PLAINS ALL AMERICAN PIPELINE, L.P.

Crude Oil Trends & Recent Developments

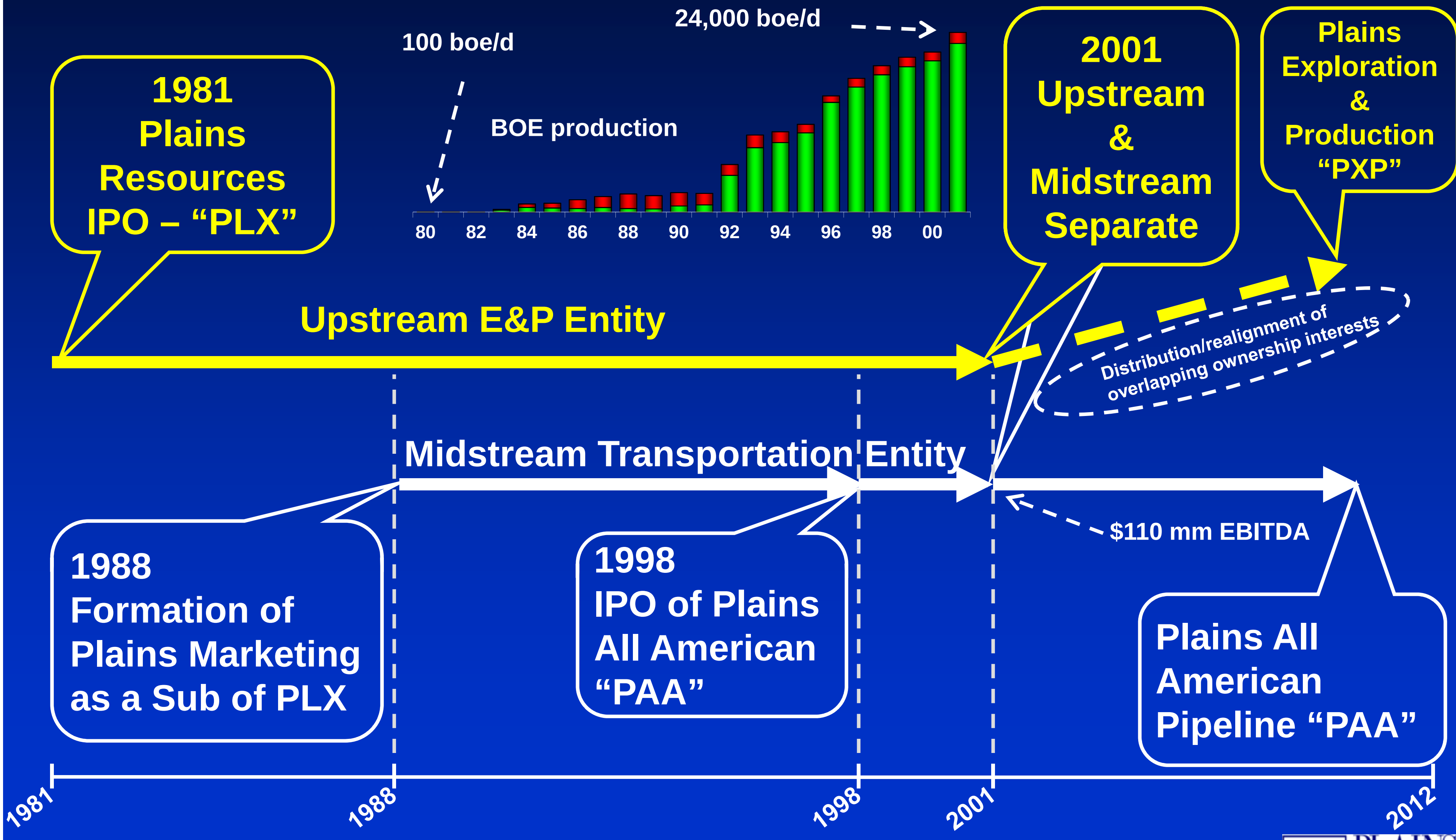
Greg L. Armstrong, Chairman & CEO

IPAA & TIPRO
Leaders in Industry
Houston, TX
January 11, 2012

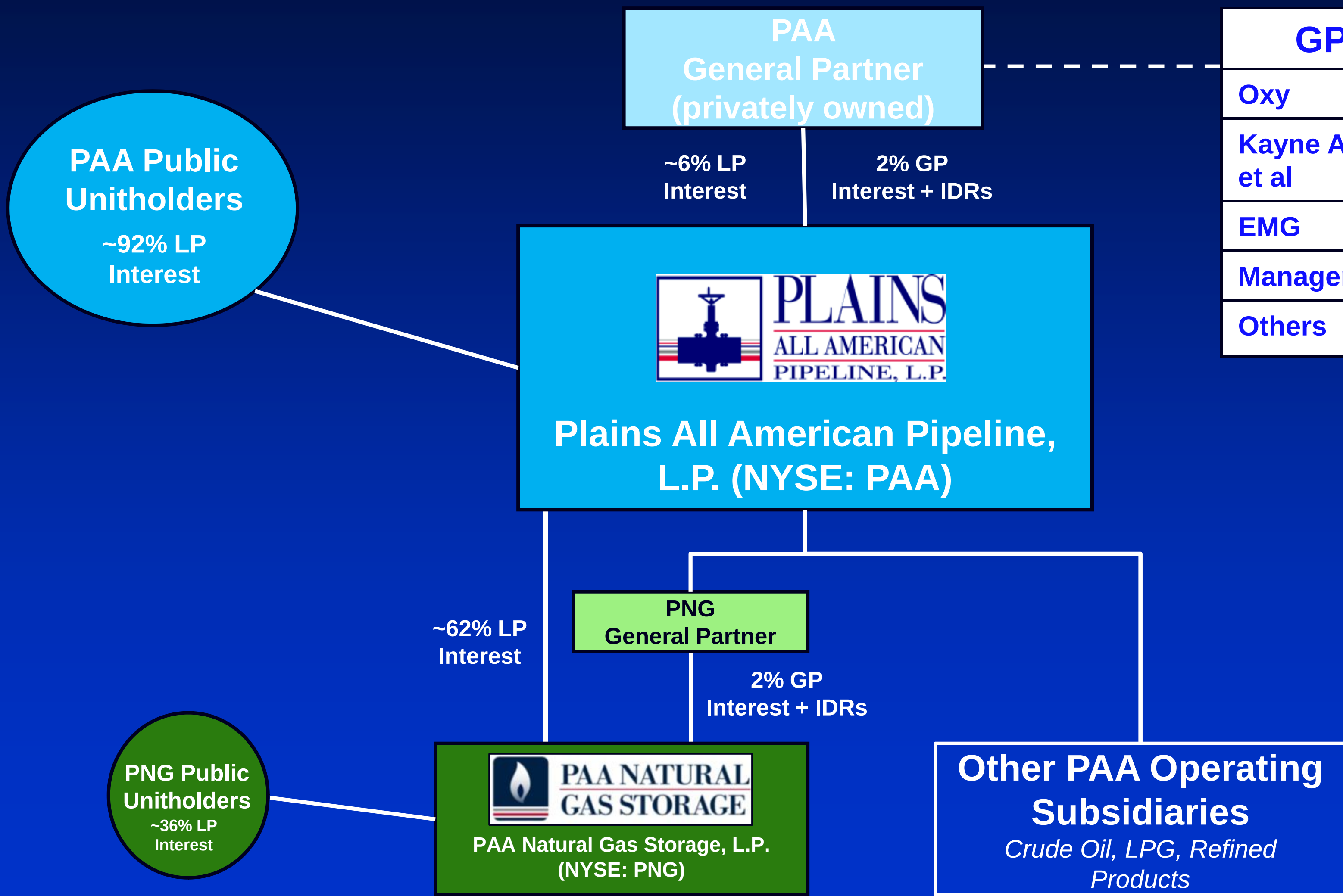
Today's Presentation

- Introduction to Plains All American Pipeline, L.P.
- Industry topics:
  - ✓ Macro U.S. petroleum trends
  - ✓ Increased crude oil drilling and production & related issues
  - ✓ Impact of increased U.S. oil production compared to increased natural gas production
  - ✓ Potential crude oil quality issues
  - ✓ WTI Brent differential
- A few thoughts on crude oil and natural gas in 2012

30+-Year History Of the Plains Organization
(1981-2012)



PAA Ownership Structure



GP Owners	
Oxy	35%
Kayne Anderson et al	27%
EMG	25%
Management	5%
Others	8%

Adjusted EBITDA Contribution	~ 8%	~92%

PAA Recent Profile

PAA Aggregate Size/Yield

Total Assets A	$14.4 B
Book Equity A	$ 5.5 B
Book Cap. A	$10.0 B
Enterprise Value AB	$15.9 B
Equity Market Cap. B	$ 11.4 B
Fortune 500 Rank (revenues)	99
Unitholders	~134,000
Current Yield B ($4.10 annualized)	~5.6%

Public Guidance – Midpoint

2011 Adjusted EBITDA C	$1,538 MM
2011 Adj. Net Income C	$965 MM

Assets (1)

Pipelines (active miles)	~16,000 miles
Liquids Storage	~90 MMBbls
Natural Gas Storage (2)	~71 Bcf
LPG Railcars	~1,400
Truck Fleet	~585 Trucks ~960 Trailers
Barge Fleet (Settoon)	~65 Barges ~39 Tugs
Crude, Product & LPG Volumes:	~3.0 MMBbl/d

(1) Includes owned or leased assets as of 12/31/10, plus assets owned by PAA Natural Gas Storage ("PNG") (excludes leased natural gas storage capacity). Values may be approximated. Barge/Tug ownership through 50% interest in Settoon Towing.

(2) Average 2011 working gas capacity based on PNG guidance furnished via Form 8K on November 2, 2011.

A. Based on balance sheet data as of 9/30/11.
B. Based on 01/10/2012 closing unit price; excludes value of GP.
C. Adjusted EBITDA and Adjusted Net Income Attributable to Plains, (which has been abbreviated as "Adjusted Net Income"), are the midpoint of PAA's public guidance furnished via form 8-K on November 2, 2011 and exclude selected items impacting comparability. Excludes impact of expected over performance discussed in 12/1/11 press release.

