



Plains All American Pipeline, L.P. Reports Fourth-Quarter and Full-Year 2011 Results

Plains All American Pipeline, L.P. (NYSE:PAA) today reported net income attributable to Plains of \$278 million, or \$1.37 per diluted limited partner unit, for the fourth quarter of 2011 and net income attributable to Plains of \$966 million, or \$4.88 per diluted limited partner unit, for the full year 2011. Net income attributable to Plains for the fourth quarter of 2010 was \$142 million, or \$0.67 per diluted limited partner unit, and net income attributable to Plains for the full year 2010 was \$505 million, or \$2.40 per diluted limited partner unit. The Partnership reported earnings before interest, taxes, depreciation and amortization ("EBITDA") of \$426 million and \$1.54 billion for the respective fourth-quarter and full-year 2011 periods compared to reported EBITDA of \$277 million and \$1.02 billion, for the comparable 2010 periods.

"PAA delivered record level performance for the fourth quarter and full year of 2011 and meaningfully exceeded our public guidance ranges," said Greg L. Armstrong, Chairman and CEO of Plains All American. "These results are a testament to the strength of PAA's business model and strategic asset base and the outstanding execution by PAA's employees during a period of strong fundamentals and favorable market conditions."

"Looking forward, PAA is well positioned to continue to deliver attractive results. During 2011, we invested \$1.9 billion in expansion capital and acquisitions and we plan to invest over \$2.5 billion in 2012 through our \$850 million expansion capital program and our pending \$1.7 billion acquisition of BP's Canadian NGL business. PAA is also well positioned to finance this growth while maintaining a solid capital structure and a high level of liquidity. As a result of our proactive financing activities and cash generated in excess of our distributions, PAA ended the year with a strong balance sheet, over \$3.5 billion of committed liquidity and favorably positioned with respect to our targeted credit profile."

"Based on this positioning and strong industry fundamentals, we are targeting to increase our limited partner distributions by 8% to 9% during 2012, while maintaining attractive distribution coverage levels."

The Partnership's reported results include the impact of items that affect comparability between reporting periods. These items are excluded from adjusted results, as detailed in the table below. Accordingly, the Partnership's fourth-quarter 2011 adjusted net income attributable to Plains, adjusted net income per diluted limited partner unit and adjusted EBITDA were \$322 million, \$1.65 and \$471 million, respectively, as compared to fourth-quarter 2010 respective results of \$187 million, \$0.99 and \$322 million.

The Partnership's adjusted net income attributable to Plains, adjusted net income per diluted limited partner unit and adjusted EBITDA for the full year 2011 were \$1.02 billion, \$5.24 and \$1.60 billion, respectively, as compared to the full-year 2010 respective results of \$594 million, \$3.03 and \$1.11 billion. (See the section of this release entitled "Non-GAAP Financial Measures" and the attached tables for discussion of EBITDA and other non-GAAP financial measures, and reconciliations of such measures to the comparable GAAP measures.)

The following table summarizes selected items that the Partnership believes impact comparability of financial results between reporting periods (amounts in millions, except per unit amounts):

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|------------------------------------|------------------|-------------------------------------|------------------|
| | 2011 | 2010 | 2011 | 2010 |
| Selected Items Impacting Comparability - Income / (Loss) ⁽¹⁾ : | | | | |
| Equity compensation expense ⁽²⁾ | \$ (37) | \$ (33) | \$ (77) | \$ (67) |
| Gains/(losses) from other derivative activities | (11) | (12) | 61 | (14) |
| Net loss on early repayment of senior notes | - | - | (23) | (6) |
| Gain/(loss) on foreign currency revaluation | 10 | - | (7) | - |
| Significant acquisition-related expenses | (6) | - | (10) | - |
| Other ⁽³⁾ | - | - | 1 | (2) |
| Selected items impacting comparability of net income attributable to Plains | (44) | (45) | (55) | (89) |
| Less: GP 2% portion of selected items impacting comparability | 1 | 1 | 1 | 2 |
| LP 98% portion of selected items impacting comparability | <u>\$ (43)</u> | <u>\$ (44)</u> | <u>\$ (54)</u> | <u>\$ (87)</u> |
| Impact to basic net income per limited partner unit | <u>\$ (0.28)</u> | <u>\$ (0.31)</u> | <u>\$ (0.37)</u> | <u>\$ (0.64)</u> |
| Impact to diluted net income per limited partner unit | <u>\$ (0.28)</u> | <u>\$ (0.32)</u> | <u>\$ (0.36)</u> | <u>\$ (0.63)</u> |

