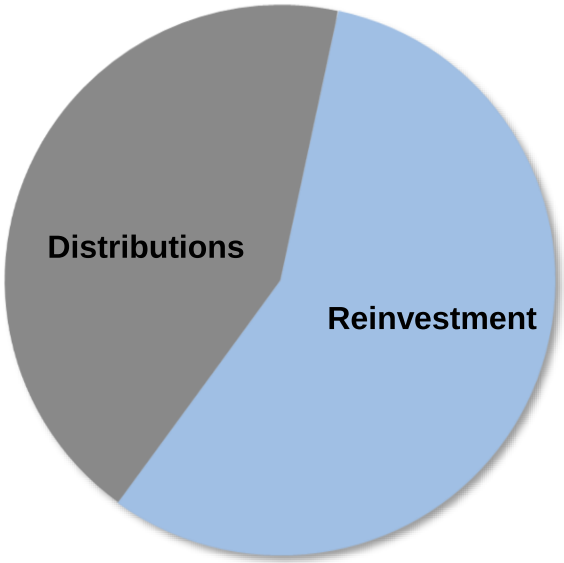
Maintain financial strength, strong investment-grade credit rating

Fund sustaining capital expenditures

Pay a secure, competitive, and growing dividend

60% reinvestment and 40% shareholder distributions

2015 – 2017



See appendix for footnotes.

Capital Expenditures

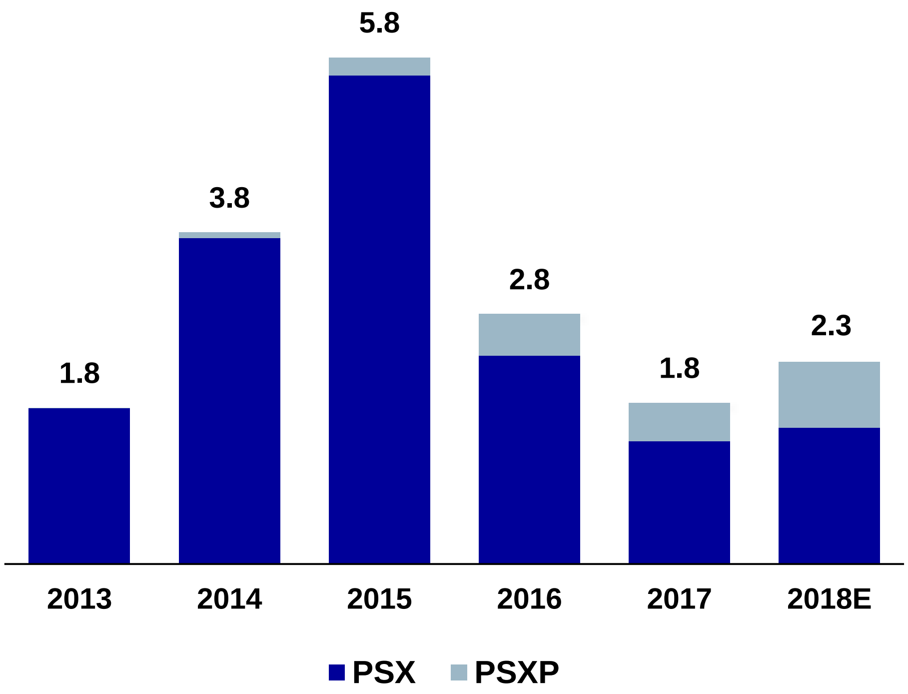
2018E Consolidated – $2.30 B

Phillips 66 2018E – $1.55 B

- $0.70 B Growth
- $0.85 B Sustaining

Phillips 66 Partners 2018E – $0.75 B

Consolidated Capital Expenditures
($B)



2015 consolidated capital expenditures of $5.8 billion include $1.5 billion investment in DCP Midstream.

Distributions

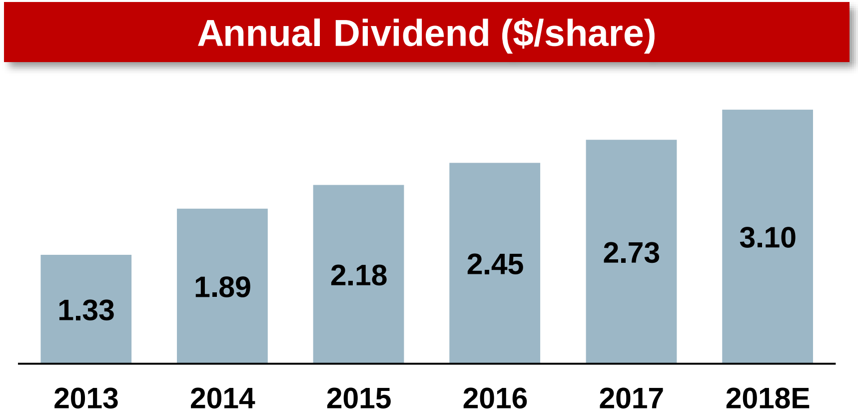
Important source of shareholder value

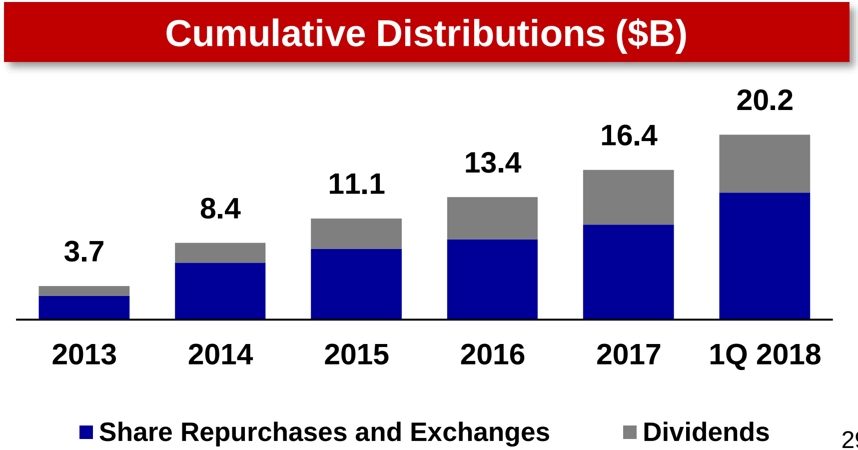
Secure, competitive, and growing dividend

- 14% increase to $0.80 per quarter
- 27% CAGR with eight increases since May 2012

Committed to share repurchases

- Repurchased/exchanged 179 MM shares, ~30% of shares initially outstanding





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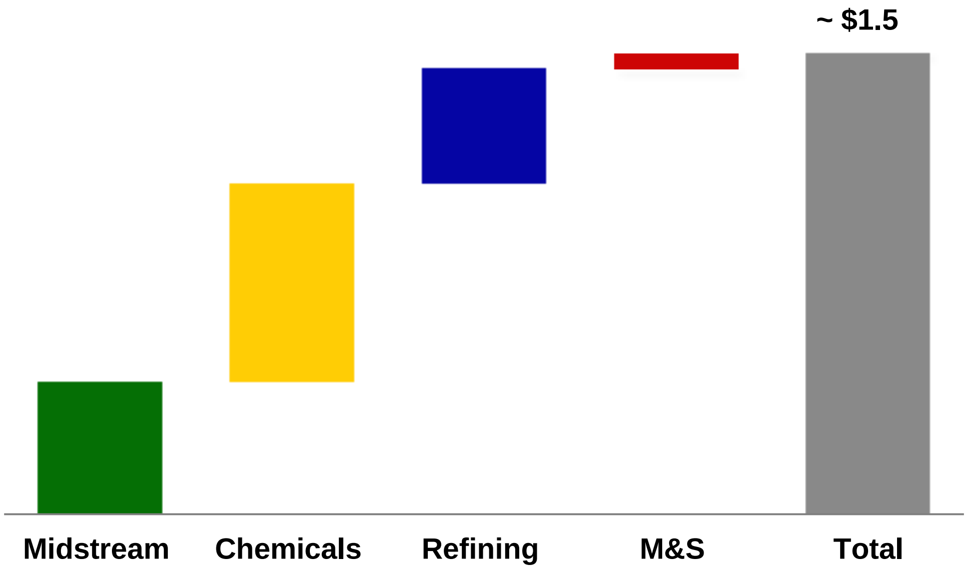
Creating Value

~ $1.5 B long-term expected EBITDA growth from projects coming online 2017-2018

Shifted from heavy-investment period to increasing net cash generation

Continued investment in higher-valued businesses generating strong returns

Mid-Cycle Incremental Run-Rate Adjusted EBITDA ($B)



See appendix for footnotes.