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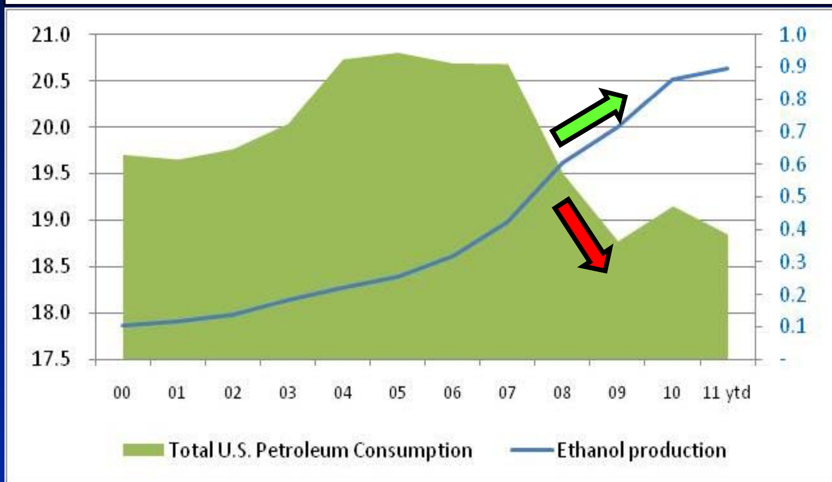
Macro U.S. Petroleum Trends

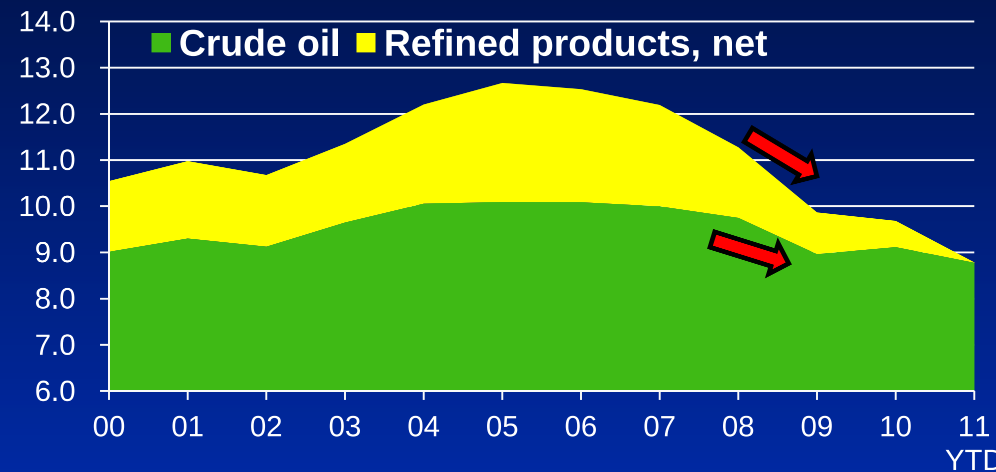
Recent Trends in U.S. Supply and Demand

Volumes in mmb/d

Declining Petroleum Consumption, Increasing Ethanol

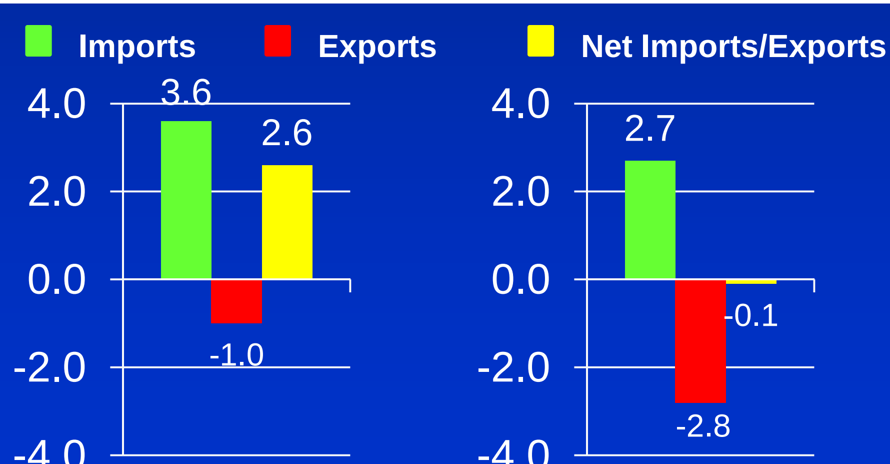


Crude Oil Imports Declining; Refined Products at Crossover Point



Mmbls/day

Refined Products Import/Export Balance



2005 **2011E**

Net change of ~2.7 mmbls/day

Source: EIA/DOE; Partnership estimates

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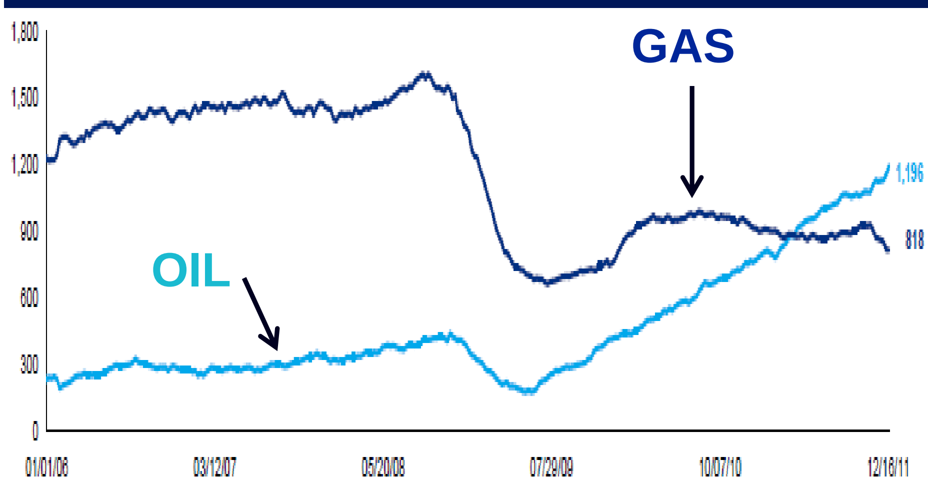
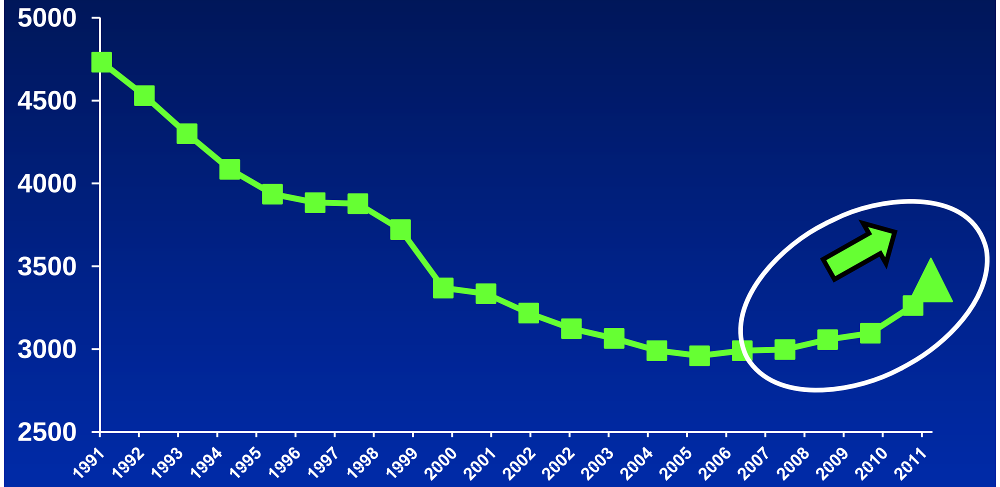
Emphasis Has Shifted From Gas to Oil Drilling With Nearly 50% of All Drilling Activity Focused In Three Key Areas



Lower 48 Domestic Crude Oil Production, Excludes Federal Offshore (mmb/d)



2011 Figure = Daily production YTD May, Annualized

Source : EIA

Rig Count (1)

Factors Contributing to U.S. Production growth

- ✓ Large acreage positions in resource plays
- ✓ Technological advancements in horizontal drilling & fracing
- ✓ Healthy liquids prices & supportive capital markets

(1) Source: RigData, Tudor Pickering Holt; Rig counts include both oil and gas.

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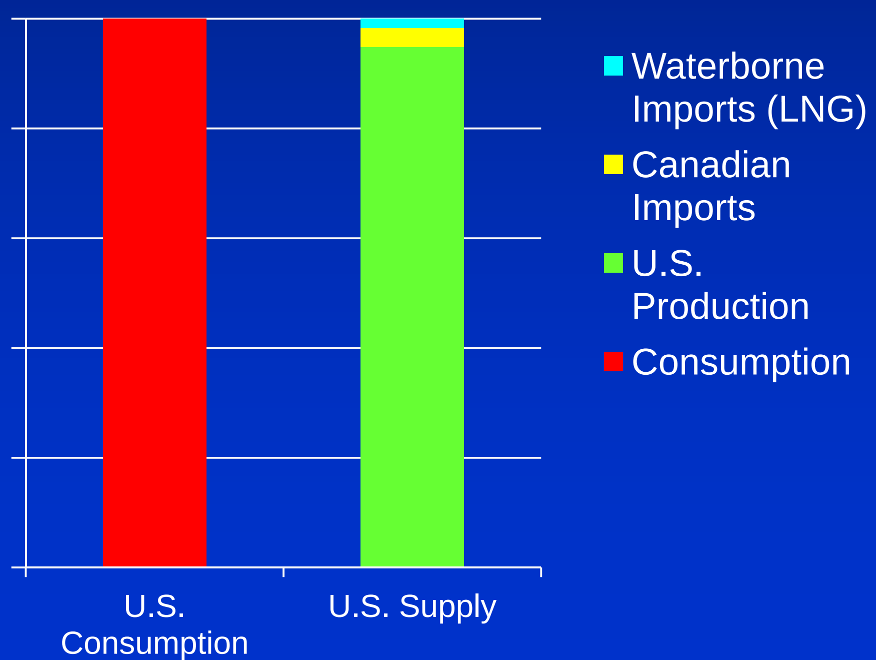
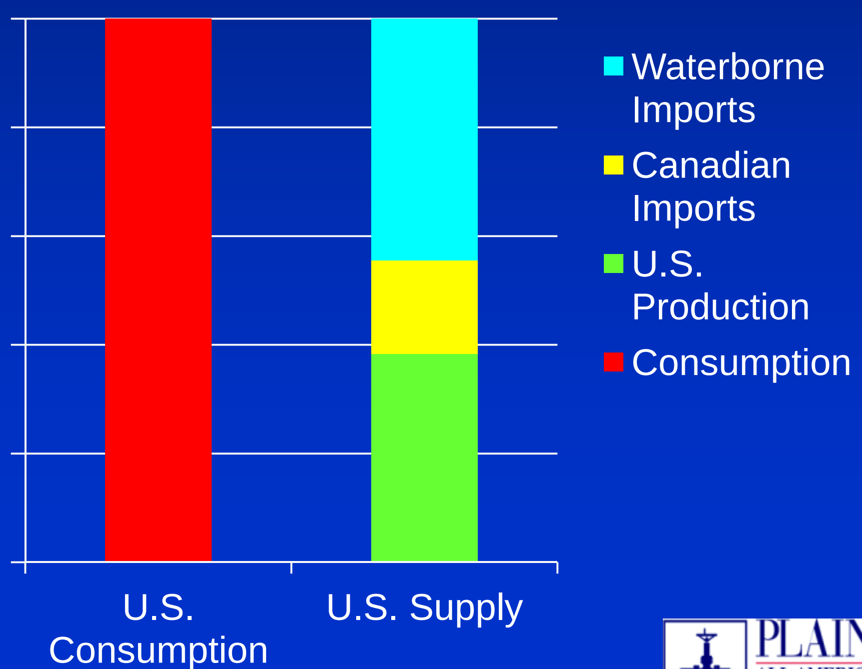
Increased U.S. Oil Production As Contrasted to Increased U.S. Natural Gas Production

