Investor Update

November 2018

NYSE: PSX
www.phillips66.com
Bayway Refinery, Linden, NJ

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 assets
- Gray Oak Pipeline
- Sweeny Hub
- Beaumont Terminal

Returns

- Refinery yield and feedstock flexibility projects
- U.S. Marketing re-imaging

Distributions

- 27% dividend CAGR since 2012
- $14.5 B in total share repurchases/exchanges

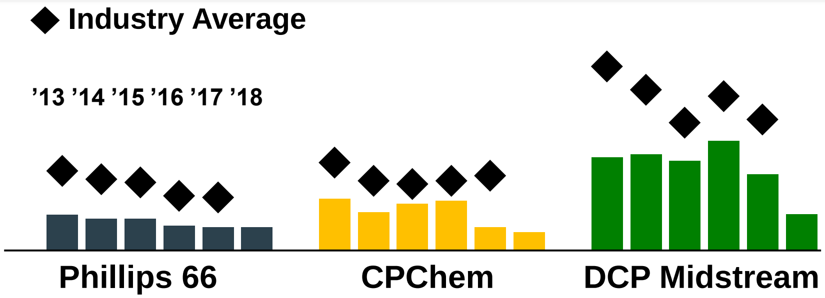
High-Performing Organization

Vacuum Tower, Billings Refinery, Billings, MT

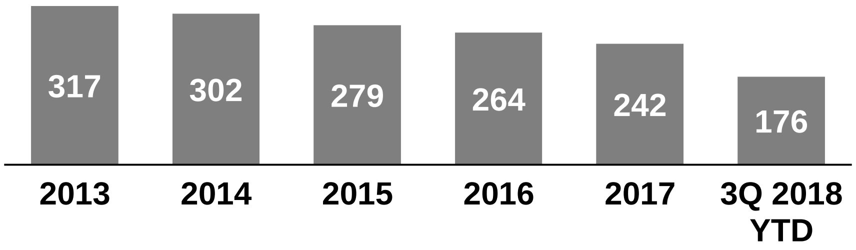
See appendix for footnotes.

Operating Excellence

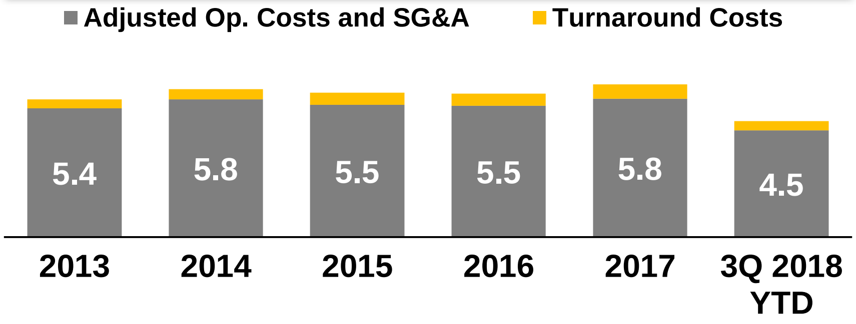
Total Recordable Rates
(Incidents per 200,000 Hours Worked)



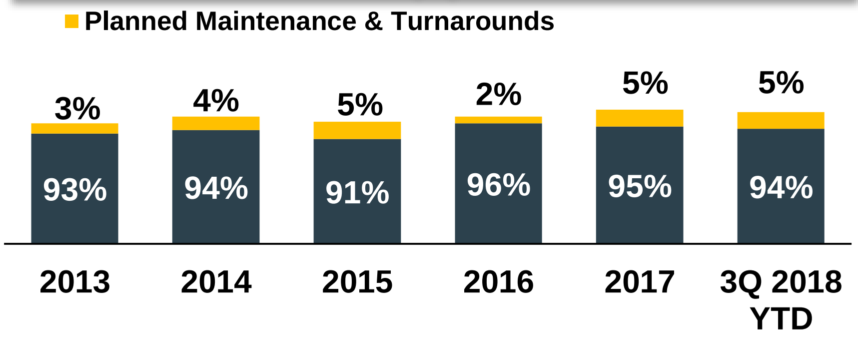
Refining Environmental Metrics
(No. of events)



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

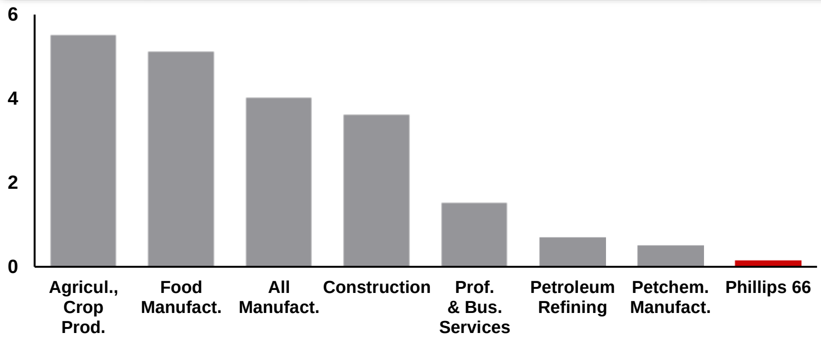
Record low reportable environmental events

Investing in forward-looking research and development technology

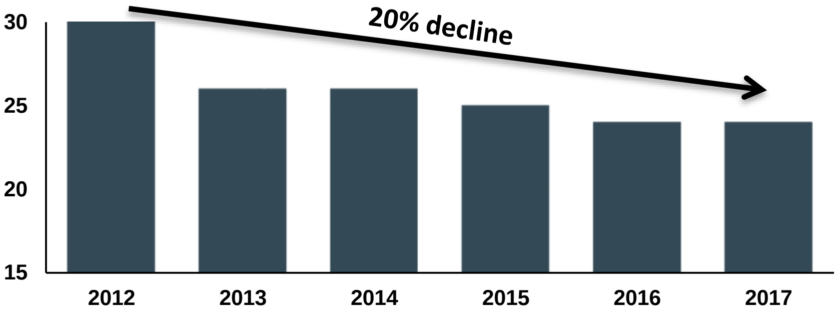
Promoting inclusive and diverse workforce

Committed to corporate and local philanthropic programs

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

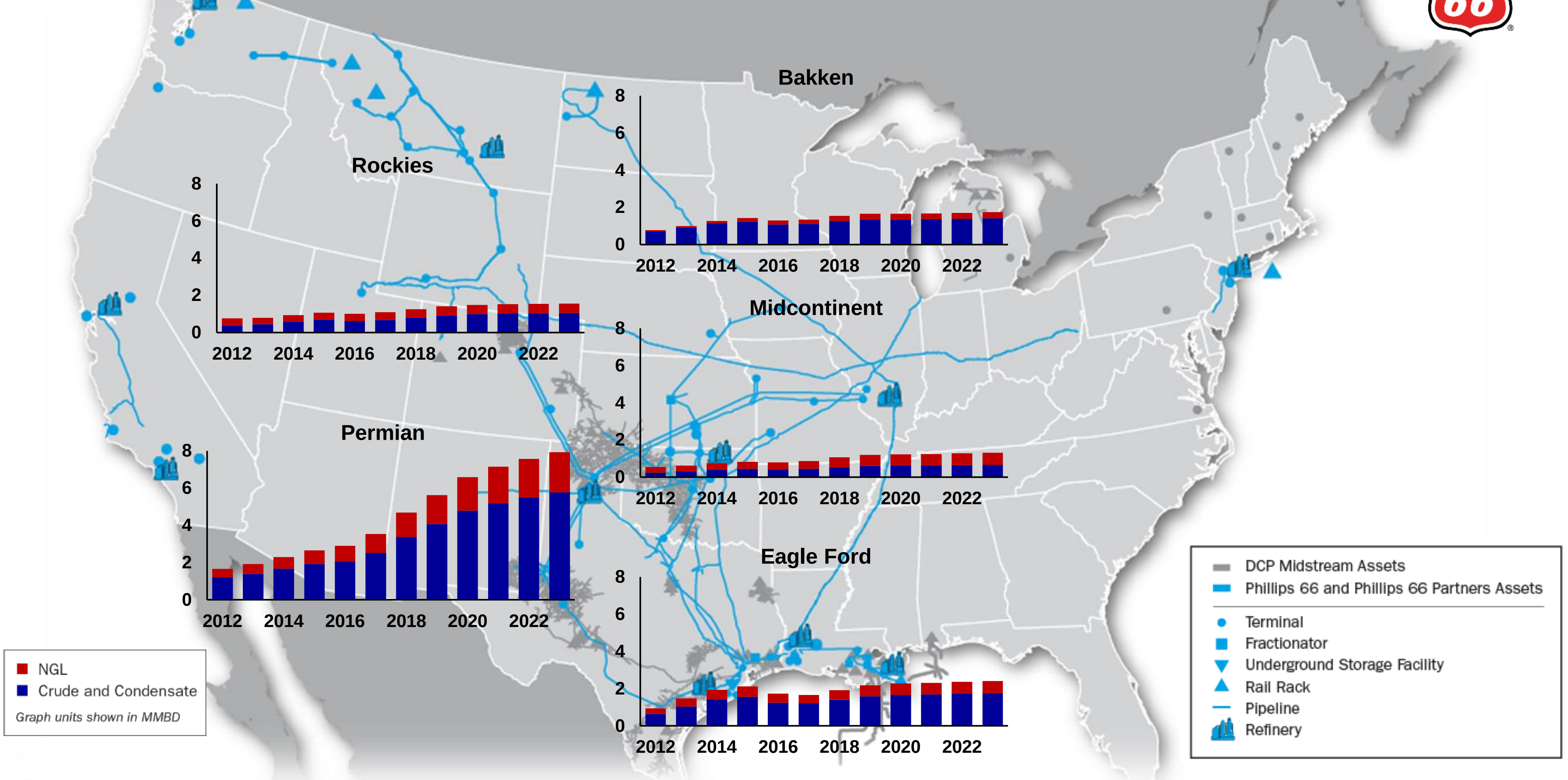


Phillips 66 SOx, NOx, PM Emissions
(Thousand tonnes)



See appendix for footnotes.

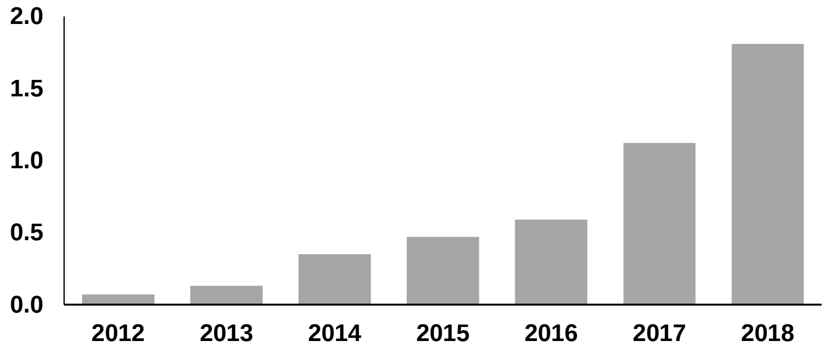
U.S. Crude Oil and Gas Plant NGL Production



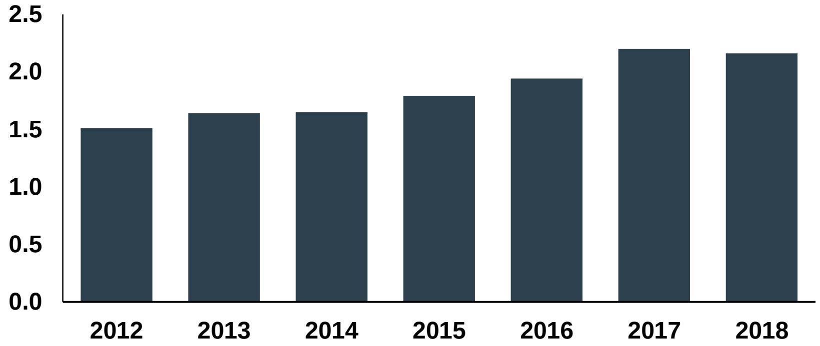
Source: BTU Analytics, October 2018

Midstream Macro Environment

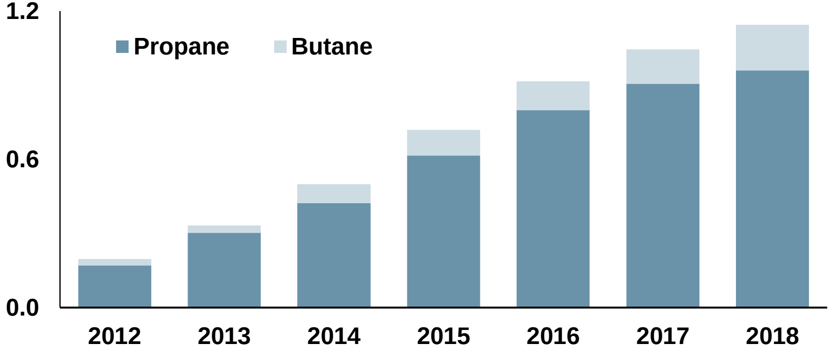
U.S. Crude Oil Export Volume (MMBD)



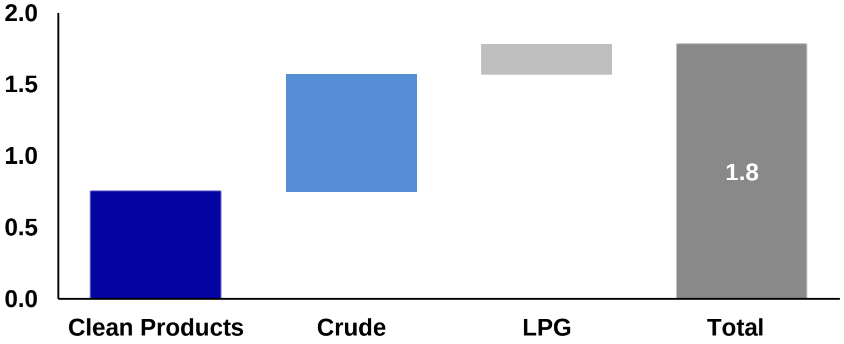
U.S. Clean Product Exports (MMBD)



U.S. LPG Export Volume (MMBD)



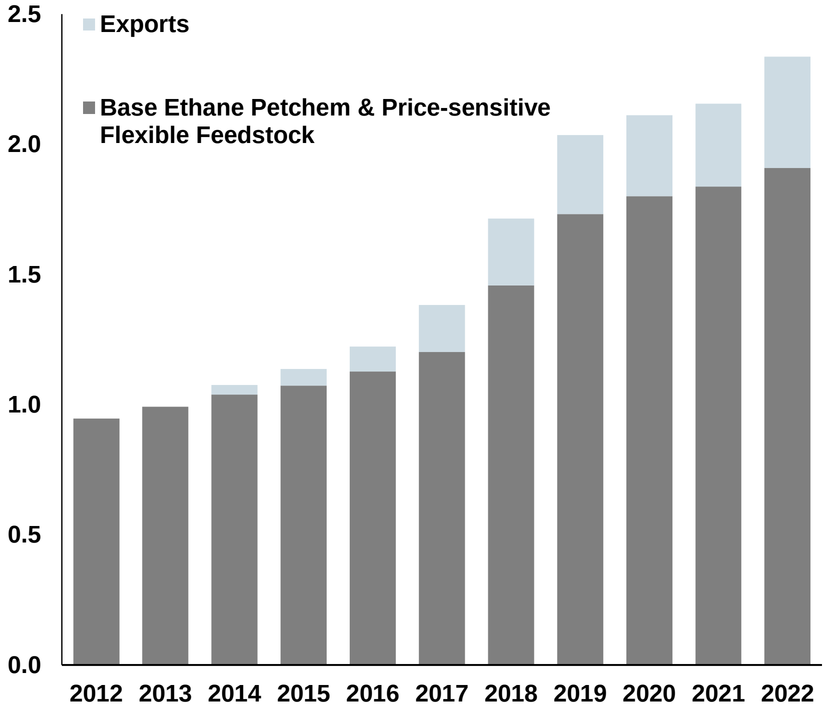
Phillips 66 2018 Export Capacity (MMBD)



