Investor Update

March 2015



NYSE: PSXP
www.phillips66partners.com

Cautionary Statement

This presentation contains forward-looking statements as defined under the federal securities laws, including projections, plans and objectives. Although Phillips 66 Partners believes that expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. In addition, these statements are subject to certain risks, uncertainties and other assumptions that are difficult to predict and may be beyond Phillips 66 Partners' control. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, actual results may vary materially from what Phillips 66 Partners anticipated, estimated, projected or expected. The key risk factors that may have a direct bearing on the forward-looking statements in the presentation are the accuracy of our assumptions used to estimate the benefits to be realized from Phillips 66 Partners' acquisition of interests in certain joint ventures that own or control midstream pipeline assets (the "acquisition"), our ability to successfully integrate the assets into our operations, the decisions made by Explorer Pipeline Company, DCP Sand Hills Pipeline, LLC, and DCP Southern Hills Pipeline, LLC regarding distributions these entities make to us as an equity owner, and other factors as described in the filings that Phillips 66 Partners makes with the Securities and Exchange Commission. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than as described. All forward-looking statements in this presentation are made as of the date hereof and Phillips 66 Partners undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This presentation is not, and under no circumstance is to be construed to be, a prospectus, offering memorandum, or advertisement and is not an offer to sell securities. The SEC and state securities regulators have not reviewed or determined if this presentation is truthful or complete.

Non-GAAP Financial Measure Disclosure

Today's presentation includes certain non-GAAP financial measures as defined under Regulation G of the Securities Exchange Act of 1934, as amended. A reconciliation of those measures to the most directly comparable GAAP measures is available in the appendix to this presentation.

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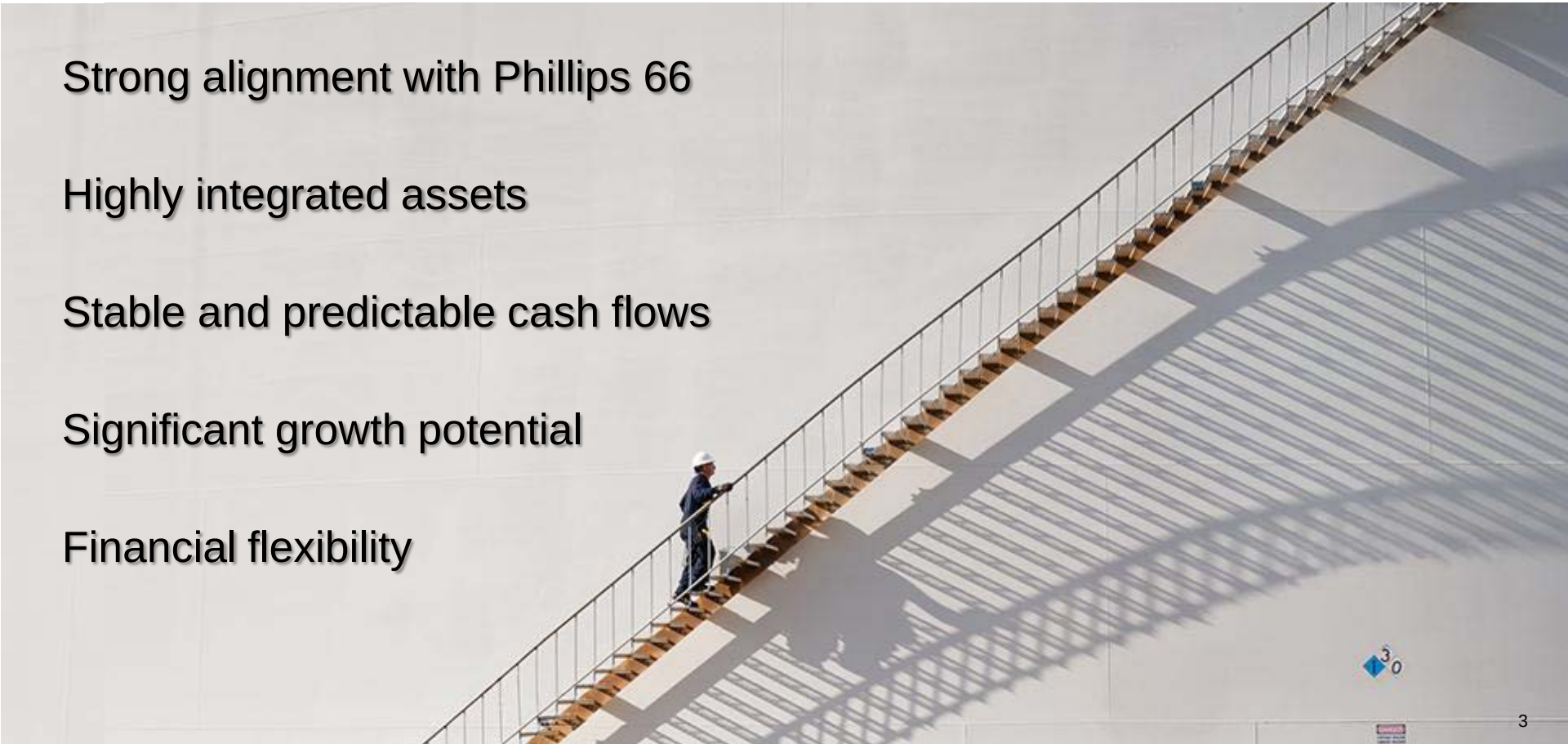

