



Red Hills Processing Plant AGIs & MRV Plan

Overview

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*This is a shortened version of the presented presentation due to content restrictions



Red Hills Complex



Red Hills Acid Gas Facility



- Targa operates acid gas treating and disposal facilities at its Red Hills gas processing plant complex and many other processing plants in New Mexico and West Texas
- The Red Hills facility compresses and injects H₂S and CO₂ concentrations in the raw sour gas it receives into the facility
- Capturing, sequestering and storage of vented CO₂ is the most economic option to capture 45Q tax credits and impact Targa's carbon footprint
- Targa is considering sequestering efforts for engine exhaust if economic means of eliminating entrained air and dehydration processes can be developed

CUSP Partnership Value to Targa

- The CUSP enables Targa to better perform the permitting work to convert Targa's existing and future AGI wells at Red Hills and many other processing plants to EPA Subpart RR and, subsequently, IRS' 45Q
- Specifically, the CUSP partnership brings the following:
 - › Proven knowledge of EPA Subpart RR and IRS' 45Q regulations
 - › Formation modeling expertise
 - › Monitoring, Reporting and Verification (MRV) plan development expertise
 - › Top-level relations with regulatory representatives
- A successful sequestration project delivers a significant reduction to Targa's carbon oxide footprint
- Targa's investors understand the value of a strong ESG program and are supportive in our demonstrating leadership in this arena, inclusive of carbon oxide emissions reductions

Questions?