- **The significant increase in U.S. Natural Gas Production had a meaningful negative impact on gas prices**
- **Will an increase in U.S Crude Oil Production have a similar impact?**
  - ✓ **Unlikely, but it can (and likely will) impact quality and regional-location differentials (discussed later in the presentation)**

U.S. Natural Gas Balances



U.S. Crude Oil Balances



Source: EIA/DOE. Balances are notional representations.

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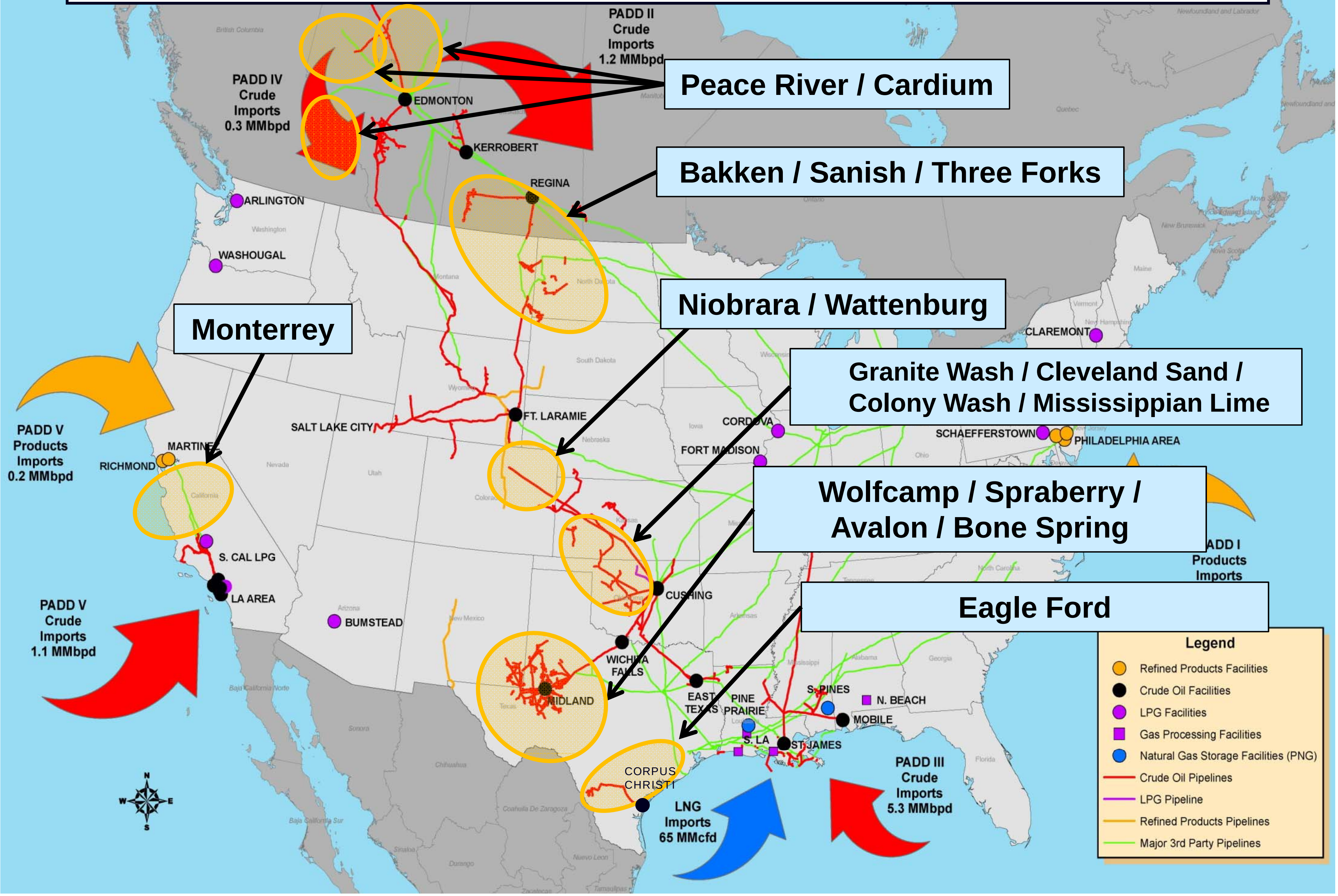
PAA's Assets are Very Well Positioned In Most North American Crude Oil Resource Plays



Challenges Associated with Rapid Development of Liquids Rich Shale/Resource Plays

Regional Infrastructure Challenges Related to Rapid Production Growth From Shale/Resource Plays

- **Competitive/secret nature of producer activities understandably inhibits advance construction**
  - ✓ acreage positions; resource capture; technology refinement, etc.
- **Variation in results & identifying sweet spots delays design and construction of assets at optimal locations**
- **Uncertainties regarding ultimate size of aggregate production & sustainability**
  - ✓ Producers are often willing to commit millions on acreage and drilling, but hesitant to make long-term transportation commitments
  - ✓ Pace of development often fluctuates with commodity prices
- **Delayed producer decisions caused by competing proposals from multiple service providers**

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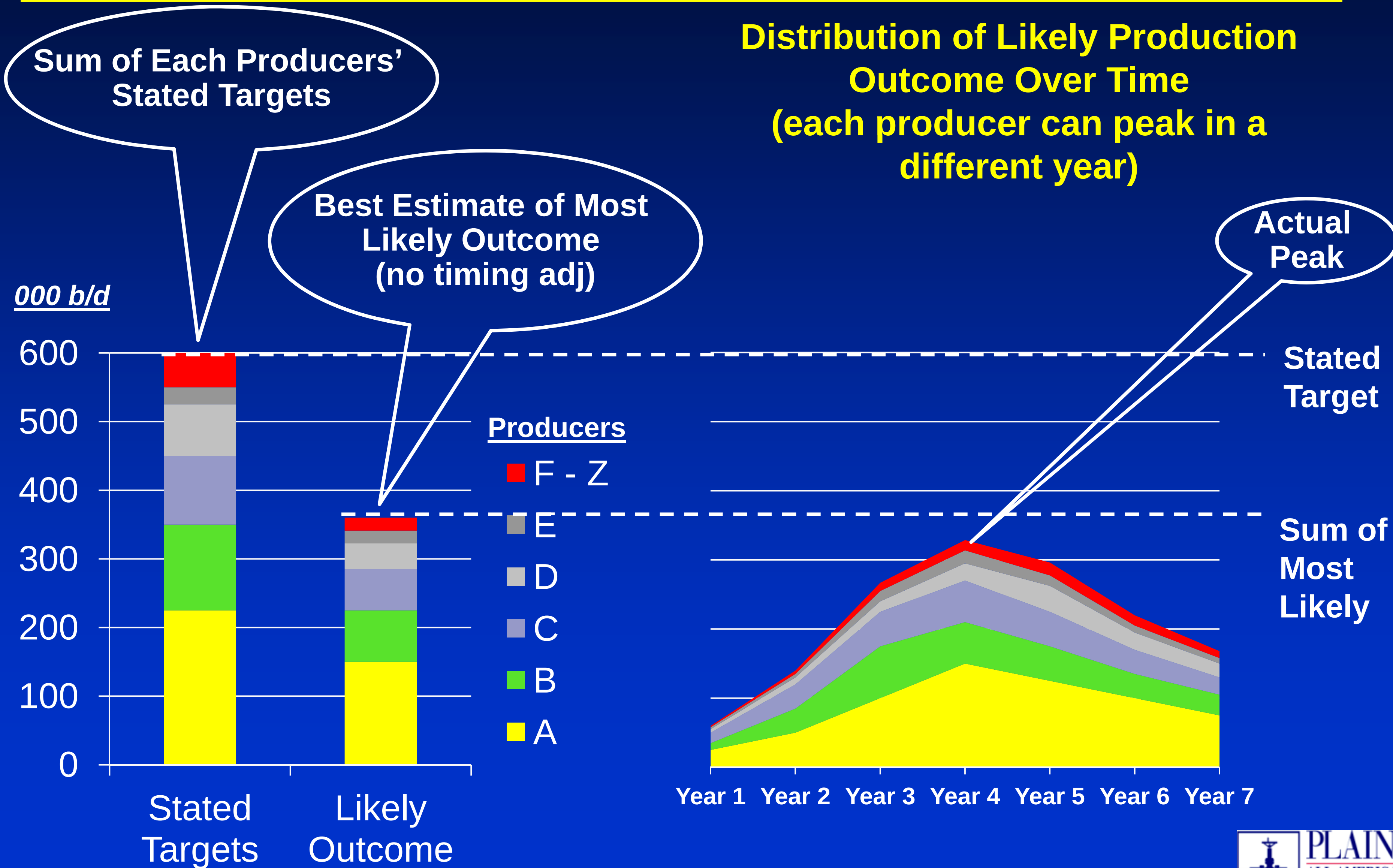
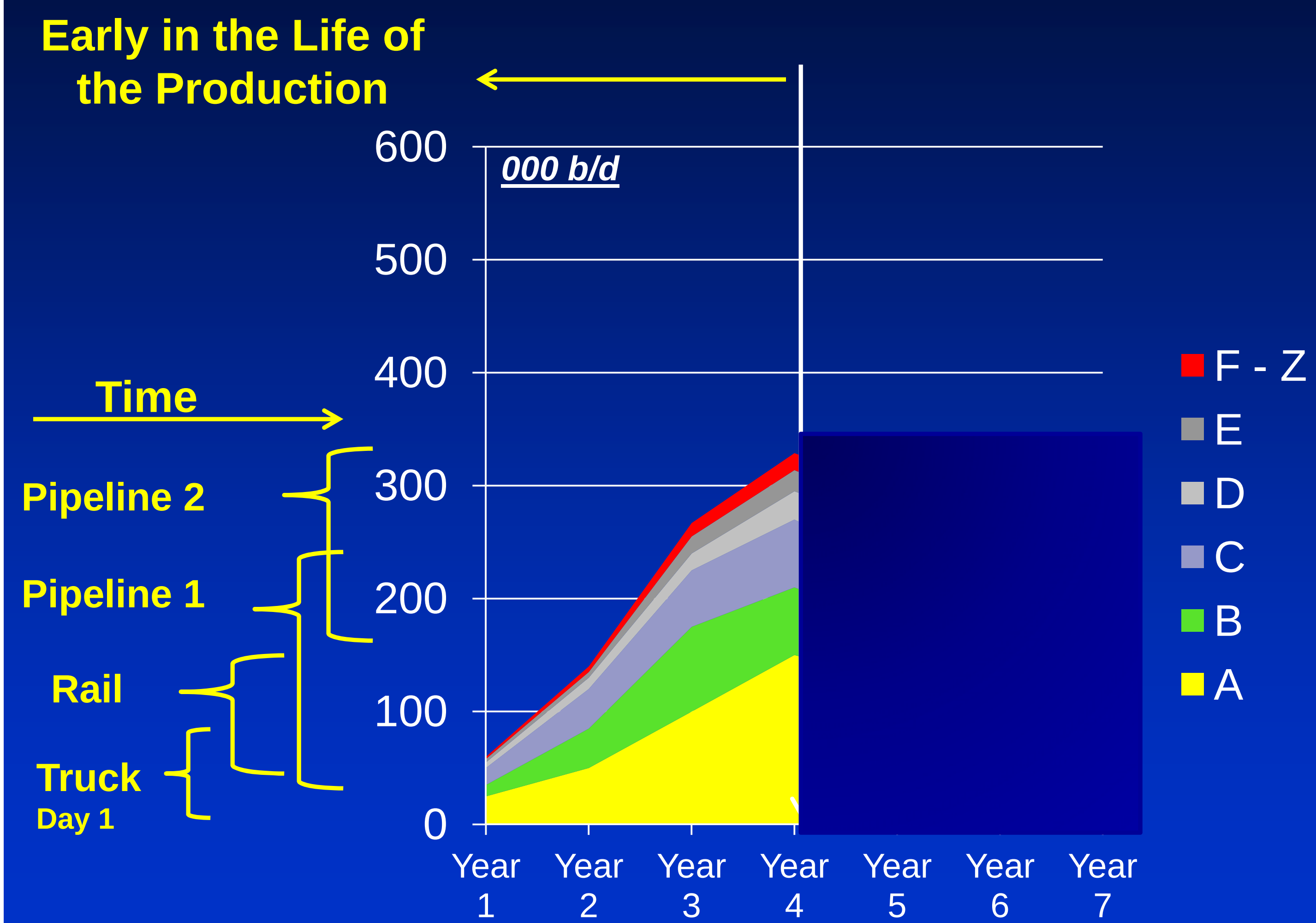
Right Sizing Long-Term Transportation Alternatives Is A Challenging Process



