DPM LISTED NYSE

dcp Midstream Partners

# Barclays Capital Investment Grade Energy and Pipeline Conference

March 7, 2012

# Forward-Looking Statements

**Under the Private Securities Litigation Reform Act of 1995**

This document contains "forward-looking statements" regarding DCP Midstream Partners, LP and its subsidiaries (the "Partnership") as defined under the Private Securities Litigation Reform Act of 1995, including projections, estimates, forecasts, plans and objectives. Although management 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 the Partnership's control. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, the Partnership's actual results may vary materially from what management anticipated, estimated, projected or expected.

Among the factors that may have a direct bearing on the Partnership's results of operations and financial condition are the risks described in the Partnership's periodic reports most recently filed with the Securities and Exchange Commission ("SEC"), including its most recent Forms 10-K and in the prospectus supplement. Investors are encouraged to review and consider the disclosures and risk factors contained in the Partnership's reports filed from time to time with the SEC and in the prospectus supplement. Neither the Partnership nor the underwriters undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements in this presentation speak as of the date of recording for this presentation. Information contained in this document is unaudited and is subject to change.

**Regulation G**

This document includes certain non-GAAP financial measures as defined under SEC Regulation G. A reconciliation of those measures to the most directly comparable GAAP measures is included in this presentation.

# DCP Midstream Partners Investment Highlights

- Strong co-sponsors with long-term strategic commitment to the midstream gas business
  - ConocoPhillips(1) and Spectra Energy indirectly co-own 100% of the GP and 25% of the LP interests
  - Significant strategic and commercial relationships among ConocoPhillips (~$100 billion market cap; A1 / A / A), Spectra Energy (~$20 billion market cap; Baa2 / BBB+ / BBB), DCP Midstream, LLC and DCP Midstream Partners
- Diversified business model and geographic footprint
  - As the public issuer of equity, DCP Midstream Partners is an integral component of DCP Midstream, LLC, a midstream business with approximately $9 billion of total assets
  - Asset and geographic diversity through natural gas services, NGL logistics and wholesale propane logistics segments across multiple producing regions of the country
- Committed to a strong financial position
  - Values its investment grade ratings
- Significant fee-based contract portfolio combined with a multi-year hedging program provides cash flow stability
  - Over 85% of 2012 margins are fee-based, fixed margin or supported by commodity hedges, with commodity hedging program extending through 2016

[1] In Q3 2011, ConocoPhillips announced plans to separate its business into two stand-alone publicly traded companies in the first half of 2012. If completed, DCP Midstream, LLC would be owned 50% by the new downstream company, Phillips 66.

**Compelling investment opportunity for investment grade debt investors**

# Strong Sponsorship

DCP Midstream, LLC and DCP Midstream Partners represent a significant strategic investment for ConocoPhillips and Spectra Energy

ConocoPhillips
(A1 / A / A)
50%[2]

Spectra Energy
(Baa2 / BBB+ / BBB)
50%

DCP Midstream
(Baa2 / BBB / BBB)
24.6% [1] Common LP Interest
(12.5MM units)
0.7% GP Interest

Public Unitholders
74.7% [1] Common LP Interest
(37.9MM units)

DCP Midstream Partners
(Guarantor)
(NR / BBB- / BBB-)

DCP Midstream Operating, LP
(Issuer)

[1] After giving effect to the recent public equity offering

[2] In Q3 2011, ConocoPhillips announced plans to separate its business into two stand-alone publicly traded companies in the first half of 2012. If completed, DCP Midstream, LLC would be owned 50% by the new downstream company, Phillips 66.

**Sponsors representing decades of energy leadership**

# Strategic Assets with Scale and Scope

- DCP Midstream Partners is a NYSE-listed, ~$2.2 billion[1] master limited partnership (MLP) that is an important vehicle for DCP Midstream, LLC
- Together, DCP Midstream, LLC and DCP Midstream Partners represent a large-scale, industry-leading midstream business with approximately $9 billion[2] of total assets
  - Among the largest natural gas liquids (NGL) producers in the U.S. (383 MBbl/d) [2]
  - Among the largest gatherers and processors in the U.S. (6.0 TBtu/d) [2]
- Broad-based asset portfolio spanning most major gas producing regions
  - 61 plants, 12 fractionators, 62,000 miles of pipeline [2]
- Critical component of U.S. energy infrastructure
  - Majority of natural gas produced in U.S. requires processing

[1] Equity value as of February 29, 2012

[2] Represents consolidated metrics and data for DCP Midstream, LLC and DCP Midstream Partners, LP as of December 31, 2011

