

FOURTH QUARTER 2014
EARNINGS CALL AND WEBCAST

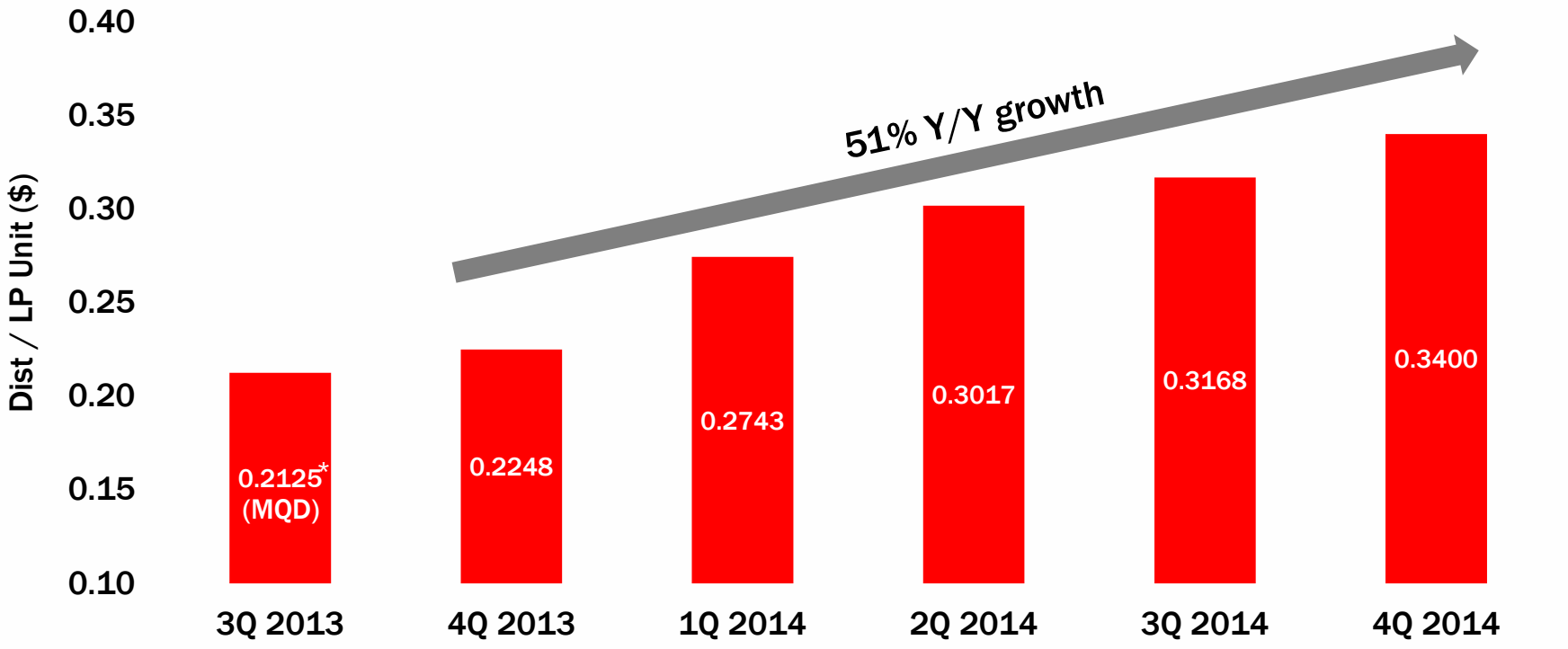
January 29, 2015

CAUTIONARY STATEMENT

This presentation contains certain forward-looking statements within the meaning of the federal securities laws. 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 operations of Phillips 66 Partners LP (“Phillips 66 Partners” or “PSXP”) and Phillips 66 (including joint venture operations) are based on management’s expectations, estimates and projections about Phillips 66 Partners, 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 the continued ability of Phillips 66 to satisfy its obligations under our commercial agreements; the volume of crude oil and refined petroleum products we transport; the tariff rates for volumes we transport through our regulated assets; changes in revenue we realize under the loss allowance provisions of our regulated tariffs; fluctuations in the prices for oil and refined products; liabilities associated with the risks and operational hazards inherent in transporting, terminaling and storing crude oil and refined petroleum products; curtailment of operations due to various causes; liabilities associated with laws and regulations relating to environmental protection and safety; and other economic, business, competitive and/or regulatory factors affecting our businesses generally as set forth under our filings with the Securities and Exchange Commission. We are under no obligation (and expressly disclaim any such obligation) to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise.