Delivering Shareholder Returns

Integrated portfolio

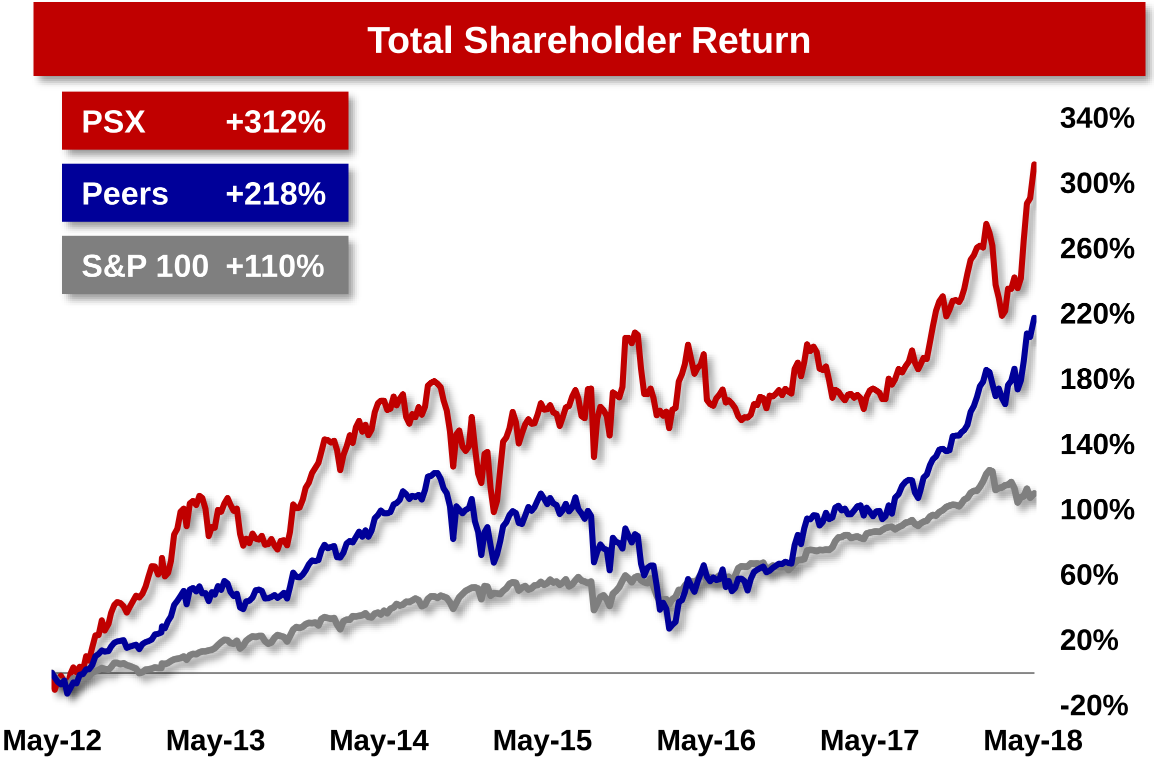
Disciplined capital allocation

Returns focused

Value-added growth

Strong balance sheet

Compelling investment



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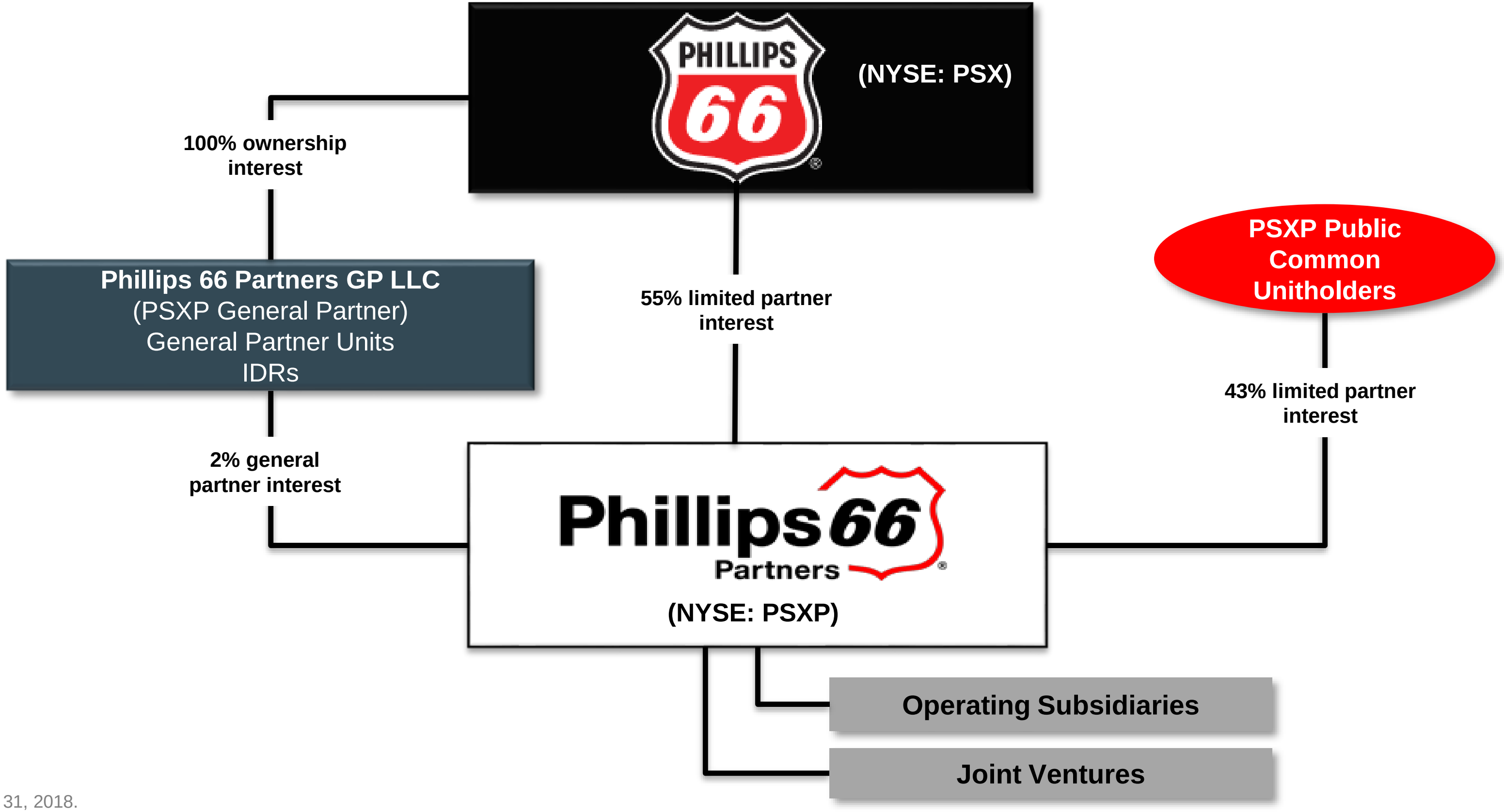
Investor Update

May 2018

NYSE: PSXP
www.phillips66partners.com

Phillips 66 Partners Ownership Structure



As of March 31, 2018.
Public also owns 13.8 million perpetual convertible preferred units.

Phillips 66 Partners

Strong alignment with Phillips 66

Highly integrated assets

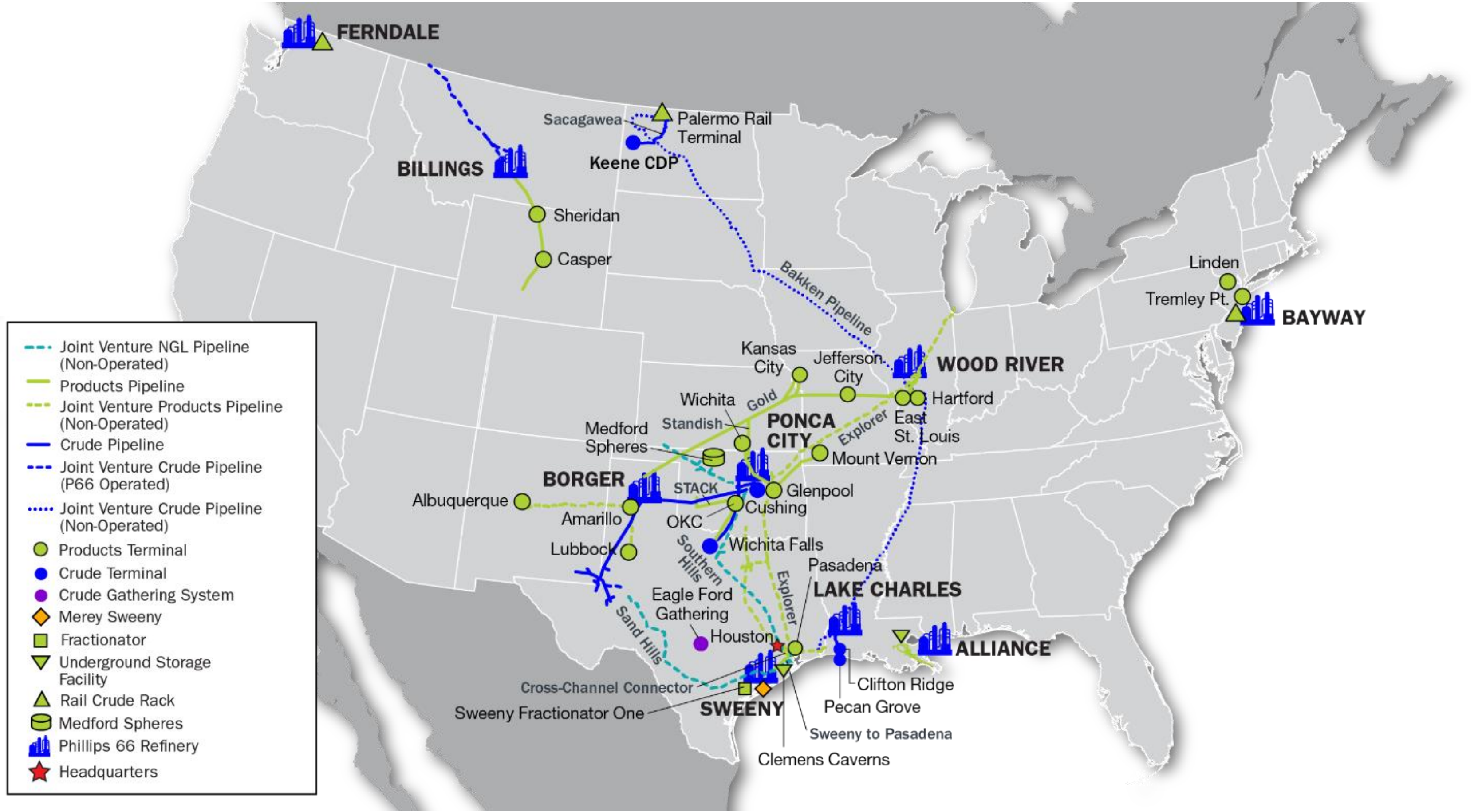
Stable and predictable cash flows

Strong growth potential

Financial flexibility

Sweeny Fractionator, Sweeny, TX

Phillips 66 Partners



Financial Growth

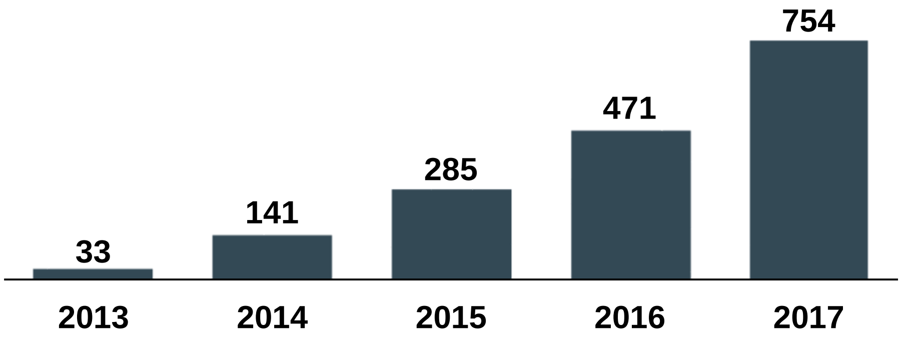
Annual performance highlights since 2014