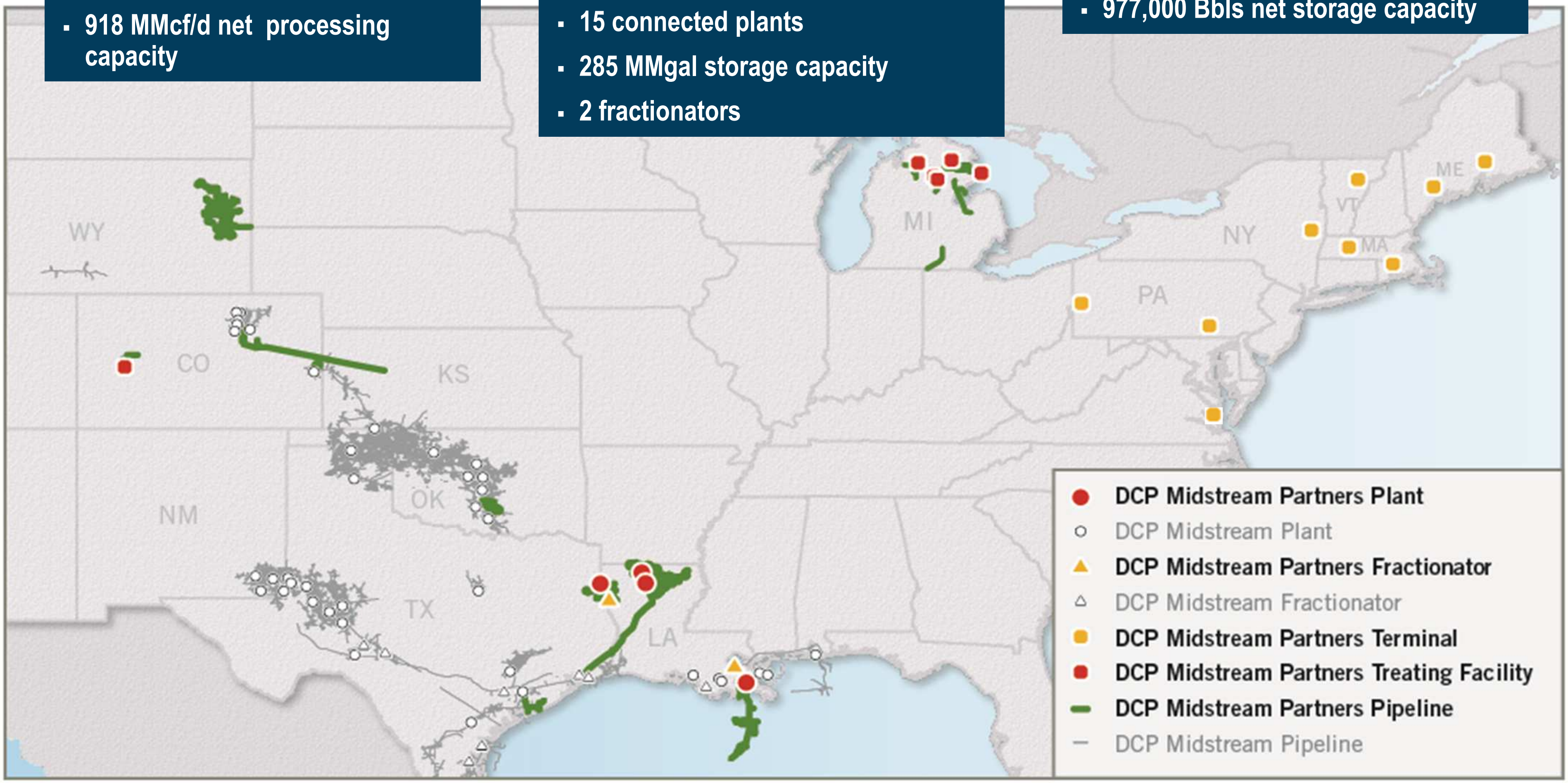
**Large-scale energy infrastructure business with geographic and asset diversity**

# Diversified Business and Geographic Footprint

## Natural Gas Services
- 11 processing plants
- 5,335 miles of pipelines
- 918 MMcf/d net processing capacity

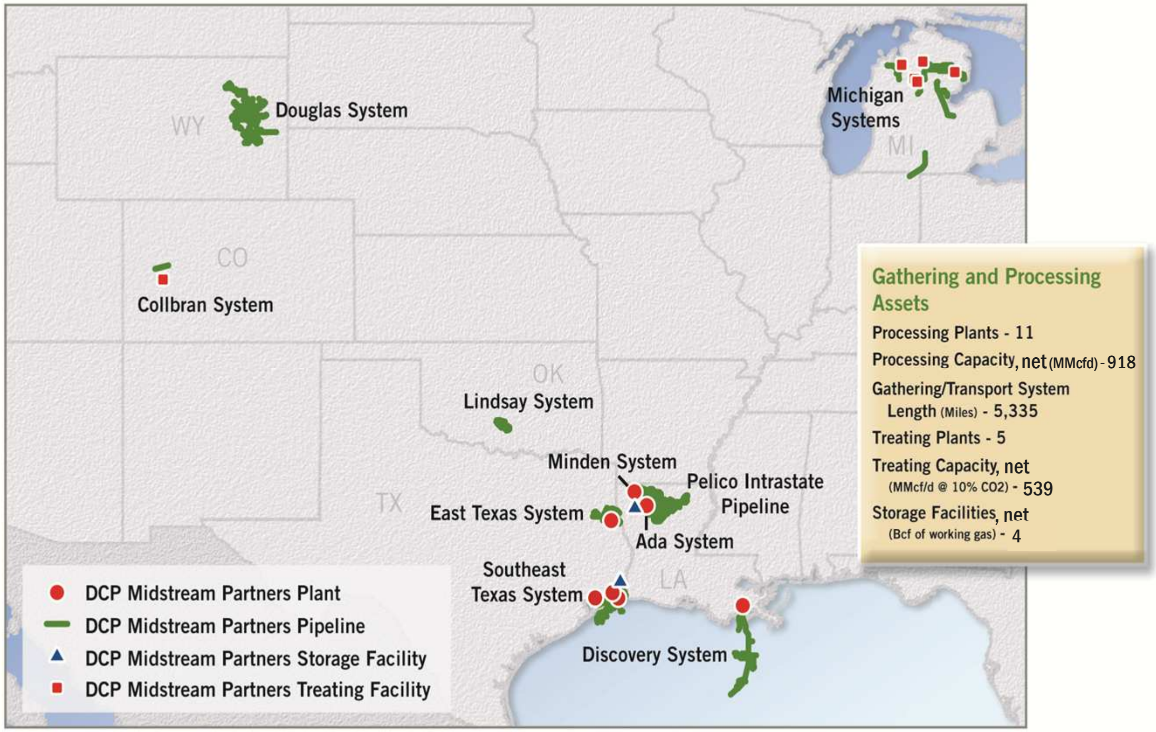
## NGL Logistics
- 890 miles of NGL pipelines
- 114,000 Bbl/d throughput capacity
- 15 connected plants
- 285 MMgal storage capacity
- 2 fractionators