Strong alignment with Phillips 66

Highly integrated assets

Stable and predictable cash flows

Significant growth potential

Financial flexibility

Strong Sponsor Alignment

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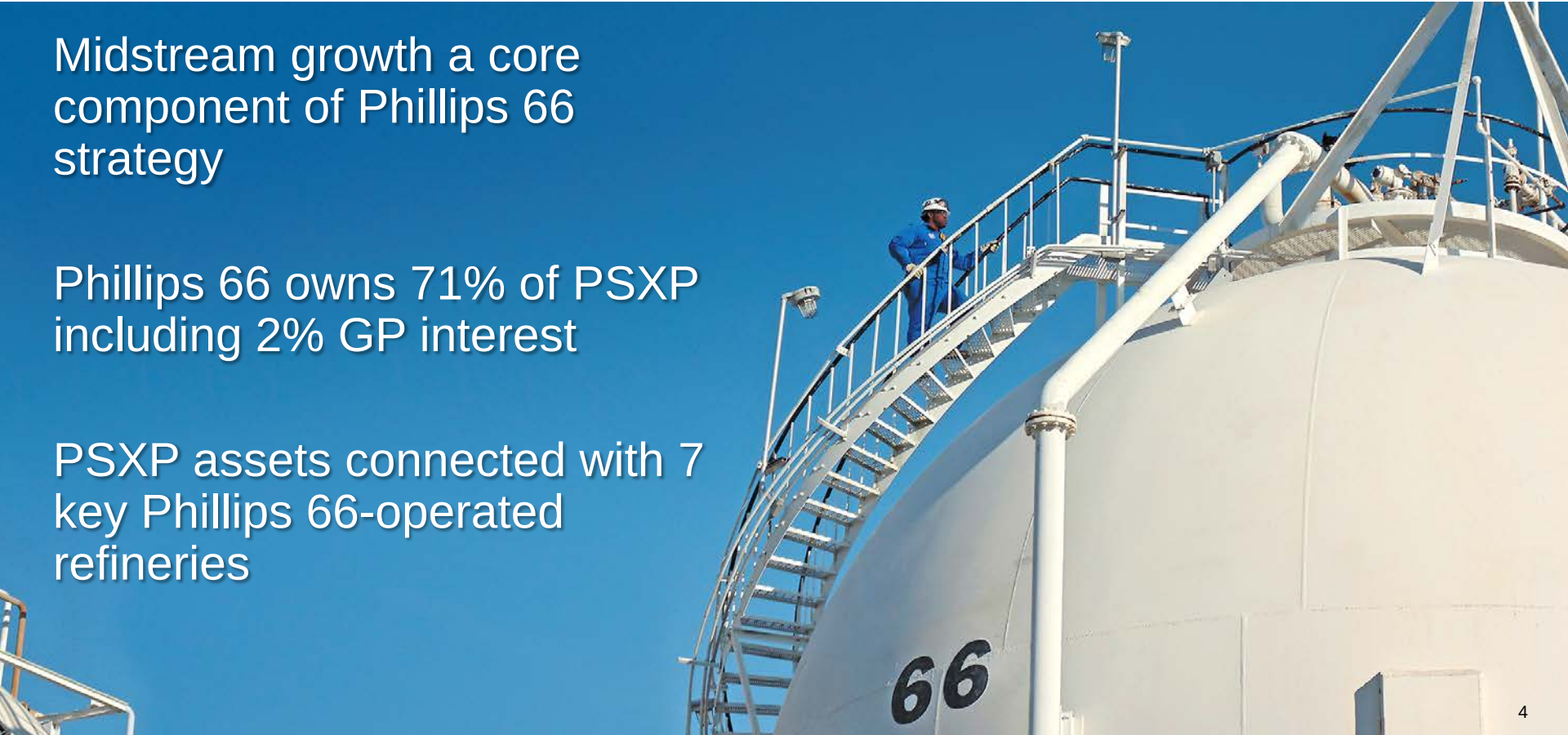
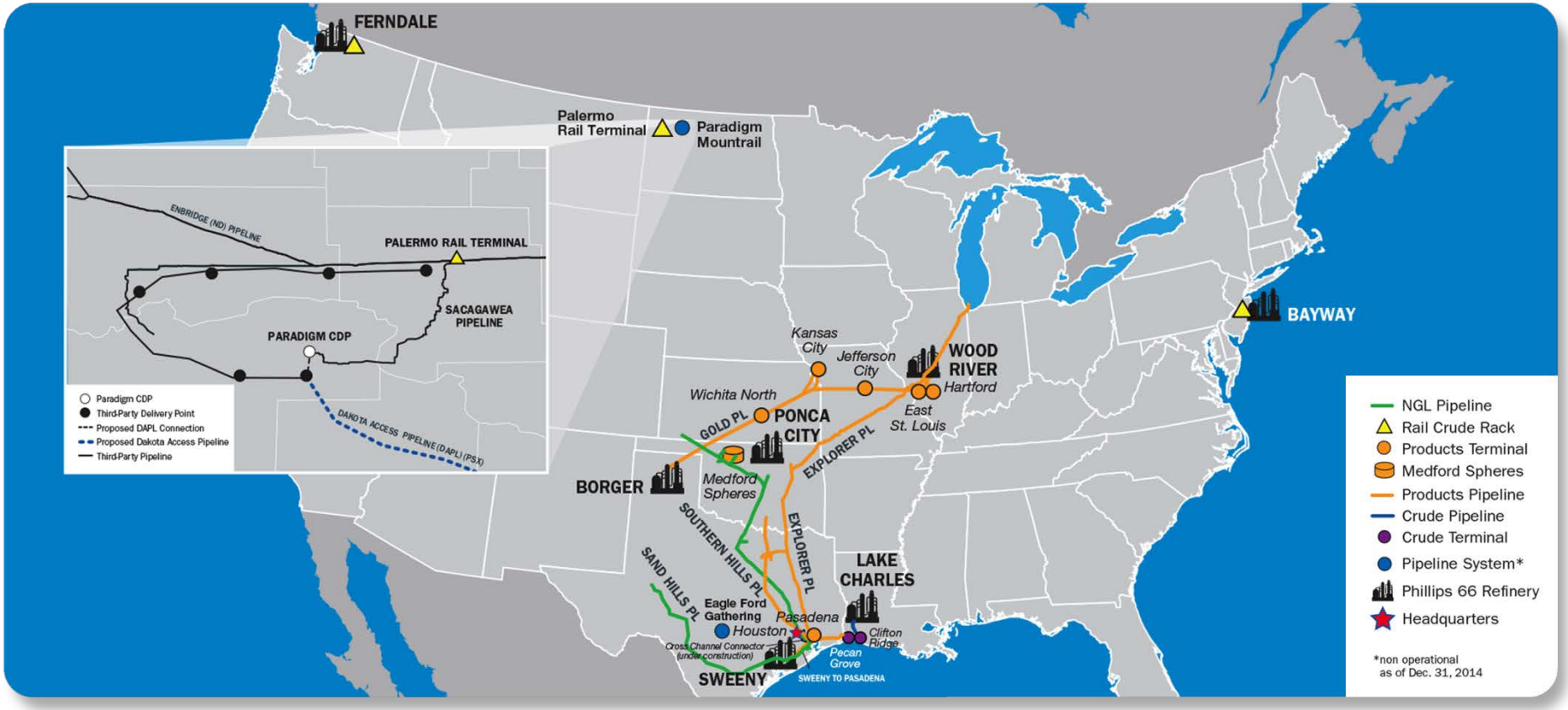


