



PAA Natural Gas Storage Commences Commercial Operations on Second Cavern at Pine Prairie

(Houston - April 1, 2009) PAA Natural Gas Storage, LLC ("PNGS") today announced that it had commenced commercial operations on the second of three storage caverns at its Pine Prairie facility in Evangeline Parish, Louisiana, increasing the aggregate working gas capacity to approximately 13.8 BCF. PNGS is indirectly owned 50% by Plains All American Pipeline, L.P. (NYSE:[PAA](#)) and 50% by Vulcan Capital.

Phase I development of the Pine Prairie facility consists of three caverns with aggregate permitted capacity of 24 BCF. Cavern #1 began commercial operations in October 2008. Cavern #2 received the requisite permits in March 2009 and commenced commercial operations on April 1, 2009. Leaching operations on Cavern #3 began in December 2008, and this cavern is expected to commence commercial operations during the second quarter of 2010.

"Commencing commercial operations on Cavern #2 is a significant milestone in the development of Pine Prairie," said Dean Liollo, President of PNGS. "Our ability to bring this capacity online on the schedule contracted with our customers is a notable achievement as it enables our customers to meet their storage requirements and delivery obligations in a timely manner." Since the facility began operations in October 2008, activity levels have steadily increased to an average throughput across the facility of approximately 325 MMCF per day during March 2009.

"Pine Prairie is strategically located and well positioned to provide our customers with superior access to major U.S. natural gas markets and we look forward to the completion of Phase I in early 2010," continued Liollo. "We have recently filed to expand the permitted capacity of the facility to 48 BCF and currently envision embarking on a Phase II expansion of the facility once the permit is approved. As PAA has done historically in its crude oil storage business, we invested significant capital to oversize the infrastructure at Pine Prairie to readily accommodate future expansion, including the leaching, pipeline and gas handling systems. We believe these upfront investments will facilitate our ability to quickly and cost-effectively expand the facility as market conditions warrant, which we believe provides us with a competitive advantage over other facilities. Our expansion capability, as well as connectivity to eight major interstate natural gas pipelines serving major U.S. consuming areas, positions Pine Prairie to become a key market hub for natural gas storage activities." Liollo noted that, in addition to the organic expansion potential of Pine Prairie, PNGS intends to continue to evaluate acquisition opportunities and greenfield development projects.

Inquiries regarding storage and hub services at the Pine Prairie facility should be directed as follows:

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PAA Natural Gas Storage, LLC currently owns and operates approximately 40 BCF of natural gas storage capacity located at its Bluewater facility in Michigan and Pine Prairie facility in South Louisiana, with an additional 8 BCF currently under construction. The joint venture has filed a permit for an additional 24 BCF of high-deliverability salt-cavern storage capacity at its Pine Prairie facility.

Plains All American Pipeline, L.P. is a publicly traded master limited partnership engaged in the transportation, storage, terminalling and marketing of crude oil, refined products and liquefied petroleum gas and other natural gas related petroleum products. Through its 50% ownership in PAA/Vulcan Gas Storage LLC, the partnership is also engaged in the development and operation of natural gas storage facilities. The Partnership is headquartered in Houston, Texas.

Forward-Looking Statements

Certain statements made herein are forward-looking statements. They include statements regarding the expected timing, capacity and benefits of the Pine Prairie facilities. These statements are based on management's current expectations and estimates; actual results may differ materially due to certain risks and uncertainties. These risks and uncertainties include, among other things, unanticipated shortages or cost increases in power supplies, materials and skilled labor, weather interference with business operations or project construction, disruption of domestic and foreign natural gas supplies, regulatory uncertainties and other factors and uncertainties inherent in the marketing, transportation, terminalling, gathering and storage of natural gas, as well as those factors and uncertainties inherent in the Partnership's business as discussed in the Partnership's filings with the Securities and Exchange Commission.

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