## Wholesale Propane Logistics
- 9 propane terminals in the Northeast and Mid-Atlantic regions
- 977,000 Bbls net storage capacity




**Diversified business mix and geographic footprint provide stability**

# Natural Gas Services Segment



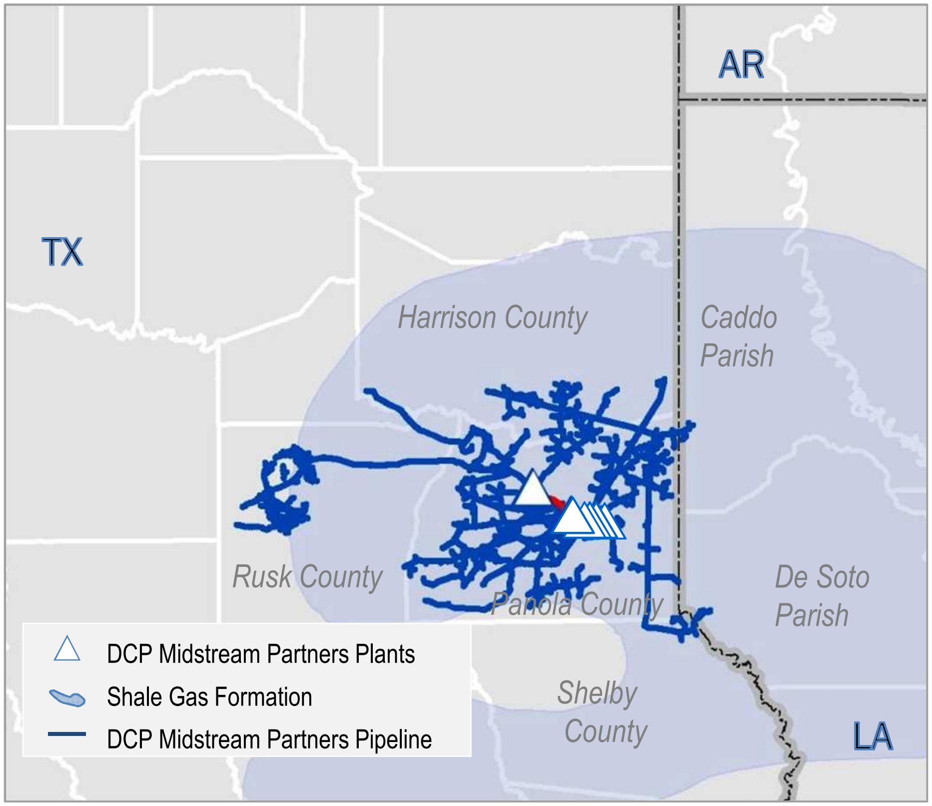

- Geographically diverse asset portfolio
- Mix of fixed-fee and commodity-based business
  - Commodity position substantially hedged
- Eagle plant construction on plan for completion Q4 2012
  - Supported by long-term fee-based contract with general partner
- Expanding scale through drop downs from general partner

**Fee-based contracts and substantial hedge portfolio provide significant stability**


DCP Midstream Partners

# Natural Gas Services: East Texas Dropdown

- DCP Midstream, LLC contributed the remaining 49.9% interest in the East Texas joint venture to DCP Midstream Partners for $165 million
  - DCP Midstream, LLC received ~20% of consideration in DPM common units