Conceptual Illustration of Transportation Methods Over Time



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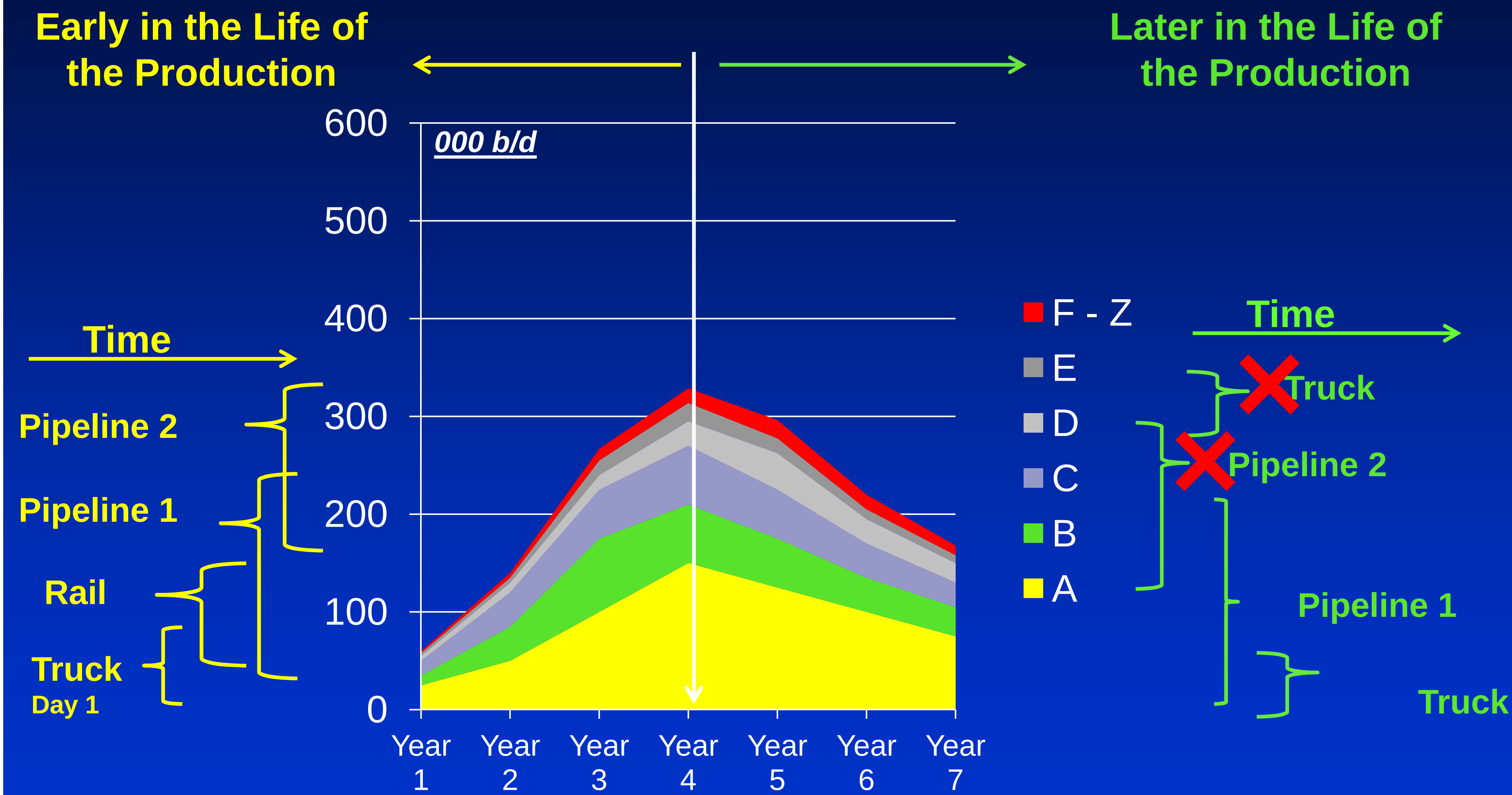
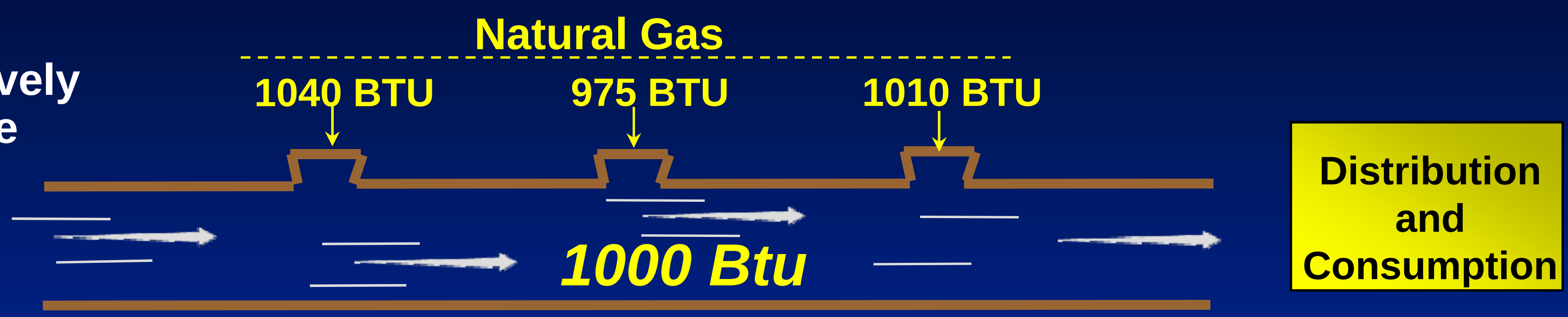
Conceptual Illustration of Transportation Methods Over Time



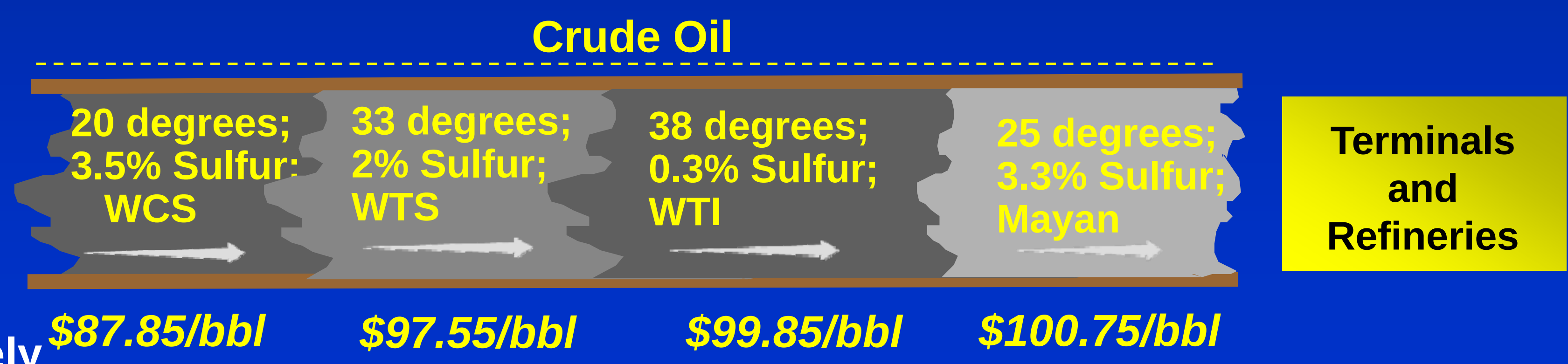
Crude Oil Qualities and Values Vary Significantly and Pose Transportation and Terminalling Challenges

In General, Transporting Crude Oil is Much More Complicated than Natural Gas

Relatively Simple



Multiple grades require multiple tanks at the pipeline origination, pipeline termination and certain locations along the pipeline for segregation, staging, batching and blending.