Use of Non-GAAP Financial Measures. Today’s 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 “Financial Reports” section of our website. EBITDA forecasts related to the Bayway and Ferndale rail-unloading facilities were derived on an EBITDA-only basis. Accordingly, elements of net income including tax and depreciation information are not available. Together, these items generally result in a significant uplift in EBITDA over net income.

DISTRIBUTION GROWTH



Coverage Ratio	1.1x	1.1x	1.1x	1.4x	1.3x	1.3x

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

PSXP HIGHLIGHTS - 4Q 2014



ORGANIC GROWTH OVERVIEW

Cross-Channel Connector Pipeline

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

Eagle Ford Gathering System

- Capital cost: $50 million
- 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 million*
- 100 mbd crude oil rail-loading facility, 76-mile pipeline and central delivery facility for gathering systems
- Provides increased logistics options for shippers in the Bakken region
- Expected completion in 4Q 2015

Organic growth projects backed by long-term volume commitments

* Represents PSXP share

FINANCIAL RESULTS

$ MM	4Q 2014*	3Q 2014*
Revenues	$ 62.7	$ 53.4
Costs and expenses	26.3	23.9
Income before income taxes	36.4	29.5
Net income	36.2	29.4
Adjusted EBITDA	42.6	35.0
Distributable cash flow	37.2	33.4
Quarterly distribution ($/unit)	0.3400	0.3168

*Excludes predecessor results



4Q 2014 EBITDA AND DISTRIBUTABLE CASH FLOW

	$ MM
Adjusted EBITDA	$ 42.6
Plus:	
Adjustments related to minimum volume commitments	(2.4)
Phillips 66 prefunded projects and indemnities	0.2
Transaction costs associated with acquisitions	1.0
Less:	
Net interest	1.4
Maintenance capital expenditures	2.8
Distributable Cash Flow	$ 37.2
Total Cash Distribution Declared	$ 29.1
Coverage Ratio	1.28x

STRONG FINANCIAL FLEXIBILITY AND LIQUIDITY

$ MM	4Q 2014
Cash and cash equivalents	8
Total assets	540
Debt	430
Revolving credit facility availability	482
Debt / Adjusted EBITDA*	2.5x

* Based on 4Q 2014 annualized adjusted EBITDA





QUESTIONS AND ANSWERS
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APPENDIX

EBITDA AND DISTRIBUTABLE CASH FLOW RECONCILIATION TO NET INCOME

Three Months Ended December 31, 2014	$ MM
Net Income	$ 36.3
Plus:	
Depreciation	4.5
Net interest expense	2.1
Amortization of deferred rentals	0.1
Provision for income taxes	0.2
EBITDA	$ 43.2
Less:	
EBITDA attributable to predecessors	0.6
Adjusted EBITDA	$ 42.6
Plus:	
Adjustments related to minimum volume commitments	(2.4)
Phillips 66 prefunded projects and indemnities	0.2
Transaction costs associated with acquisitions	1.0
Less:	
Net interest	1.4
Maintenance capital expenditures	2.8
Distributable Cash Flow	$ 37.2

RECONCILIATION TO NET CASH FROM OPERATING ACTIVITIES

Three Months Ended December 31, 2014	$ MM
Net cash from operating activities	$47.7
Plus:	
Net interest expense	2.1
Provision for income taxes	0.2
Changes in working capital	(6.5)
Other	(0.3)
EBITDA	$ 43.2
Less:	
EBITDA attributable to predecessors	0.6
Adjusted EBITDA	$ 42.6
Plus:	
Adjustments related to minimum volume commitments	(2.4)
Phillips 66 prefunded projects and indemnities	0.2
Transaction costs associated with acquisitions	1.0
Less:	
Net interest	1.4
Maintenance capital expenditures	2.8
Distributable Cash Flow	$ 37.2