(1) Certain of our non-GAAP financial measures may not be impacted by each of the selected items impacting comparability.

(2) Equity compensation expense for both the three and twelve months ended December 31, 2011 and 2010 excludes the portion of equity compensation expense represented by grants under our Long-term Incentive Plans ("LTIPs") that, pursuant to the terms of the grant, will be settled in cash only and have no impact on diluted units.

(3) Includes other immaterial selected items impacting comparability, as well as the noncontrolling interests' portion of selected items.

The following tables present certain selected financial information by segment for the fourth-quarter and full-year 2011 and 2010 reporting periods (amounts in millions):

| | Three Months Ended December 31, 2011 | | | Three Months Ended December 31, 2010 | | |
|---|---|---------------|-----------------------|---|--------------|-----------------------|
| | Transportation | Facilities | Supply & Logistics | Transportation | Facilities | Supply & Logistics |
| Revenues (1) | \$ 301 | \$ 280 | \$ 8,501 | \$ 271 | \$ 127 | \$ 6,997 |
| Purchases and related costs (1) | (27) | (118) | (8,190) | (21) | (6) | (6,823) |
| Field operating costs (excluding equity compensation expense) (1) | (93) | (43) | (89) | (87) | (34) | (52) |
| Equity compensation expense - operations | (9) | (1) | (1) | (6) | (1) | (1) |
| Segment G&A expenses (excluding equity compensation expense) (2) | (20) | (11) | (20) | (17) | (10) | (20) |
| Equity compensation expense - general and administrative | (17) | (8) | (18) | (18) | (8) | (14) |
| Equity earnings in unconsolidated entities | 4 | - | - | - | - | - |
| Reported segment profit | 139 | 99 | 183 | 122 | 68 | 87 |
| Selected items impacting comparability of segment profit (3) | 21 | 8 | 17 | 16 | 7 | 22 |
| Segment profit excluding selected items impacting comparability | <u>\$ 160</u> | <u>\$ 107</u> | <u>\$ 200</u> | <u>\$ 138</u> | <u>\$ 75</u> | <u>\$ 109</u> |
| Maintenance capital | <u>\$ 34</u> | <u>\$ 6</u> | <u>\$ 3</u> | <u>\$ 24</u> | <u>\$ 4</u> | <u>\$ 2</u> |

| | Twelve Months Ended December 31, 2011 | | | Twelve Months Ended December 31, 2010 | | |
|---|--|---------------|-----------------------|--|---------------|-----------------------|
| | Transportation | Facilities | Supply & Logistics | Transportation | Facilities | Supply & Logistics |
| Revenues (1) | \$ 1,165 | \$ 796 | \$ 33,068 | \$ 1,045 | \$ 490 | \$ 24,990 |
| Purchases and related costs (1) | (115) | (205) | (31,984) | (73) | (23) | (24,448) |
| Field operating costs (excluding equity compensation expense) (1) | (387) | (165) | (314) | (346) | (140) | (195) |
| Equity compensation expense - operations | (14) | (2) | (2) | (12) | (2) | (3) |
| Segment G&A expenses (excluding equity compensation expense) (2) | (69) | (47) | (86) | (65) | (39) | (75) |
| Equity compensation expense - general and administrative | (38) | (19) | (35) | (36) | (16) | (29) |
| Equity earnings in unconsolidated entities | 13 | - | - | 3 | - | - |
| Reported segment profit | 555 | 358 | 647 | 516 | 270 | 240 |
| Selected items impacting comparability of segment profit (3) | 40 | 23 | (34) | 33 | 14 | 37 |
| Segment profit excluding selected items impacting comparability | <u>\$ 595</u> | <u>\$ 381</u> | <u>\$ 613</u> | <u>\$ 549</u> | <u>\$ 284</u> | <u>\$ 277</u> |
| Maintenance capital | <u>\$ 86</u> | <u>\$ 22</u> | <u>\$ 12</u> | <u>\$ 67</u> | <u>\$ 17</u> | <u>\$ 9</u> |