Relatively Complex

Examples of Crude Types Handled by PAA at Its Pipeline and Terminal Facilities

Domestic / Canada		Foreign	
Sweet	**Sour**	**Sweet**	**Sour**
DJ	W. Tx. Sour	Bonny Light	Mesa 30
Condensate	Poseidon	Brent	Oriente
Jameson	Mars Blend	Brass River	Maya
Spraberry	Okla. Sour	Oseburg	Arab Medium
Scurry	West Coast OCS	Gullfaks	Furiel
W. Tx. Int.	Sunniland	Cano Limon	Leona 24
Okla. Sweet	W. Central TX	Cabinda	Arab Heavy
Okla. Int.	Quitman Sour	Forties	Mesa 28
Kansas Sweet	San Joaquin Light	N'Kossa	Lago Cinco
N. TX Sweet	San Joaquin Heavy	Kissanje	Olmeca
East TX Sweet	Eugene Island	Saharan Blend	Basrah
Light LA Sweet	Bonita	Oso	Roncador
Heavy LA Sweet	N. Dakota Light	Cusiana	Cano Limon
Mixed Sweet Blend	W. Canadian Select	Doba	Calypso
Condensate Blend	Lloyd Blend Kerrobert	Quaiboe	BCF 17
Syncrude Synthetic	Fosterton	Zafiro	Hungo
Suncor Synthetic A	Cold Lake		

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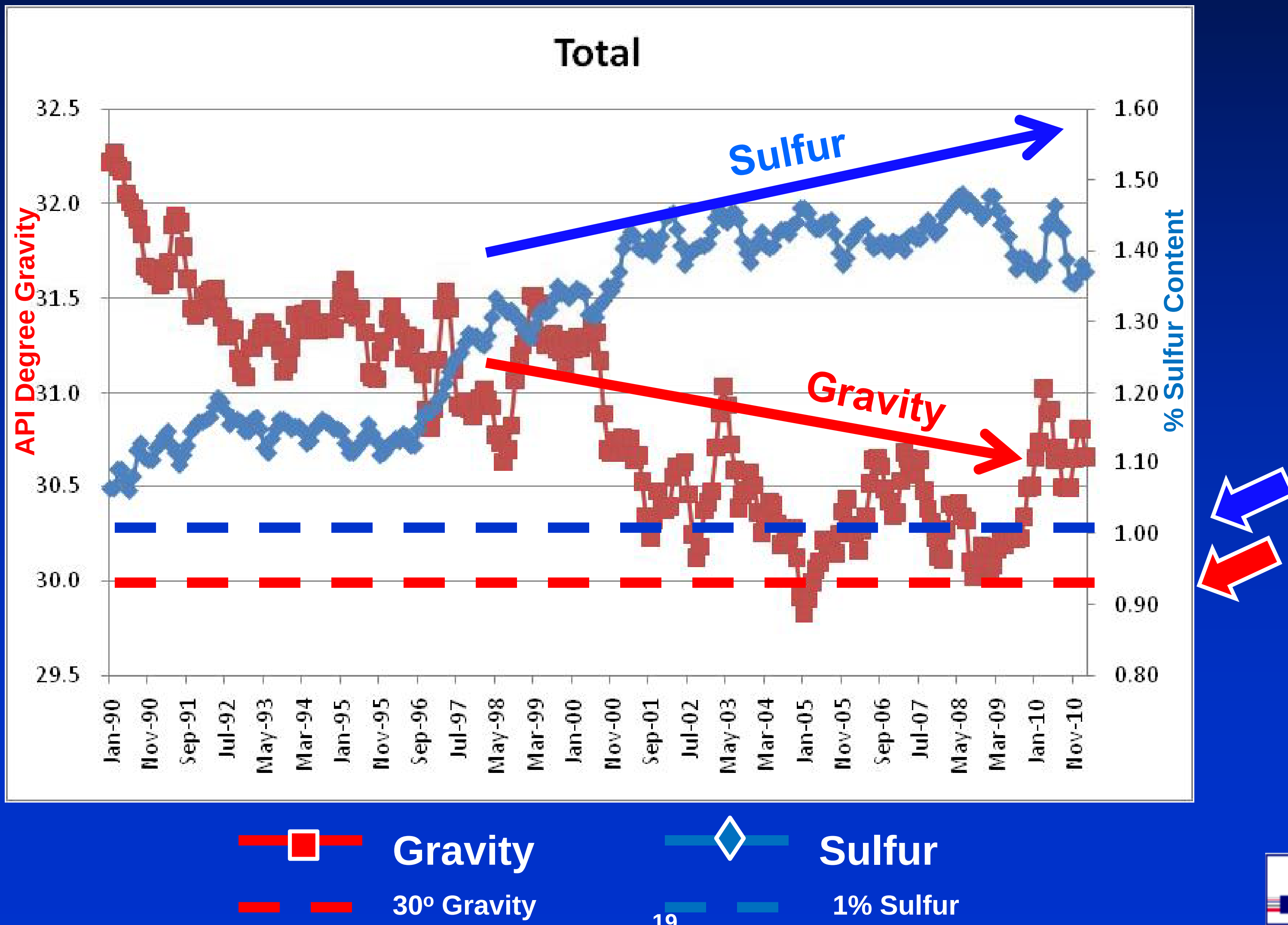
Aggregate U.S. Refinery Inputs Have Been Migrating Towards Higher Sulfur and Lower Gravity…

Over the Past Several Years, US Refiners Have Invested Billions to Be Able to Refine Increasingly Heavy & Sour Crudes



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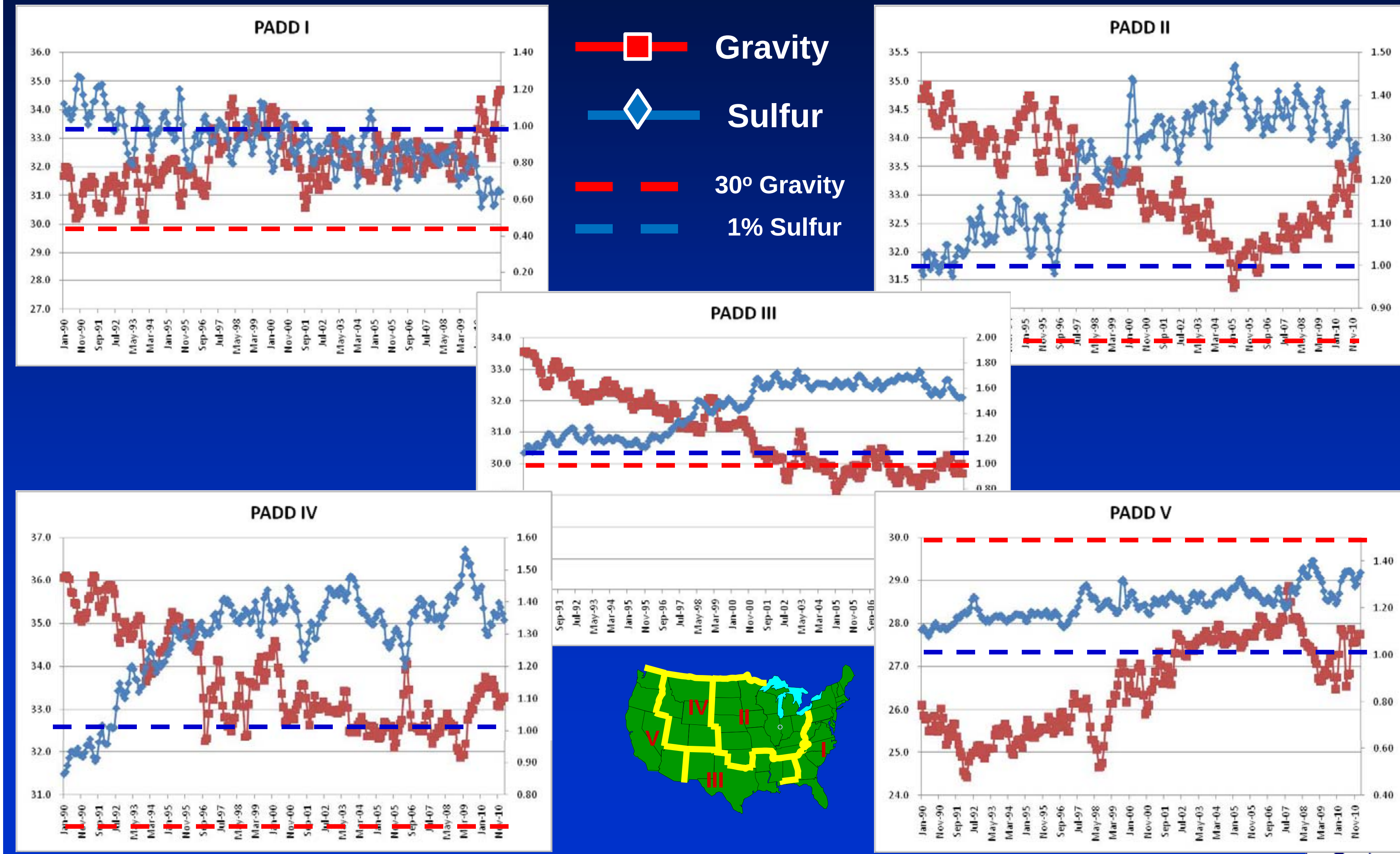
…But, Regional Crude Slates & Trends Vary Significantly