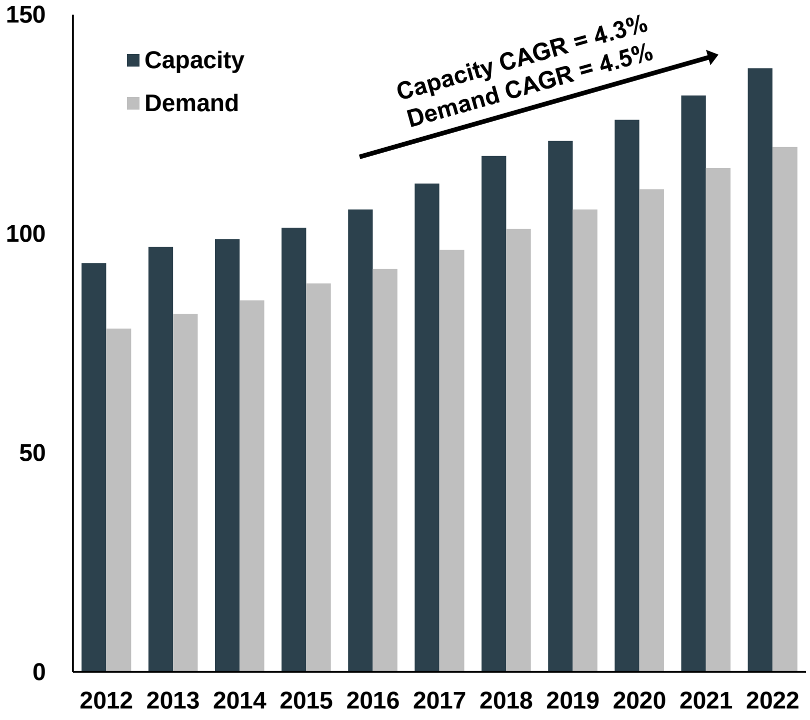
Source: EIA, annual averages data through August 2018, Petroleum Monthly

Chemicals Macro Environment

U.S. Ethane Demand
(MMBD)



Global PE Capacity and Demand
(MMTA)



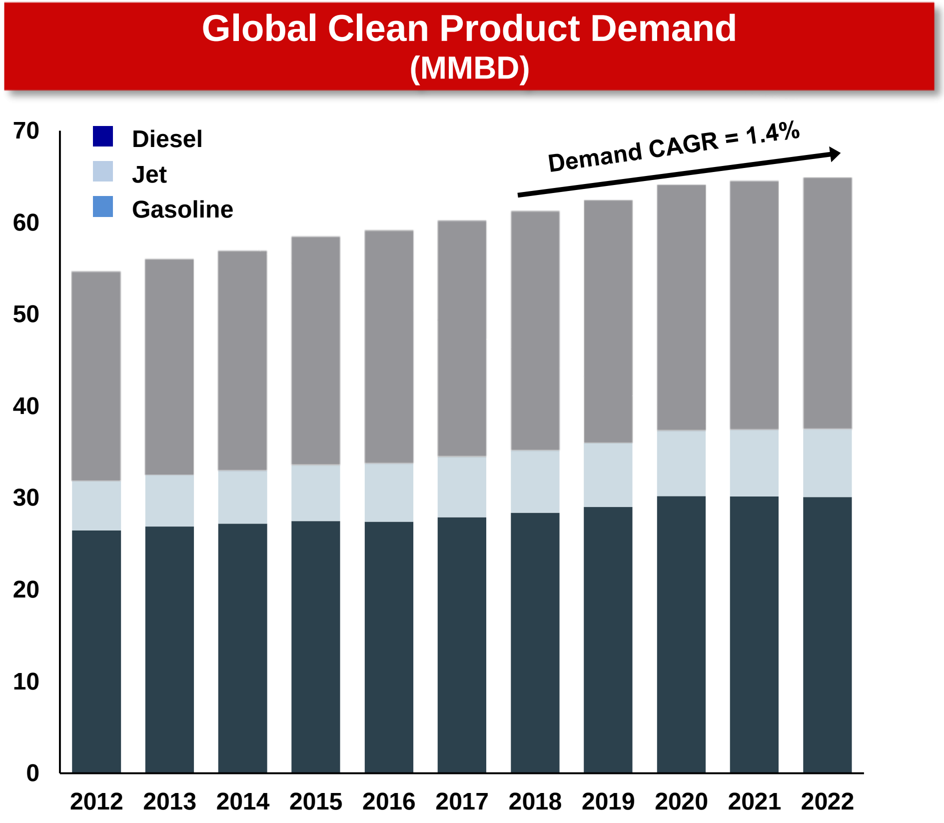
Source: I.H.S., Ethane Demand as of May 2018.

Refining Macro Environment

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

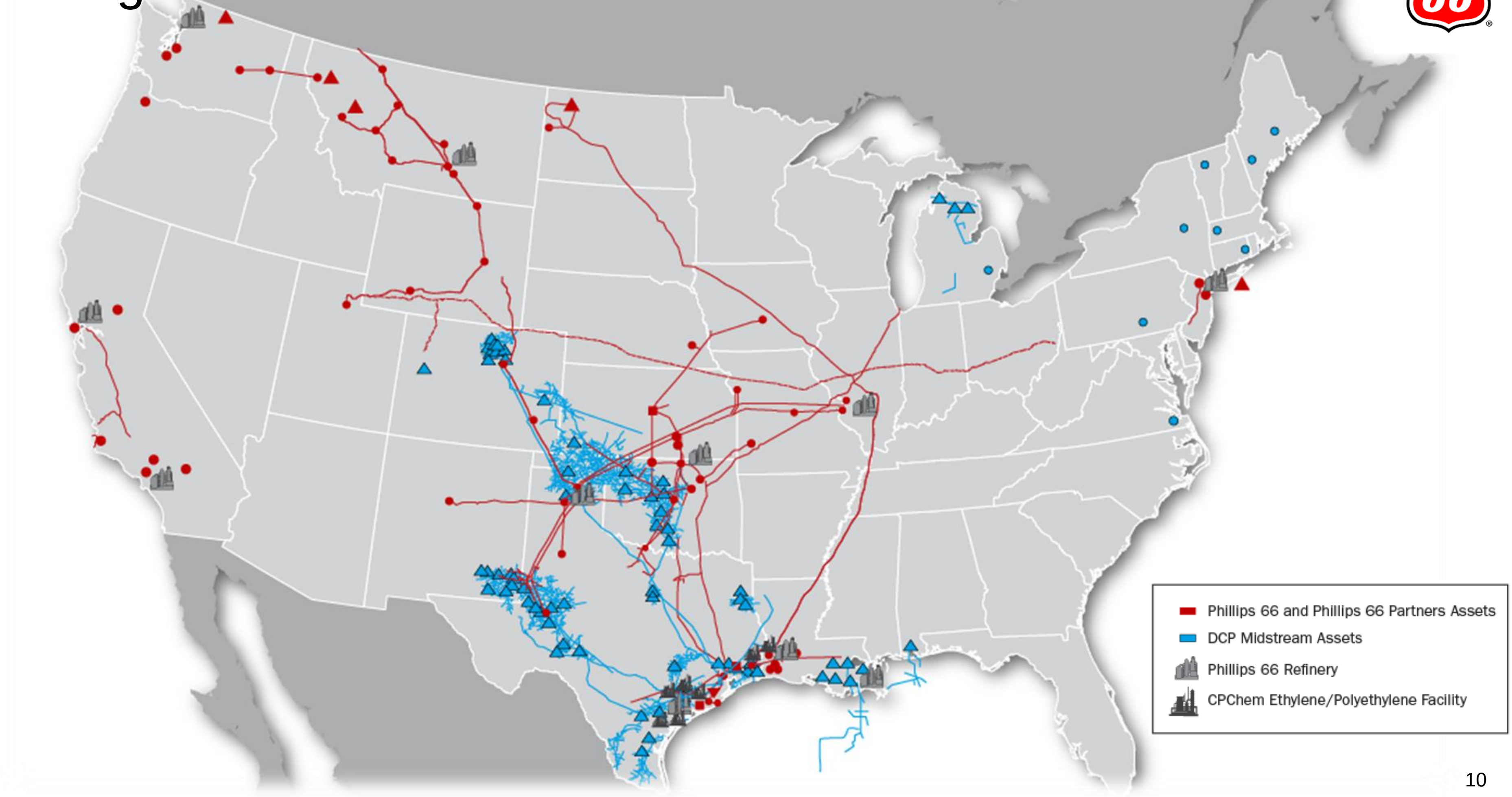
Global utilization rates expected in low-80s, with U.S. refining in low-90s

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



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

200,000 BPD 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

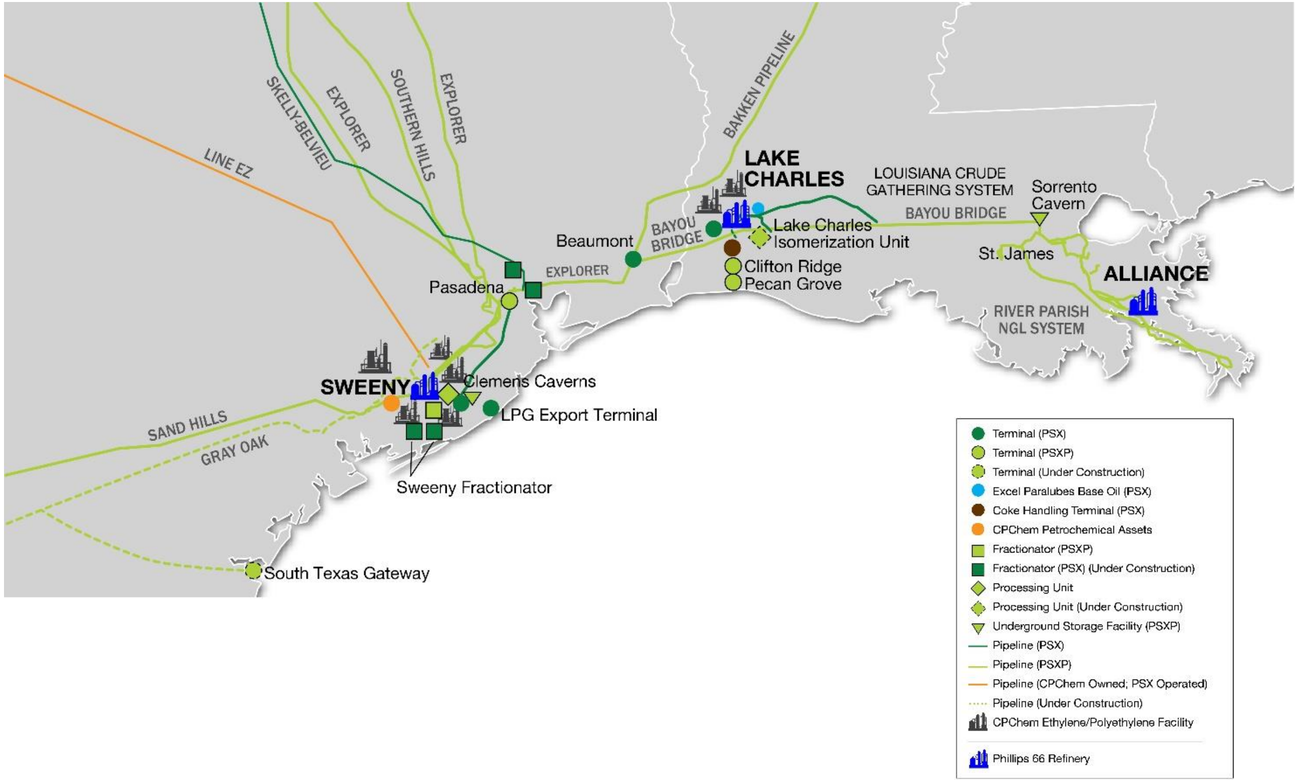
63,000 miles of natural gas pipeline systems

Beaumont Terminal, Nederland, TX

Midstream Growth

Platform for growth

- Sweeny Hub
- Gray Oak Pipeline
- South Texas Gateway Terminal
- Beaumont Terminal
- Sand Hills Pipeline expansion
- Bayou Bridge Pipeline
- Lake Charles Pipeline Project
- Lake Charles Isomerization Unit



Sweeny Hub Expansion

$1.5 B expansion of Sweeny Hub

- 2 x 150 MBD NGL fractionators
- 6 MM bbls expansion of PSXP's NGL storage capacity

Y-grade NGL feedstock supply agreements with firm volume commitments secured

Purified products will be marketed via Freeport LPG Terminal

New assets leverage and enhance existing infrastructure

Freeport LPG Terminal, Sweeny, TX

Phillips 66 Partners

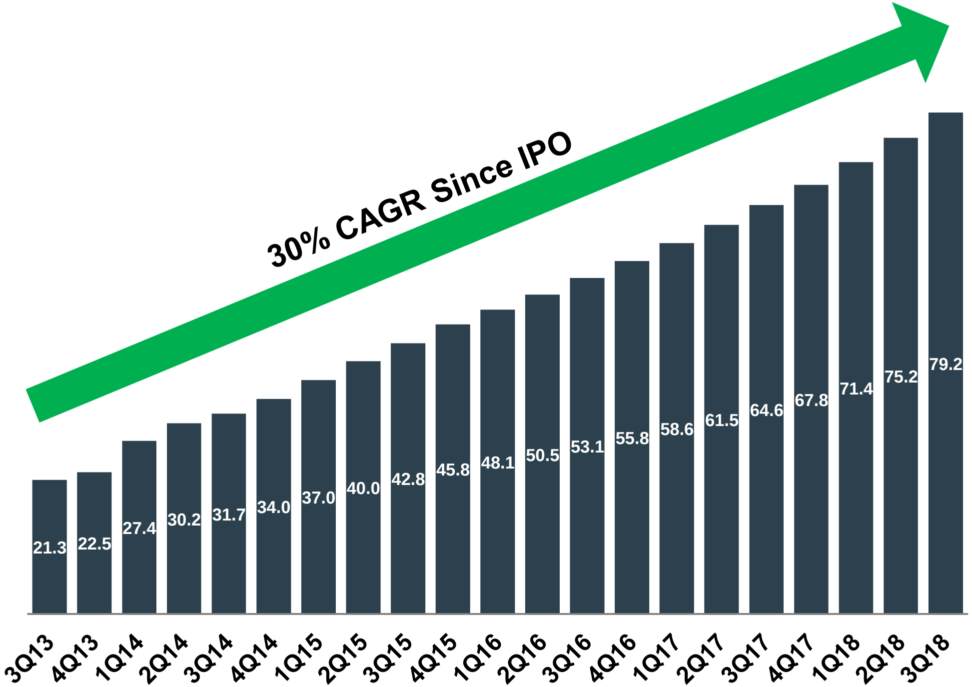
Achieved 2018E annualized run-rate $1.1 B adjusted EBITDA in 2Q18

Organic growth opportunities

30% distribution CAGR 2013-2018

Top quartile growth post-2018

Distribution Growth
(cents/common unit)



See appendix for footnotes.