58% growth in Earnings

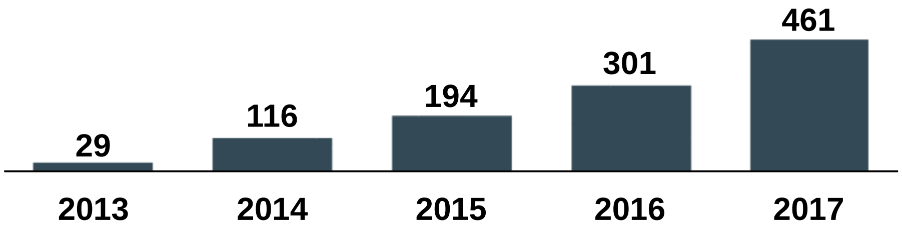
75% growth in Adjusted EBITDA

65% growth in Distributable Cash Flow

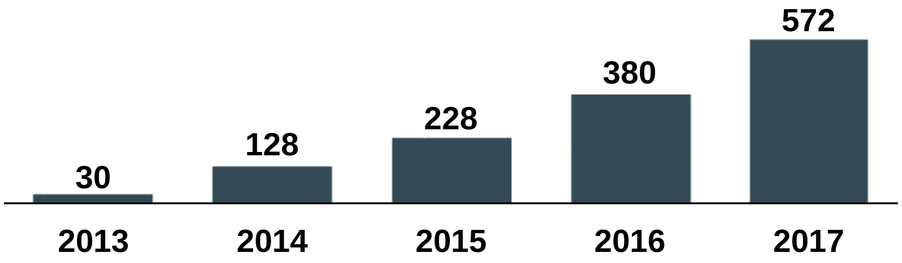
Adjusted EBITDA ($MM)



Earnings ($MM)



Distributable Cash Flow ($MM)

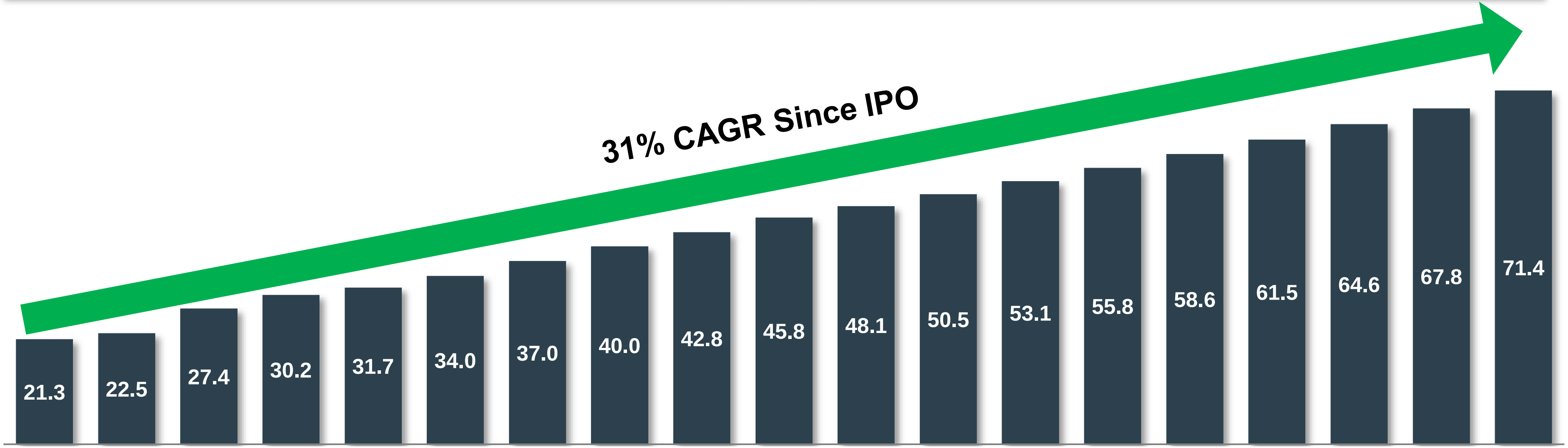


Percentages are 2014 – 2017 compounded annual growth rate; 2013 is partial year.
Adjusted EBITDA and Distributable Cash Flow shown are attributable to PSXP.

Distribution Growth

Phillips 66 Partners

Distribution / Common LP Unit
(cents)



	3Q 2013	4Q 2013	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018
Coverage Ratio	1.13x	1.10x	1.10x	1.44x	1.32x	1.28x	1.14x	1.17x	1.39x	1.45x	1.14x	1.20x	1.24x	1.48x	1.31x	1.35x	1.12x	1.33x	1.40x

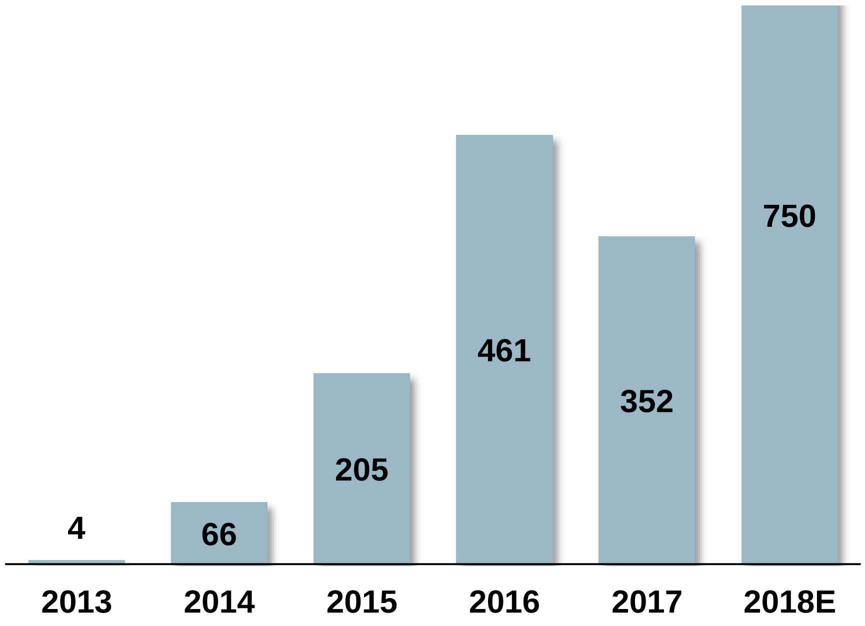
3Q 2013 distribution represents the minimum quarterly distribution, actual distribution of 15.48 cents equal to MQD prorated.

Phillips 66 Partners Capital Expenditures

2018E Capex of $750 MM

- $665 MM Growth
  - Gray Oak Pipeline
  - South Texas Gateway Terminal
  - Bayou Bridge Pipeline
  - Sand Hills Pipeline
  - Lake Charles Isomerization Unit
  - Sacagewea Gas Pipeline
- $85 MM Sustaining

PSXP Capital Expenditures
($MM)



See appendix for footnotes.

$750 MM 2018 Organic Growth Plan

Phillips 66 Partners

Gray Oak Pipeline

- Transports crude from West Texas to Corpus Christi and Sweeny Freeport, in service by end of 2019
- 700 MBD and may be expanded up to 1,000 MBD based on shipper interest in second binding open season

South Texas Gateway Terminal

- 3.4 MM barrel storage with two docks capable of berthing VLCC tankers connecting to Gray Oak Pipeline
- JV in partnership with Buckeye Partners in service by end of 2019

Sand Hills Pipeline

- Adding lateral connections and increasing pumping capacity

Bayou Bridge Pipeline

- Transports crude from Nederland, TX to Lake Charles, LA, and eventually to St. James, LA
- Nederland to Lake Charles leg began operations in April 2016, Lakes Charles to St. James complete in 4Q 2018

Lake Charles Pipeline Project

- Developing a new pipeline into the Clifton Ridge Marine Terminal to expand export capacity for Lake Charles Refinery

Lake Charles Isomerization Unit

- Developing new 25 MBD unit to increase premium gasoline production

Sacagawea Gas Pipeline

- Constructing 24-mile raw natural gas pipeline in Bakken in joint venture

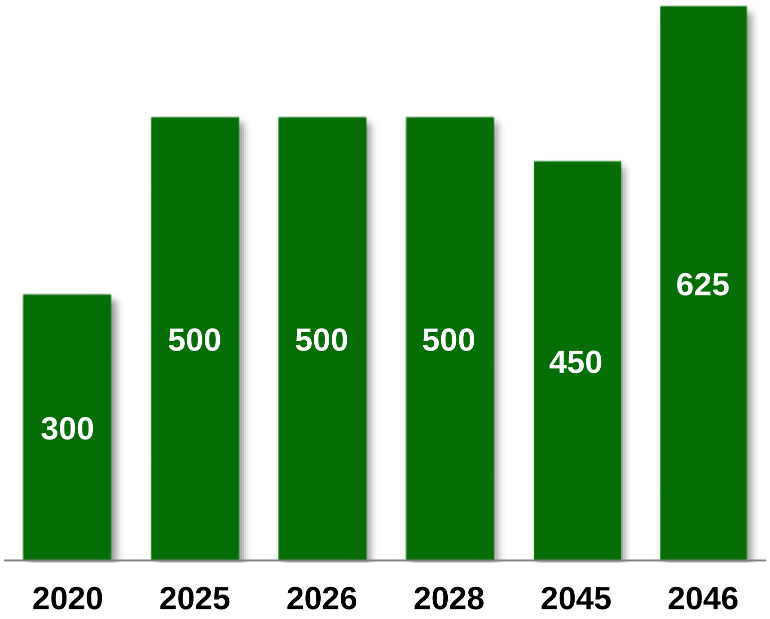
PSXP Debt Profile

$2.9 B Total Debt as of March 31, 2018

- $2.9 B Senior Notes, weighted average cost of 3.97%:
  - 5-Year $300 MM notes, 2.646% coupon
  - 10-Year $500 MM notes, 3.605% coupon
  - 10-Year $500 MM notes, 3.550% coupon
  - 10-Year $500 MM notes, 3.750% coupon
  - 30-Year $450 MM notes, 4.680% coupon
  - 30-Year $625 MM notes, 4.900% coupon
- $0.1 MSLP Tax-exempt Bonds

BBB / Baa3 credit rating

Senior Notes Maturity Profile ($MM)



Weighted average cost excludes revolving credit facility.