Increases the Need for More and Longer Movements



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Regional Production Increases are Affecting Supply/Demand Dynamics of Crude Grades

- **Refiners have spent Billions $$$ over last 5+ years to enhance their ability to process heavier, sour crudes**

- **Much of lower 48 increased crude oil production is light and sweet and, in many cases, is outstripping local demand**

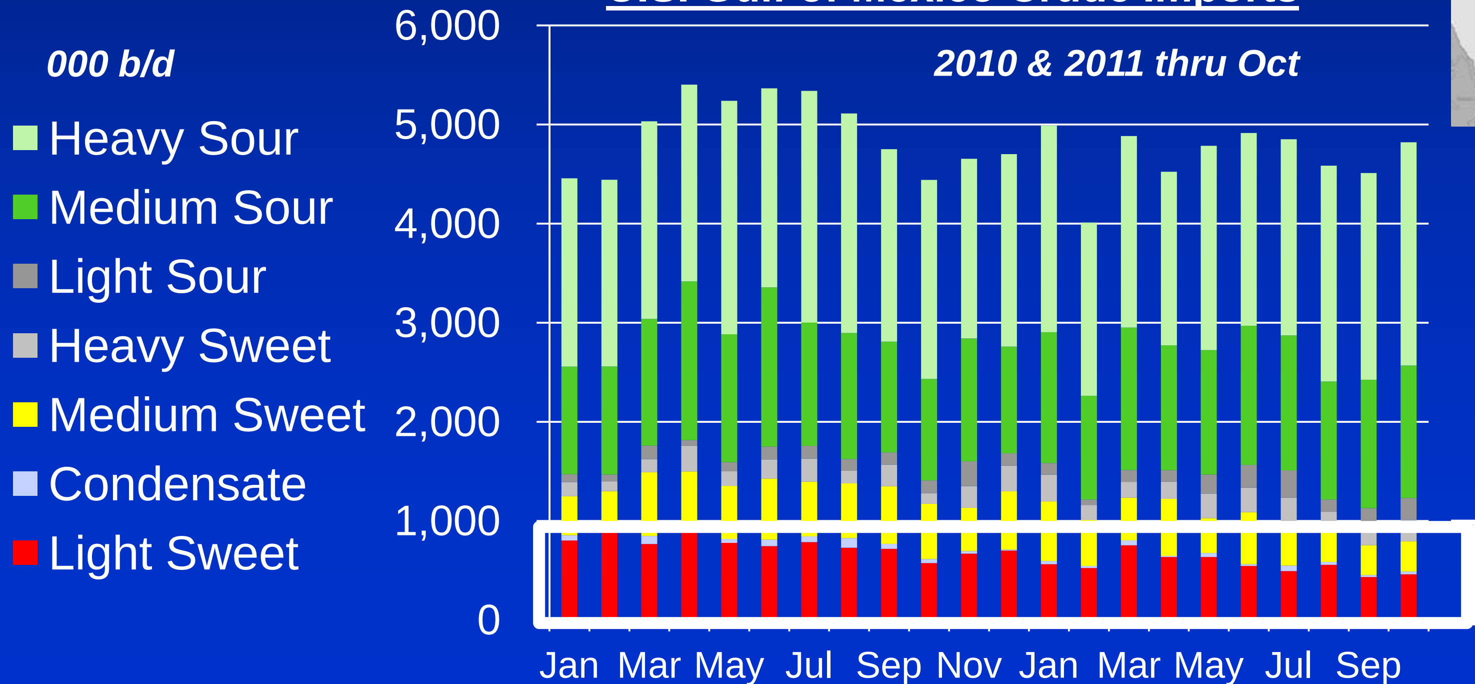
- **Crude supply is also exceeding take-away capacity in certain areas**
  - ✓ **Eagle Ford and Bakken plays currently lack adequate pipeline infrastructure**
  - ✓ **West Texas and Mid-Continent areas require additional investment including expanding existing assets (adding pumping capacity, looping pipelines), construction of extensions to existing systems and (in some cases) new-build of main-line capacity**

- **Pipeline bottlenecks (real or perceived) in Cushing are contributing (or have contributed) the widening of WTI – LLS – Brent differentials**

Prevailing Perception Is That Domestic Light Sweet Will Back Out Waterborne Foreign Imports in GOM

- Reality is that the vast majority of foreign imports into the GOM are sour or heavy barrels by design
  - ✓ Some foreign streams are under long term contracts
- Prices for "Excess" light sweet barrels will be adjusted to displace heavier or sour barrels
  - ✓ Unlike refined products, export of domestic crude oil is not permitted

U.S. Gulf of Mexico Crude Imports



Light sweet & condensate comprise ~10% of total GOM imports
(all sweet & med <25%)

Source: EIA/DOE (excludes xfrs to PADD II & some minor refineries).

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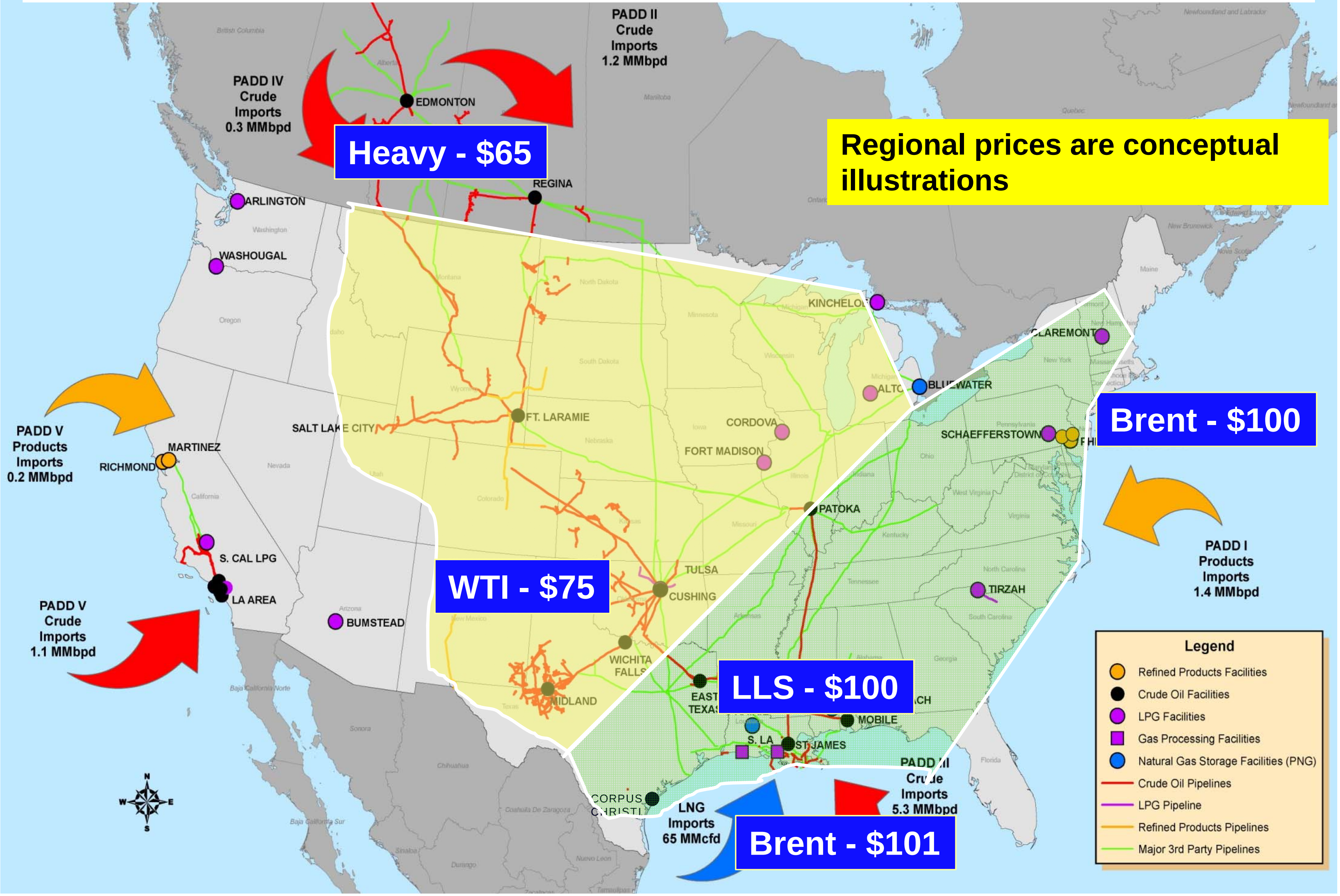
WTI Brent Differential

Snapshot in Time: October 2011



5 year WTI Brent Differential

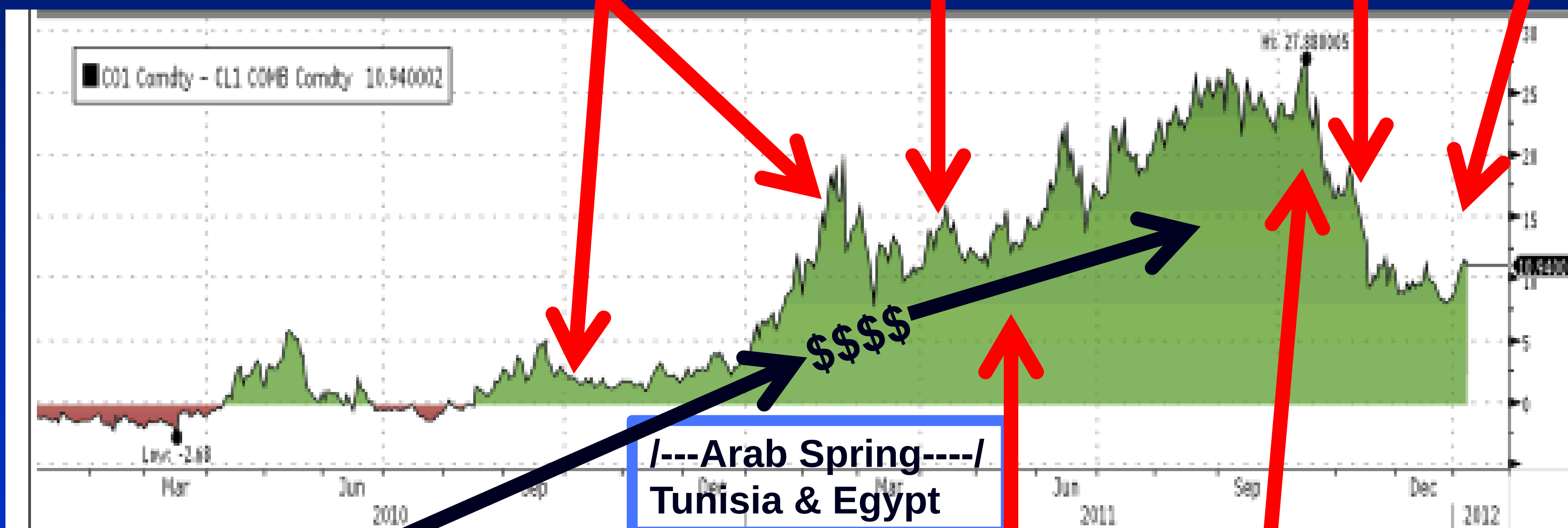
Multiple Factors Contributed to Widening of WTI to Brent Differential