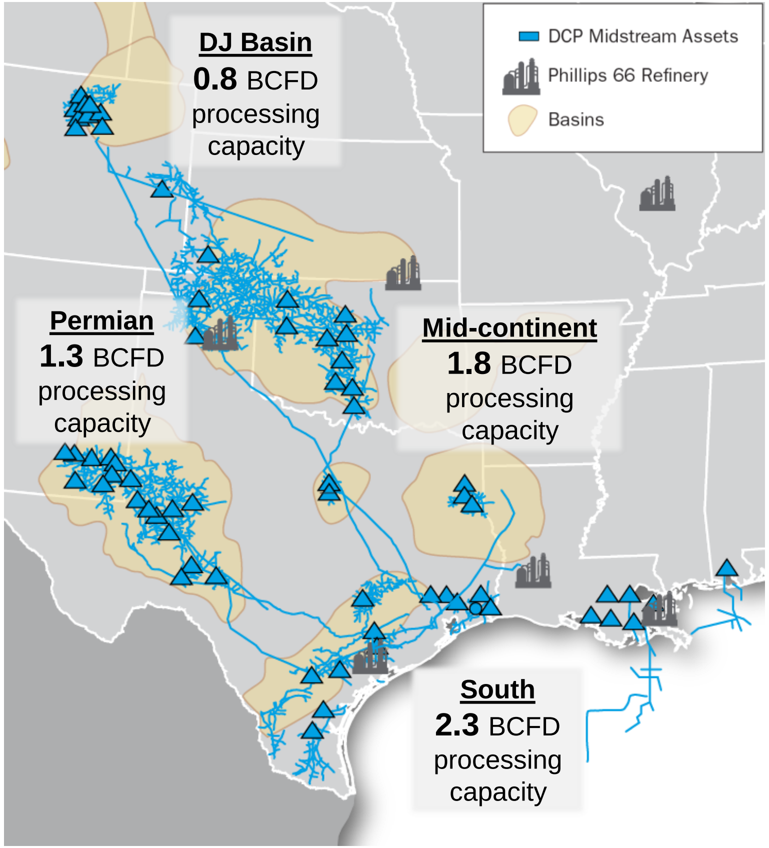
DCP Midstream

Well positioned in low-cost supply basins

Strong growth projects around existing footprint

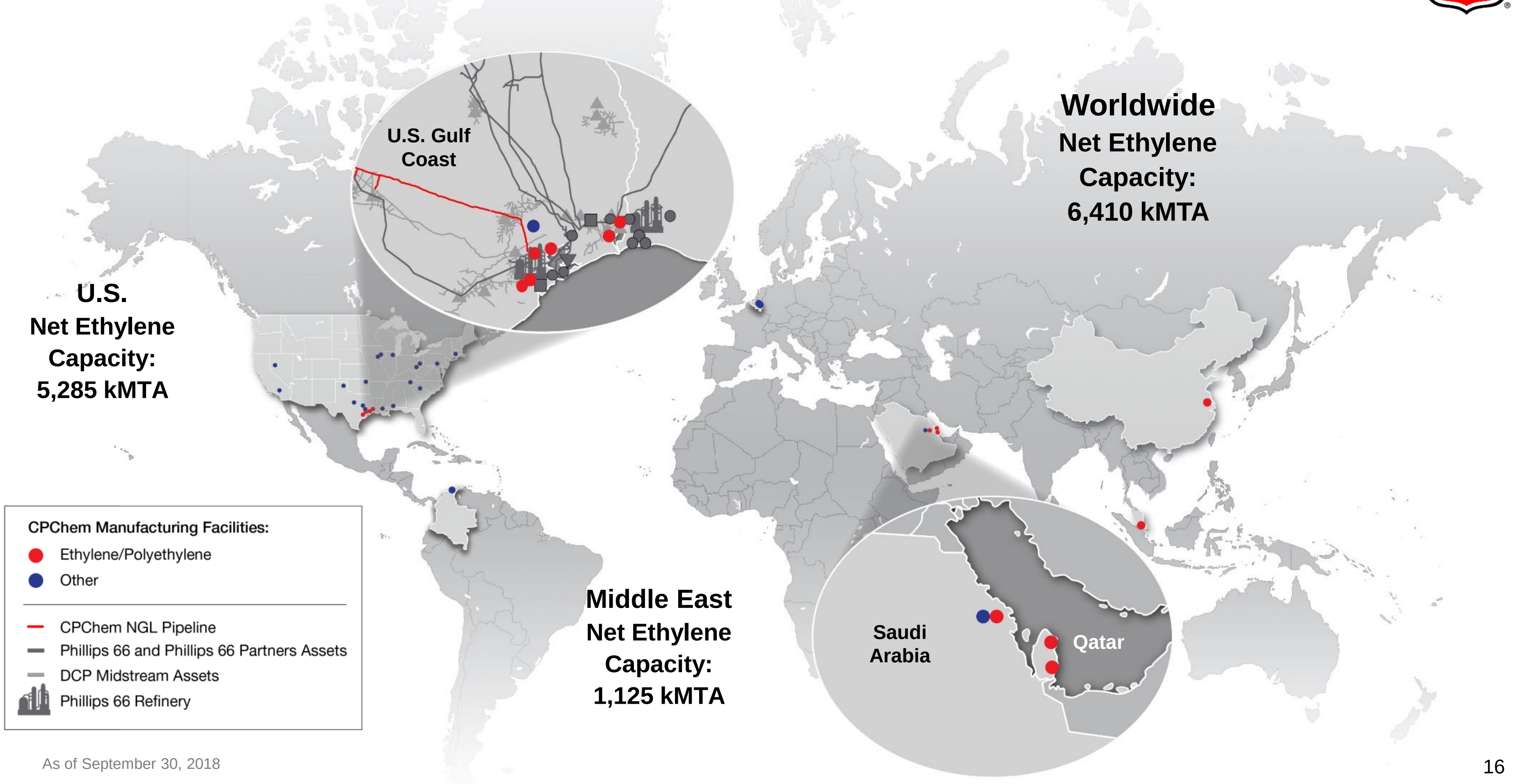
- Sand Hills NGL Pipeline expansions to 440 MBD in 3Q 2018, 485 MBD by the end of 2018
- DJ Basin gathering and processing infrastructure expansions of 200 MMCFD in 3Q 2018 with another 200 MMCFD in service 2Q 2019
- Gulf Coast Express Permian ~2 BCFD natural gas JV pipeline expected in service 4Q 2019

Stable distributions to LP unit holders and resumed distributions to owners



See appendix for footnotes.

Feedstock Advantaged Chemicals Portfolio



As of September 30, 2018

CPChem

CPChem USGC Ethane Cracker, Cedar Bayou, TX

Olefins and Polyolefins

- 11,245 kMTA/year North America capacity
- 2,510 kMTA/year Middle East capacity
- USGC Petrochemicals assets started up

Specialties, Aromatics and Styrenics

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

15 North American facilities

5 Middle East facilities

As of September 30, 2018

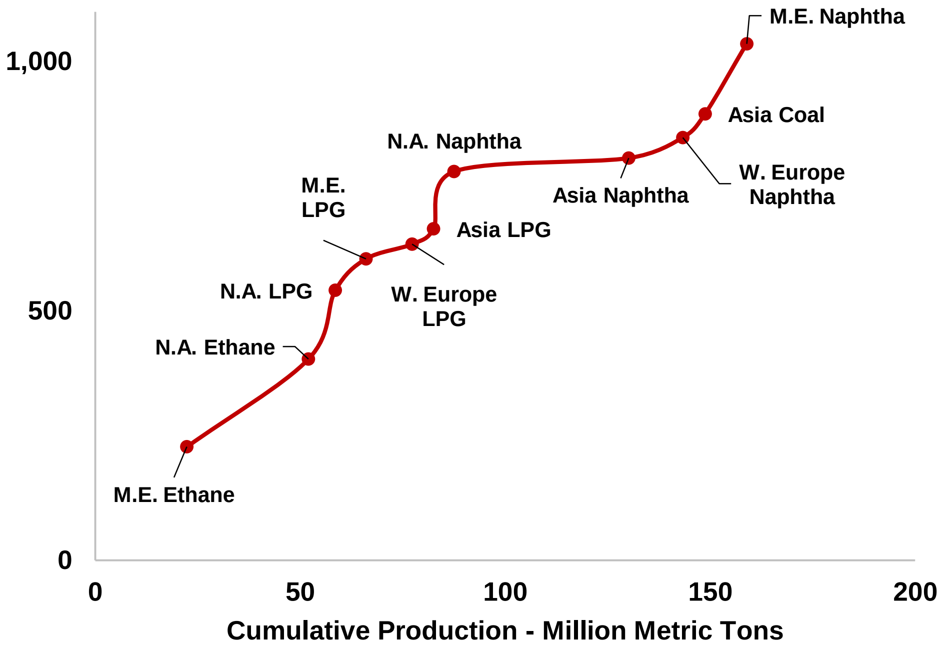
Chemicals Outlook

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

Ethylene demand growth outpacing global GDP

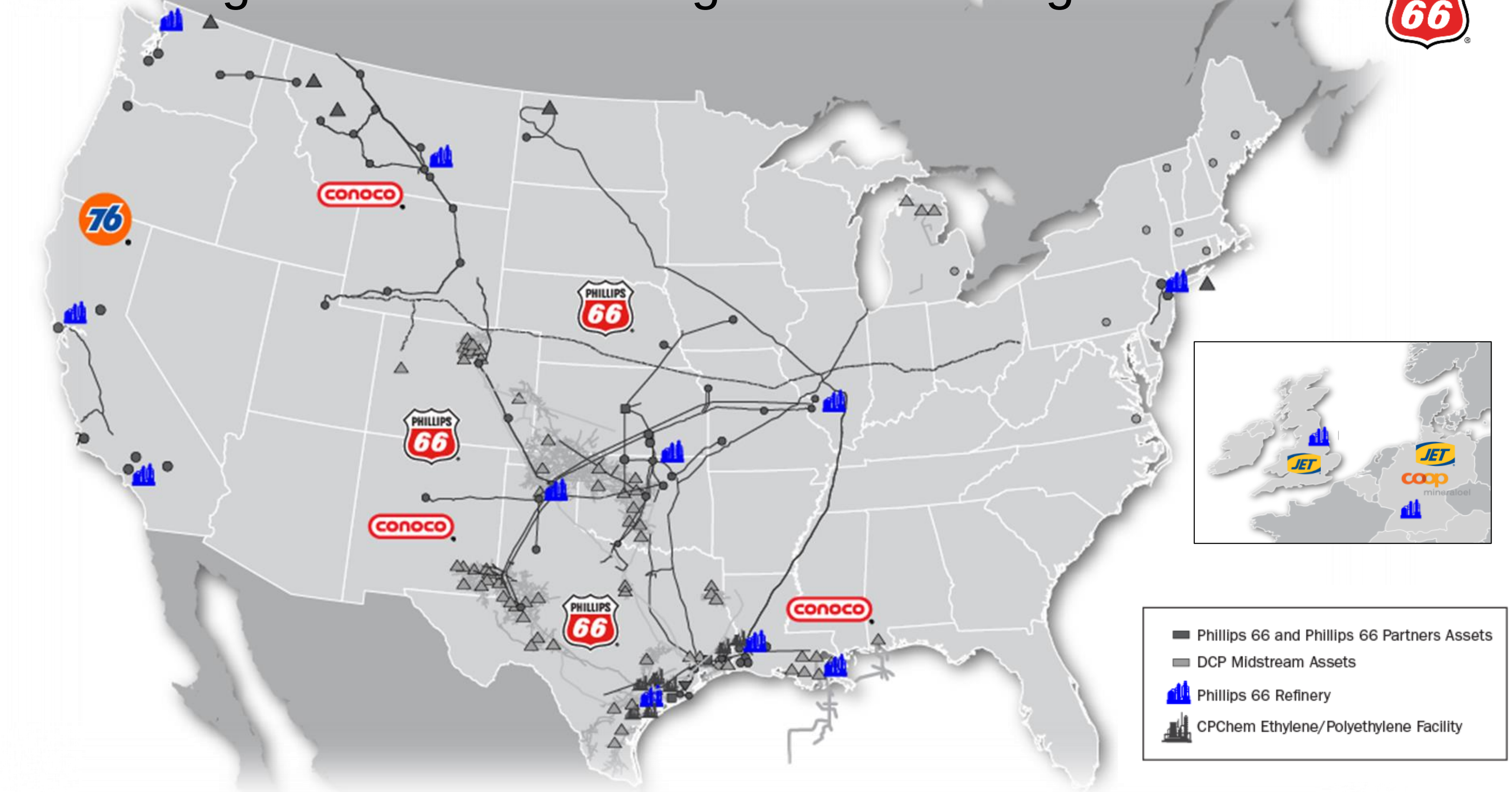
Expect demand growth to rapidly balance new capacity additions

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



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

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

2,100+ re-imaged sites since 2015

Sweeny Refinery, Sweeny, TX

Enhancing Refining Returns

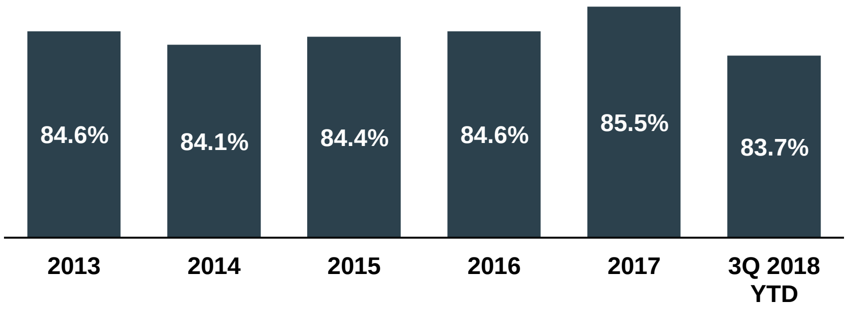
Improving returns projects

- Wood River FCC modernization (complete)
- Bayway FCC modernization (complete)
- Lake Charles crude flexibility (4Q 2018)
- Lake Charles isomerization unit (3Q 2019)*
- Sweeny FCC optimization (2Q 2020)
- ~ 25 other low-cost, high-return projects

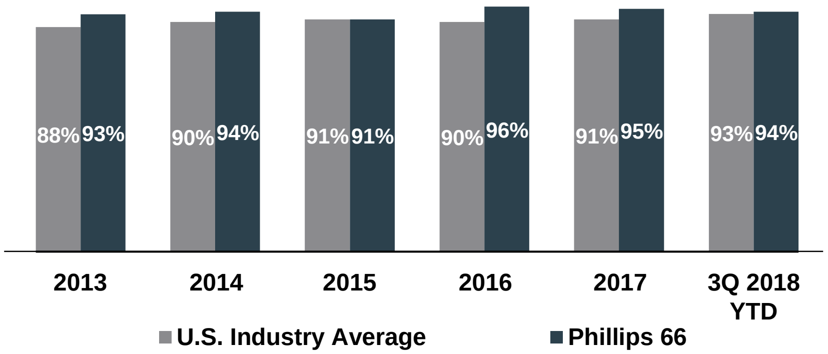
Increasing clean product yield

Top tier refinery utilization rates

Phillips 66 Global Clean Product Yield



U.S. Refining Capacity Utilization



*PSXP asset
See appendix for footnotes.