Midstream growth a core component of Phillips 66 strategy

Phillips 66 owns 71% of PSXP including 2% GP interest

PSXP assets connected with 7 key Phillips 66-operated refineries

Highly Integrated Assets



Acquisition of interests in Sand Hills, Southern Hills and Explorer pipeline systems closed March 2, 2015. Palermo Rail Terminal and Paradigm Mountrail expected to be operational Q4 2015.

Q1 2015 Acquisition

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Drop down assets

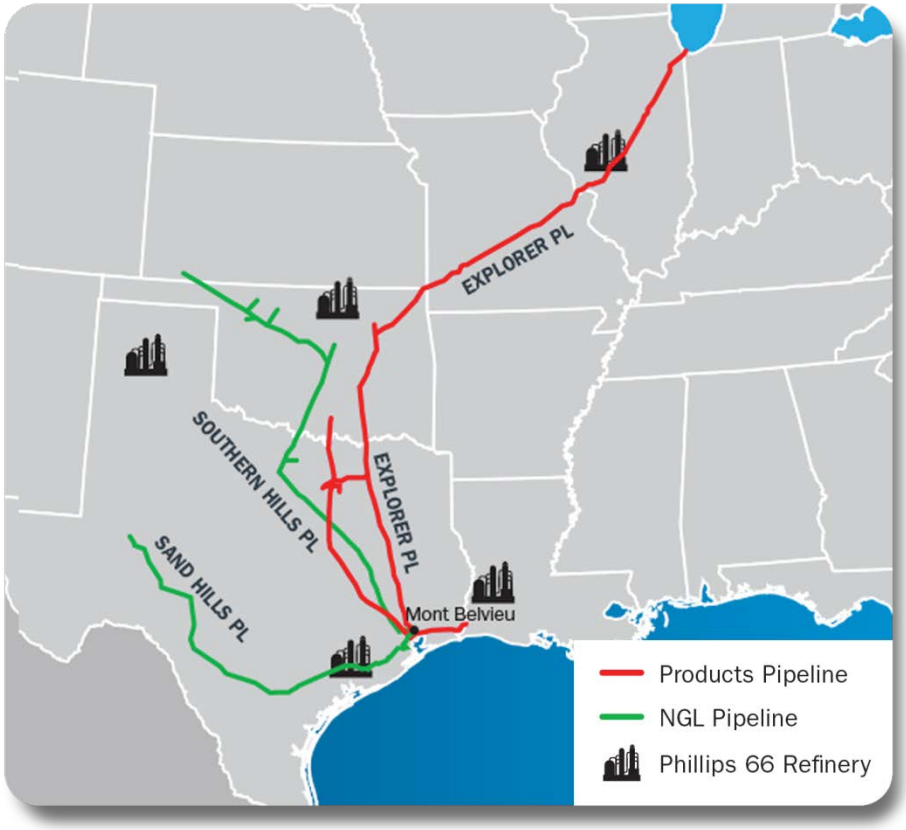
- 33.3% interest in Sand Hills NGL pipeline
- 33.3% interest in Southern Hills NGL pipeline
- 19.5% interest in Explorer refined products pipeline

$1.1 B acquisition

- Asset-level 2015E EBITDA of $115 million
- Implied 9.5x purchase multiple on assets' 2015E EBITDA

Assets supported by long-term, fee-based agreements, primarily under take-or-pay terms

Additional organic growth opportunities through identified expansion projects



$230 MM In Announced Organic Growth

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Cross-Channel Connector Pipeline

- **Capital cost: $22 MM**
- **Increases access to export docks for shippers in Houston Ship Channel**
- **Expected completion in 2Q 2015**

Eagle Ford Crude Gathering System

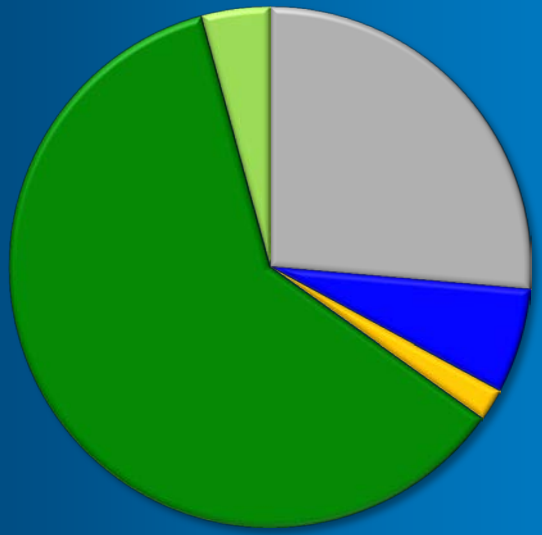
- **Capital cost: $50 MM**
- **Connects Eagle Ford crude oil production to third-party pipelines**
- **Initial operations commenced January 2015; expected completion in 3Q 2015**