Cushing Inv. Rises ~25% ~32 mmbls to ~40 mmbls

Peak Cushing Inventory 41.9mmbls

Seaway Reversal Announced

Recent Cushing Inv. 29.3 mmbls



/---Arab Spring----/
Tunisia & Egypt

Commodities Money Flows Favored Brent vs WTI
-- Pronounced contango in WTI
-- Lesser contango in Brent

Unrest rolls across to N. Africa & Libya

Gadhafi "Removed"

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Selected Thoughts on 2012

(assuming no drilling or disposal bans relative to fracing)

- **Crude oil:**
  - ✓ Flat prices will be very volatile, but generally robust
  - ✓ Regional/location differentials will increase/decrease in fits and starts
  - ✓ Quality differentials will be volatile and challenge conventional wisdom

- **Natural Gas:**
  - ✓ The strip price will remain unexciting
  - ✓ Absent abnormally cold weather & meaningful inventory draws, storage capacity will be tested in 2012
    - ✓ Cash market may see significant discounts to Nymex pricing
    - ✓ Differentials will widen in certain regions
  - ✓ Industrial & commercial demand will begin to revive

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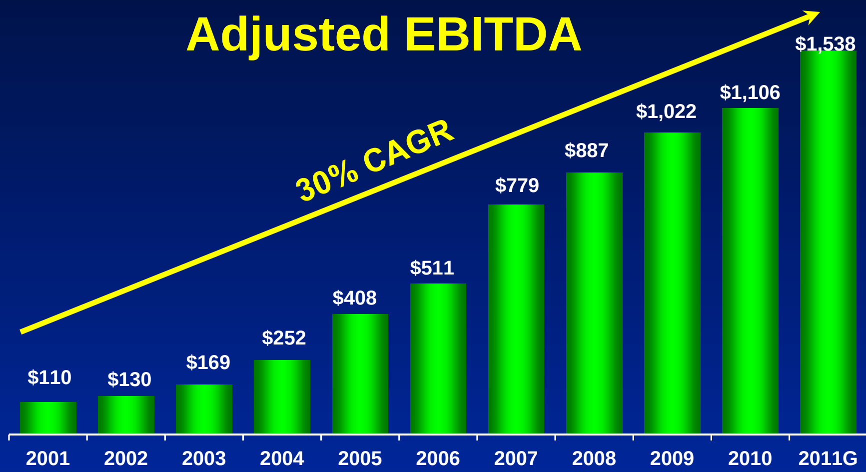
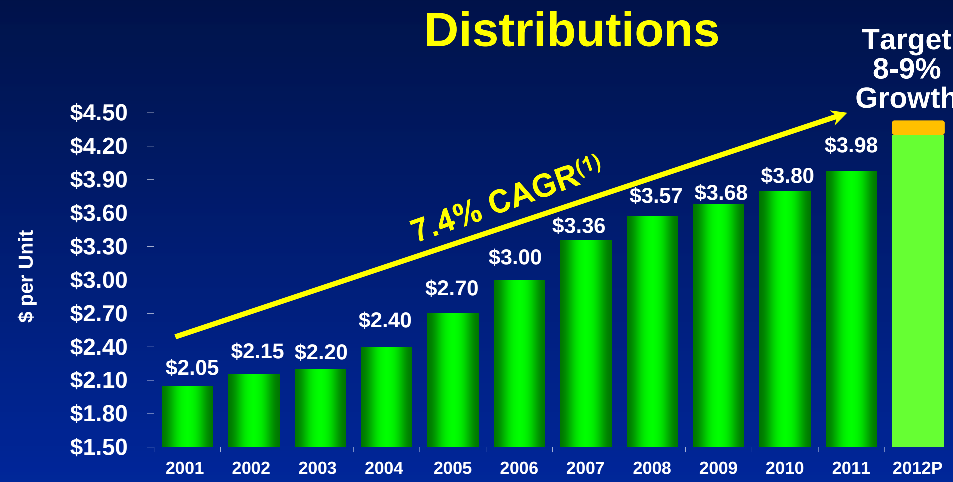
…Now for the Shameless PAA Advertisement

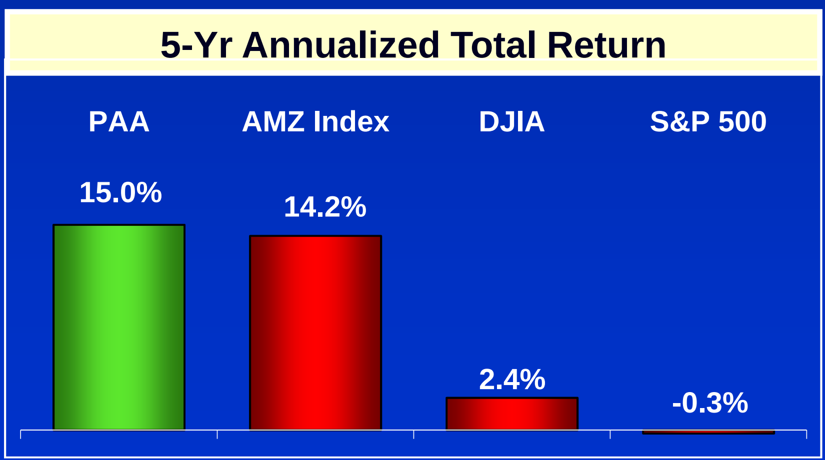
PAA Has A Long Track Record of Delivering Solid Distribution Growth and Attractive Total Returns

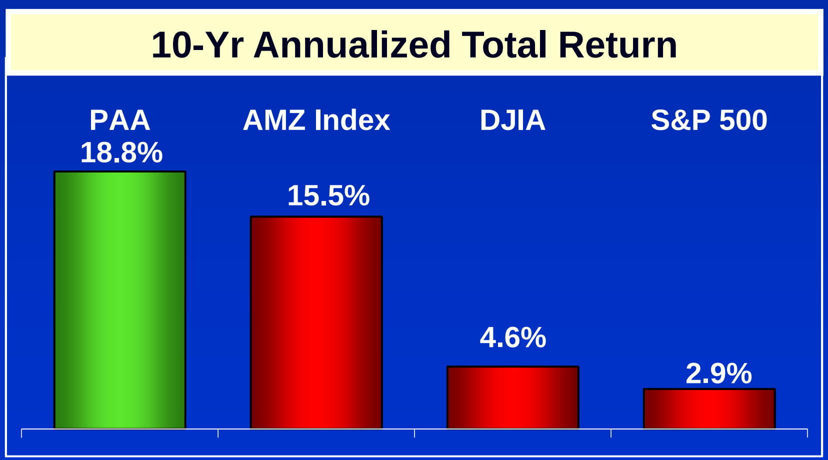




Note: EBITDA in graph excludes the impact of selected items impacting comparability, 2011 EBITDA guidance based on midpoint provided in Form 8-K furnished on November 2, 2011.

(1)Distribution levels represented are annualized run-rate distributions as of the Nov distribution of each year . Growth rate calculated on actual quarterly distributions from 1Q01 through 4Q11.





Source: Bloomberg (Total Return function)

*Annual Total Returns based on trailing five and ten year periods ended 12/31/11.

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Additional 9/30/11 Reconciliations- Conference Call
(in millions, except ratio amounts) [(1)]

Net Income to EBITDA Reconciliations

Reconciliation of Net Income to Adjusted EBITDA (2002 - 2005)	2002 1st Qtr	2002 2nd Qtr	2002 3rd Qtr	2002 4th Qtr	2002 YTD	2003 1st Qtr	2003 2nd Qtr	2003 3rd Qtr	2003 4th Qtr	2003 YTD
Net income	$ 14	$ 17	$ 16	$ 18	$ 65	$ 24	$ 23	$ 12	$ (9)	$ 59
Interest expense	7	8	7	9	29	9	9	9	9	35
EBIT	21	23	24	27	94	34	32	21	9	95
Depreciation and amortization	7	7	9	11	34	11	11	12	12	46
EBITDA	$ 28	$ 31	$ 33	$ 38	$ 129	$ 44	$ 43	$ 33	$ 21	$ 141
Selected items impacting comparability of EBITDA[(2)]										
Gains/(losses) from other derivative activities	$ (3)	$ 1	$ -	$ 2	$ -	$ 1	$ -	$ (3)	$ 2	$ -
Equity compensation expense	-	-	-	-	-	-	-	(7)	(21)	(29)
Net gain/(loss) on foreign currency revaluation [(3)]	-	-	-	-	-	-	-	-	-	-
Cumulative effect of change in acct. principle	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	(2)	(2)	-	-	-	-	-
Total selected items impacting comparability of EBITDA	$ (3)	$ 1	$ -	$ -	$ (2)	$ 1	$ -	$ (10)	$ (19)	$ (29)
Adjusted EBITDA	$ 31	$ 29	$ 33	$ 38	$ 130	$ 43	$ 43	$ 43	$ 40	$ 169