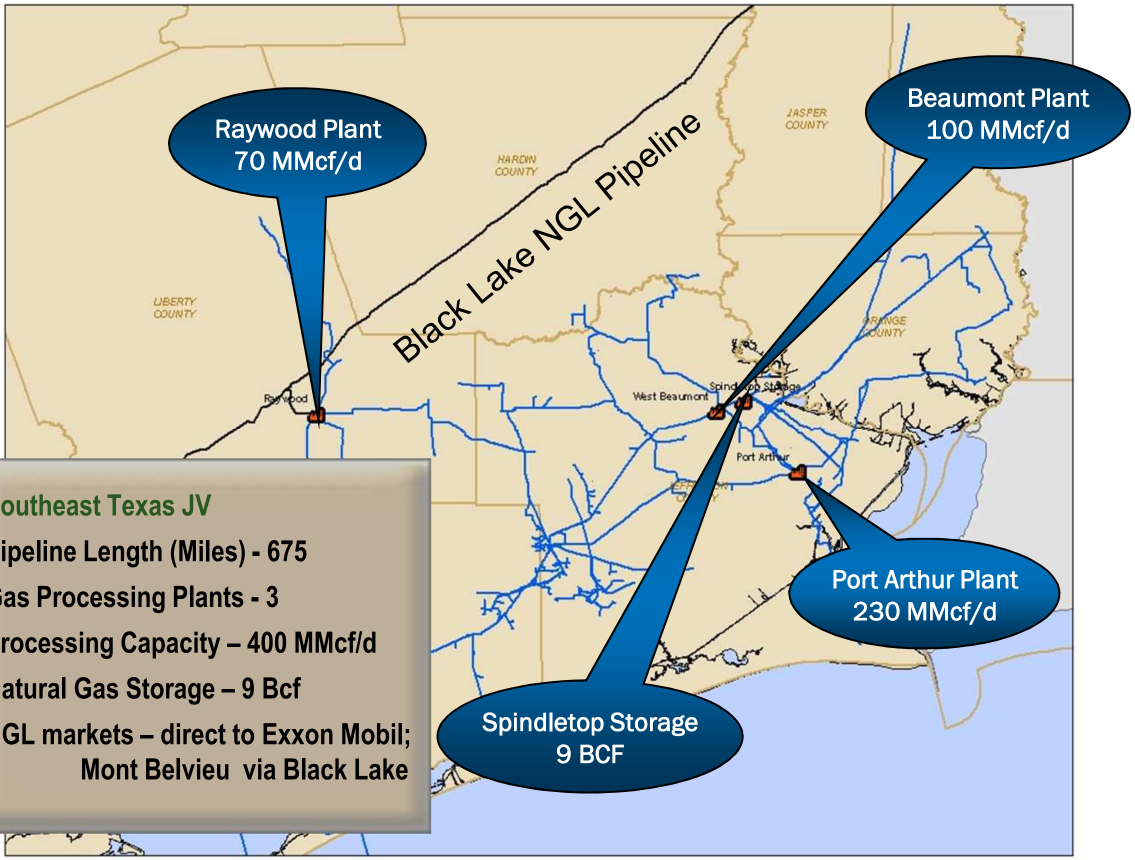



- East Texas system
  - Complex currently processing ~550 MMcf/d
  - 900 miles of gathering and transportation pipelines
  - Favorable market access through Carthage Hub (1.5 Bcf/d of gas volumes)
- Mix of fee and commodity based margins substantially hedged
- Transaction closed in January 2012

**Dropdown from general partner provides increasing cash flows**

# Natural Gas Services: Southeast Texas Dropdown

- DCP Midstream agreed to contribute remaining 67% interest in Southeast Texas joint venture to the Partnership for $240 million
  - DCP Midstream will take ~20% of consideration in DPM common units




**Southeast Texas JV**

Pipeline Length (Miles) - 675

Gas Processing Plants - 3

Processing Capacity – 400 MMcf/d

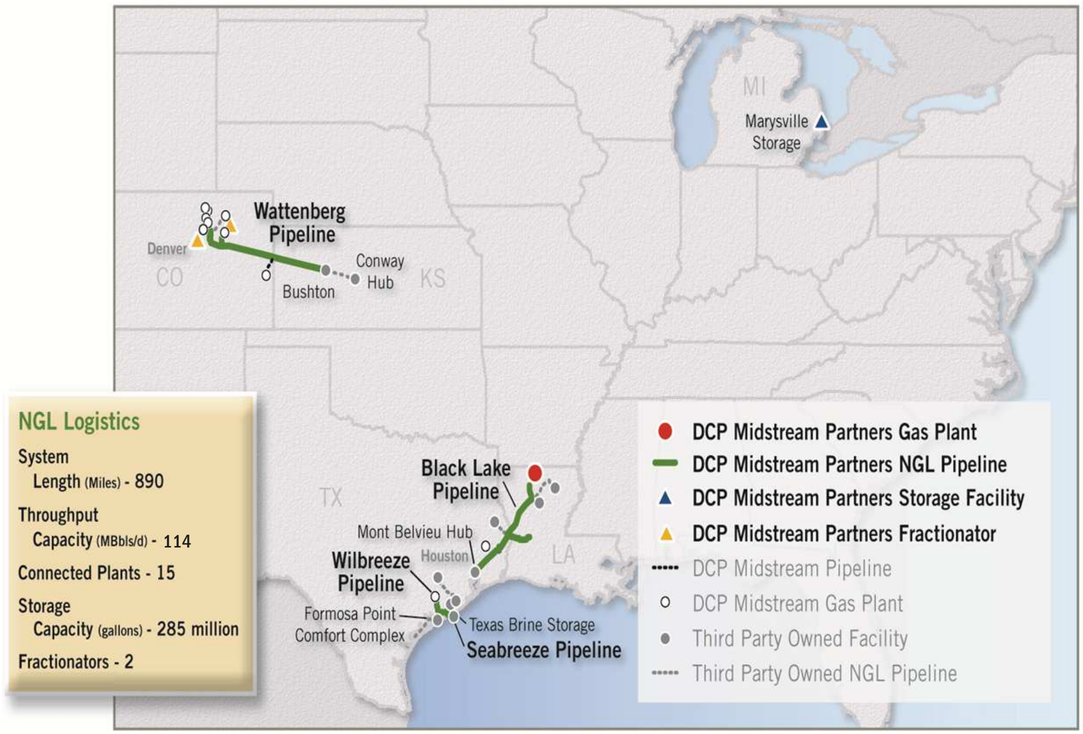
Natural Gas Storage – 9 Bcf

NGL markets – direct to Exxon Mobil; Mont Belvieu via Black Lake

- Fully integrated midstream business
- Mix of fee and commodity based margins that will be substantially hedged
- Transaction expected to close by Q2 2012