Bakken Joint Ventures

- **Capital cost: $160 MM (PSXP share)**
- **100 MBD Palermo crude oil rail-loading facility, 76-mile Sacagawea Pipeline and central delivery facility for gathering systems**
- **Provides increased logistics options for shippers in the Bakken region**
- **Expected completion in 4Q 2015**

Phillips 66 Growing in Midstream

PSX 2015 Capital Budget
$4.6 B

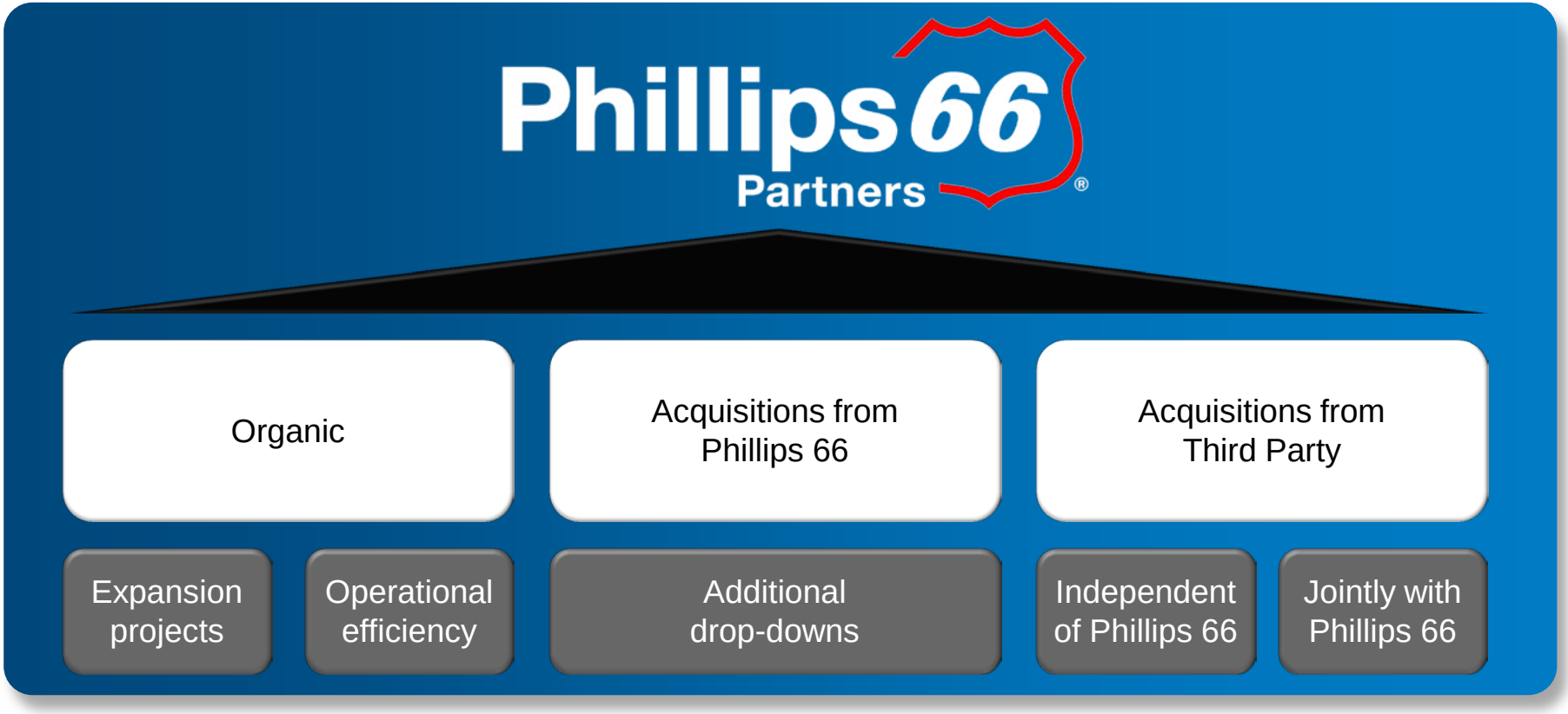


$3.4 B growth capital

- Sweeny Fractionator One
- LPG Export Terminal
- Bakken to Patoka/Beaumont pipelines
- Beaumont Terminal expansion