(1) Includes intersegment amounts.

(2) Segment general and administrative expenses (G&A) reflect direct costs attributable to each segment and an allocation of other expenses to the segments based on the business activities that existed at that time. The proportional allocations by segment require judgment by management and will continue to be based on the business activities that exist during each period. Includes acquisition-related expenses for the 2011 periods.

(3) Certain of our non-GAAP financial measures may not be impacted by each of the selected items impacting comparability.

Adjusted segment profit for the Transportation segment for the fourth quarter and full year 2011 increased by approximately 16% and 8%, respectively, over comparable 2010 results. Increases for both periods were primarily driven by higher pipeline tariffs and volumes, partially offset by higher operating expenses. Full-year 2011 results include a \$31 million negative impact associated with the Rainbow pipeline incident that occurred during the second quarter.

Adjusted segment profit for the Facilities segment for the fourth quarter and full year 2011 increased by approximately 43% and 34%, respectively, over comparable 2010 results primarily due to the Southern Pines gas storage facility acquisition (closed in February 2011) and capacity increases from organic growth capital projects.

Adjusted segment profit for the Supply and Logistics segment for the fourth quarter and full year 2011 increased by approximately 83% and 121%, respectively, over comparable 2010 results primarily due to increased crude oil lease gathering volumes and margins related to high levels of drilling activity in areas that we service, the acquisition of Nexen's Bakken crude oil business (closed in December 2010) and favorable crude oil market conditions.

The Partnership's basic weighted average units outstanding for the fourth quarter 2011 totaled 152 million (154 million diluted) as compared to 138 million (139 million diluted) in last year's fourth quarter. On December 31, 2011, the Partnership had approximately 155.4 million units outstanding, long-term debt of approximately \$4.5 billion and a long-term debt-to-total capitalization ratio of 43%.

The Partnership has declared a quarterly distribution of \$1.025 per unit (\$4.10 per unit on an annualized basis) payable February 14, 2012, on its outstanding limited partner units. This distribution represents an increase of approximately 7.0% over the quarterly

distribution paid in February 2011 and an increase of approximately 3.0% over the quarterly distribution paid in November 2011.

The Partnership will hold a conference call at 11:00 AM (Eastern) on February 9, 2012 (see details below). Prior to this conference call, the Partnership will furnish a current report on Form 8-K, which will include material in this press release and financial and operational guidance for the first quarter and full year 2012. A copy of the Form 8-K will be available on the Partnership's website at www.paalp.com.

Non-GAAP Financial Measures

To supplement our financial information presented in accordance with GAAP, management uses additional measures that are known as "non-GAAP financial measures" in its evaluation of past performance and prospects for the future. These measures include adjusted EBITDA and implied distributable cash flow ("DCF").

Management believes that the presentation of such additional financial measures provides useful information to investors regarding our performance and results of operations because these measures, when used in conjunction with related GAAP financial measures, (i) provide additional information about our core operating performance and ability to generate and distribute cash flow, (ii) provide investors with the financial analytical framework upon which management bases financial, operational, compensation and planning decisions and (iii) present measurements that investors, rating agencies and debt holders have indicated are useful in assessing us and our results of operations. These measures may exclude, for example, (i) charges for obligations that are expected to be settled with the issuance of equity instruments, (ii) the mark-to-market of derivative instruments that are related to underlying activities in another period (or the reversal of such adjustments from a prior period), (iii) items that are not indicative of our core operating results and business outlook and/or (iv) other items that we believe should be excluded in understanding our core operating performance. We have defined all such items as "Selected Items Impacting Comparability." These additional financial measures are reconciled from the most directly comparable measures as reported in accordance with GAAP, and should be viewed in addition to, and not in lieu of, our consolidated financial statements and footnotes.