**Dropdown from general partner provides increasing cash flows**

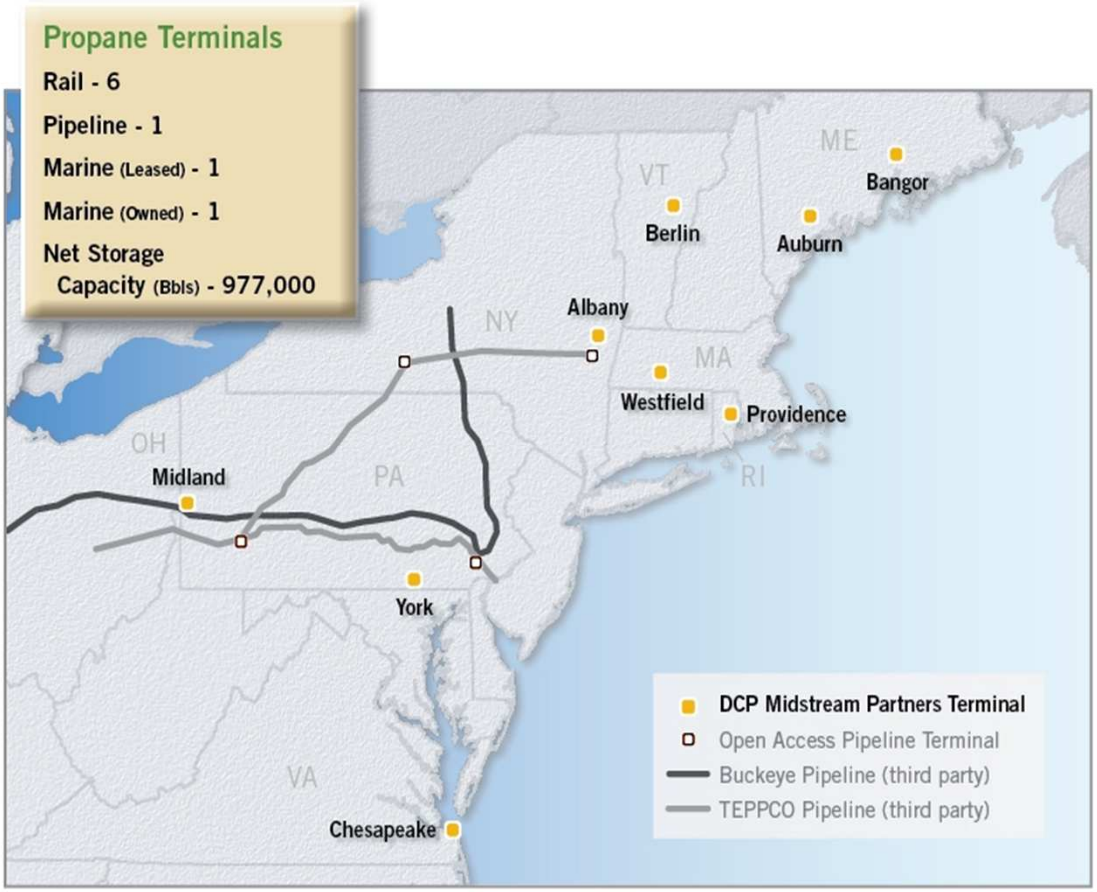
# NGL Logistics Segment




- Fee-based assets complement gathering and processing business
- Well positioned assets in strong, growing markets
  - Wattenberg NGL pipeline connecting DJ Basin and Conway hub
  - DJ Basin fractionators
  - Black Lake NGL pipeline connecting to Mont Belvieu
  - Marysville NGL facility provides storage services to wholesale propane and Sarnia market
- Increasing volumes from Eagle Ford Shale and DJ Basin

**Integrated fee-based business**

# Wholesale Propane Logistics Segment




- Fixed margins from purchases and sales tied to same index
- Multiple supply sources and logistics capabilities enhance competitive positioning
- Realizing benefits from Chesapeake terminal acquisition and expansion into mid-Atlantic region

**Competitively positioned, fixed margin business**

# Visible, Fee-Based Opportunities

## Growth Opportunities

### DPM

- Liquids rich and emerging shale play infrastructure development
- Bolt-on opportunities in footprint
- Potential divestitures by majors and E&P