65% dedicated to growing Midstream

Significant Growth Potential

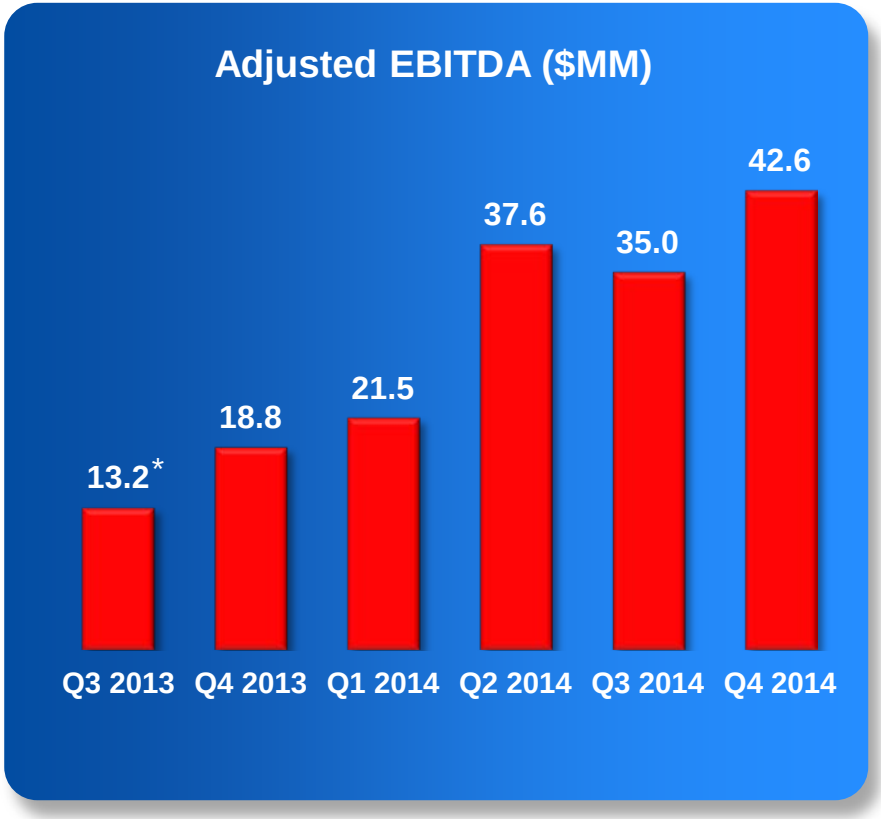


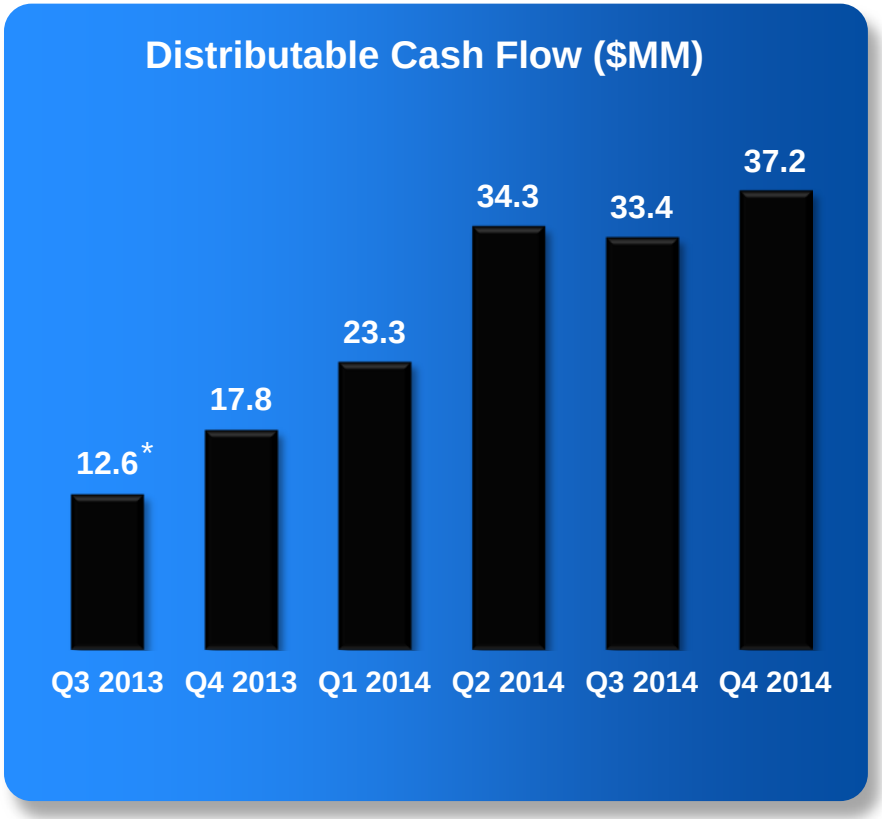
Fee-based, Long-term contracts provide stability

	Asset	Initial Term (years)	Maximum Term with Options (years)
Pipelines	Clifton Ridge to Lake Charles	10	20
	Sweeny to Pasadena	10	20
	Hartford Connector	23 *	23
	Gold Line	10	15
	Sand Hills	15	15
	Southern Hills	15	15
	Explorer	Various	Various
Terminals / Storage	Clifton Ridge terminal	5	20
	Clifton Ridge / Pecan grove docks	5	20
	Pasadena terminal	5	20
	Pasadena and Hartford truck racks	5	20
	Gold Line terminals	5	15
	Medford Spheres	10	20
	Bayway Rail Rack	10	20
	Ferndale Rail Rack	10	20

* Includes PSX JV Wood River Refinery to Hartford and Hartford to Explorer pipelines. The term of the Hartford Connector throughput and deficiency agreement began in January 2008