Although we present selected items that we consider in evaluating our performance, you should also be aware that the items presented do not represent all items that affect comparability between the periods presented. Variations in our operating results are also caused by changes in volumes, prices, exchange rates, mechanical interruptions, acquisitions and numerous other factors. A full analysis of these types of variations are not separately identified in this release, but will be discussed, as applicable, in management's discussion and analysis of operating results in our Annual Report on Form 10-K.

Conference Call

The Partnership will host a conference call at 11:00 AM (Eastern) on Thursday, February 9, 2012 to discuss the following items:

1. The Partnership's fourth-quarter and full-year 2011 performance;
2. The status of major expansion projects;
3. Capitalization and liquidity;
4. Financial and operating guidance for the first quarter and full year 2012; and
5. The Partnership's outlook for the future.

Webcast Instructions

To access the Internet webcast, please go to the Partnership's website at www.paalp.com, choose "Investor Relations," and then choose "Conference Calls." Following the live webcast, the call will be archived for a period of sixty (60) days on the Partnership's website.

Alternatively, you may access the live conference call by dialing toll free 800-230-1085. International callers should dial 612-288-0340. No password is required. You may access the slide presentation accompanying the conference call a few minutes prior to the call under the Conference Call Summaries portion of the Conference Calls tab of the Investor Relations section of PAA's website at www.paalp.com.

Telephonic Replay Instructions

To listen to a telephonic replay of the conference call, please dial 800-475-6701, or, for international callers, 320-365-3844, and replay access code 232108. The replay will be available beginning Thursday, February 9, 2012, at approximately 1:00 PM (Eastern) and continue until 11:59 PM (Eastern) Thursday, March 9, 2012.

Forward Looking Statements

Except for the historical information contained herein, the matters discussed in this release are forward-looking statements that involve certain risks and uncertainties that could cause actual results to differ materially from results anticipated in the forward-looking statements. These risks and uncertainties include, among other things, failure to consummate and integrate the BP NGL acquisition; failure to implement or capitalize on planned internal growth projects; maintenance of our credit rating and ability to receive open credit from our suppliers and trade counterparties; continued creditworthiness of, and performance by, our counterparties, including financial institutions and trading companies with which we do business; the effectiveness of our risk management activities; unanticipated changes in crude oil market structure, grade differentials and volatility (or lack thereof); environmental liabilities or events that are not covered by an indemnity, insurance or existing reserves; abrupt or severe declines or interruptions in outer continental shelf production located offshore California and transported on our pipeline systems; shortages or cost increases of supplies, materials or labor; the availability of adequate third-party production volumes for transportation and marketing in the areas in which we operate and other factors that could cause declines in volumes shipped on our pipelines by us and third-party shippers, such as declines in production from existing oil and gas reserves or failure to develop additional oil and gas reserves; fluctuations in refinery capacity in areas supplied by our mainlines and other factors affecting demand for various grades of crude oil, refined products and natural gas and resulting changes in pricing conditions or transportation throughput requirements; the availability of, and our ability to consummate, acquisition or combination opportunities; our ability to obtain debt or equity financing on satisfactory terms to fund additional acquisitions, expansion projects, working capital requirements and the repayment or refinancing of indebtedness; the successful integration and future performance of acquired assets or businesses and the risks associated with operating in lines of business that are distinct and separate from our historical operations; the impact of current and future laws, rulings, governmental regulations, accounting standards and statements and related interpretations; the effects of competition; interruptions in service on third-party pipelines; increased costs or lack of availability of insurance; fluctuations in the debt and equity markets, including the price of our units at the time of vesting under our long-term incentive plans; the currency exchange rate of the Canadian dollar; weather interference with business operations or project construction; risks related to the development and operation of natural gas storage facilities; factors affecting demand for natural gas and natural gas storage services and rates; future developments and circumstances at the time distributions are declared; general economic, market or business conditions and the amplification of other risks caused by volatile financial markets, capital constraints and pervasive liquidity concerns; and other factors and uncertainties inherent in the transportation, storage, terminalling and marketing of crude oil, refined products and liquefied petroleum gas and other natural gas related petroleum products discussed in the Partnership's filings with the Securities and Exchange Commission.