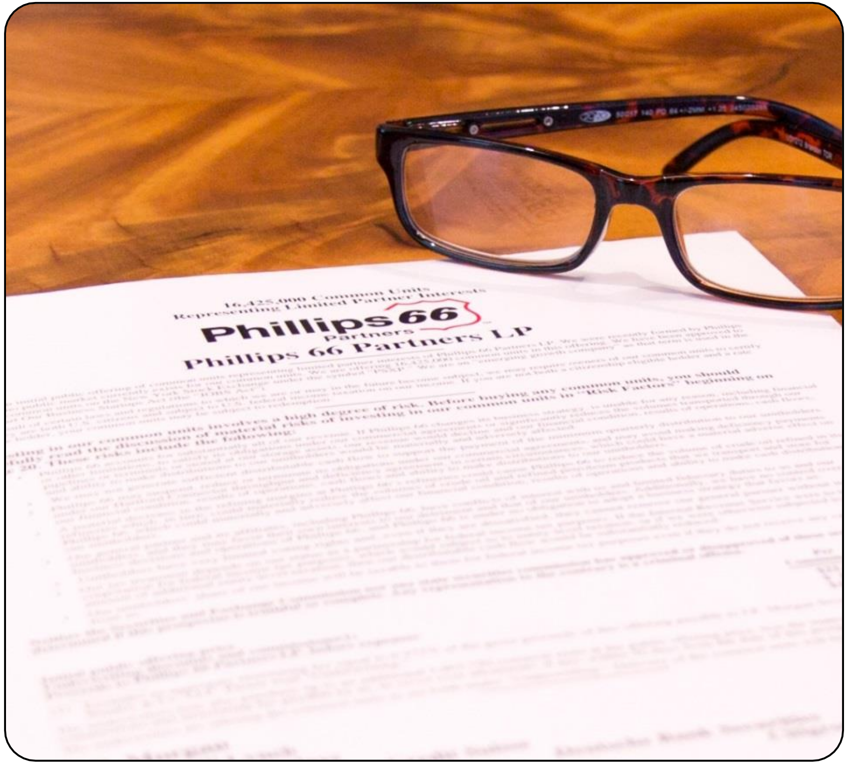
Financial Flexibility

Investment-grade credit rating

Financial targets:

- 30% distribution CAGR 2013-2018
- 3.5x debt / EBITDA
- 1.1x annual coverage ratio

Support Phillips 66 Midstream growth



Total Return Since IPO

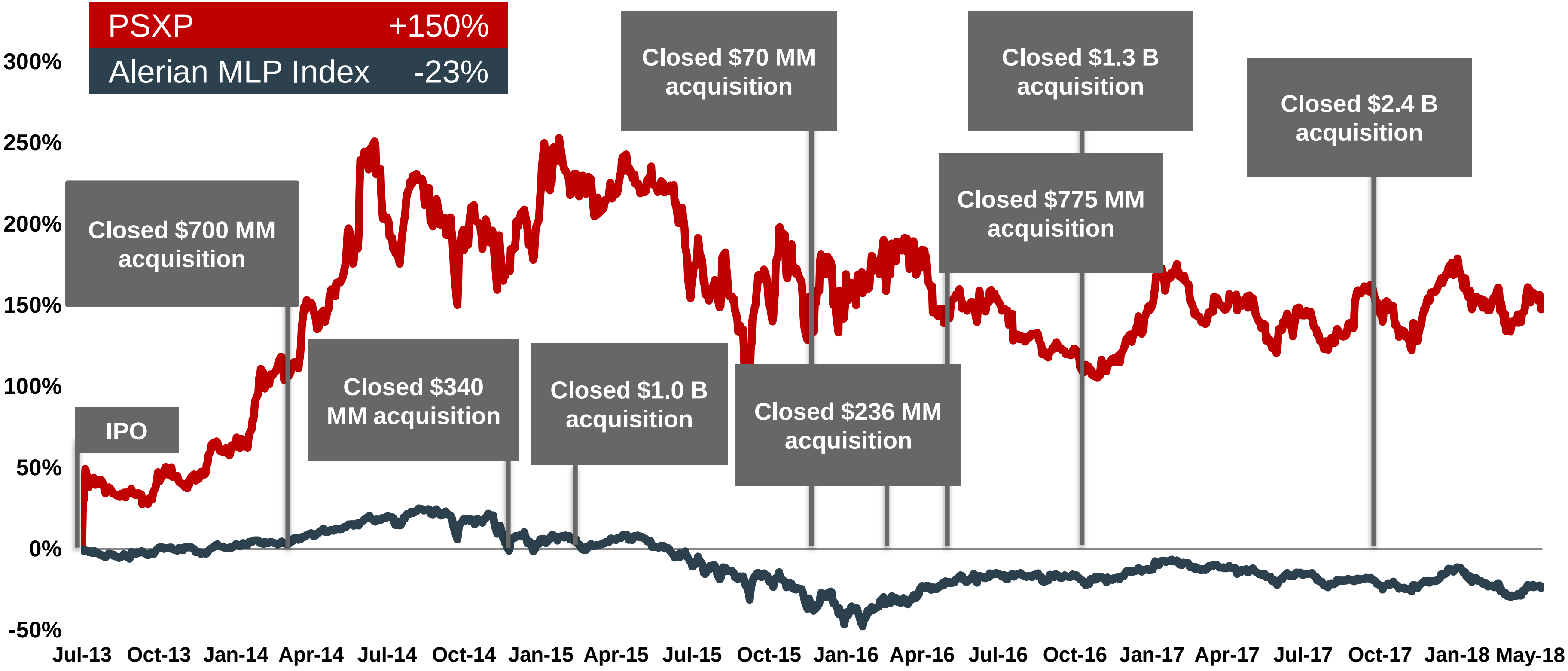


Chart reflects total unitholder return July 22, 2013 to May 4, 2018. Distributions assumed to be reinvested in units. Source: Bloomberg.
See appendix for further footnotes.