**DCP Midstream, LLC**
$4 Billion of Projects in Execution
$2+ Billion in Potential Opportunities

## Multi-Faceted Strategy

- Co-investment with sponsors
- Third party acquisitions
- Organic growth

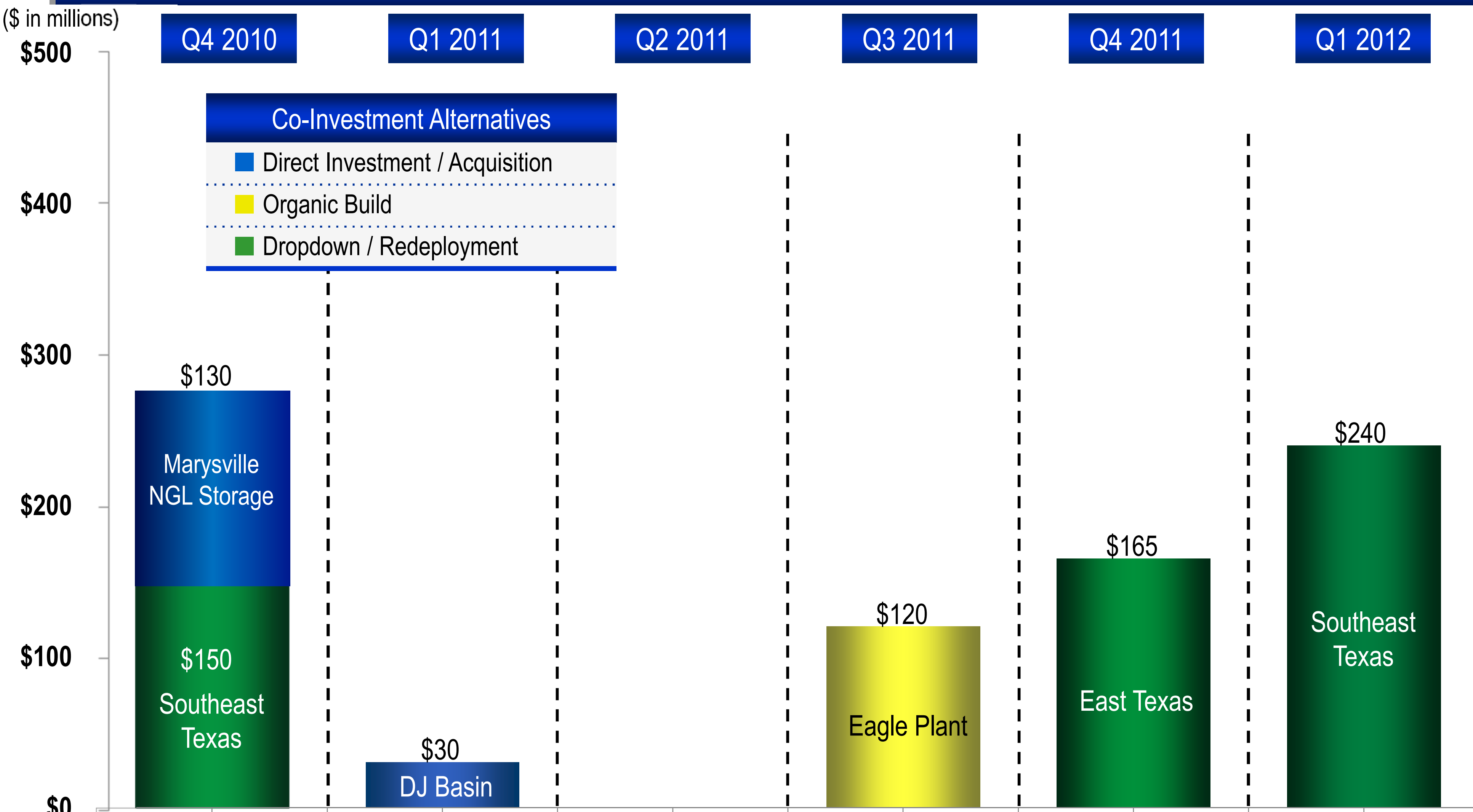
**DPM**
Large Scale, Diversified MLP

- Healthy mix of fee-based assets
- Diversified asset portfolio
- NGL infrastructure

Note: Reflects current views of management, which are subject to change. Drop-down transactions are subject to board and conflicts committee approval and market conditions. Such transactions may not occur as and when described, or at all.

**Targeted opportunities to increase scale through fee-based, diverse assets**

# Prudent Capital Investment Profile (1)(2)




[1] Capital timeline reflects announcement date

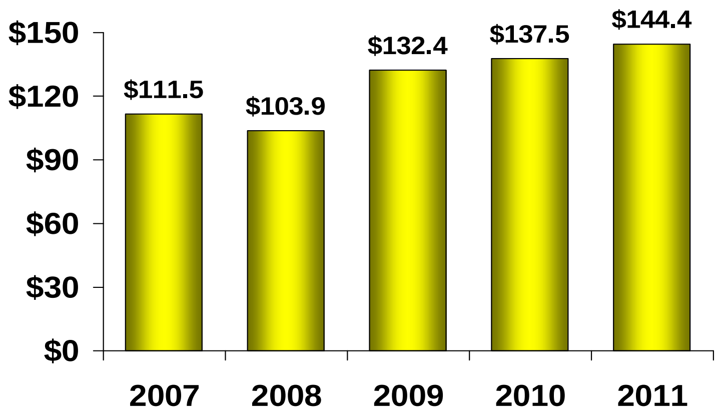
[2] Includes Co-Investments with DCP Midstream, LLC