Reconciliation of Net Income to Adjusted EBITDA (2002 - 2005)	2004 1st Qtr	2004 2nd Qtr	2004 3rd Qtr	2004 4th Qtr	2004 YTD	2005 1st Qtr	2005 2nd Qtr	2005 3rd Qtr	2005 4th Qtr	2005 YTD
Net income	$ 28	$ 38	$ 42	$ 25	$ 130	$ 33	$ 62	$ 69	$ 54	$ 218
Interest expense	10	10	13	15	47	15	14	16	15	59
EBIT	37	48	54	39	177	47	77	85	69	277
Depreciation and amortization	13	16	16	23	69	19	19	20	25	84
EBITDA	$ 51	$ 62	$ 71	$ 63	$ 245	$ 67	$ 96	$ 105	$ 94	$ 361
Selected items impacting comparability of EBITDA[(2)]										
Gains/(losses) from other derivative activities	$ 8	$ (7)	$ 1	$ (1)	$ 2	$ (13)	$ (13)	$ 6	$ 1	$ (19)
Equity compensation expense	(4)	-	-	(4)	(8)	(2)	(8)	(7)	(9)	(26)
Net gain/(loss) on foreign currency revaluation [(3)]	(1)	1	3	2	4	(1)	1	(2)	(1)	(2)
Cumulative effect of change in acct. principle	(3)	-	-	-	(3)	-	-	-	-	-
Other	-	-	-	(2)	(2)	-	-	-	-	-
Total selected items impacting comparability of EBITDA	$ -	$ (8)	$ 4	$ (5)	$ (7)	$ (16)	$ (20)	$ (2)	$ (9)	$ (47)
Adjusted EBITDA	$ 51	$ 68	$ 67	$ 67	$ 252	$ 83	$ 115	$ 107	$ 103	$ 408

Reconciliation of Net Income to Adjusted EBITDA (2006 - 2009)	2006 1st Qtr	2006 2nd Qtr	2006 3rd Qtr	2006 4th Qtr	2006 YTD	2007 1st Qtr	2007 2nd Qtr	2007 3rd Qtr	2007 4th Qtr	2007 YTD
Net income	$ 63	$ 80	$ 95	$ 46	$ 285	$ 85	$ 105	$ 98	$ 77	$ 365
Income tax expense (benefit)	-	-	-	-	-	-	12	3	1	16
Interest income	-	-	-	(1)	(1)	-	-	-	-	-
Interest expense	15	18	19	33	85	41	41	39	41	162
EBIT	79	98	115	78	370	126	158	140	119	543
					-					-
Depreciation and amortization	22	21	24	33	100	40	52	43	45	180
EBITDA	$ 100	$ 120	$ 139	$ 112	$ 470	$ 166	$ 210	$ 183	$ 164	$ 723
Selected items impacting comparability of EBITDA[(2)]										
Gains/(losses) from other derivative activities [(4)]	$ (1)	$ (2)	$ 18	$ (19)	$ (4)	$ (17)	$ 15	$ (13)	$ (9)	$ (24)
Inventory valuation adjustments net of gains/(losses) from related derivative activities [(4)]	-	-	-	-	-	-	-	-	-	-
Equity compensation benefit/(expense)	(11)	(6)	(10)	(16)	(43)	(18)	(19)	(1)	(6)	(44)
Net gain/(loss) on foreign currency revaluation [(3)]	-	-	-	-	-	-	-	-	-	-
Cumulative effect of change in acct. principle	6	-	-	-	6	-	-	-	-	-
Gains on Rainbow acquisition-related foreign currency and linefill hedges	-	-	-	-	-	-	-	-	-	-
Net loss on early repayment of senior notes	-	-	-	-	-	-	-	-	-	-
Net gain on purchase of remaining 50% interest in PNGS	-	-	-	-	-	-	-	-	-	-
Gains/(losses) on sale of assets	-	-	-	-	-	-	-	-	12	12
Net loss on early repayment of 7.125% $250 million senior notes	-	-	-	-	-	-	-	-	-	-
PNGS contingent consideration fair value adjustment	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total selected items impacting comparability of EBTIDA	$ (5)	$ (9)	$ 8	$ (35)	$ (41)	$ (35)	$ (4)	$ (14)	$ (3)	$ (56)
Adjusted EBITDA	$ 105	$ 128	$ 131	$ 146	$ 511	$ 201	$ 214	$ 197	$ 167	$ 779

Reconciliation of Net Income to Adjusted EBITDA (2006 - 2009)	2008 1st Qtr	2008 2nd Qtr	2008 3rd Qtr	2008 4th Qtr	2008 YTD	2009 1st Qtr	2009 2nd Qtr	2009 3rd Qtr	2009 4th Qtr	2009 YTD
Net income	$ 92	$ 41	$ 206	$ 96	$ 437	$ 211	$ 138	$ 122	$ 110	$ 580
Income tax expense (benefit)	(2)	5	3	1	8	1	(2)	2	5	6
Interest income	-	-	-	-	-	-	-	-	-	-
Interest expense	42	49	52	53	196	51	56	59	58	224
EBIT	132	95	261	152	641	263	190	183	173	810
					-					-
Depreciation and amortization	48	52	49	61	211	58	58	59	63	238
EBITDA	$ 180	$ 147	$ 310	$ 213	$ 852	$ 321	$ 248	$ 242	$ 235	$ 1,046
Selected items impacting comparability of EBITDA[(2)]										
Gains/(losses) from other derivative activities [(4)]	$ (5)	$ (87)	$ 94	$ 4	$ 7	$ 26	$ 18	$ 11	$ (20)	$ 34
Inventory valuation adjustments net of gains/(losses) from related derivative activities [(4)]	-	-	4	(18)	(11)	22	1	-	-	24
Equity compensation benefit/(expense)	(6)	(15)	(3)	2	(21)	(9)	(15)	(12)	(14)	(50)
Net gain/(loss) on foreign currency revaluation [(3)]	-	-	(8)	(13)	(21)	10	2	-	-	12
Cumulative effect of change in acct. principle	-	-	-	-	-	-	-	-	-	-
Gains on Rainbow acquisition-related foreign currency and linefill hedges	-	11	-	-	11	-	-	-	-	-
Net loss on early repayment of senior notes	-	-	-	-	-	-	-	-	(4)	(4)
Net gain on purchase of remaining 50% interest in PNGS	-	-	-	-	-	-	-	9	-	9
Gains/(losses) on sale of assets	-	-	-	-	-	-	-	-	-	-
Net loss on early repayment of 7.125% $250 million senior notes	-	-	-	-	-	-	-	-	-	-
PNGS contingent consideration fair value adjustment	-	-	-	-	-	-	-	-	(1)	(1)
Other	-	-	-	-	-	-	-	-	-	-
Total selected items impacting comparability of EBTIDA	$ (11)	$ (91)	$ 87	$ (23)	$ (35)	$ 49	$ 6	$ 8	$ (39)	$ 24
Adjusted EBITDA	$ 191	$ 238	$ 223	$ 236	$ 887	$ 272	$ 240	$ 234	$ 275	$ 1,022

Reconciliation of Net Income to Adjusted EBITDA (2010 - 2011)	2010 1st Qtr	2010 2nd Qtr	2010 3rd Qtr	2010 4th Qtr	2010 YTD	2011 1st Qtr	2011 2nd Qtr	2011 3rd Qtr	2011 4th Qtr	2011 YTD
Net income	$ 151	$ 133	$ 84	$ 146	$ 514	$ 185	$ 233	$ 288	$ -	$ 706
Income tax expense (benefit)	-	-	(4)	3	(1)	13	9	6	-	28
Interest expense	56	62	64	64	246	65	62	62	-	190
EBIT	209	195	144	213	761	263	304	356	-	924
Depreciation and amortization	67	64	61	64	256	63	63	65	-	191
EBITDA	$ 276	$ 259	$ 205	$ 277	$ 1,017	$ 326	$ 367	$ 421	$ -	$ 1,115
Selected items impacting comparability of EBITDA[(2)]										
Gains/(losses) from other derivative activities	$ 19	$ 21	$ (42)	$ (12)	$ (14)	$ 20	$ 21	$ 31	$ -	$ 72
Equity compensation benefit/(expense)	(14)	(9)	(10)	(33)	(66)	(14)	(20)	(7)	-	(40)
Net loss on early repayment of senior notes	-	-	(6)	-	(6)	(23)	-	-	-	(23)
Acquisition related expenses	-	-	-	-	-	(4)	-	-	-	(4)
PNGS contingent consideration fair value adjustment	(1)	(1)	(1)	-	(3)	-	-	-	-	-
Insurance deductible related to property damage incident	-	-	-	-	-	(1)	-	-	-	(1)
Loss on foreign currency revaluation [(3)]	-	-	-	-	-		-	(17)	-	(17)
Total selected items impacting comparability of EBTIDA	$ 4	$ 11	$ (59)	$ (45)	$ (89)	$ (22)	$ 1	$ 7	$ -	$ (13)
Adjusted EBITDA	$ 272	$ 248	$ 264	$ 322	$ 1,106	$ 348	$ 366	$ 414	$ -	$ 1,128

[(1)] Amounts may not recalculate due to rounding.
[(2)] Certain of our non-GAAP financial measures may not be impacted by each of the selected items impacting comparability.
[(3)] Currently included as a selected item impacting comparability in periods with significant activity.
[(4)] Beginning with the first quarter of 2008, gains and losses from derivative activities related to revalued inventory are included in the line item "Inventory valuation adjustments net of gains/(losses) from related derivative activities;" gains and losses from derivative activities not related to revalued inventory are included in the line item "Gains/(losses) from other derivative activities."

Additional 9/30/11 Reconciliations - Midpoint Guidance

(in millions) [1]

Midpoint Guidance Adjusted Net Income attributable to Plains & Adjusted EBITDA to Net Income	Mid-point Guidance [2] 3 Months Ending December 31, 2011	Mid-point Guidance [2] 12 Months Ending December 31, 2011
Net Income	$ 265	$ 971
Net income attributable to noncontrolling interests	(7)	(25)
Net Income attributable to Plains	$ 258	$ 946
Selected Items Impacting Comparability - INCOME / (LOSS):		
Equity compensation expense	$ (9)	$ (49)
Gains from other derivative activities	-	72
Net loss on early repayment of senior notes	-	(23)
Loss on foreign currency revaluation	-	(17)
Other	-	(5)
Selected Items Impacting Comparability of EBITDA	(9)	(22)
Losses from other derivative activities	-	(1)
Selected Items Impacting Comparability of Net Income	(9)	(23)
Noncontrolling interest portion of Selected Items Impacting Comparability	1	4
Selected Items Impacting Comparability of Net Income attributable to Plains	$ (8)	$ (19)
Adjusted Net Income attributable to Plains	$ 266	$ 965
Interest expense	64	254
Income tax expense	9	37
Depreciation and amortization	63	254
Adjusted EBITDA	$ 410	$ 1,538

[1] Amounts may not recalculate due to rounding.

[2] Represents the mid-point of guidance furnished in our November 2, 2011 Form 8-K.