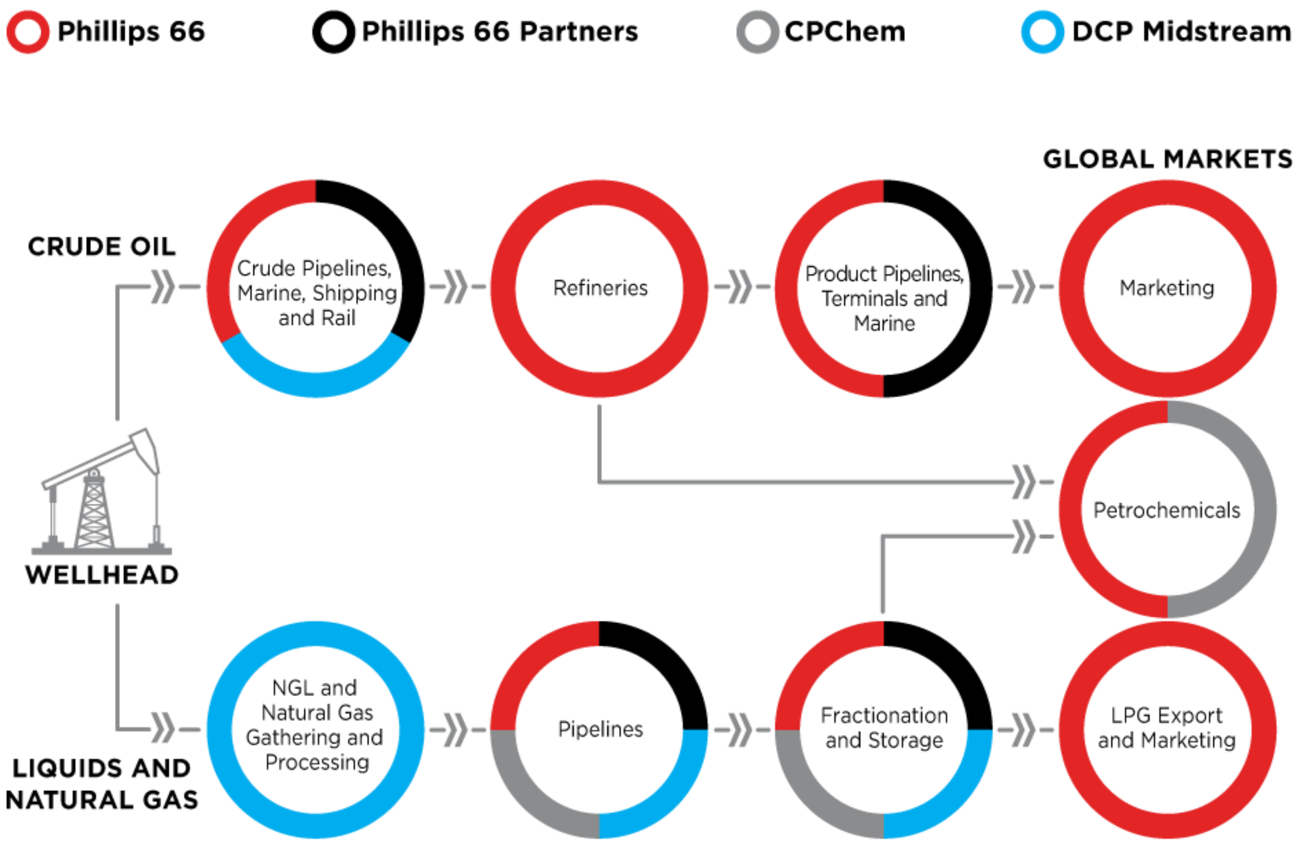
Appendix

Freeport LPG Export Terminal

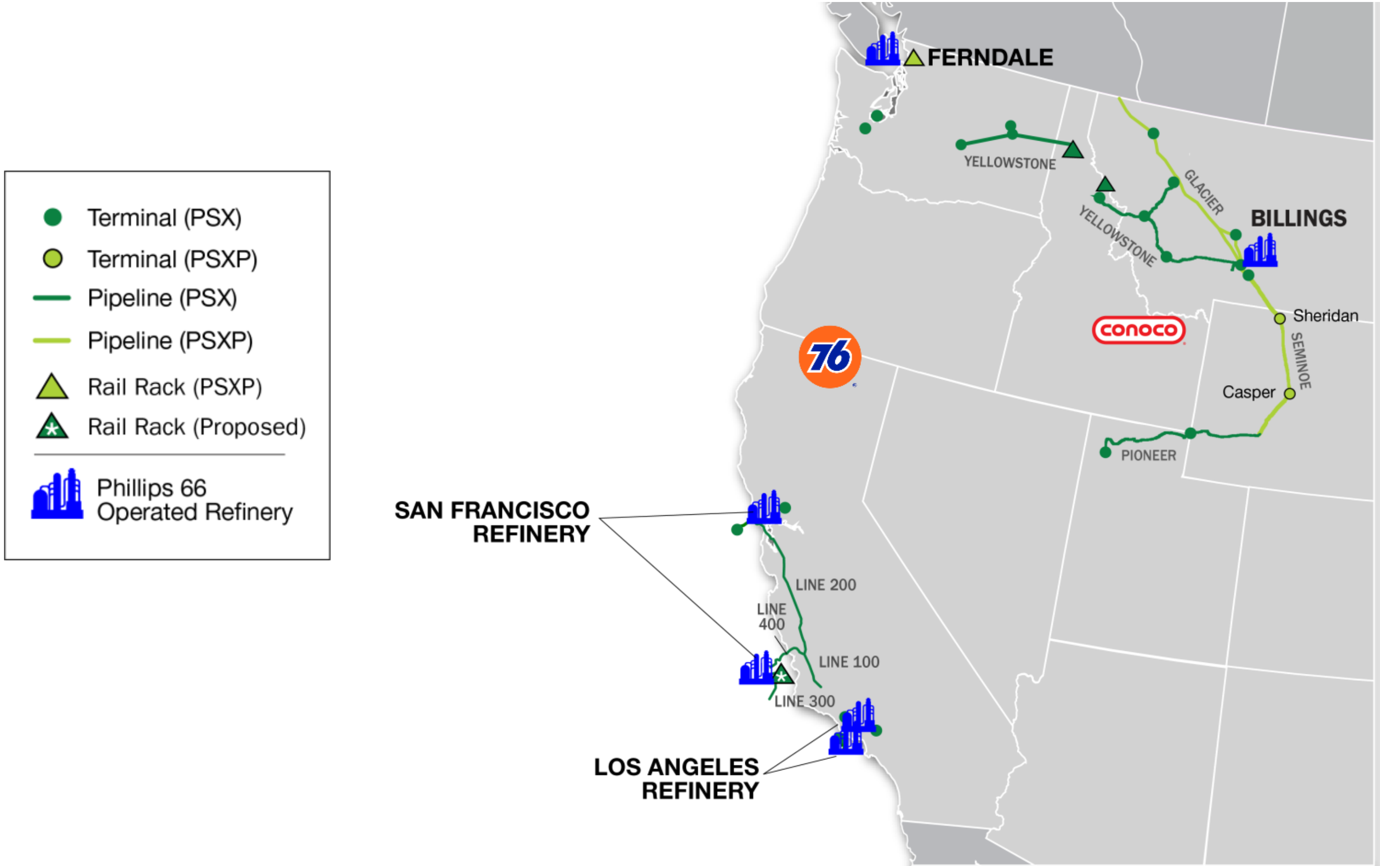
Corporate Strategy

Operating Excellence	Committed to safety, reliability and environmental stewardship while protecting shareholder value
Growth	Reshaping our portfolio by capturing growth opportunities in Midstream and Chemicals
Returns	Enhancing returns by maximizing earnings from existing assets and investing capital efficiently
Distributions	Committed to dividend growth, share repurchases and financial strength
High-Performing Organization	Building capability, pursuing excellence and doing the right thing

Value Chain

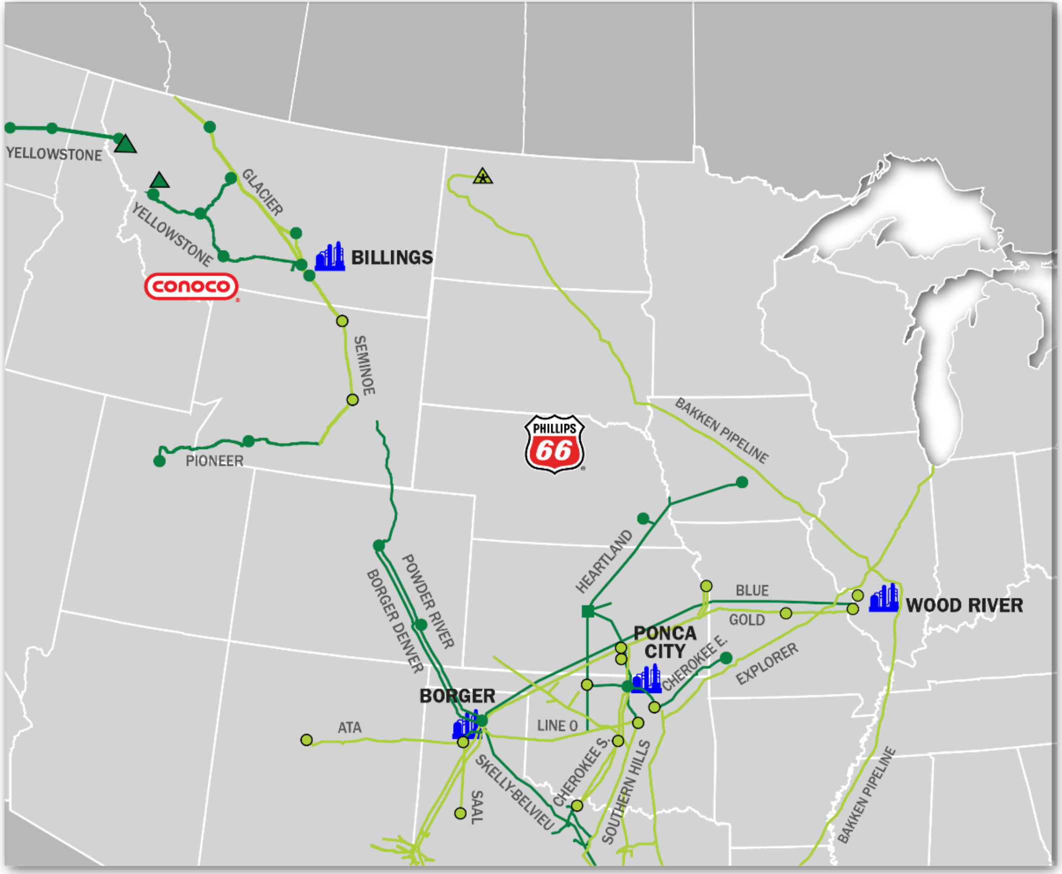

Phillips 66
Phillips 66 Partners
CPChem
DCP Midstream
GLOBAL MARKETS
CRUDE OIL
Crude Pipelines, Marine, Shipping and Rail
Refineries
Product Pipelines, Terminals and Marine
Marketing
Petrochemicals
WELLHEAD
NGL and Natural Gas Gathering and Processing
Pipelines
Fractionation and Storage
LPG Export and Marketing
LIQUIDS AND NATURAL GAS

West Coast


Terminal (PSX)
Terminal (PSXP)
Pipeline (PSX)
Pipeline (PSXP)
Rail Rack (PSXP)
Rail Rack (Proposed)
Phillips 66 Operated Refinery
FERNDALE
YELLOWSTONE
YELLOWSTONE
GLACIER
BILLINGS
Sheridan
SEMINOE
Casper
PIONEER
SAN FRANCISCO REFINERY
LINE 200
LINE 400
LINE 100
LINE 300
LOS ANGELES REFINERY

Midcontinent

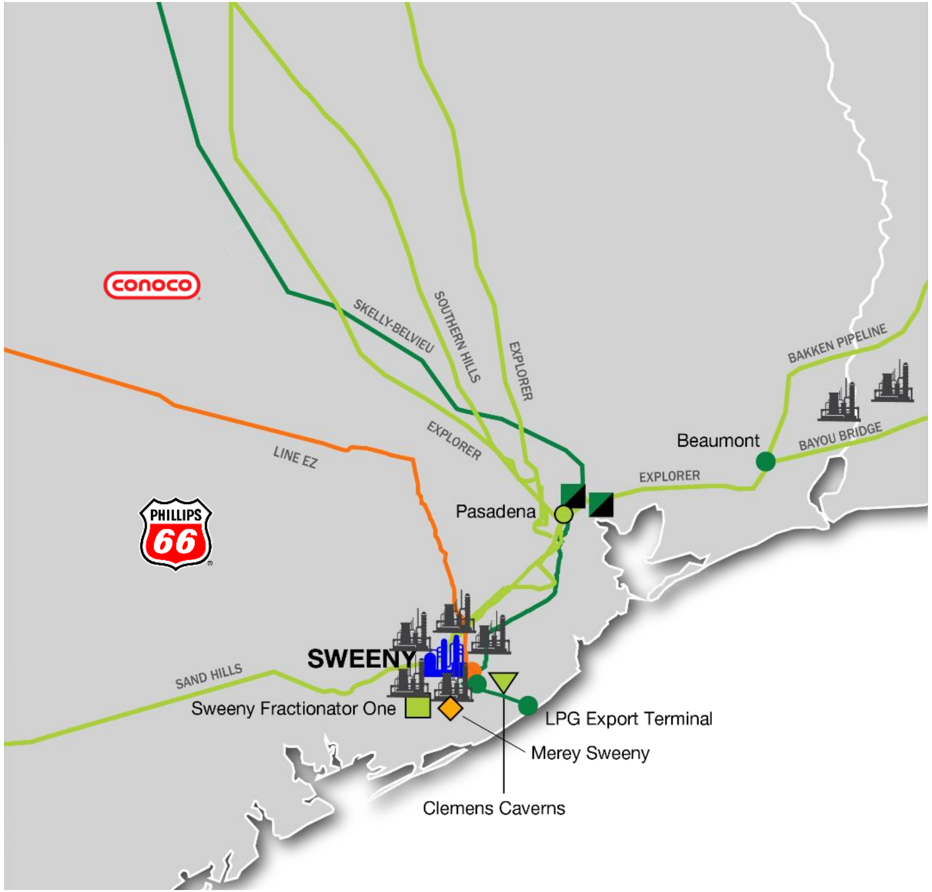
- Terminal (PSX)
- Terminal (PSXP)
- Fractionator (PSX)
- Pipeline (PSX)
- Pipeline (PSXP)
- Rail Rack (PSX)
- Rail Rack (PSXP) (Under Construction)
- Phillips 66 Operated Refinery



Western Gulf

- Terminal (PSX)
- Terminal (PSXP)
- CPChem Petrochemical Project (Under Construction)
- Fuel-Grade Coke Processing Unit (PSXP)
- Underground Storage Facility (PSXP)
- Fractionator (PSXP)
- Fractionator (Partially Owned)
- Pipeline (PSX)
- Pipeline (PSXP)
- Pipeline (CPChem Owned; PSX Operated)
- CPChem Ethylene/ Polyethylene Facility