**Disciplined execution of multi-faceted growth strategy**

# Strong, Stable Financial Performance Across Segments

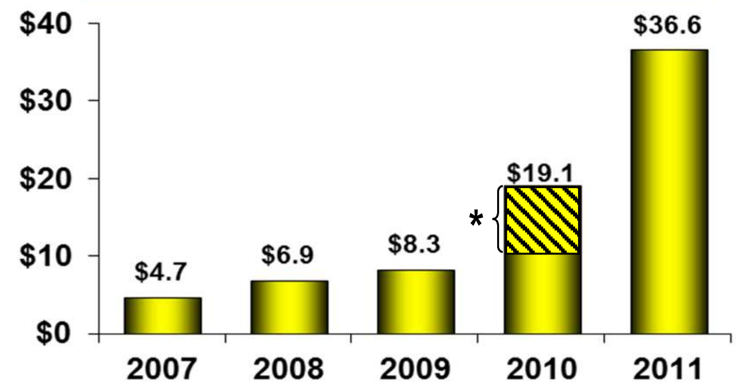
## Adjusted EBITDA by Segment ($ in millions)

### Natural Gas Services



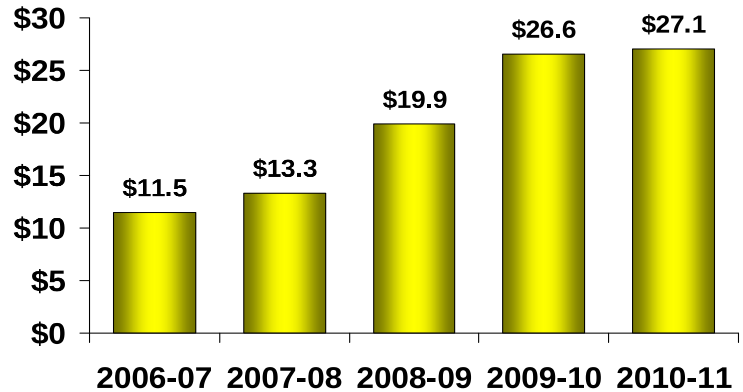

As reported at each year-end

### NGL Logistics




* $9.1 non-cash equity interest re-measurement gain

### Wholesale Propane Logistics

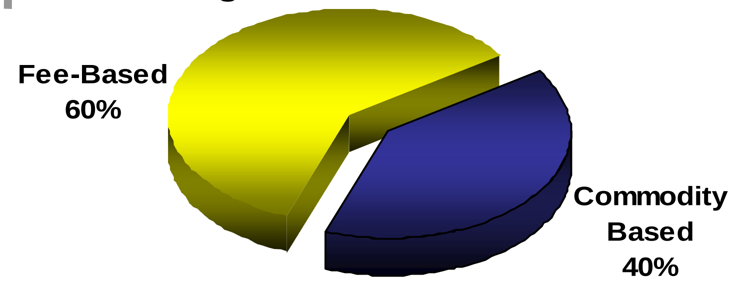



Heating Season April 1 to March 31

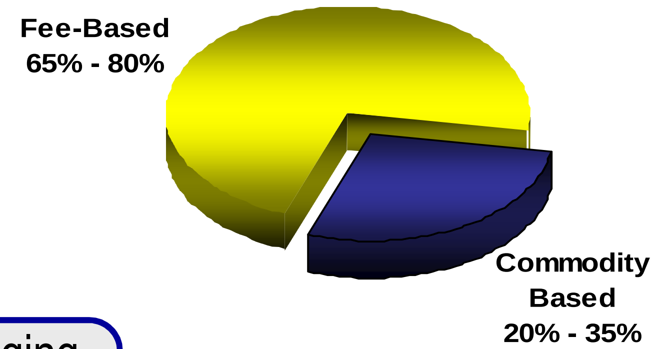
**Trend of steady growth across all business segments**

# Increasing Fee-Based Margin and Asset Diversity

## 2011 Margin

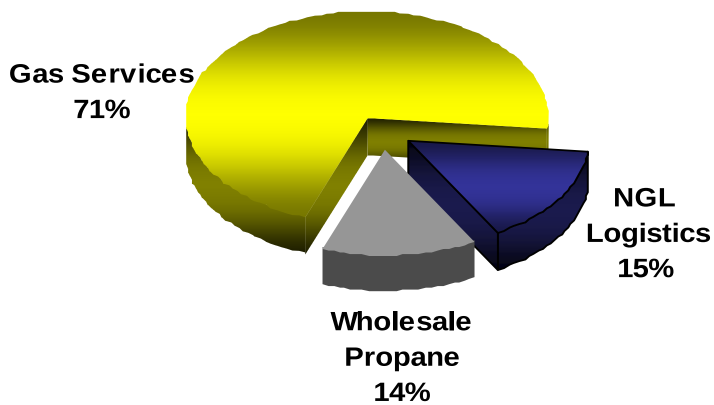



## 2015E Margin

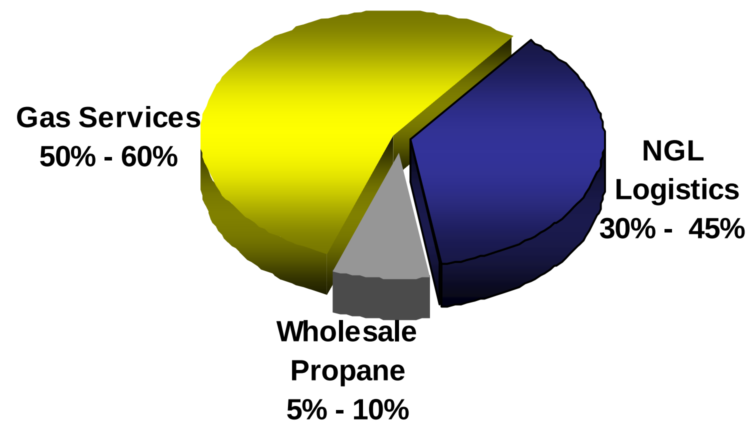



Fee-based margins, multi-year hedging policy and asset diversity underpin investment grade ratings