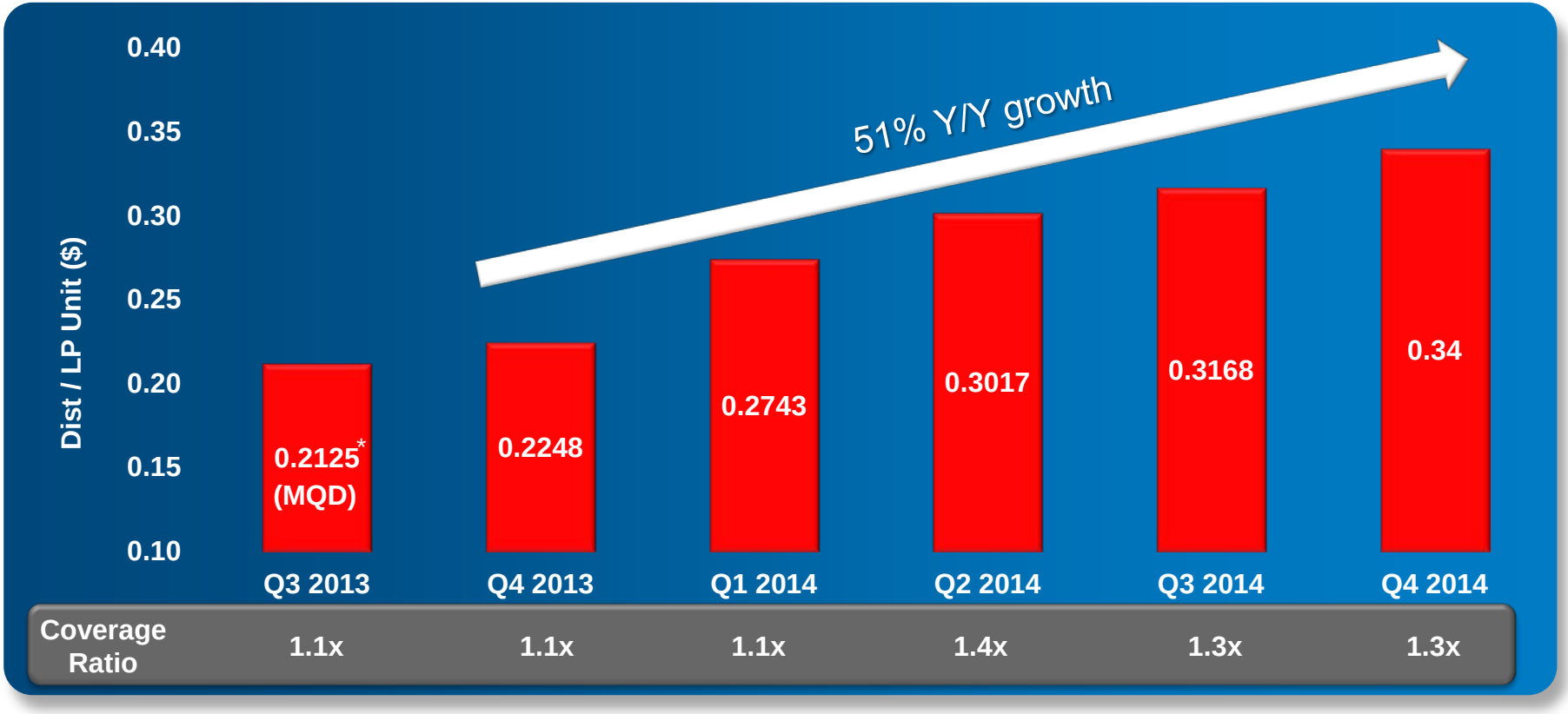
Adjusted EBITDA and DCF Growth





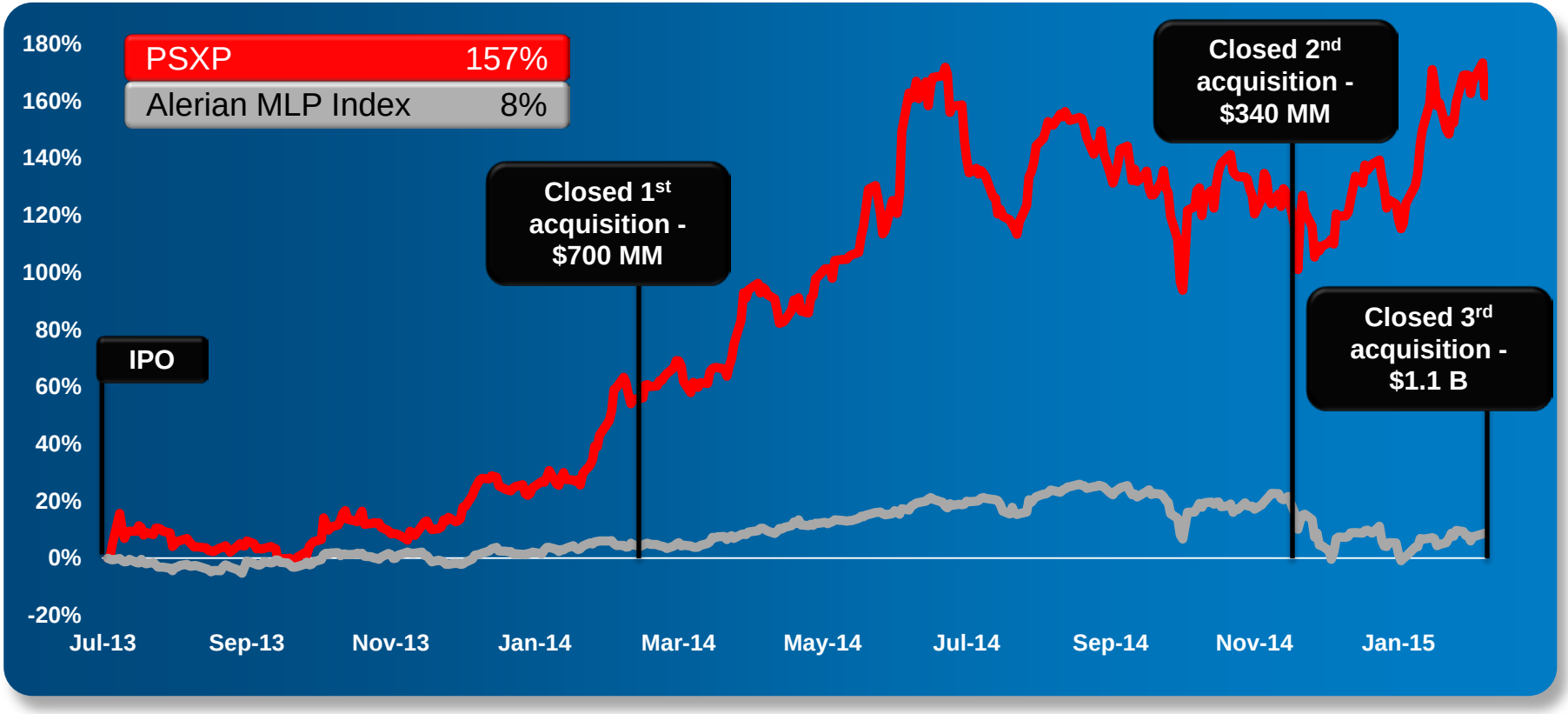
* Values for Q3 2013 pro-rated from July 26, 2013 to September 30, 2013.