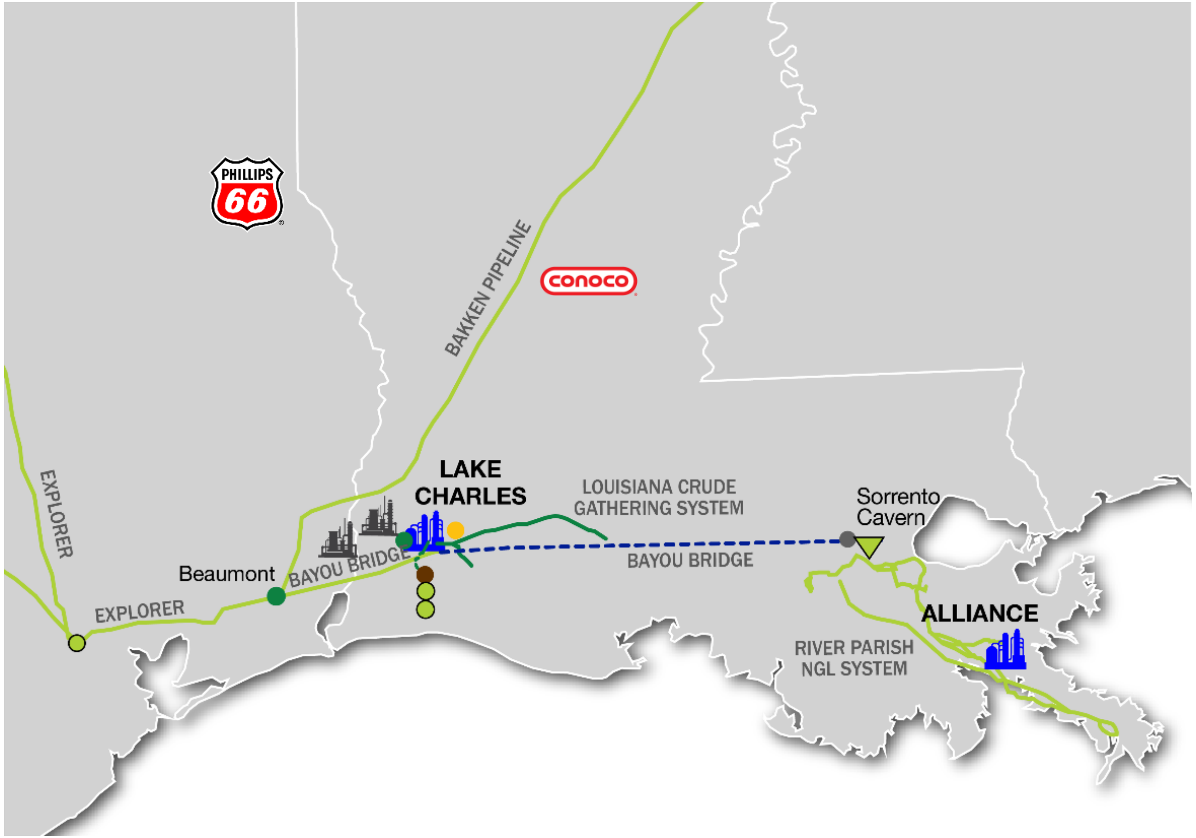
- Refinery



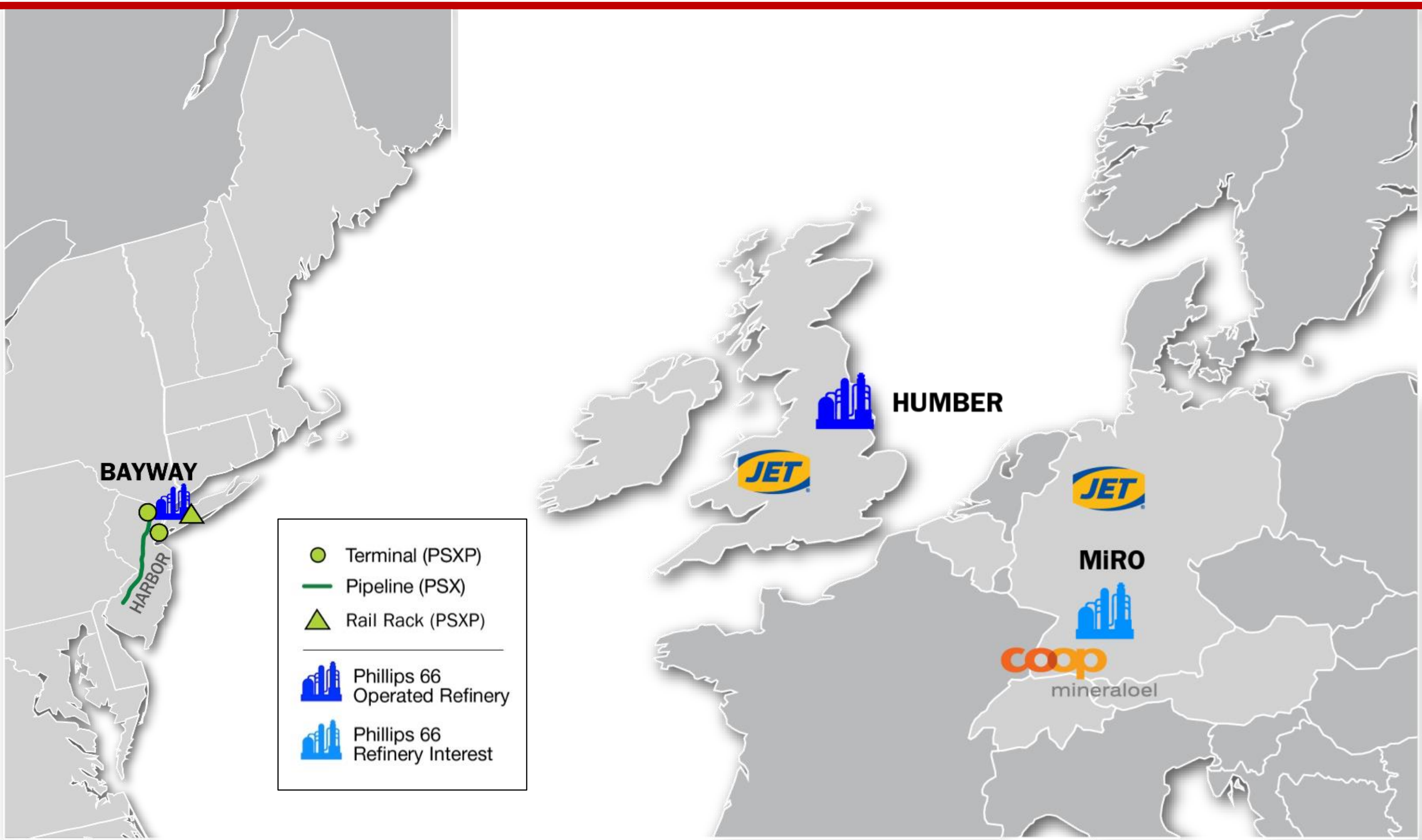
Eastern Gulf

Terminal (PSX)
Terminal (PSXP)
Excel Paralubes Base Oil (PSX)
Coke Handling Terminal (PSX)
Third-Party Terminal
Underground Storage Facility
Pipeline (PSX)
Pipeline (PSXP)
Under Construction Pipeline
CPChem Ethylene/ Polyethylene Facility

Phillips 66 Operated Refinery



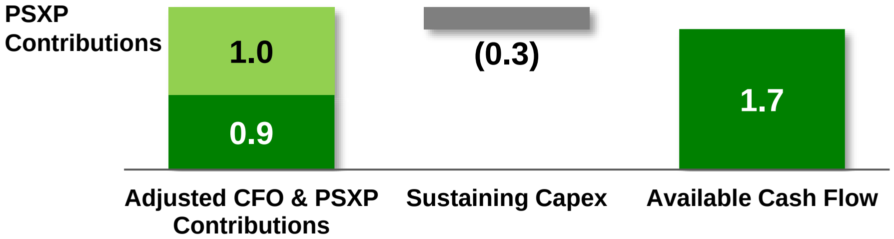
Atlantic Basin



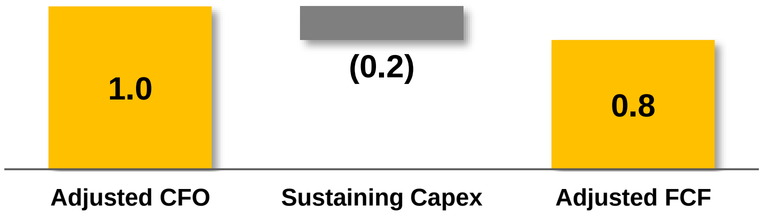
Adjusted Free Cash Flow

2012–2017 Average

Midstream ($B)

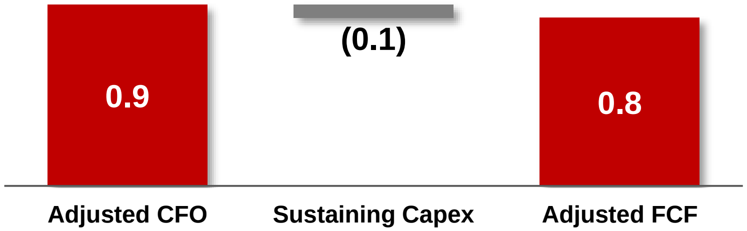


Chemicals ($B)



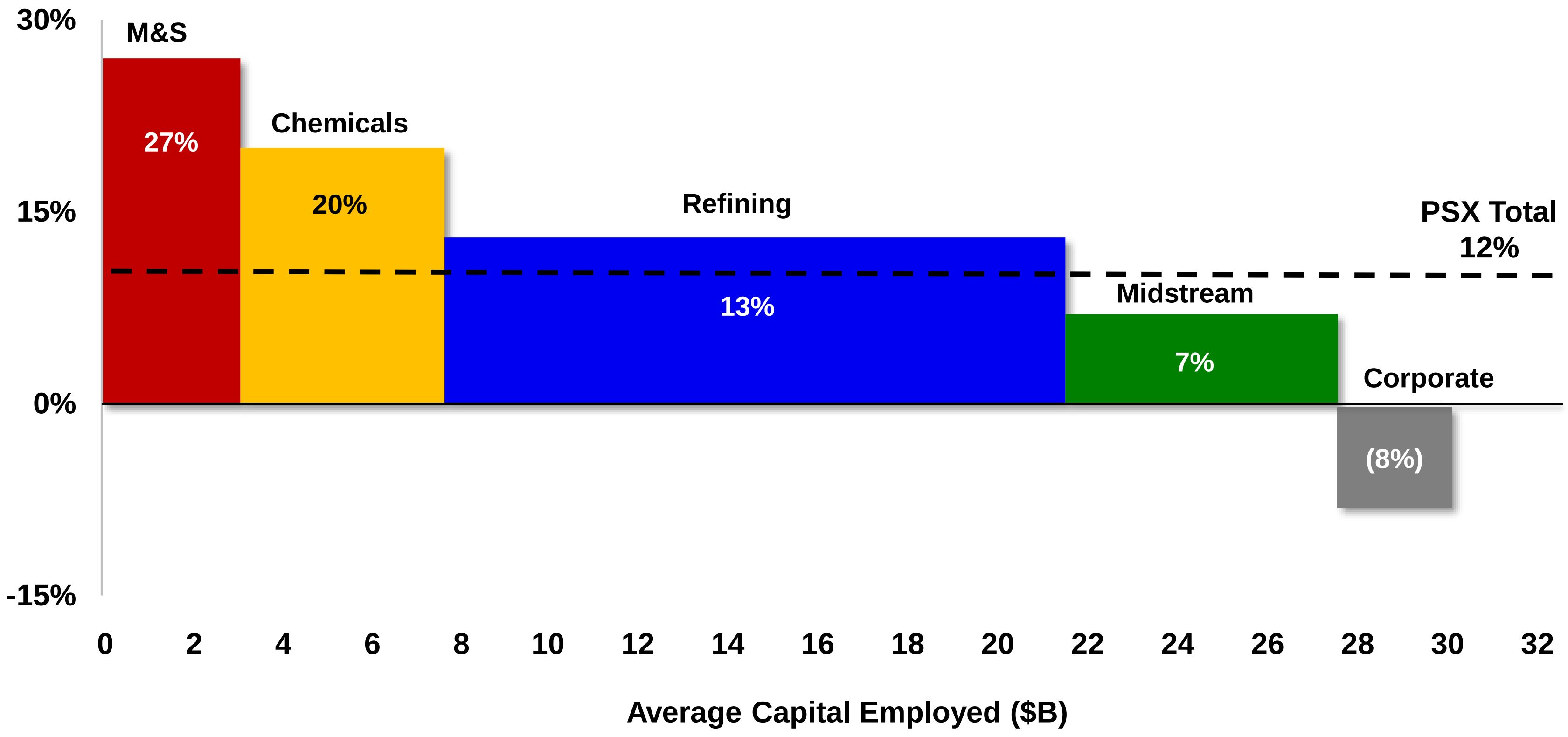
Refining ($B)