IMO 2020 Preparedness

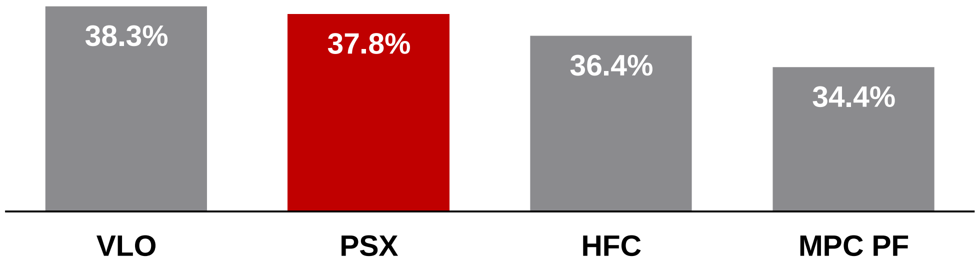
Existing PSX portfolio well positioned for IMO 2020

High distillate production

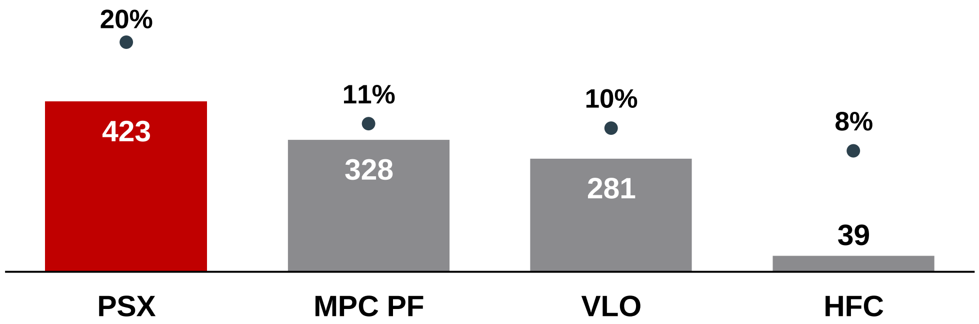
Industry leading coking capacity

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



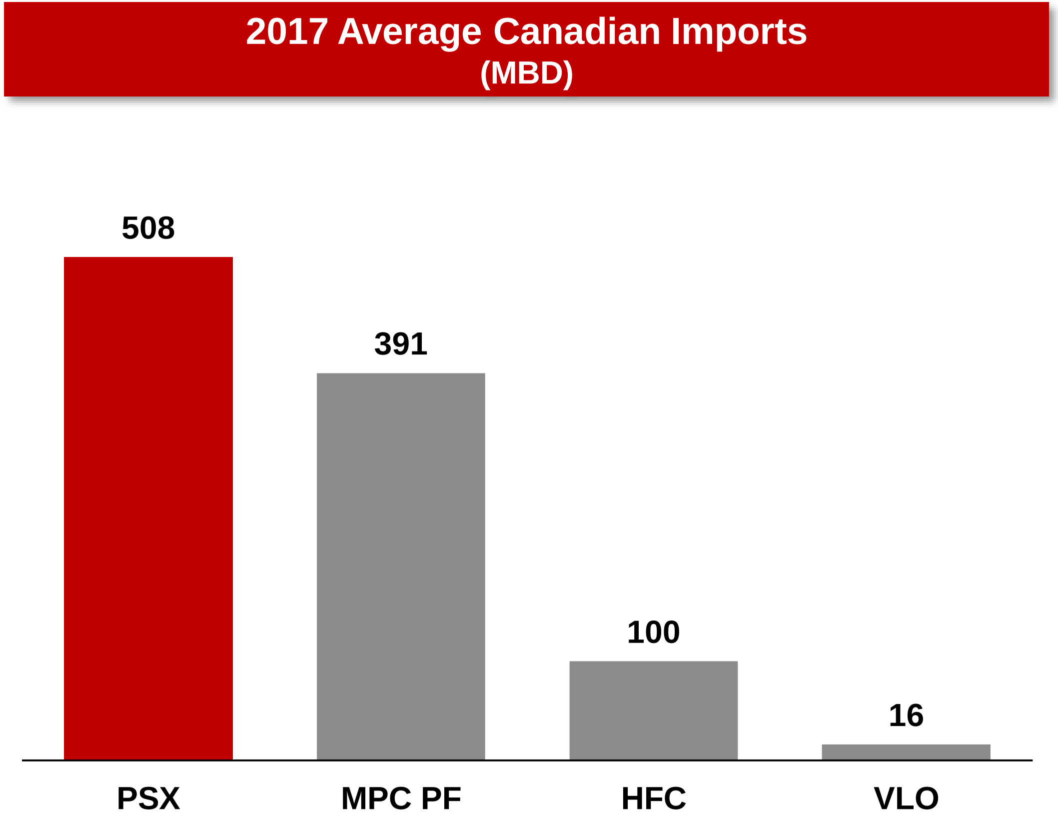
Source: 2018 Oil and Gas Journal and company disclosures. Phillips 66 includes Humber, 18.75% MiRO, and 50% WRB. MPC PF reflects pro forma capacity and production with Andeavor acquisition, including Western Refining.

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. MPC PF reflects pro forma capacity and production with Andeavor acquisition, including Western Refining.

Stable, High Return Marketing and Specialties Network

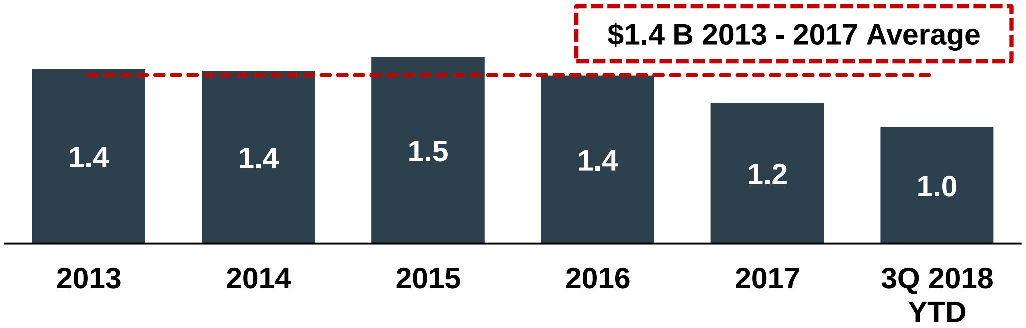
Marketing

- 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

Adjusted EBITDA ($B)



Capital Structure

Investment-grade credit ratings

PSX – BBB+ / A3

PSXP – BBB / Baa3

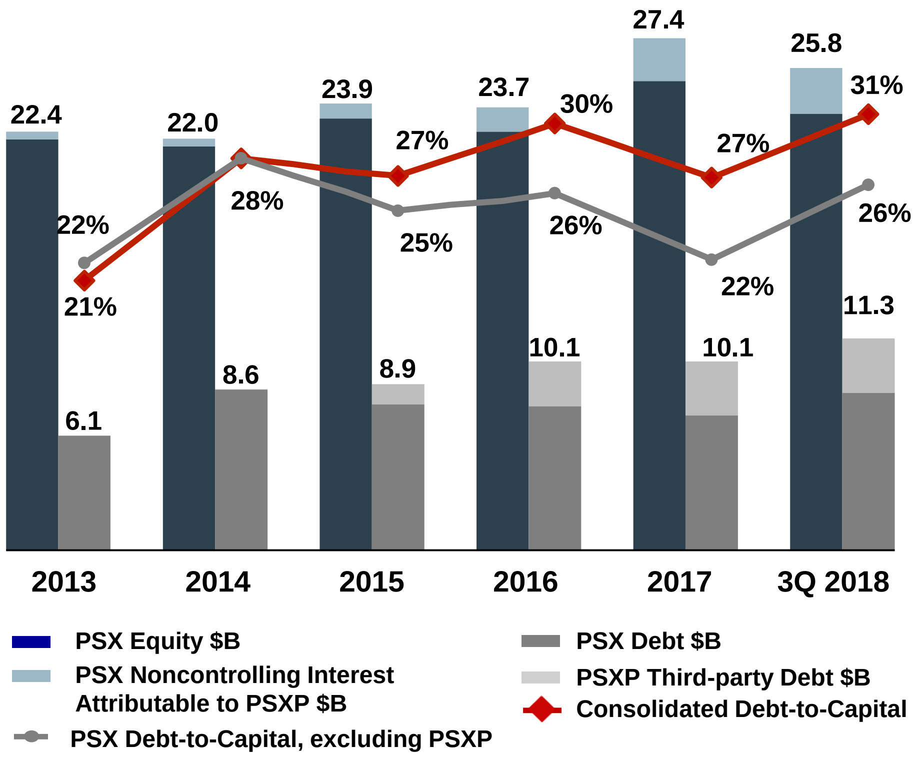
Total liquidity, as of Sep. 30, 2018

PSX – $5.8 B

PSXP – $0.9 B

~3.5x Debt/EBITDA target at PSXP

Equity and Debt



Financial Flexibility

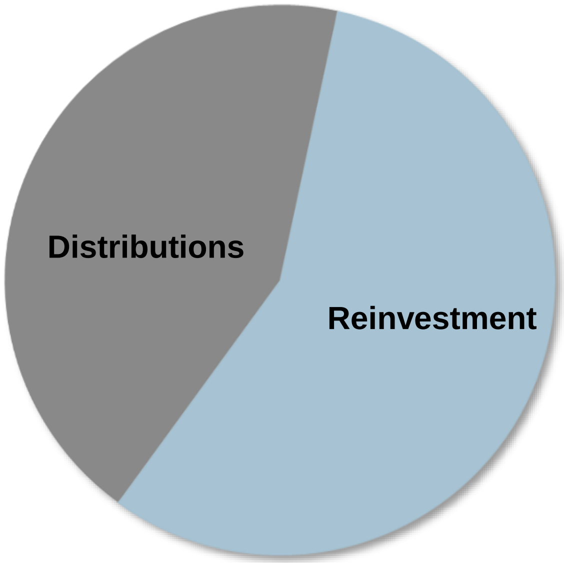
Maintain financial strength, strong investment-grade credit rating

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

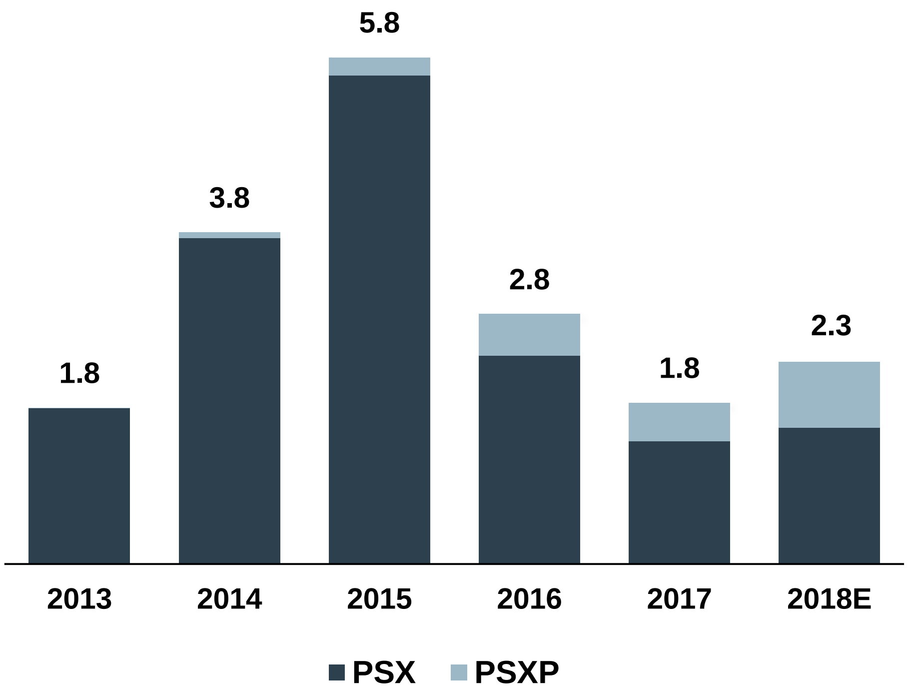
2018E Consolidated – $2.30 B

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

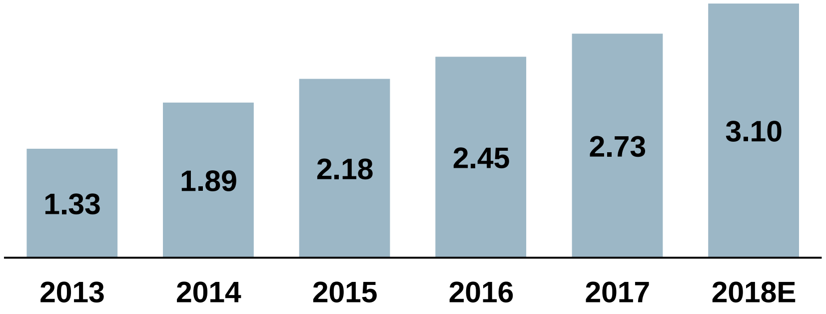
Secure, competitive, and growing dividend

- 14% increase in 2Q 2018 to $0.80 per quarter
- 27% CAGR with eight increases since May 2012

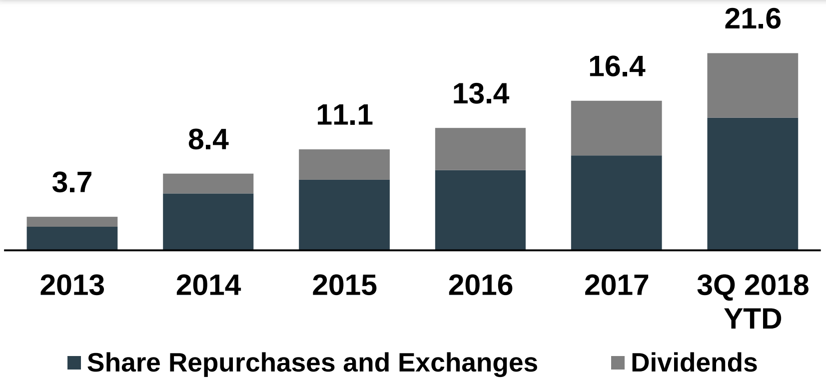
Committed to share repurchases

- Repurchased/exchanged 184 MM shares, 29% of shares initially outstanding

Annual Dividend ($/share)



Cumulative Distributions ($B)



See appendix for footnotes.

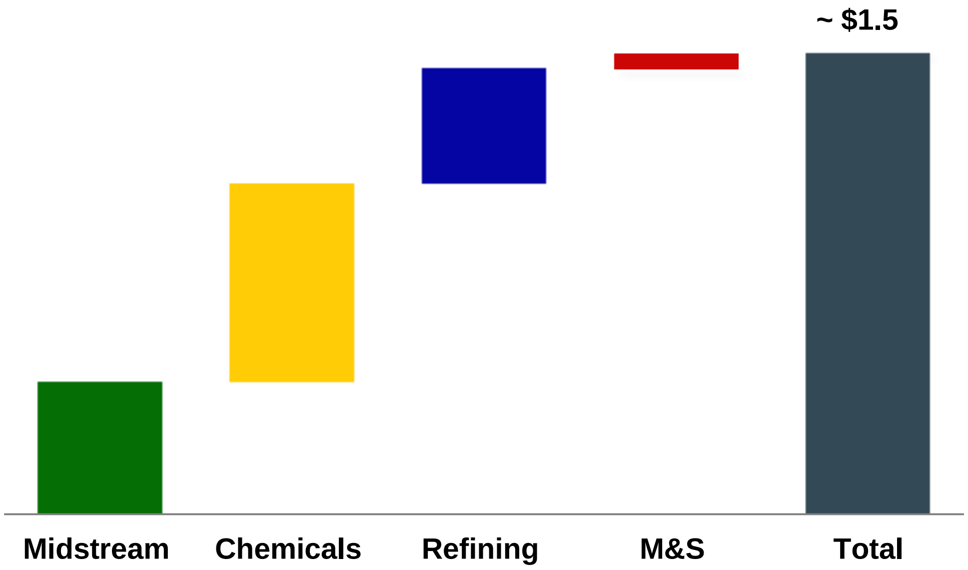
Creating Value

~ $1.5 B long-term expected adjusted 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