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 general partner interest and majority equity ownership position in PAA Natural Gas Storage, L.P. (NYSE:PNG), PAA also develops and operates natural gas storage facilities. PAA is headquartered in Houston, Texas.

CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions, except per unit data)

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|------------------------------------|----------|-------------------------------------|-----------|
| | 2011 | 2010 | 2011 | 2010 |
| REVENUES | \$ 8,884 | \$ 7,231 | \$ 34,275 | \$ 25,893 |
| COSTS AND EXPENSES | | | | |
| Purchases and related costs | 8,141 | 6,688 | 31,564 | 23,921 |
| Field operating costs | 232 | 179 | 870 | 689 |
| General and administrative expenses | 94 | 87 | 294 | 260 |
| Depreciation and amortization | 58 | 64 | 249 | 256 |
| Total costs and expenses | 8,525 | 7,018 | 32,977 | 25,126 |
| OPERATING INCOME | 359 | 213 | 1,298 | 767 |
| OTHER INCOME/(EXPENSE) | | | | |
| Equity earnings in unconsolidated entities | 4 | - | 13 | 3 |
| Interest expense | (63) | (64) | (253) | (248) |
| Other income/(expense), net | 5 | - | (19) | (9) |
| INCOME BEFORE TAX | 305 | 149 | 1,039 | 513 |
| Current income tax benefit/(expense) | (13) | 1 | (38) | 1 |
| Deferred income tax expense | (4) | (4) | (7) | - |
| NET INCOME | 288 | 146 | 994 | 514 |
| Less: Net income attributable to noncontrolling interests | (10) | (4) | (28) | (9) |
| NET INCOME ATTRIBUTABLE TO PLAINS | \$ 278 | \$ 142 | \$ 966 | \$ 505 |
| NET INCOME ATTRIBUTABLE TO PLAINS: | | | | |
| LIMITED PARTNERS | \$ 210 | \$ 94 | \$ 730 | \$ 330 |
| GENERAL PARTNER | \$ 68 | \$ 48 | \$ 236 | \$ 175 |
| BASIC NET INCOME PER LIMITED PARTNER UNIT | \$ 1.38 | \$ 0.68 | \$ 4.91 | \$ 2.41 |
| DILUTED NET INCOME PER LIMITED PARTNER UNIT | \$ 1.37 | \$ 0.67 | \$ 4.88 | \$ 2.40 |
| BASIC WEIGHTED AVERAGE UNITS OUTSTANDING | 152 | 138 | 149 | 137 |
| DILUTED WEIGHTED AVERAGE UNITS OUTSTANDING | 154 | 139 | 150 | 138 |