Marketing & Specialties ($B)



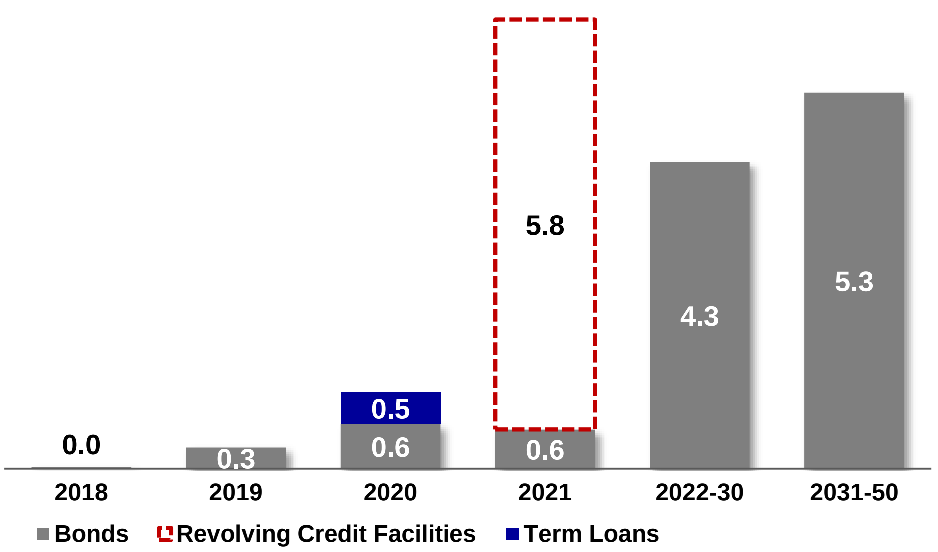
Adjusted CFO excludes working capital. Sustaining capex excludes capital leases.
Midstream adjusted CFO excludes PSXP. PSXP contributions are calculated as consideration paid by PSXP to PSX in dropdown transactions plus quarterly cash distributions paid from PSXP to PSX.
Midstream sustaining capex excludes PSXP.
Phillips 66's share of DCP Midstream, CPChem and WRB adjusted CFO reflects that portion of those entities' cash flow over which Phillips 66 has significant influence over reinvestment/distribution decisions. DCP Midstream, CPChem and WRB free cash flow calculated based on Phillips 66's share of after tax cash flow at the enterprise level.

2012–2017 Average Adjusted ROCE

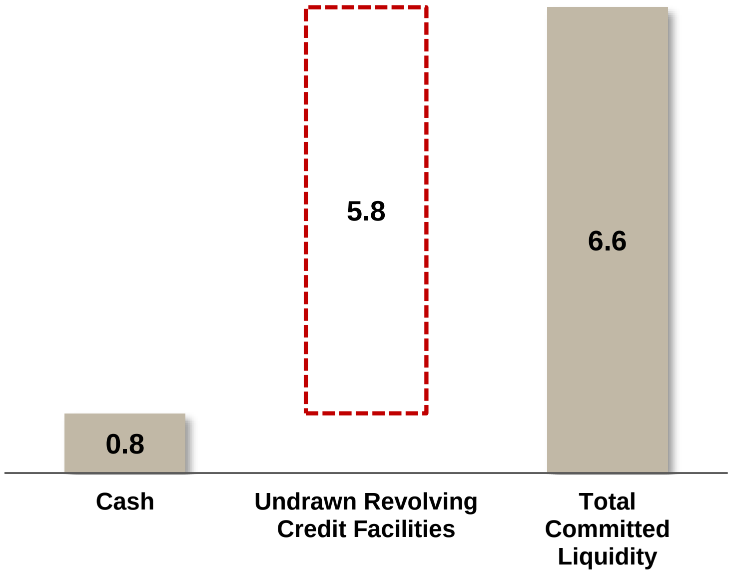


Consolidated Debt and Liquidity

Debt Maturity Profile
($B)



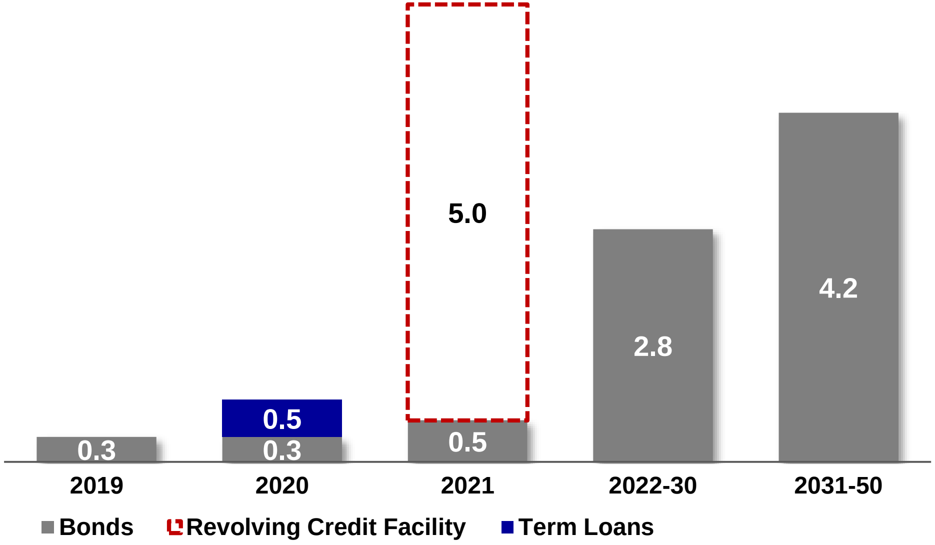
Liquidity
($B)



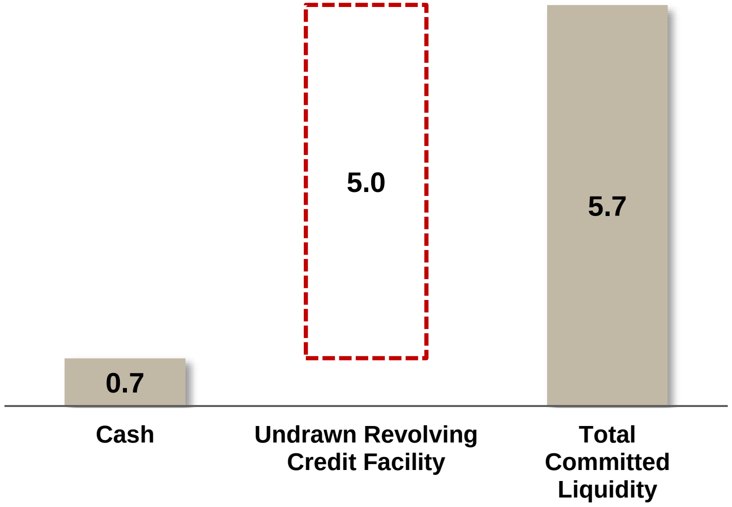
Debt maturity profile and liquidity as of March 31, 2018. Includes PSXP.
Debt maturity profile excludes capital leases.

Phillips 66 only Debt and Liquidity

Debt Maturity Profile
($B)



Liquidity
($B)



Debt maturity profile and liquidity as of March 31, 2018. Excludes PSXP.
Debt maturity profile excludes capital leases.

2018 Sensitivities

	Annual Net Income $MM
Midstream - DCP (net to Phillips 66)	
10 cents/Gal Increase in NGL price	5
10 cents/MMBtu Increase in Natural Gas price	1
$1/BBL Increase in WTI price	1
Chemicals - CPChem (net to Phillips 66)	
1 cent/Lb Increase in Chain Margin (Ethylene, Polyethylene, NAO)	45
Worldwide Refining	
$1/BBL Increase in Gasoline Margin	260
$1/BBL Increase in Distillate Margin	230
Impacts due to Actual Crude Feedstock Differing from Feedstock Assumed in Market Indicators:	
$1/BBL Widening WTI / WCS Differential (WTI less WCS)	50
$1/BBL Widening LLS / Maya Differential	40
$1/BBL Widening LLS / Medium Sour Differential	30
$1/BBL Widening LLS / WCS Differential	25
$1/BBL Widening WTI / WTS Differential	15
$1/BBL Widening LLS / WTI Differential	10
$1/BBL Widening ANS / WTI Differential	10
$1/BBL Widening Brent / WTI Differential	5
10 cent/MMBtu Increase in Natural Gas price	(15)

Sensitivities shown above are independent and are only valid within a limited price range.

Phillips 66 Outlook

<u>2Q 2018</u>

Global Olefins & Polyolefins utilization	Mid-90%
Refining crude utilization	Mid-90%
Refining turnaround expenses (pre-tax)	$90 MM - $120 MM
Corporate & other costs (after-tax)	$170 MM - $190 MM

<u>2018</u>

Refining turnaround expenses (pre-tax)	$520 MM - $570 MM
Corporate & Other costs (after-tax)	$640 MM - $680 MM
Depreciation and amortization	$1.4 B
Effective income tax rate	Low-to-Mid-20%

2018 Capital Budget

	Millions of Dollars		
	Sustaining Capital	Growth Capital	Capital Program
Midstream			
Phillips 66	$ 133	$ 335	$ 468
Phillips 66 Partners	85	665	750
	218	1,000	1,218
Chemicals	-	-	-
Refining	541	286	827
Marketing and Specialties	65	75	140
Corporate and Other	116	-	116
Phillips 66 Consolidated	**940**	**1,361**	**2,301**
DCP	55	350	405
CPChem	247	151	398
WRB	77	66	143
Selected Equity Affiliates	**379**	**567**	**946**
Total Capital Program	**$ 1,319**	**$ 1,928**	**$ 3,247**

Footnotes

Slide 3

Total share repurchases and exchanges include the PSPI share exchange in 2014. Dividend CAGR calculated from initial dividend of $0.20 per share in 3Q 2012 to last increase of $0.80 per share in 2Q 2018.

Slide 4

Industry averages are from: Phillips 66 – American Fuel & Petrochemical Manufacturers (AFPM) refining data, Chevron Phillips Chemical Company LLC (CPChem) – American Chemistry Council (ACC), DCP Midstream, LLC (DCP Midstream) – Gas Processors Association (GPA).