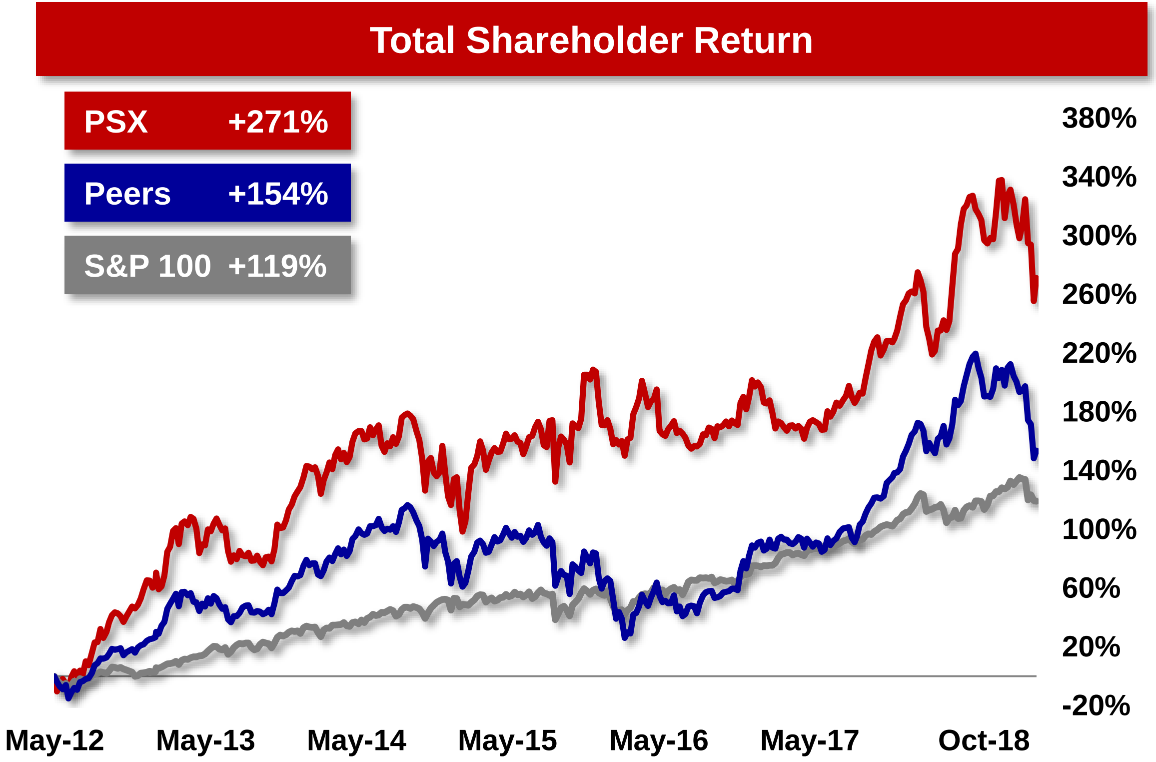
Disciplined capital allocation

Returns focused

Value-added growth

Strong balance sheet

Compelling investment



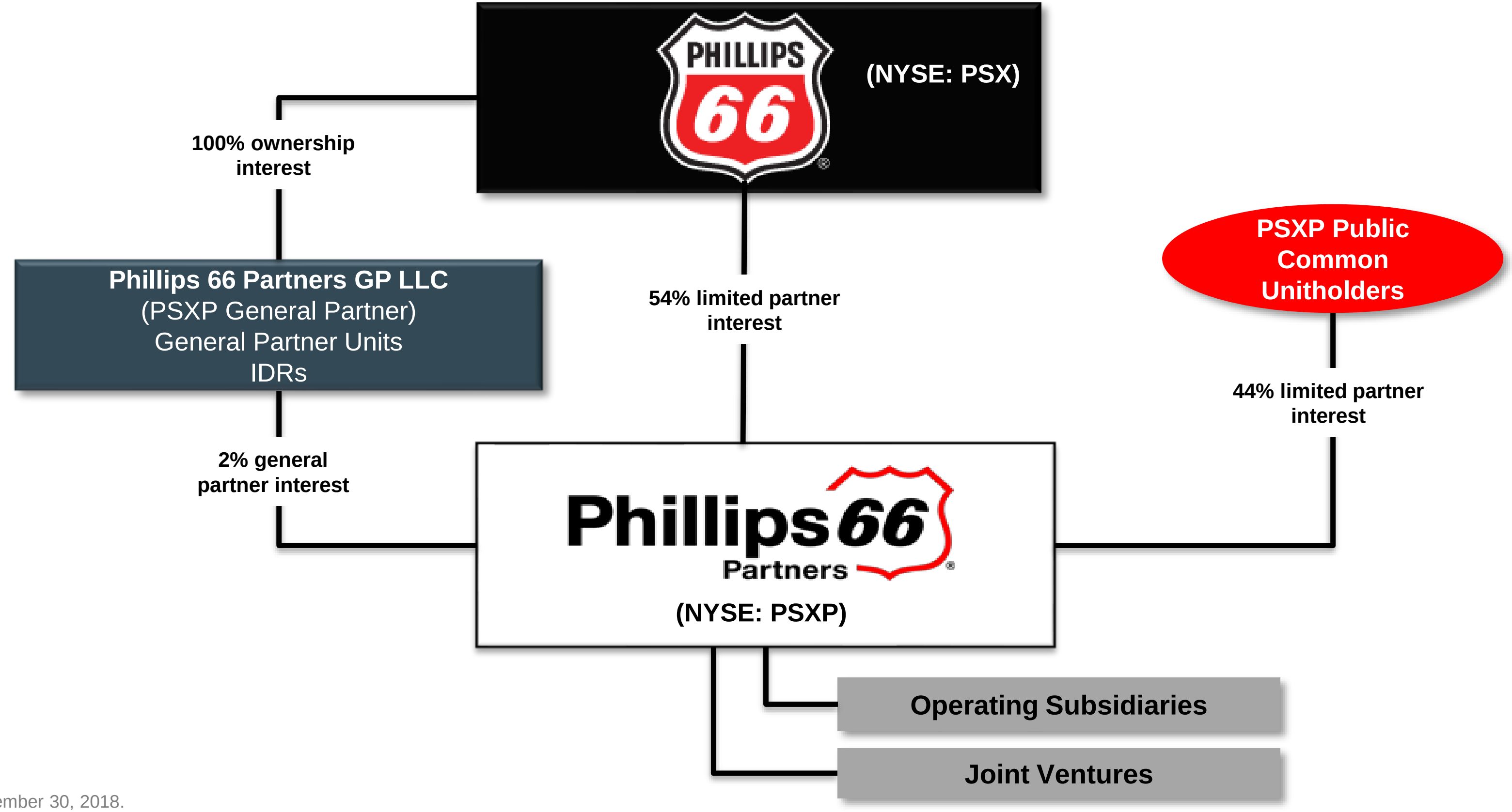
See appendix for footnotes.

Investor Update

November 2018

NYSE: PSXP
www.phillips66partners.com

Phillips 66 Partners Ownership Structure



As of September 30, 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

Phillips 66 Partners

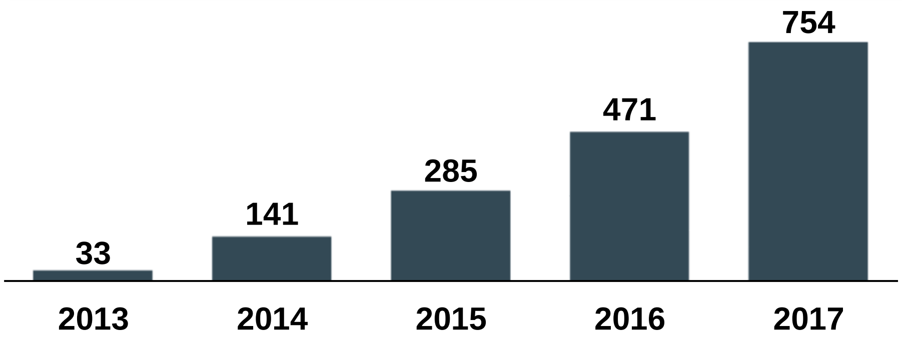
Annual performance highlights since 2014

58% growth in Earnings

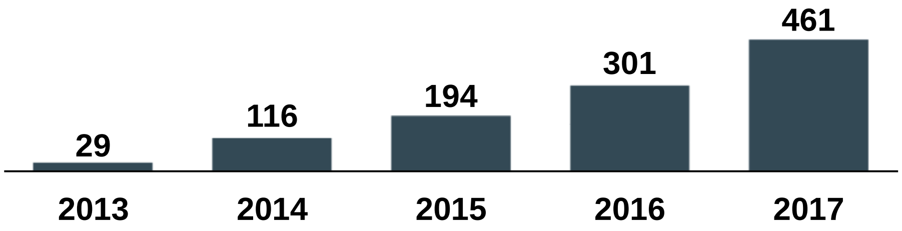
75% growth in Adjusted EBITDA

65% growth in Distributable Cash Flow

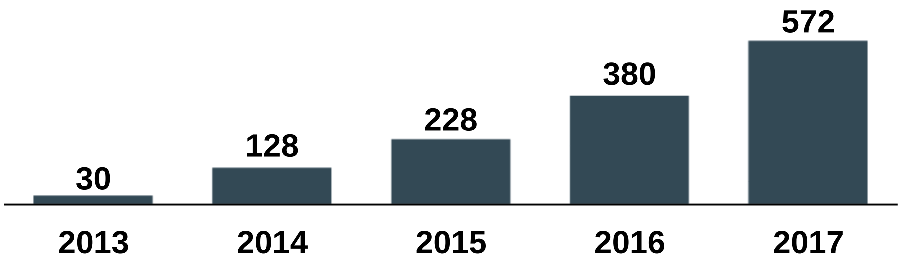
Adjusted EBITDA ($MM)



Earnings ($MM)



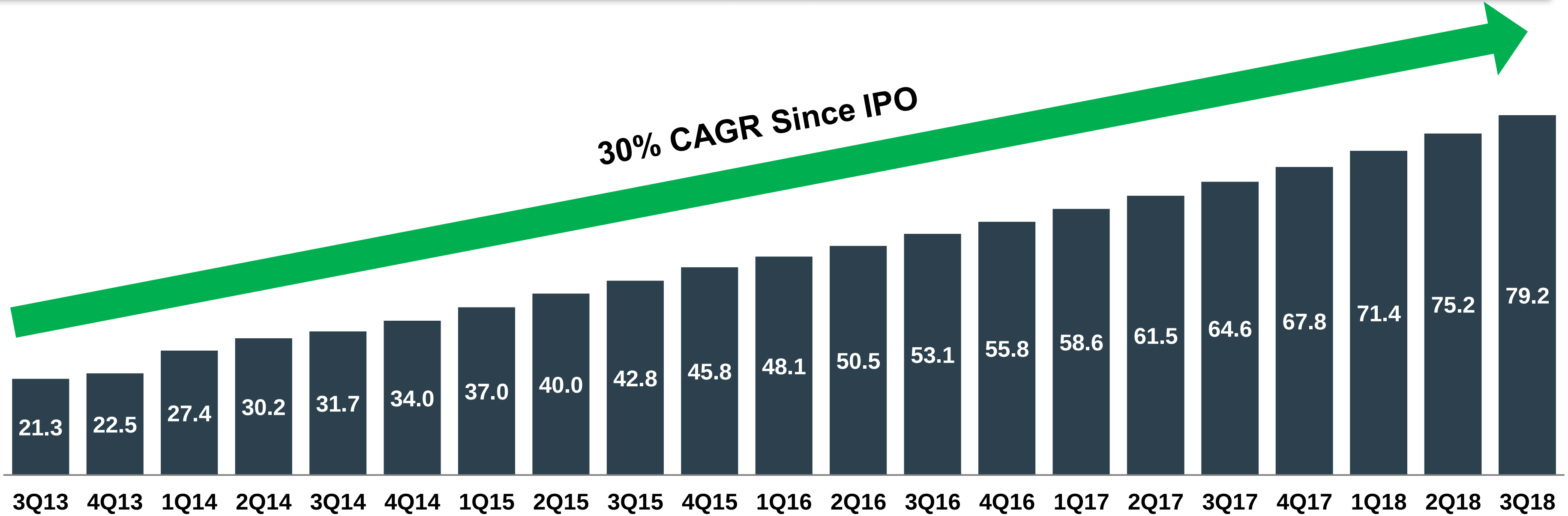
Distributable Cash Flow ($MM)



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

Distribution / Common LP Unit
(cents)



	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
Coverage Ratio	1.13	1.10	1.10	1.44	1.32	1.28	1.14	1.17	1.39	1.45	1.14	1.20	1.24	1.48	1.31	1.35	1.12	1.33	1.40	1.38	1.36

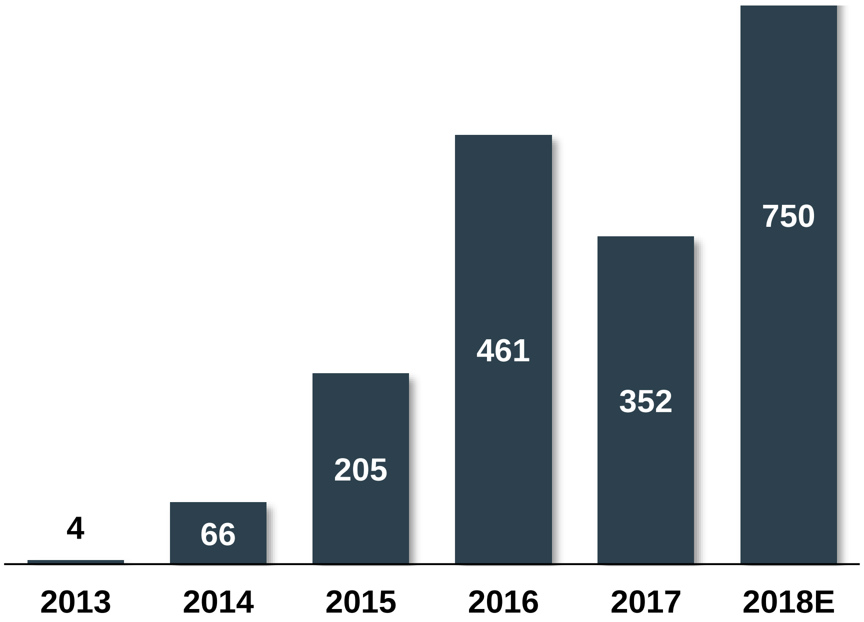
3Q 2013 distribution represents the minimum quarterly distribution, actual distribution of 15.48 cents equal to MQD prorated.

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.