Focused on Top-Tier Distribution Growth



* Represents the minimum quarterly distribution for 3Q 2013, actual distribution of $0.1548 equal to MQD prorated

Total Return Since IPO



Source: Bloomberg

Balanced Debt Maturity Profile

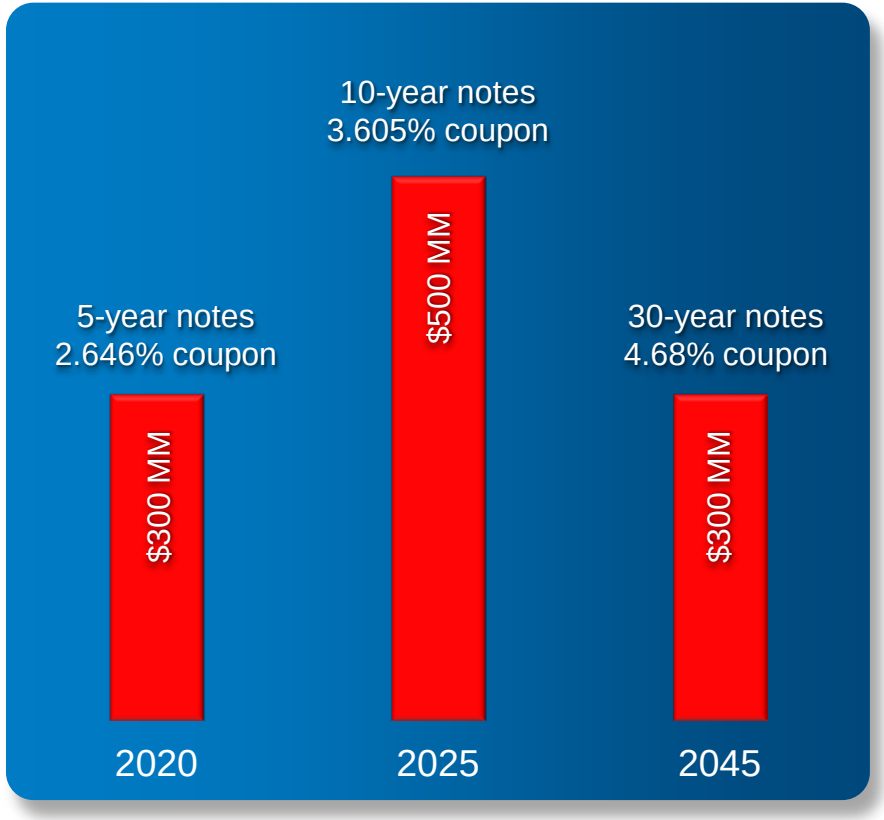
$1.1 B debt issuance February 2015

- 5-Year $300 MM notes
- 10-Year $500 MM notes
- 30-Year $300 MM notes

Average cost of 3.64%

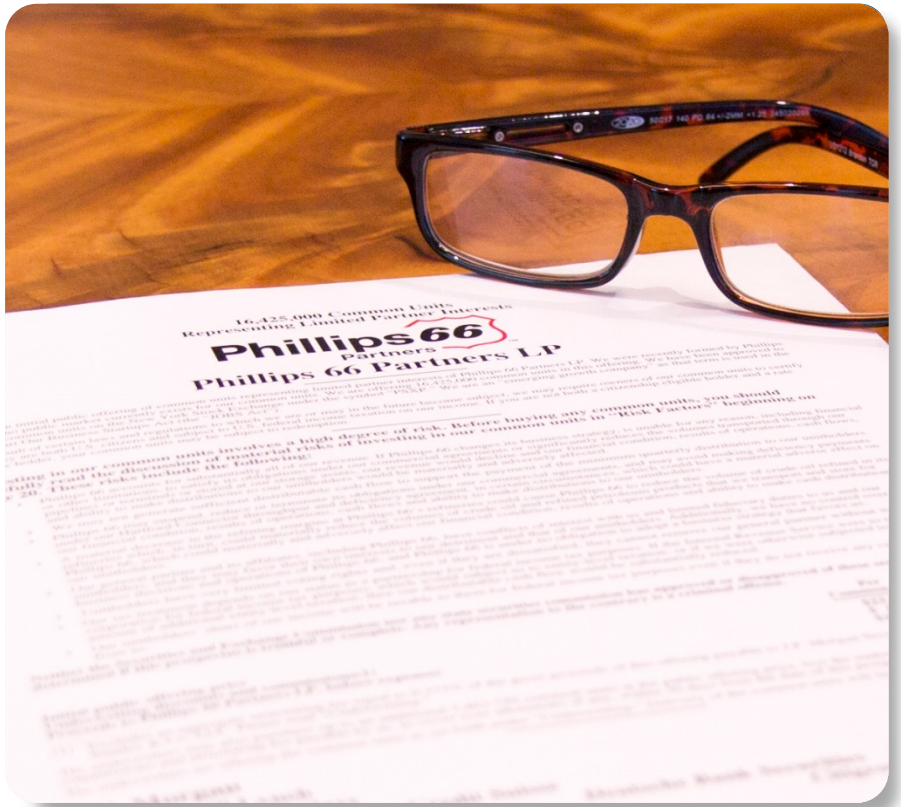
BBB (stable) / Baa3 (stable)

Closed February 23, 2015



Financial Flexibility

- Investment grade credit - BBB / Baa3
- Target 3.5x debt / EBITDA
- Top-tier distribution growth
- Target 1.1x annual coverage ratio
- Support Phillips 66 Midstream growth



Financial Strength and Strong Sponsor

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- Strong standalone financial profile
  - Conservative balance sheet
  - Ample liquidity - $500M RCF
  - Significant and growing scale
- Ready access to debt / equity capital markets with low cost of capital
  - BBB (stable) / Baa3 (stable) credit rating
- Stable, fee-based business model

PHILLIPS 66

- Large and dedicated sponsor with track record of successfully driving growth
- Powerful financial profile provides flexibility when structuring transactions
  - A3/BBB+ credit rating
  - ~$10.1 B in available liquidity at 12/31/2014
  - Net-debt-to-capital ratio of 14% at 12/31/2014
- Long history of operating excellence