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|------------------------------------|-------|-------------------------------------|-------|
| | 2011 | 2010 | 2011 | 2010 |
| <u>OPERATING DATA⁽¹⁾</u> | | | | |
| Transportation activities (Average Daily Volumes in thousands of barrels): | | | | |
| Tariff activities | | | | |
| All American | 34 | 38 | 35 | 39 |
| Basin | 463 | 386 | 440 | 378 |
| Capline | 145 | 227 | 160 | 223 |
| Line 63/Line 2000 | 113 | 104 | 114 | 109 |
| Salt Lake City Area Systems (2) | 132 | 132 | 137 | 135 |
| Permian Basin Area Systems (2) | 412 | 348 | 404 | 371 |
| Mid-Continent Area Systems (2) | 201 | 219 | 213 | 214 |
| Manito | 67 | 66 | 66 | 61 |
| Rainbow | 144 | 182 | 135 | 187 |
| Rangeland | 63 | 52 | 59 | 52 |
| Refined products | 110 | 115 | 102 | 116 |
| Other | 1,118 | 1,021 | 1,077 | 1,004 |
| Tariff activities total | 3,002 | 2,890 | 2,942 | 2,889 |
| Trucking | 109 | 105 | 105 | 97 |
| Transportation activities total | 3,111 | 2,995 | 3,047 | 2,986 |
| Facilities activities (Average Monthly Volumes): | | | | |
| Crude oil, refined products and LPG storage (average monthly capacity in millions of barrels) | 73 | 63 | 70 | 61 |
| Natural gas storage (average monthly capacity in billions of cubic feet) | 76 | 50 | 71 | 47 |
| LPG processing (average throughput in thousands of barrels per day) | 14 | 12 | 14 | 14 |
| Facilities activities total (average monthly capacity in millions of barrels) (3) | 86 | 72 | 82 | 70 |
| Supply & Logistics activities (Average Daily Volumes in thousands of barrels): | | | | |
| Crude oil lease gathering purchases | 776 | 636 | 742 | 620 |
| LPG sales | 118 | 123 | 103 | 96 |
| Waterborne cargos | - | 37 | 21 | 68 |
| Supply & Logistics activities total | 894 | 796 | 866 | 784 |

(1) Volumes associated with acquisitions represent total volumes for the number of days or months (dependent on the calculation) we actually owned the assets divided by the number of days or months in the period.

(2) The aggregate of multiple systems in the respective areas.

(3) Facilities total is calculated as the sum of: (i) crude oil, refined products and LPG storage capacity; (ii) natural gas capacity divided by 6 to account for the 6:1 mcf of gas to crude Btu equivalent ratio and further divided by 1,000 to convert to monthly volumes in millions; and (iii) LPG processing volumes multiplied by the number of days in the period and divided by the number of months in the period.

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
FINANCIAL SUMMARY (unaudited)

CONDENSED CONSOLIDATED BALANCE SHEET DATA

(in millions)

| | December 31, December 31, | |
|--|---------------------------|------------------|
| | 2011 | 2010 |
| <u>ASSETS</u> | | |
| Current assets | \$ 4,351 | \$ 4,381 |
| Property and equipment, net | 7,740 | 6,691 |
| Goodwill | 1,854 | 1,376 |
| Linefill and base gas | 564 | 519 |
| Long-term inventory | 135 | 154 |
| Investments in unconsolidated entities | 191 | 200 |
| Other, net | 546 | 382 |
| Total assets | <u>\$ 15,381</u> | <u>\$ 13,703</u> |
| <u>LIABILITIES AND PARTNERS' CAPITAL</u> | | |
| Current liabilities | \$ 4,511 | \$ 4,215 |
| Senior notes, net of unamortized discount | 4,262 | 4,363 |
| Long-term debt under credit facilities and other | 258 | 268 |
| Other long-term liabilities and deferred credits | 376 | 284 |
| Total liabilities | <u>9,407</u> | <u>9,130</u> |
| Partners' capital excluding noncontrolling interests | 5,446 | 4,342 |
| Noncontrolling interests | 528 | 231 |
| Total partners' capital | <u>5,974</u> | <u>4,573</u> |
| Total liabilities and partners' capital | <u>\$ 15,381</u> | <u>\$ 13,703</u> |