Gray Oak Pipeline

Phillips 66 Partners

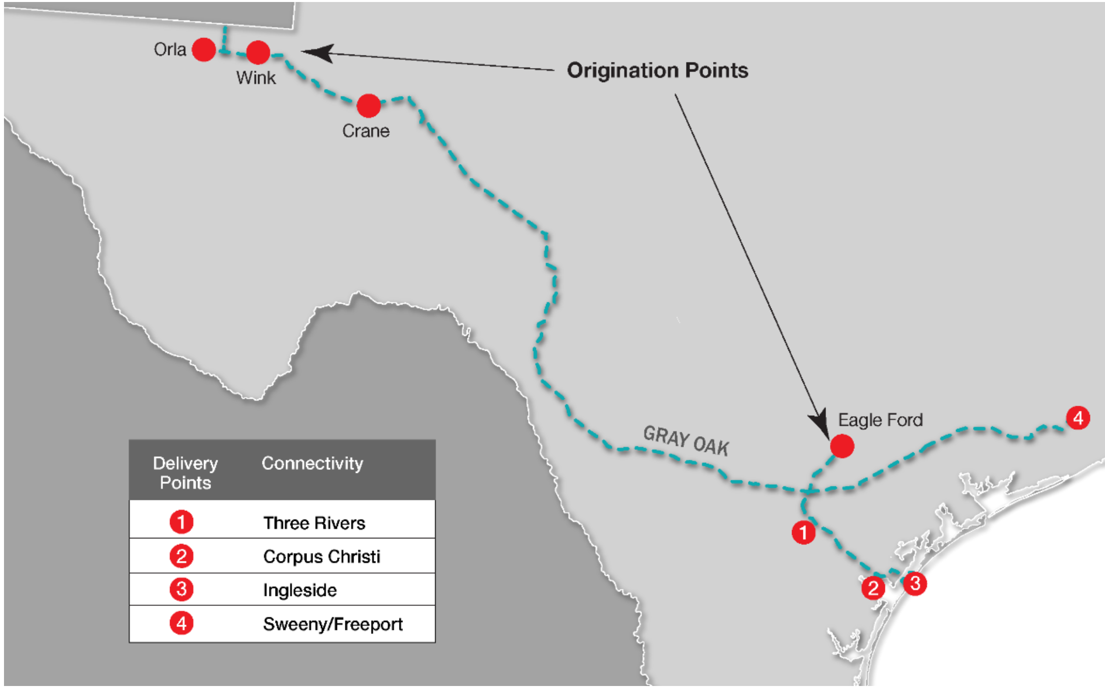
Crude oil pipeline from West Texas to Corpus Christi and Sweeny/Freeport markets

900 MBD pipeline capacity

42.25% PSXP ownership*

Operated by Phillips 66

Expected in service by end of 2019



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

*PSXP equity of 42.25% assumes all third party options are exercised

PSXP Organic Growth

Project	Completion Date	Gross Capital ($MM)	PSXP Equity (%)
Sacagawea Gas Pipeline	3Q 2018	60	49.5
Sand Hills Pipeline expansion	4Q 2018	450	33.3
Bayou Bridge Pipeline (segments I and II)	4Q 2018	750	40
Lake Charles products pipeline	2Q 2019	25	100
Lake Charles isomerization unit	3Q 2019	200	99
Gray Oak Pipeline	4Q 2019	2,200	42.25*
South Texas Gateway Terminal	4Q 2019	325†	25
Clemens Caverns expansion	4Q 2020	150	100

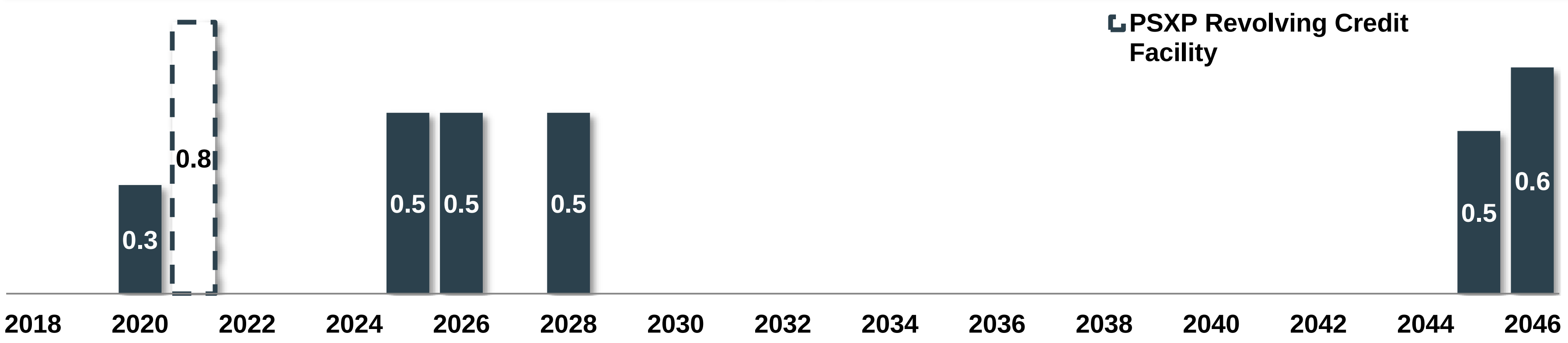
Projects expected to have typical Midstream EBITDA build multiples (6x – 8x)

* PSXP equity of 42.25% assumes all third party options are exercised
† Assumes midpoint of capital range

PSXP Debt Profile

Phillips 66 Partners

Senior Notes Maturity Profile ($B)



$2.9 B Total Debt as of September 30, 2018

- $2.9 B Senior Notes, weighted-average cost of 3.97%
- $75 MM MSLP Tax-exempt Bonds

BBB / Baa3 Credit Rating

Senior Notes ($MM)

Year Due	Principal ($MM)	Coupon
PSXP 2020	$300	2.646%
PSXP 2025	$500	3.605%
PSXP 2026	$500	3.550%
PSXP 2028	$500	3.750%
PSXP 2045	$450	4.680%
PSXP 2046	$625	4.900%
Total	**$2,875**	**3.970%**

Weighted average cost excludes revolving credit facility.
Total debt is net of $28 MM new issuance premiums and discounts.

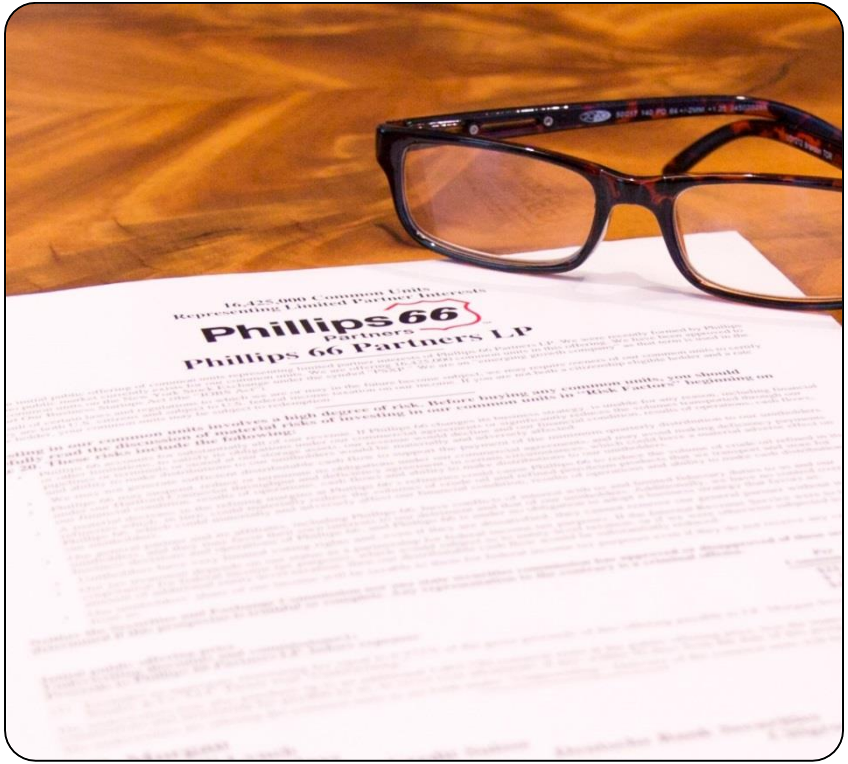
Financial Flexibility

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

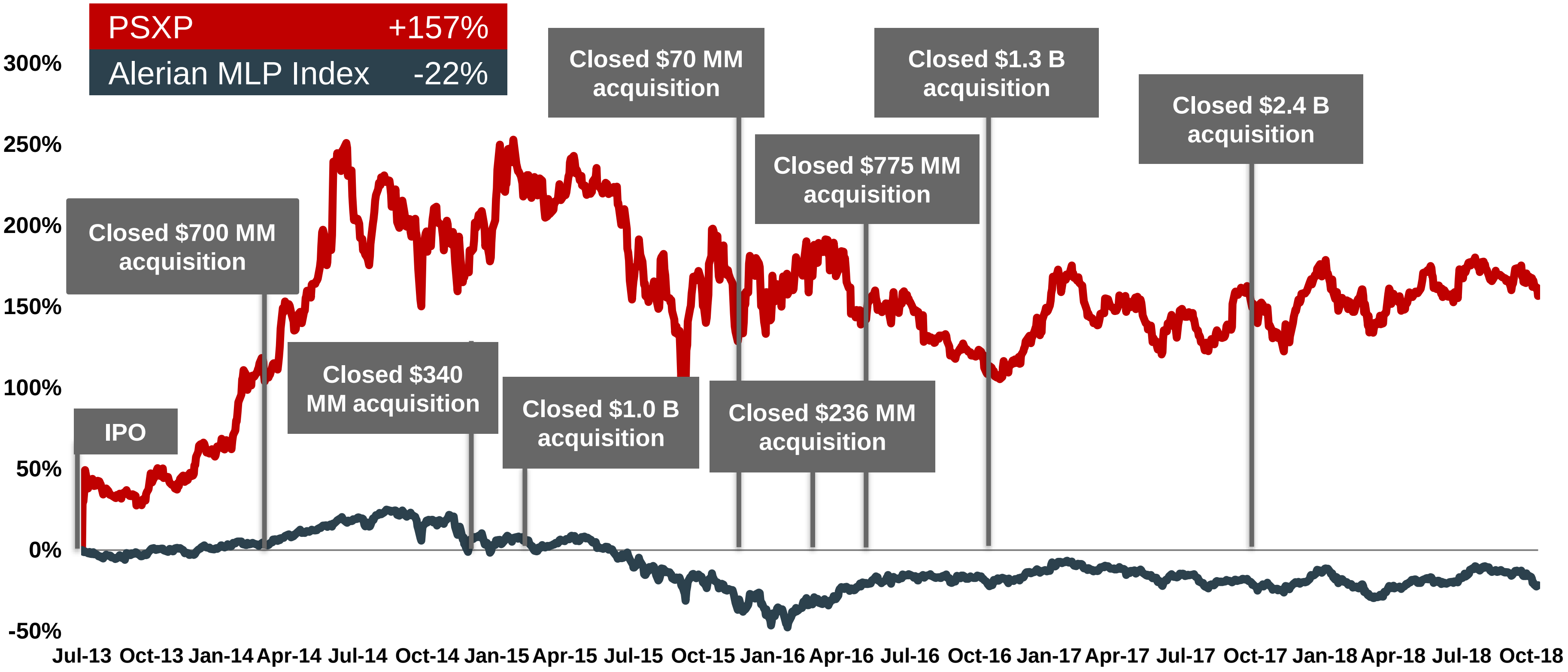


Chart reflects total unitholder return July 22, 2013 to October 31, 2018. Distributions assumed to be reinvested in units. Source: Bloomberg.
See appendix for further footnotes.

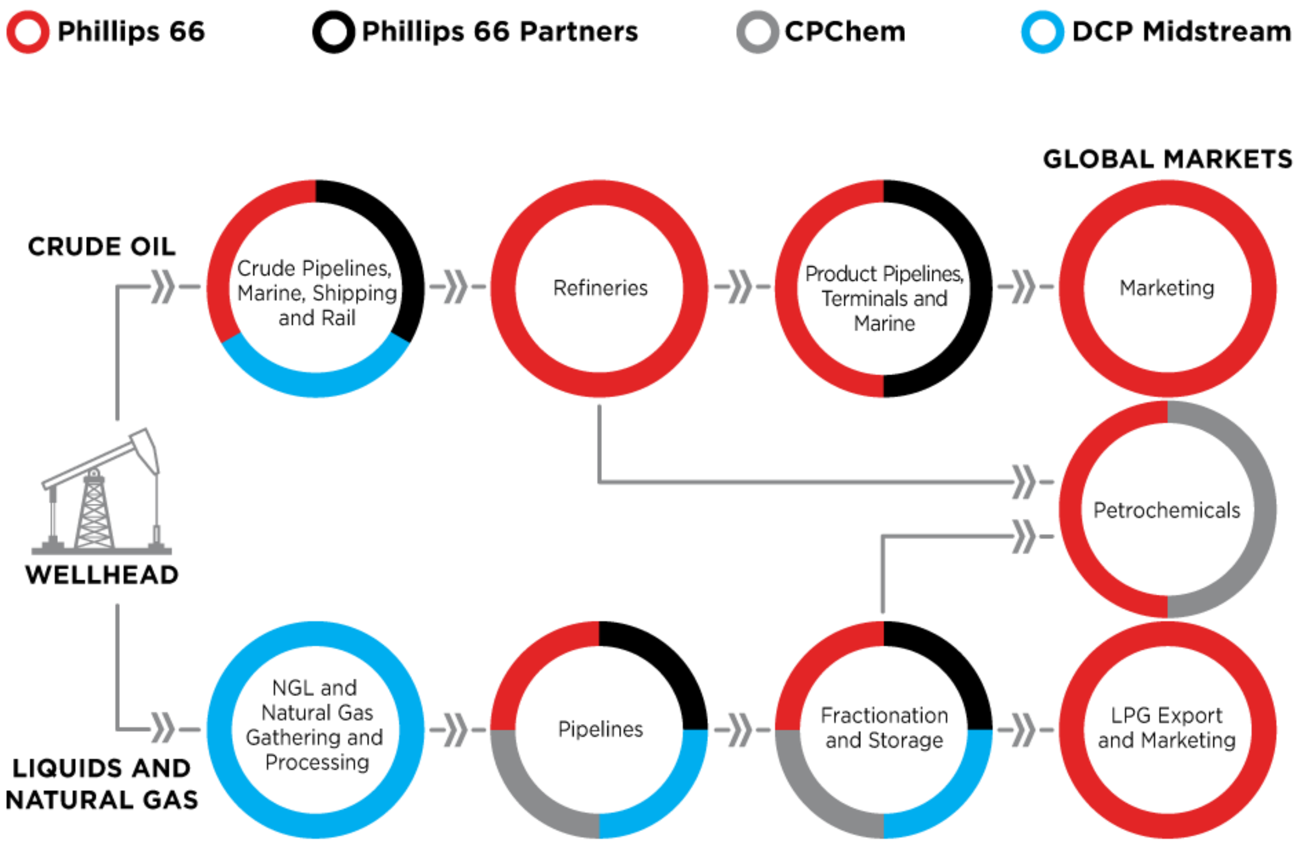
Appendix

Freeport LPG Export Terminal

Corporate Strategy

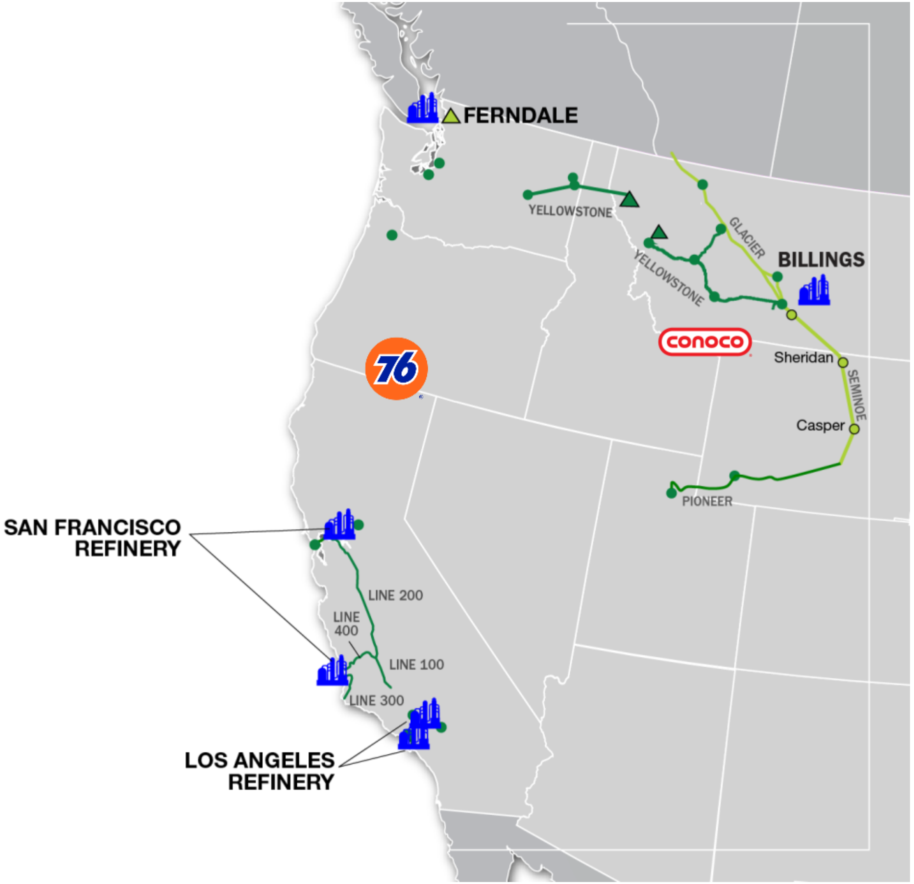
Operating Excellence	Committed to safety, reliability and environmental stewardship while protecting shareholder value
Growth	Reshaping our portfolio by capturing growth opportunities in Midstream and Chemicals
Returns	Enhancing returns by maximizing earnings from existing assets and investing capital 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
LIQUIDS AND NATURAL GAS
NGL and Natural Gas Gathering and Processing
Pipelines
Fractionation and Storage
LPG Export and Marketing