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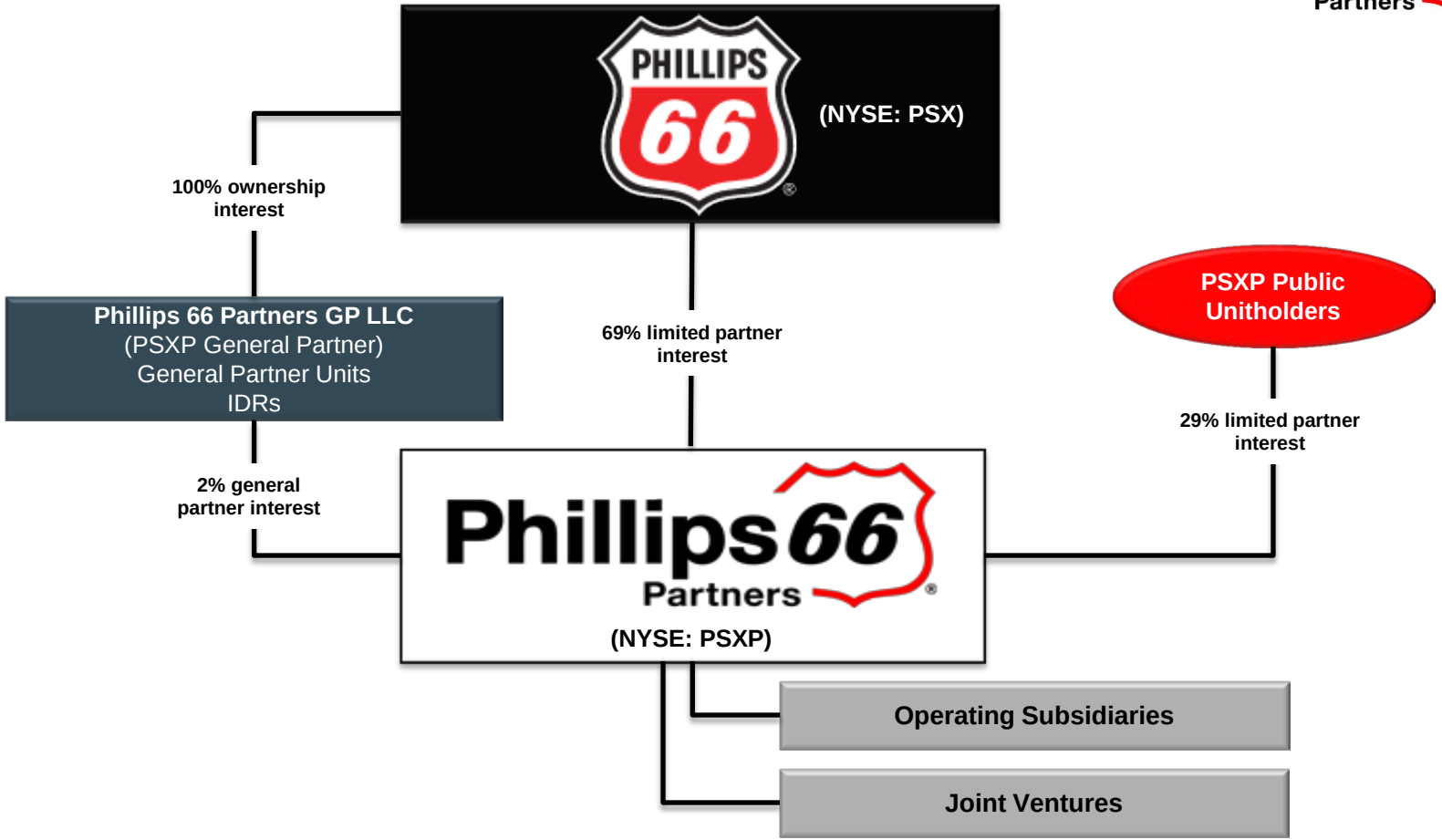
Phillips 66 Partners Ownership Structure



Adjusted EBITDA and Distributable Cash Flow Reconciliation to Net Income

Millions of Dollars

	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
Net Income	$ 27.0	$ 24.4	$ 27.2	$ 30.9	$ 30.0	$ 36.3
Plus:						
Depreciation	3.4	4.3	3.6	3.9	4.0	4.0
Net interest expense	-	0.1	0.4	1.3	1.4	2.1
Amortization of deferred rentals	0.1	0.1	0.1	0.1	0.1	0.1
Provision for income taxes	0.2	0.1	0.3	0.2	0.1	0.2
EBITDA	$ 30.7	$ 29.0	$ 31.6	$ 36.4	$ 35.8	$ 43.2
Less:						
EBITDA attributable to predecessors	$ 17.5	$ 10.2	$ 10.1	(1.2)	0.8	$ 0.6
Adjusted EBITDA	$ 13.2	$ 18.8	$ 21.5	$ 37.6	$ 35.0	$ 42.6
Plus:						
Adjustments related to minimum volume commitments	0.1	(0.1)	2.3	(0.7)	1.4	(2.4)
Phillips 66 prefunded projects and indemnities	0.3	0.5	1.5	1.1	0.7	0.2
Transaction costs associated with acquisition	-	0.4	1.5	-	0.2	1.0
Less:						
Net interest paid	0.1	-	-	0.1	1.7	1.4
Income taxes paid	-	-	-	0.2	-	-
Maintenance capital expenditures	0.9	1.8	3.5	3.4	2.2	2.8
Distributable Cash Flow	$ 12.6	$ 17.8	$ 23.3	$ 34.3	$ 33.4	$ 37.2

Reconciliation of JV Estimated EBITDA to Estimated Net Income

	Millions of Dollars
Year ending February 29	2016
Estimated Net Income	$ 82
Plus:	
Depreciation	20
Interest expense	4
Income Taxes	9
Estimated EBITDA	$ 115