



## Plains All American Pipeline, L.P. and Plains GP Holdings, L.P. Announce Closing of Simplification Transactions

Plains All American Pipeline, L.P. (NYSE: PAA) and Plains GP Holdings (NYSE: PAGP) announced the closing of the transactions (the "Simplification Transactions") contemplated by the July 11, 2016 Simplification Agreement entered into by such parties and certain affiliated entities (the "Simplification Agreement"). In satisfaction of one of the conditions to the closing of the Simplification Transactions, PAGP also announced that, at a special meeting of limited partners of PAGP held today, holders of approximately 579.8 million Class A and Class B shares, or approximately 99.9% of the number of Class A and Class B shares that voted at such meeting representing approximately 90.3% of the aggregate number of Class A and Class B shares outstanding and entitled to vote as of the September 30, 2016 record date for such meeting, voted in favor of a proposal to approve the Simplification Agreement and the Simplification Transactions. In addition, 99.8% of the Class A shares that voted at such meeting voted in favor of such proposal, which shares constituted approximately 77.2% of the aggregate number of Class A shares outstanding and entitled to vote as of such record date.

The Simplification Transactions completed today included the following:

- the permanent elimination of PAA's incentive distribution rights and the economic rights associated with PAA's 2% general partner interest in exchange for the issuance by PAA to Plains AAP, L.P. ("AAP") of 245,500,000 PAA common units (including approximately 800,000 units to be issued in the future) representing an approximate 34% limited partner interest in PAA, and the assumption by PAA of all of AAP's outstanding debt (approximately \$642 million);
- as previously announced, the execution by PAGP of a reverse split of its Class A and Class B shares at a ratio of approximately 1-for-2.663;
- the implementation of a unified governance structure pursuant to which the board of directors of PAGP's general partner (the "PAGP Board") has assumed oversight responsibility over both PAA and PAGP, the board of PAA's general partner has been eliminated and the size of the PAGP Board has been expanded to 10 members to include the three members of the former PAA board who were not already serving on the PAGP Board;
- the classification of the PAGP Board (excluding the CEO) into three classes with initial terms expiring in 2018, 2019 and 2020, with each class having a three year term following its initial term;
- provision for shareholder election of certain directors with expiring terms beginning in 2018, and the participation of PAA's common unitholders in such elections through PAA's ownership of newly issued Class C shares in PAGP, which provide PAA, as the sole holder, the right to vote in elections of eligible PAGP directors together with the holders of PAGP Class A and Class B shares; and the granting to holders of AAP Class A units (other than PAGP) of the right to cause AAP to redeem such Class A units in exchange for an equivalent number of PAA common units held by AAP, subject to certain limitations; and
- the entry by PAA, AAP and PAGP into an Omnibus Agreement designed to promote economic alignment between PAGP's Class A shareholders and PAA's common unitholders by, among other measures, maintaining a one-to-one relationship between the number of PAGP outstanding Class A shares and the number of PAA common units indirectly owned by PAGP through AAP.

"We are pleased with the overwhelming support of the Simplification Transactions by PAGP's shareholders," stated Greg Armstrong, Chairman and CEO of Plains All American. "The closing of the Simplification Transactions simplifies our capital structure, better aligns the interests of our equity stakeholders, streamlines our governance structure, improves PAA's overall credit profile, reduces PAA's cost of equity capital and improves its distribution coverage, while allowing us to maintain the tax efficient flexibility of our current organizational structure."

Plains All American Pipeline, L.P. is a publicly traded master limited partnership that owns and operates midstream energy infrastructure and provides logistics services for crude oil, natural gas liquids ("NGL"), natural gas and refined products. PAA owns an extensive network of pipeline transportation, terminalling, storage and gathering assets in key crude oil and NGL producing basins and transportation corridors and at major market hubs in the United States and Canada. On average, PAA handles over 4.6 million barrels per day of crude oil and NGL in its Transportation segment. PAA is headquartered in Houston, Texas.

PAGP is a publicly traded entity that owns a non-economic controlling interest in the general partner of PAA and an indirect 14% limited partner interest in PAA, one of the largest energy infrastructure and logistics companies in North America. PAGP is headquartered in

Houston, Texas.

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