West Coast

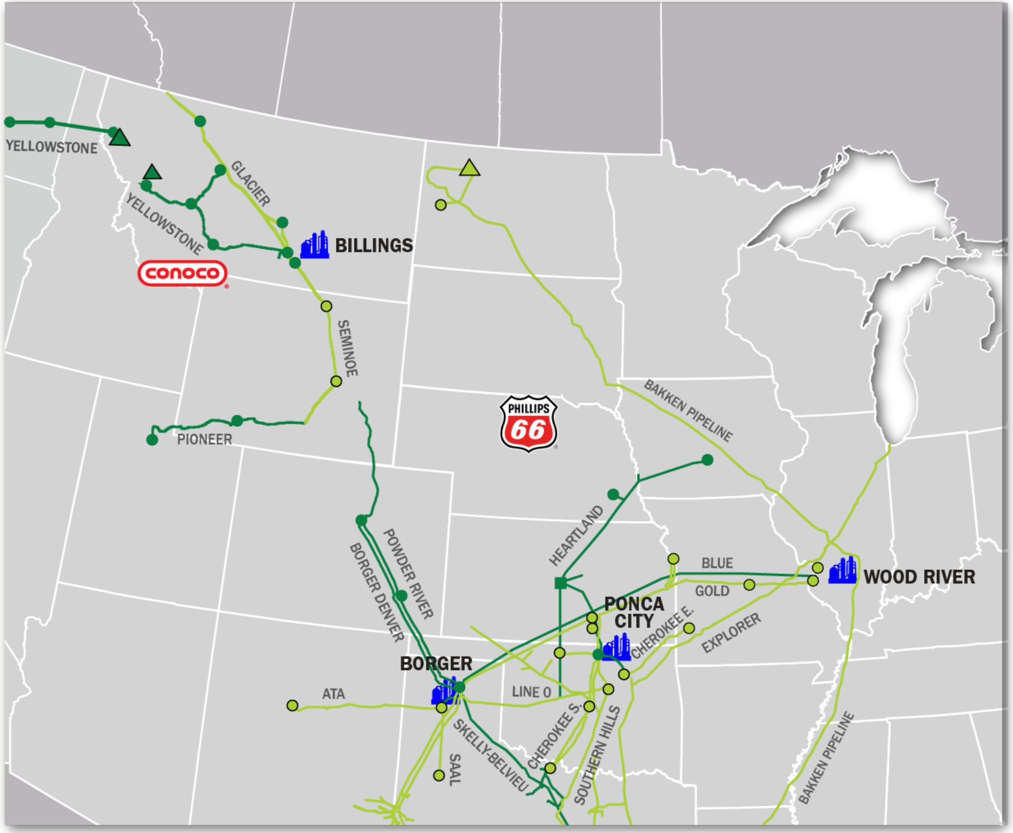
- Terminal (PSX)
- Terminal (PSXP)
- Pipeline (PSX)
- Pipeline (PSXP)
- Rail Rack (PSX)
- Rail Rack (PSXP)
- Phillips 66 Operated Refinery



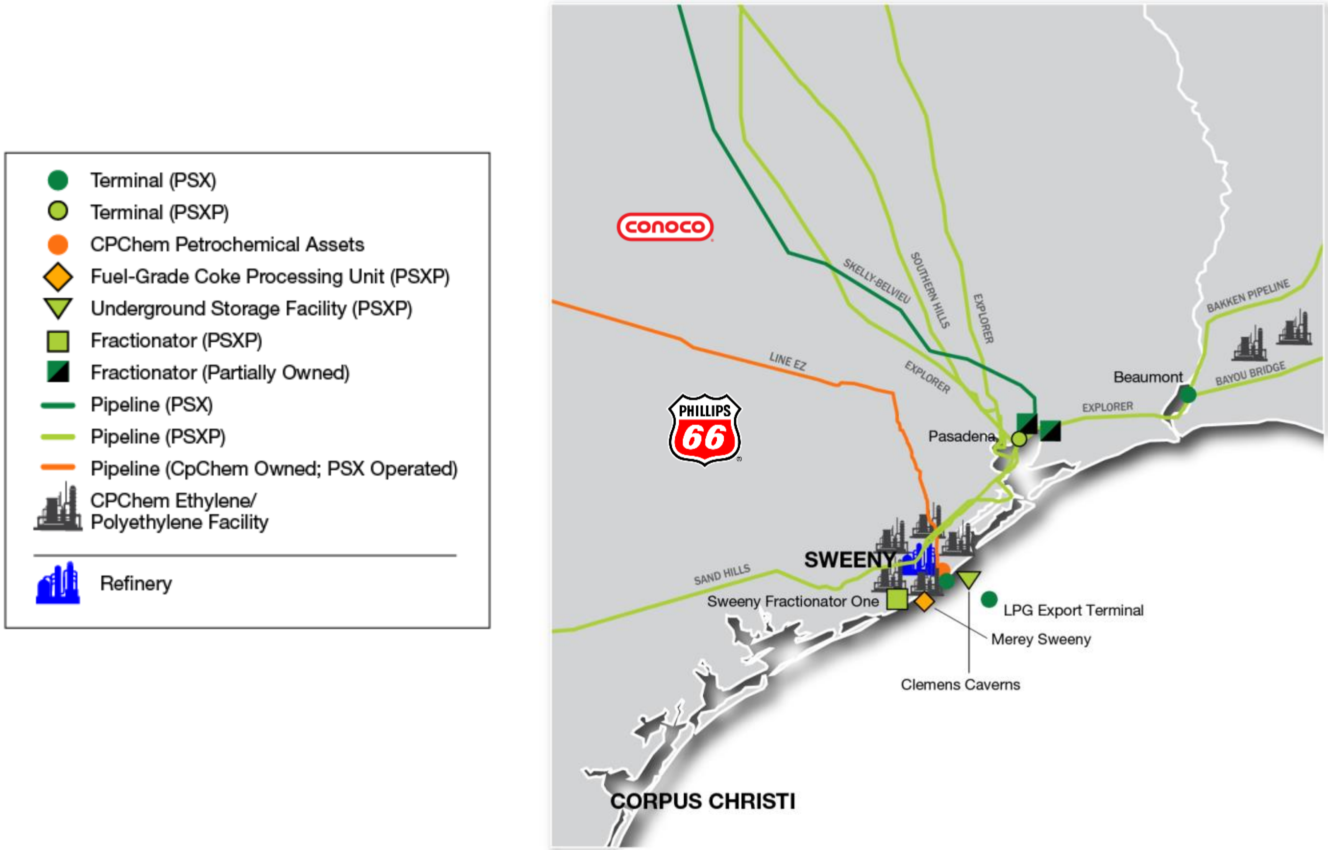
Midcontinent

Terminal (PSX)
Terminal (PSXP)
Fractionator (PSX)
Pipeline (PSX)
Pipeline (PSXP)
Rail Rack (PSX)
Rail Rack (PSXP)

Phillips 66 Operated Refinery

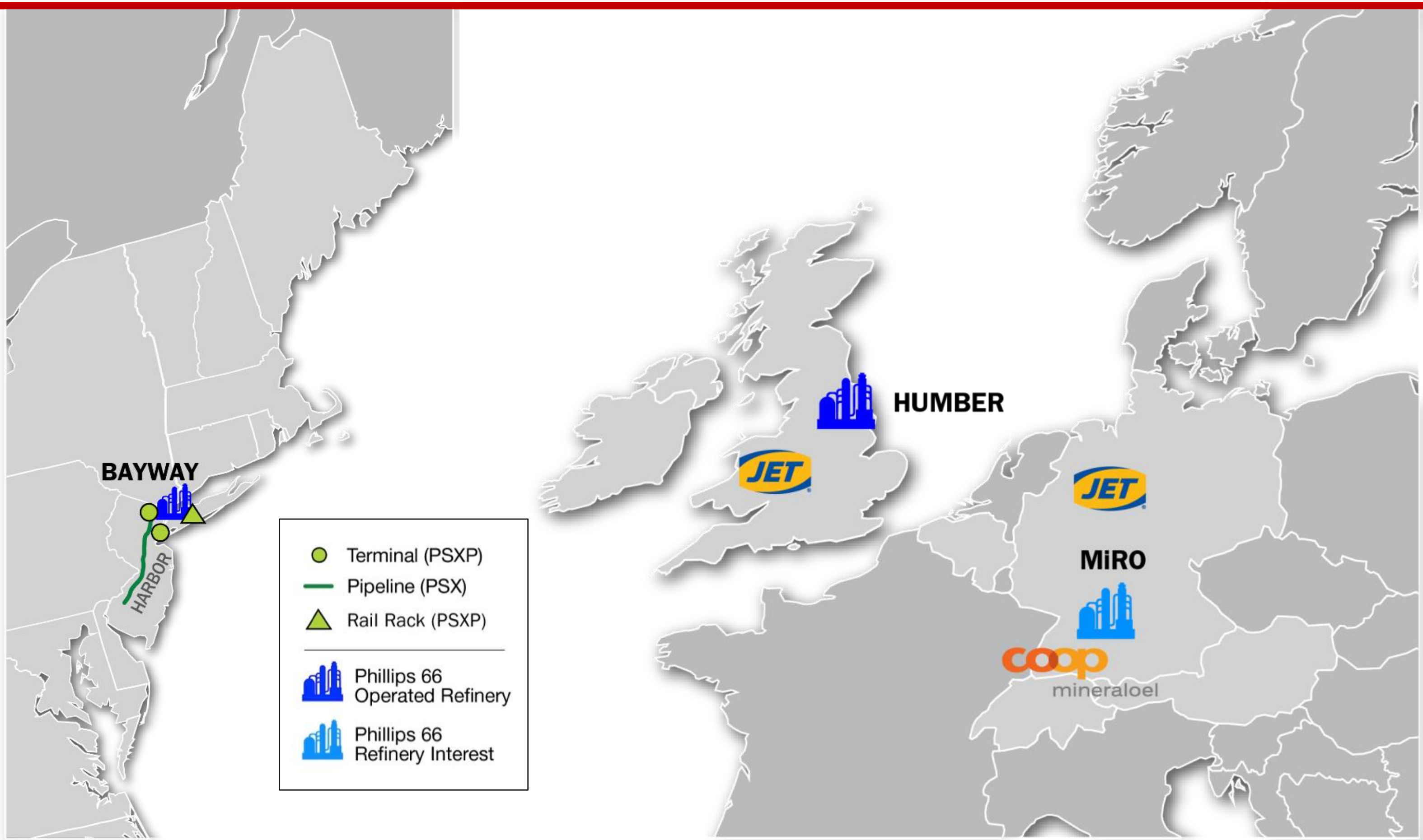


Western Gulf

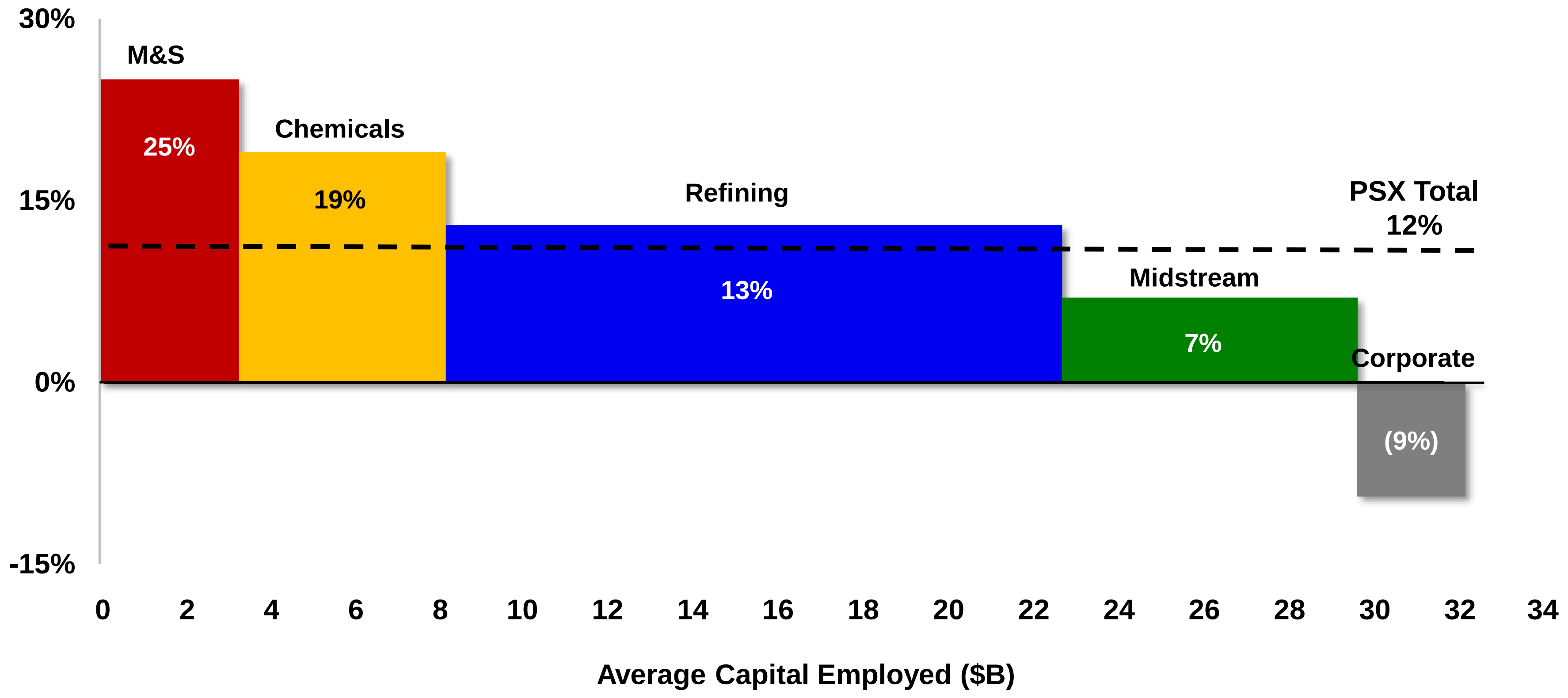


Eastern Gulf

Atlantic Basin

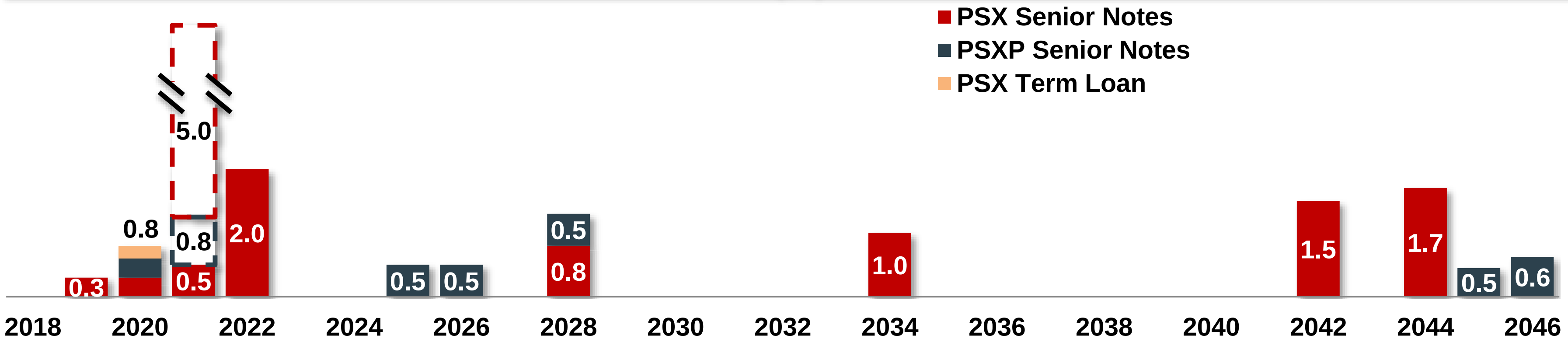


2012–3Q 2018 Average Adjusted ROCE



Consolidated Debt and Liquidity

Senior Notes Maturity Profile ($B)



Phillips 66, excluding PSXP

$8.4 B Total Debt as of September 30, 2018

$8.1 B Senior Notes

$5.8 B Total liquidity ($5.0 B RCF)

BBB+ / A3 Credit Rating

Phillips 66 Partners

$2.9 B Total Debt as of September 30, 2018

$2.9 B Senior Notes

$0.9 B Total liquidity ($0.8 B RCF)

BBB / Baa3 Credit Rating

Total debt includes capital leases and is net of new issuance premiums and discounts.