CREDIT RATIOS

(in millions)

| | December 31, 2011 ⁽¹⁾ |
|--|-------------------------------------|
| Short-term debt | \$ 679 |
| Long-term debt | 4,520 |
| Total debt | <u>\$ 5,199</u> |
| Long-term debt | 4,520 |
| Partners' capital | 5,974 |
| Total book capitalization | <u>\$ 10,494</u> |
| Total book capitalization, including short-term debt | <u>\$ 11,173</u> |
| Long-term debt-to-total book capitalization | 43% |
| Total debt-to-total book capitalization, including short-term debt | 47% |

| | December 31, 2010 | Adjustment ⁽¹⁾ | December 31, 2010 Adjusted |
|--|----------------------|---------------------------|----------------------------------|
| Short-term debt | \$ 1,326 | \$ 466 | \$ 1,792 |
| Long-term debt | 4,631 | (466) | 4,165 |
| Total debt | <u>\$ 5,957</u> | <u>\$ -</u> | <u>\$ 5,957</u> |
| Long-term debt | 4,631 | (466) | 4,165 |
| Partners' capital | 4,573 | - | 4,573 |
| Total book capitalization | <u>\$ 9,204</u> | <u>\$ (466)</u> | <u>\$ 8,738</u> |
| Total book capitalization, including short-term debt | <u>\$ 10,530</u> | <u>\$ -</u> | <u>\$ 10,530</u> |
| Long-term debt-to-total book capitalization | 50% | | 48% |
| Total debt-to-total book capitalization, including short-term debt | 57% | | 57% |

(1) Our \$500 million, 4.25% senior notes will mature in September 2012 and thus are classified as short-term debt at December 31, 2011. These notes were issued in July 2009 and the proceeds are being used to supplement capital available from our hedged inventory facility. The December 31, 2010 adjustment represents the portion of these senior notes that had been used to fund hedged inventory and would have been classified as short-term debt if funded on our credit facilities.

COMPUTATION OF BASIC AND DILUTED EARNINGS PER LIMITED PARTNER UNIT

(in millions, except per unit data)

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|--|------------------------------------|----------------|-------------------------------------|----------------|
| | 2011 | 2010 | 2011 | 2010 |
| Numerator for basic and diluted earnings per limited partner unit: | | | | |
| Net Income Attributable to Plains | \$ 278 | \$ 142 | \$ 966 | \$ 505 |
| Less: General partner's incentive distribution (1) | (63) | (46) | (221) | (168) |
| Less: General partner 2% ownership | (5) | (2) | (15) | (7) |
| Net income available to limited partners in accordance with application of the two-class method for MLPs | <u>\$ 210</u> | <u>\$ 94</u> | <u>\$ 730</u> | <u>\$ 330</u> |
| Denominator: | | | | |
| Basic weighted average number of limited partner units outstanding | 152 | 138 | 149 | 137 |
| Effect of dilutive securities: | | | | |
| Weighted average LTIP units | 2 | 1 | 1 | 1 |
| Diluted weighted average number of limited partner units outstanding | <u>154</u> | <u>139</u> | <u>150</u> | <u>138</u> |
| Basic net income per limited partner unit | <u>\$ 1.38</u> | <u>\$ 0.68</u> | <u>\$ 4.91</u> | <u>\$ 2.41</u> |
| Diluted net income per limited partner unit | <u>\$ 1.37</u> | <u>\$ 0.67</u> | <u>\$ 4.88</u> | <u>\$ 2.40</u> |

(1) We calculate net income available to limited partners based on the distributions pertaining to the current period's net income. After adjusting for the appropriate period's distributions, the remaining undistributed earnings or excess distributions over earnings, if any, are allocated to the general partner and limited partners in accordance with the contractual terms of the partnership agreement.

FINANCIAL DATA RECONCILIATIONS

(in millions)

Net income to earnings before interest, taxes, depreciation and amortization ("EBITDA") and excluding selected items impacting comparability ("Adjusted EBITDA") reconciliations

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|--|---------------------------------------|---------------|--|----------------|
| | 2011 | 2010 | 2011 | 2010 |
| Net Income | \$288 | \$ 146 | \$ 994 | \$ 514 |
| Add: Interest expense | 63 | 64 | 253 | 248 |
| Add: Income tax (benefit)/expense | 17 | 3 | 45 | (1) |
| Add: Depreciation and amortization | 58 | 64 | 249 | 256 |
| EBITDA | 426 | 277 | 1,541 | 1,017 |
| Selected items impacting comparability of EBITDA | 45 | 45 | 57 | 89 |
| Adjusted EBITDA | <u>\$471</u> | <u>\$ 322</u> | <u>\$ 1,598</u> | <u>\$1,106</u> |