## 2011 Margin




## 2015E Margin

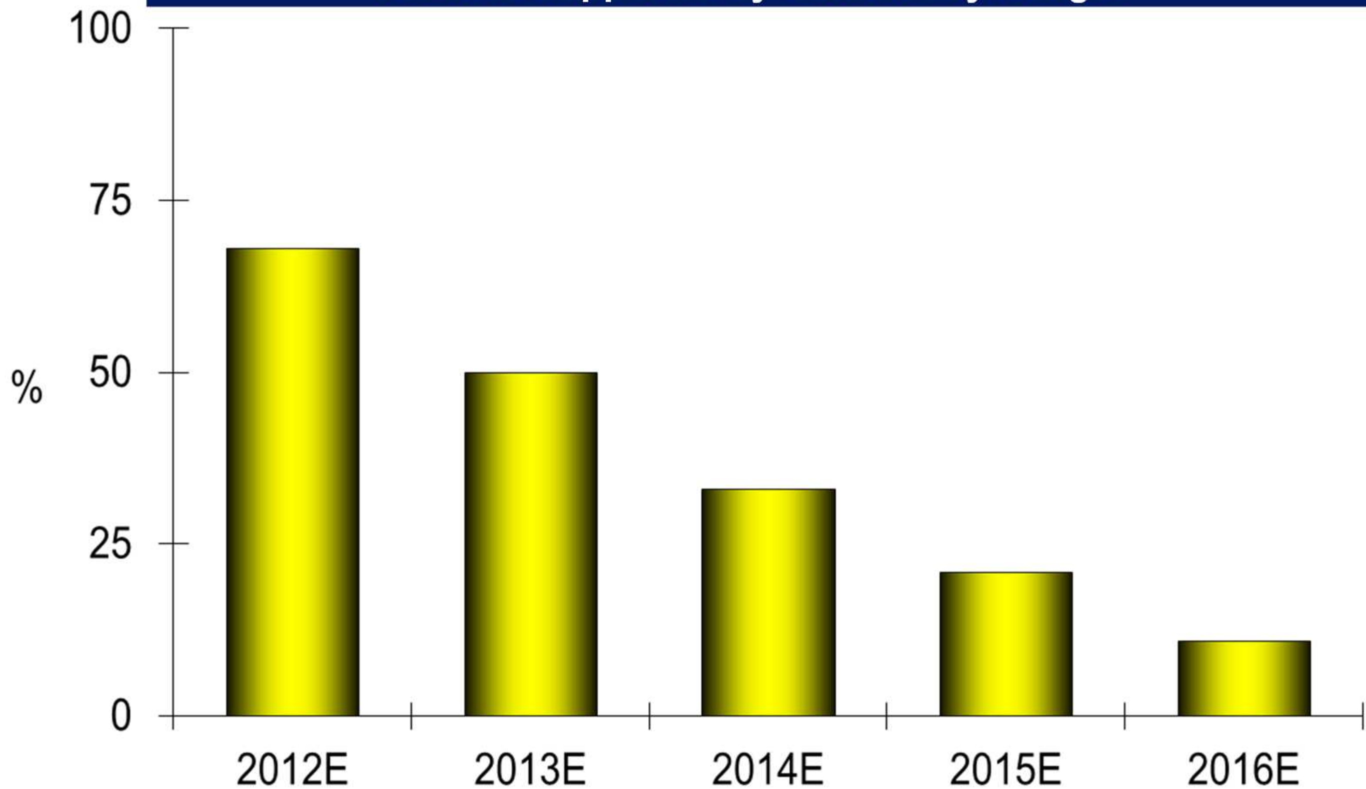



**Growth providing increasing fee-based margins and asset diversity**

# Multi-Year Hedging Program Provides Stability

## Over 85% of 2012 margins are fee-based, fixed margin or supported by commodity hedges

**Percentage of annual NGL, Condensate and Natural Gas Volumes Supported by Commodity Hedges (1)**




[1] Percentage based upon comparison to 2012 volumes on a crude oil equivalent basis

**Multi-year hedging program provides cash flow stability**

# Committed to a Strong Financial Position

- DCP Midstream Partners is structured for cash flow stability
  - MLP with business model focused on protecting distributable cash flow
  - As the public issuer of equity, integral to the success of DCP Midstream, LLC
- Maintain liquidity to support operating plan and future growth
  - $1 billion 5-year revolving credit facility (matures November 2016)
  - Proven access to equity markets
  - Investment grade rating improves positioning in debt markets
- Disciplined approach to long-term financing
  - Committed to maintaining investment grade credit ratings
- Strong sponsorship enhances financial positioning

**Disciplined financial management consistent with investment grade objective**

# Balance Sheet and Credit Metrics

| ($ millions) Balance Sheet Summary (As of 12/31/11) | |
|---|---|
| Total Long-Term Debt | $747 |
| Book Equity | 841 |
| Total Book Capitalization | $1,588 |
| **Liquidity and Credit Metrics** | |
| Unutilized Revolver Capacity | $502 |
| Credit Facility Leverage Ratio (max 5.0x/5.5x) | 3.6x |
| Effective Interest Rate | 4.4% |

**Strong liquidity and credit metrics**

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