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
10 cent/MMBtu Increase in Natural Gas price	(15)
1.0% increase in clean product yield	140

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

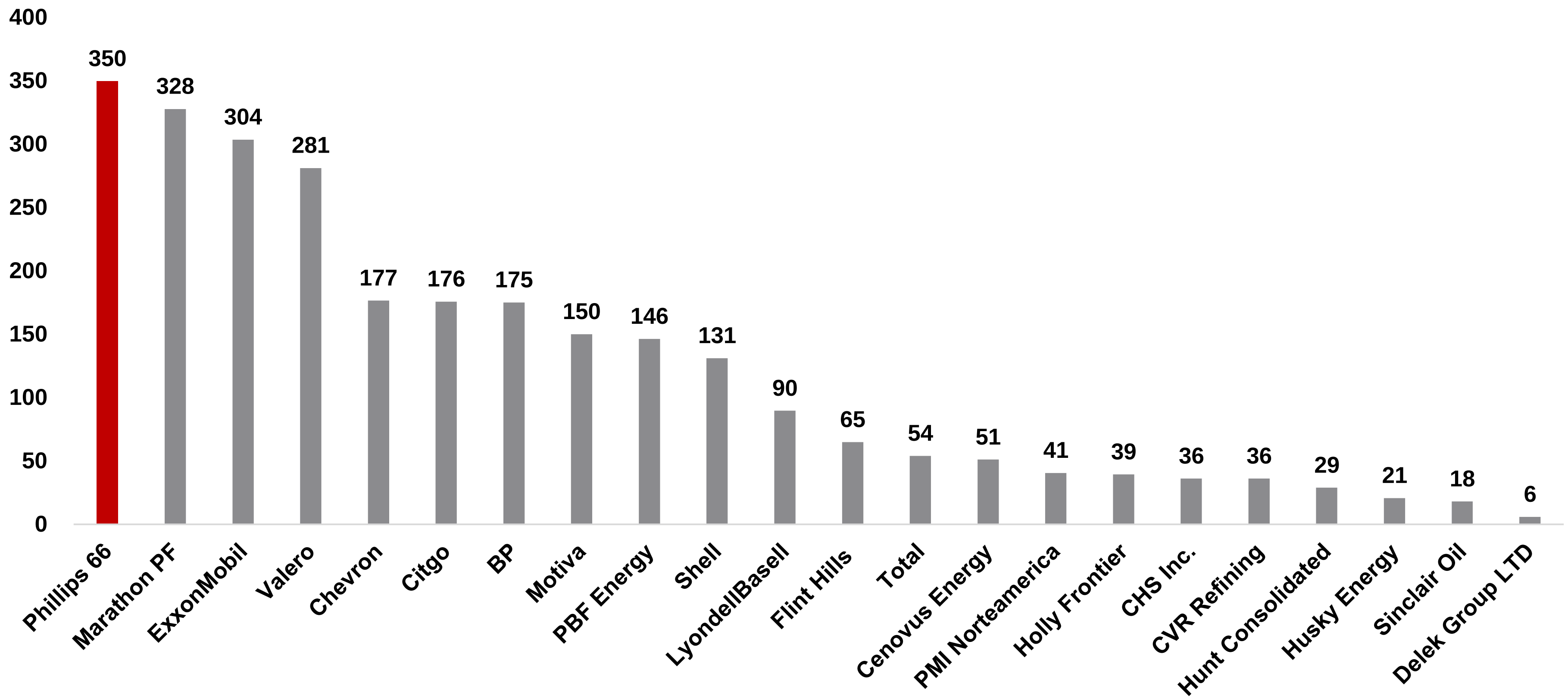
Phillips 66 Outlook

4Q 2018	
Global Olefins & Polyolefins utilization	Mid-90%
Refining crude utilization	Mid-90%
Refining turnaround expenses (pre-tax)	$110 MM - $130 MM
Corporate & other costs (after-tax)	$170 MM - $190 MM
2018	
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

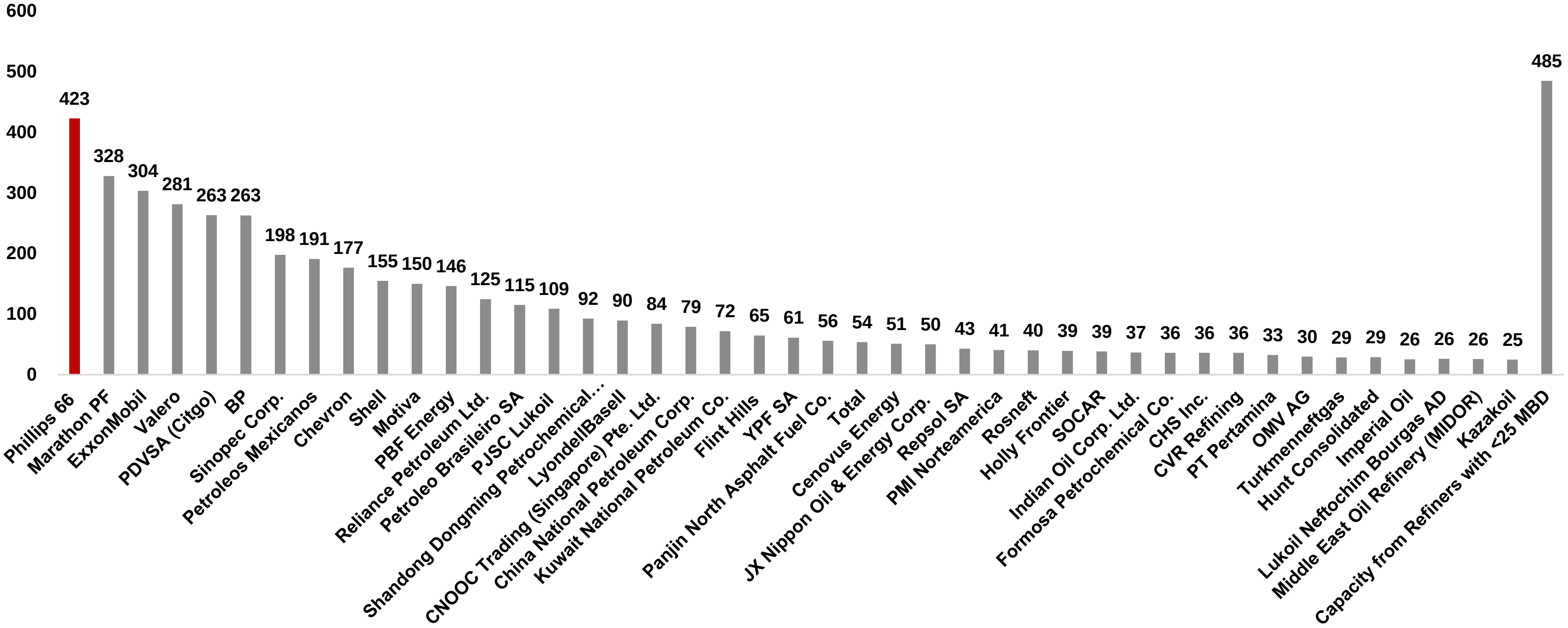
	Millions of Dollars		
	Sustaining Capital	Growth Capital	Capital Program
Midstream			
Phillips 66	$ 133	$ 335	$ 468
Phillips 66 Partners	85	665	750
	218	1,000	1,218
Chemicals	-	-	-
Refining	541	286	827
Marketing and Specialties	65	75	140
Corporate and Other	116	-	116
Phillips 66 Consolidated	**940**	**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**

2,701 Total U.S. Coking Capacity (MBD)



Source: 2018 Oil and Gas Journal. Phillips 66 includes 50% WRB. Marathon PF reflects pro forma capacity and production with Andeavor acquisition, including Western Refining.

5,034 Total Global Coking Capacity (MBD)



Source: 2018 Oil and Gas Journal. Phillips 66 includes Humber, 18.75% MiRO, and 50% WRB. Marathon PF reflects pro forma capacity and production with Andeavor acquisition, including Western Refining.

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 14

3Q 2013 distribution represents the minimum quarterly distribution (MQD); actual distribution of 15.48 cents equal to MQD prorated

Slide 15

Volumes exclude potential by-pass volumes

Slide 21

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) updated through August 2018.

Slide 26

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 28

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 29

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

Footnotes

Slide 30

Chart reflects total shareholder return May 1, 2012 to October 31, 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., 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.

Slide 37

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, L.P. (MSLP) debt.

Footnotes

3Q 2018 YTD

3Q 2018 is as of September 30, 2018, or the nine-month period ended September 30, 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.

General

Information disclosed is as of December 31, 2017 unless otherwise noted.

Non-GAAP Reconciliation (slide 4)

	Millions of Dollars					
	2013	2014	2015	2016	2017	3Q 2018 YTD
Production and operating expenses	$ 4,206	$ 4,435	$ 4,294	$ 4,275	$ 4,699	$ 3,595
Selling, general and administrative expenses	1,478	1,663	1,670	1,638	1,695	1,258
	5,684	6,098	5,964	5,913	6,394	4,853
Plus:						
Sentinel operating expenses*	81	90	88	94	-	-
Total Expenses	5,765	6,188	6,052	6,006	6,394	4,853
Less:						
Refining turnaround expenses**	363	424	516	506	595	360
Midstream turnaround expenses**	-	-	-	-	3	22
Power Generation turnaround expenses**	5	-	-	-	-	-
Total Turnaround Expenses**	368	424	516	506	598	382
Adjusted Operating Costs and SG&A	**$ 5,397**	**$ 5,764**	**$ 5,536**	**$ 5,500**	**$ 5,796**	**$ 4,471**

**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 24)

	Millions of Dollars					
	2013	2014	2015	2016	2017	3Q 2018 YTD
Reconciliation of Marketing and Specialties Net Income to Adjusted EBITDA						
Marketing and Specialties net income	894	1,034	1,187	891	686	739
Plus:						
Income tax expense	433	441	465	370	334	229
Interest revenue	-	-	(2)	-	-	-
Depreciation and amortization	103	95	97	107	112	85
Marketing and Specialties EBITDA	**1,430**	**1,570**	**1,747**	**1,368**	**1,132**	**1,053**
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	6
Certain tax impacts	-	-	-	-	-	(113)
Marketing and Specialties EBITDA, Adjusted for Special Items	**1,413**	**1,401**	**1,516**	**1,368**	**1,144**	**946**
Other Adjustments (pre-tax):						
Proportional share of selected equity affiliates income taxes	-	-	-	-	-	-
Proportional share of selected equity affiliates net interest	9	6	6	-	1	3
Proportional share of selected equity affiliates depreciation and amortization	12	11	11	12	11	8
Marketing and Specialties Adjusted EBITDA	**1,434**	**1,418**	**1,533**	**1,380**	**1,156**	**957**

PSXP Non-GAAP Reconciliation (Slides 14 and 35)

	Millions of Dollars					
	2013	2014	2015	2016	2017	2Q 2018
Reconciliation to Net Income Attributable to the Partnership						
Net income attributable to the Partnership	29	116	194	301	461	186
Plus:						
Net income attributable to Predecessors	145	129	112	107	63	-
Net income	**174**	**245**	**306**	**408**	**524**	**186**
Plus:						
Depreciation	43	46	61	96	116	29
Net interest expense	-	5	34	52	99	29
Income tax expense	2	1	-	2	4	-
EBITDA	**219**	**297**	**401**	**558**	**743**	**244**
Proportional share of equity affiliates' net interest, taxes and depreciation	-	-	31	45	66	28
Expenses indemnified or prefunded by Phillips 66	-	2	2	6	8	1
Transaction costs associated with acquisitions	1	3	2	4	4	3
EBITDA attributable to Predecessors	(187)	(161)	(151)	(142)	(67)	-
Adjusted EBITDA	**33**	**141**	**285**	**471**	**754**	**276**
Plus:						
Deferred revenue impacts*†	-	2	4	11	6	(5)
Less:						
Equity affiliate distributions less than proportional EBITDA	-	-	19	28	29	18
Maintenance capital expenditures†	3	12	8	22	50	10
Net interest expense	-	3	34	52	100	29
Preferred unit distributions	-	-	-	-	9	10
Distributable cash flow	**30**	**128**	**228**	**380**	**572**	**204**

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 Non-GAAP Reconciliation (Slides 14 and 35)

	Millions of Dollars					
	2013	**2014**	**2015**	**2016**	**2017**	**2Q 2018**
Reconciliation to Net Cash Provided by Operating Activities						
Net cash provided by operating activities	199	296	392	492	724	226
Plus:						
Net interest expense	-	5	34	52	99	29
Income tax expense	2	1	-	2	4	-
Changes in working capital	18	(3)	(12)	28	(30)	(10)
Undistributed equity earnings	-	-	-	(1)	1	(1)
Deferred revenues and other liabilities	-	(2)	(11)	(9)	(43)	5
Other	-	-	(2)	(6)	(12)	(5)
EBITDA	**219**	**297**	**401**	**558**	**743**	**244**
Proportional share of equity affiliates' net interest, taxes and depreciation	-	-	31	45	66	28
Expenses indemnified or prefunded by Phillips 66	-	2	2	6	8	1
Transaction costs associated with acquisitions	1	3	2	4	4	3
EBITDA attributable to Predecessors	(187)	(161)	(151)	(142)	(67)	-
Adjusted EBITDA	**33**	**141**	**285**	**471**	**754**	**276**
Plus:						
Deferred revenue impacts*†	-	2	4	11	6	(5)
Less:						
Equity affiliate distributions less than proportional EBITDA	-	-	19	28	29	18
Maintenance capital expenditures†	3	12	8	22	50	10
Net interest expense	-	3	34	52	100	29
Preferred unit distributions	-	-	-	-	9	10
Distributable cash flow	**30**	**128**	**228**	**380**	**572**	**204**

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 - 3Q 2018					
	Phillips 66**	Midstream	Chemicals	Refining	M&S	Corporate
Phillips 66 ROCE						
Numerator						
Net Income	$ 4,059	382	847	1,908	885	(84)
After-tax interest expense	225	-	-	-	-	225
GAAP ROCE earnings	4,284	382	847	1,908	885	141
Special Items	(422)	84	65	7	(63)	(395)
Adjusted ROCE earnings	$ 3,862	466	912	1,915	822	(254)
Denominator						
GAAP average capital employed*	32,825	6,998	4,901	14,598	3,297	2,881
Discontinued Operations	(69)	-	-	-	-	-
Adjusted average capital employed*	$ 32,756	6,998	4,901	14,598	3,297	2,881
**Total equity plus debt.*						
GAAP ROCE (percent)	13%	5%	17%	13%	27%	5%
Adjusted ROCE (percent)	12%	7%	19%	13%	25%	-9%

*** Phillips 66 consolidated includes discontinued operations.*