Adjusted EBITDA to Implied Distributable Cash Flow ("DCF")

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|--|---------------------------------------|---------------|--|---------------|
| | 2011 | 2010 | 2011 | 2010 |
| Adjusted EBITDA | \$471 | \$ 322 | \$ 1,598 | \$1,106 |
| Interest expense | (63) | (64) | (253) | (248) |
| Maintenance capital | (43) | (30) | (120) | (93) |
| Current income tax benefit/(expense) | (13) | 1 | (38) | 1 |
| Equity earnings in unconsolidated entities, net of distributions | 3 | 5 | 10 | 6 |
| Distributions to noncontrolling interests (1) | (12) | (5) | (47) | (15) |
| Other | - | - | (1) | - |
| Implied DCF | <u>\$343</u> | <u>\$ 229</u> | <u>\$ 1,149</u> | <u>\$ 757</u> |

(1) Includes distributions that pertain to the current quarter's net income and are to be paid in the subsequent quarter.

Cash flow from operating activities reconciliation

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|---------------------------------------|----------------|--|---------------|
| | 2011 | 2010 | 2011 | 2010 |
| EBITDA | \$426 | \$ 277 | \$ 1,541 | \$1,017 |
| Current income tax benefit/(expense) | (13) | 1 | (38) | 1 |
| Interest expense | (63) | (64) | (253) | (248) |
| Net change in assets and liabilities, net of acquisitions | 201 | (467) | 1,005 | (609) |
| Other items to reconcile to cash flows from operating activities: | | | | |
| Equity compensation expense | 54 | 48 | 110 | 98 |
| Net cash provided by/(used in) operating activities | <u>\$605</u> | <u>\$(205)</u> | <u>\$2,365</u> | <u>\$ 259</u> |

FINANCIAL DATA RECONCILIATIONS

(in millions, except per unit data) (continued)

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|--|------------------------------------|----------------|-------------------------------------|----------------|
| | 2011 | 2010 | 2011 | 2010 |
| Net income and earnings per limited partner unit excluding selected items impacting comparability | | | | |
| Net Income Attributable to Plains | \$ 278 | \$ 142 | \$ 966 | \$ 505 |
| Selected items impacting comparability of net income attributable to Plains | 44 | 45 | 55 | 89 |
| Adjusted Net Income Attributable to Plains | <u>\$ 322</u> | <u>\$ 187</u> | <u>\$ 1,021</u> | <u>\$ 594</u> |
| Net income available to limited partners in accordance with application of the two-class method for MLPs | \$ 210 | \$ 94 | \$ 730 | \$ 330 |
| Limited partners' 98% of selected items impacting comparability | 43 | 44 | 54 | 87 |
| Adjusted limited partners' net income | <u>\$ 253</u> | <u>\$ 138</u> | <u>\$ 784</u> | <u>\$ 417</u> |
| Adjusted basic net income per limited partner unit | <u>\$ 1.66</u> | <u>\$ 0.99</u> | <u>\$ 5.28</u> | <u>\$ 3.05</u> |
| Adjusted diluted net income per limited partner unit | <u>\$ 1.65</u> | <u>\$ 0.99</u> | <u>\$ 5.24</u> | <u>\$ 3.03</u> |
| Basic weighted average units outstanding | <u>152</u> | <u>138</u> | <u>149</u> | <u>137</u> |
| Diluted weighted average units outstanding | <u>154</u> | <u>139</u> | <u>150</u> | <u>138</u> |

Plains All American Pipeline, L.P.

Roy I. Lamoreaux, Director, Investor Relations, 713-646-4222 or 800-564-3036

or

Al Swanson, Executive Vice President, CFO, 800-564-3036