Slide 5

Industry safety metrics as of 2016. Source: Bureau of Labor Statistics.
Sulfur oxides (SOx), nitrous oxides (NOx) and particulate matter (PM).

Footnotes

Slide 12

Run-rate adjusted EBITDA for PSXP assets online represents the estimated run-rate view as of December 31, 2017. Run-rate adjusted EBITDA for PSX assets online represents the sum of (i) forecasted year-end 2018 EBITDA of other Midstream assets currently online and (ii) an estimate of the run-rate EBITDA potential of terminal, storage and other logistics assets currently embedded in the Refining segment if they were transferred to the Midstream segment and market-based fees were charged to Refining for their use.

Slide 22

To enhance comparability to current operating assets, clean product yield shown excludes impacts from Whitegate and Melaka prior to their sales. U.S. Industry average from U.S. Energy Information Administration (EIA).

Slide 27

Reinvestment excludes Phillips 66's portion of self-funded capital spending by DCP, CPChem and WRB. Includes $1.5 B equity contribution to DCP in 2015.

Footnotes

Slide 29

Annual dividend reflects sum of declared quarterly dividends. 2018 reflects one quarterly dividend of $0.70 and three quarterly dividends of $0.80. Dividend CAGR calculated from initial dividend of $0.20 per share in 3Q 2012 to last increase of $0.80 per share in 2Q 2018. 2014 share repurchases/exchanges include the PSPI share exchange.

Slide 30

Chart reflects estimated mid-cycle run-rate adjusted EBITDA contribution of projects coming online in 2017 and 2018.

Slide 31

Chart reflects total shareholder return May 1, 2012 to May 4, 2018. Dividends assumed to be reinvested in stock. Source: Bloomberg.

Peer average includes Delek US Holdings, Inc., HollyFrontier Corporation, Marathon Petroleum Corporation, PBF Energy Inc., Andeavor (formerly Tesoro Corporation), Valero Energy Corporation, Enterprise Products Partners L.P., ONEOK, Inc., Targa Resources Corp., Celanese Corporation, Eastman Chemical Company, Huntsman Corporation, LyondellBasell Industries, and Westlake Chemical Corporation.

Footnotes

Slide 38

Capital expenditures attributable to the Partnership. Excludes predecessor capital spending

Slide 42

$2.4 B transaction closed as of October 6, 2017, includes $625 MM non-recourse Bakken JV debt and $100 MM of Merey Sweeny, LP (MSLP) debt.

1Q 2018

1Q 2018 is as of March 31, 2018, or the three-month period ended March 31, 2018, as applicable; except as otherwise noted.

Forecasted and Estimated EBITDA and Maps

We are unable to present reconciliations of various forecasted and estimated EBITDA included in this presentation, because certain elements of net income, including interest, depreciation and income taxes, are not reasonably available. Together, these items generally result in EBITDA being significantly greater than net income.

Maps, images, and drawings are all for informational purposes only and may not be to scale.

Non-GAAP Reconciliation (slide 4)

	Millions of Dollars					
	2013	2014	2015	2016	2017	1Q 2018
Production and operating expenses	$ 4,206	$ 4,435	$ 4,294	$ 4,275	$ 4,699	$ 1,246
Selling, general and administrative expenses	1,478	1,663	1,670	1,638	1,695	386
	5,684	6,098	5,964	5,913	6,394	1,632
Plus:						
Sentinel operating expenses*	81	90	88	94	-	-
Total expenses	5,765	6,188	6,052	6,006	6,394	1,632
Less:						
Total Turnaround Expenses**	368	424	516	506	598	263
Adjusted Operating Costs and SG&A	**$ 5,397**	**$ 5,764**	**$ 5,536**	**$ 5,500**	**$ 5,796**	**$ 1,369**

**Sentinel Transportation, LLC became a wholly-owned subsidiary of Phillips 66 on 12/31/16. Costs for 2013 - 2016 are included for comparison purposes.*

*** Turnaround expenses are reported under Operating expenses in the Income Statement*

Non-GAAP Reconciliation (slide 25)

	Millions of Dollars				
	2013	2014	2015	2016	2017
Reconciliation of Marketing and Specialties Net Income to Adjusted EBITDA					
Marketing and Specialties net income	894	1,034	1,187	891	686
Plus:					
Income tax expense	433	441	465	370	334
Interest revenue	-	-	(2)	-	-
Depreciation and amortization	103	95	97	107	112
Marketing and Specialties EBITDA	1,430	1,570	1,747	1,368	1,132
Special Item Adjustments (pre-tax):					
Asset dispositions	(40)	(125)	(242)	-	-
Pending claims and settlements	(25)	(44)	-	-	-
Exit of a business line	54	-	-	-	-
Tax law impacts	(6)	-	-	-	-
Hurricane-related costs	-	-	-	-	1
Pension settlement expense	-	-	11	-	11
Marketing and Specialties EBITDA, Adjusted for Special Items	1,413	1,401	1,516	1,368	1,144
Other Adjustments (pre-tax):					
Proportional share of selected equity affiliates income taxes	-	-	-	-	-
Proportional share of selected equity affiliates net interest	9	6	6	-	1
Proportional share of selected equity affiliates depreciation and amortization	12	11	11	12	11
Marketing and Specialties Adjusted EBITDA	1,434	1,418	1,533	1,380	1,156

PSXP Adjusted EBITDA and Distributable Cash Flow Reconciliation to Net Income (Slide 36)

	Millions of Dollars				
	2013	2014	2015	2016	2017
Reconciliation to Net Income Attributable to the Partnership					
Net income attributable to the Partnership	29	116	194	301	461
Plus:					
Net income attributable to Predecessors	145	129	112	107	63
Net income	174	245	306	408	524
Plus:					
Depreciation	43	46	61	96	116
Net interest expense	—	5	34	52	99
Income tax expense	2	1	—	2	4
EBITDA	**219**	**297**	**401**	**558**	**743**
Proportional share of equity affiliates' net interest, taxes and depreciation	—	—	31	45	66
Expenses indemnified or prefunded by Phillips 66	—	2	2	6	8
Transaction costs associated with acquisitions	1	3	2	4	4
EBITDA attributable to Predecessors	(187)	(161)	(151)	(142)	(67)
Adjusted EBITDA	**33**	**141**	**285**	**471**	**754**
Plus:					
Deferred revenue impacts*†	—	2	4	11	6
Less:					
Equity affiliate distributions less than proportional EBITDA	—	—	19	28	29
Maintenance capital expenditures†	3	12	8	22	50
Net interest expense	—	3	34	52	100
Preferred unit distributions	—	—	—	—	9
Distributable cash flow	**30**	**128**	**228**	**380**	**572**

Adjusted EBITDA for all prior periods has been retrospectively adjusted to present our proportional share of equity affiliates' EBITDA, rather than cash distributions received.

**Difference between cash receipts and revenue recognition.*

† Excludes MSLP capital reimbursements and turnaround impacts.

PSXP Adjusted EBITDA and Distributable Cash Flow Reconciliation to Operating Cash Flow (Slide 36)

	Millions of Dollars				
	2013	2014	2015	2016	2017
Reconciliation to Net Cash Provided by Operating Activities					
Net cash provided by operating activities	199	296	392	492	724
Plus:					
Net interest expense	—	5	34	52	99
Income tax expense	2	1	—	2	4
Changes in working capital	18	(3)	(12)	28	(30)
Adjustment to equity earnings for cash distributions received	—	—	—	(1)	1
Other	—	(2)	(13)	(15)	(55)
EBITDA	**219**	**297**	**401**	**558**	**743**
Proportional share of equity affiliates' net interest, taxes and depreciation	—	—	31	45	66
Expenses indemnified or prefunded by Phillips 66	—	2	2	6	8
Transaction costs associated with acquisitions	1	3	2	4	4
EBITDA attributable to Predecessors	(187)	(161)	(151)	(142)	(67)
Adjusted EBITDA	**33**	**141**	**285**	**471**	**754**
Plus:					
Deferred revenue impacts*†	—	2	4	11	6
Less:					
Equity affiliate distributions less than proportional EBITDA	—	—	19	28	29
Maintenance capital expenditures†	3	12	8	22	50
Net interest expense	—	3	34	52	100
Preferred unit distributions	—	—	—	—	9
Distributable cash flow	**30**	**128**	**228**	**380**	**572**

Adjusted EBITDA for all prior periods has been retrospectively adjusted to present our proportional share of equity affiliates' EBITDA, rather than cash distributions received.

**Difference between cash receipts and revenue recognition.*

† Excludes MSLP capital reimbursements and turnaround impacts.

Non-GAAP Reconciliations (Slide 51)

	Millions of Dollars Average 2012 - 2017			
FCF Reconcilition	**Midstream**	**Chemicals**	**Refining**	**Marketing & Specialties**
Cash From Operations GAAP	886	355	2,604	908
Less: Change in Non-Cash Working Cap.	(3)	-	119	(52)
Cash From Operations (excluding WC)	883	355	2,723	855
Less: P66 Equity affiliate cash from ops	177	355	518	-
Add: Equity look through cash from ops	357	998	466	-
Less: PSXP's portion of CFO*	182	-	-	-
Adjusted FCF (excl WC)	881	998	2,671	855
Total Capex GAAP	1,693	-	944	198
Less: Growth Capex	1,277	-	229	135
Sustaining Capex	416	-	715	63
Less: P66 Equity affiliate sustaining capex	250	-	-	-
Add: Equity look through sustaining capex	112	207	107	-
Less: PSXP's portion of sustaining capex	16	-	-	-
Adjusted Sustaining Capex	262	207	822	63
PSXP Contributions*	1,042	-	-	-
Adjusted Free Cash Flow	1,661	791	1,849	792

**PSXP formed in 2013, values of 0 included for 2012*

Non-GAAP Reconciliations (Slide 52)

		Millions of Dollars Average 2012-2017					
		Phillips 66**	Midstream	Chemicals	Refining	M&S	Corporate
Phillips 66 ROCE							
Numerator							
Net Income	$	3,974	317	836	1,824	873	(12)
After-tax interest expense		203	-	-	-	-	203
GAAP ROCE earnings		4,177	317	836	1,824	873	191
Special Items		(463)	91	74	5	(57)	(438)
Adjusted ROCE earnings	$	3,714	408	910	1,828	815	(247)
Denominator							
GAAP average capital employed*		30,705	6,055	4,540	13,797	3,073	3,074
Discontinued Operations		(77)	-	-	-	-	-
Adjusted average capital employed*	$	30,628	6,055	4,540	13,797	3,073	3,074

**Total equity plus debt.*

GAAP ROCE (percent)	14%	5%	18%	13%	28%	6%
Adjusted ROCE (percent)	12%	7%	20%	13%	27%	-8%

*** Phillips 66 consolidated includes discontinued operations.*