# UNITED STATES SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# FORM 8-K

**CURRENT REPORT**
**Pursuant to Section 13 or 15(d) of The**
**Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported)—February 13, 2008**

# Plains All American Pipeline, L.P.
(Exact name of registrant as specified in its charter)

| **DELAWARE** | **1-14569** | **76-0582150** |
|---|---|---|
| (State or other jurisdiction of incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

**333 Clay Street, Suite 1600, Houston, Texas 77002**
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code **713-646-4100**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Item 9.01. Financial Statements and Exhibits**

(d) Exhibit 99.1—Press release dated February 13, 2008

**Item 2.02 and Item 7.01. Results of Operations and Financial Condition; Regulation FD Disclosure**

Plains All American Pipeline, L.P. (the “Partnership”) today issued a press release reporting its fourth quarter and annual 2007 results. We are furnishing the press release, attached as Exhibit 99.1, pursuant to Item 2.02 and Item 7.01 of Form 8-K. Pursuant to Item 7.01, we are providing detailed guidance for financial performance for the first quarter and full year of calendar 2008. In accordance with General Instruction B.2. of Form 8-K, the information presented herein under Item 2.02 and Item 7.01 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such a filing.

**Disclosure of First Quarter and Full Year 2008 Guidance**

EBIT and EBITDA (each as defined below in Note 1 to the “Operating and Financial Guidance” table) are non-GAAP financial measures. Net income and cash flows from operating activities are the most directly comparable GAAP measures to EBIT and EBITDA. In Note 10 below, we reconcile EBITDA and EBIT to net income for the 2008 guidance periods presented. It is, however, impractical to reconcile EBIT and EBITDA to cash flows from operating activities for forecasted periods. We encourage you to visit our website at *www.paalp.com*, in particular the section entitled “Non-GAAP Reconciliation,” which presents a historical reconciliation of certain commonly used non-GAAP financial measures, including EBIT and EBITDA. We present EBIT and EBITDA because we believe they provide additional information with respect to both the performance of our fundamental business activities and our ability to meet our future debt service, capital expenditures and working capital requirements. We also believe that debt holders commonly use EBITDA to analyze partnership performance. In addition, we have highlighted the impact of our equity compensation plans on Segment Profit, EBITDA, Net Income and Net Income per Basic and Diluted Limited Partner Unit.

The following guidance for the three-month period ending March 31, 2008 and twelve-month period ending December 31, 2008, is based on assumptions and estimates that we believe are reasonable given our assessment of historical trends (modified for recent changes in market conditions), business cycles and other information reasonably available. Our assumptions and future performance, however, are both subject to a wide range of business risks and uncertainties, so no assurance can be provided that actual performance will fall within the guidance ranges. Please refer to the information under the caption “Forward-Looking Statements and Associated Risks” below. These risks and uncertainties, as well as other unforeseeable risks and uncertainties, could cause our actual results to differ materially from those in the following table. The operating and financial guidance provided below is given as of the date hereof, based on information known to us as of February 13, 2008. We undertake no obligation to publicly update or revise any forward-looking statements.

**Plains All American Pipeline, L.P.**
**Operating and Financial Guidance**
**(in millions, except per unit data)**

| | Guidance [1] | | | |
|---|---|---|---|---|
| | 3 Months Ending March 31, 2008 | | 12 Months Ending December 31, 2008 | |
| | Low | High | Low | High |
| **Segment Profit** | | | | |
| Net revenues (including equity earnings from unconsolidated entities) | $ 358 | $ 372 | $ 1,476 | $ 1,511 |
| Field operating costs | (146) | (142) | (578) | (568) |
| General and administrative expenses | (46) | (44) | (172) | (167) |
| | 166 | 186 | 726 | 776 |
| Depreciation and amortization expense | (47) | (45) | (192) | (186) |
| Interest expense, net | (42) | (40) | (175) | (168) |
| Income tax expense | (1) | (1) | (3) | (3) |
| Other income (expense), net | — | — | — | — |
| **Net Income** | **$ 76** | **$ 100** | **$ 356** | **$ 419** |
| Net Income to Limited Partners | $ 51 | $ 75 | $ 257 | $ 319 |
| Basic Net Income Per Limited Partner Unit | | | | |
| Weighted Average Units Outstanding | 116 | 116 | 116 | 116 |
| Net Income Per Unit | $ 0.44 | $ 0.65 | $ 2.21 | $ 2.75 |
| Diluted Net Income Per Limited Partner Unit | | | | |
| Weighted Average Units Outstanding | 117 | 117 | 117 | 117 |
| Net Income Per Unit | $ 0.44 | $ 0.64 | $ 2.20 | $ 2.73 |
| **EBIT** | **$ 119** | **$ 141** | **$ 534** | **$ 590** |
| **EBITDA** | **$ 166** | **$ 186** | **$ 726** | **$ 776** |
| **Selected Items Impacting Comparability** | | | | |
| Equity compensation charge | $ (9) | $ (9) | $ (34) | $ (34) |
| **Excluding Selected Items Impacting Comparability** | | | | |
| Adjusted Segment Profit | | | | |
| Transportation | $ 87 | $ 92 | $ 374 | $ 387 |
| Facilities | 31 | 34 | 146 | 153 |
| Marketing | 57 | 69 | 240 | 270 |
| Adjusted EBITDA | $ 175 | $ 195 | $ 760 | $ 810 |
| Adjusted Net Income | $ 85 | $ 109 | $ 390 | $ 453 |
| Adjusted Basic Net Income per Limited Partner Unit | $ 0.52 | $ 0.73 | $ 2.50 | $ 3.03 |
| Adjusted Diluted Net Income per Limited Partner Unit | $ 0.52 | $ 0.72 | $ 2.48 | $ 3.01 |

(1) The projected average foreign exchange rate is $1 CAD to $1 USD. The rate as of February 12, 2008 was $1.00 CAD to $1 USD.

Notes and Significant Assumptions:

1. *Definitions.*

| | |
|---|---|
| Bcf | Billion cubic feet |
| EBIT | Earnings before interest and taxes |
| EBITDA | Earnings before interest, taxes and depreciation and amortization expense |
| Bbls/d | Barrels per day |
| Segment Profit | Net revenues (including equity earnings, as applicable) less purchases, field operating costs, and segment general and administrative expenses |
| LTIP | Long-Term Incentive Plan |
| LPG | Liquefied petroleum gas and other natural gas related petroleum products |
| FX | Foreign currency exchange |
| General partner | As the context requires, “general partner” refers to any or all of (i) PAA GP LLC, the owner of our 2% general partner interest, (ii) Plains AAP, L.P., the sole member of PAA GP LLC and owner of our incentive distribution rights and (iii) Plains All American GP LLC, the general partner of Plains AAP, L.P. |
| Class B units | Class B units of Plains AAP, L.P. |

2. *Business Segments*. We manage our operations through three operating segments: (i) Transportation, (ii) Facilities, and (iii) Marketing. The following is a brief explanation of the operating activities for each segment as well as key metrics.

   a. *Transportation.* Our transportation segment operations generally consist of fee-based activities associated with transporting crude oil and refined products on pipelines, gathering systems, trucks and barges. We generate revenue through a combination of tariffs, third-party leases of pipeline capacity and transportation fees. We also include in this segment our equity earnings from our investments in the Butte and Frontier pipeline systems, in which we own minority interests, and Settoon Towing, in which we own a 50% interest.

      Pipeline volume estimates are based on historical trends, anticipated future operating performance and completion of internal growth projects. Volumes are influenced by temporary market-driven storage and withdrawal of oil, maintenance schedules at refineries, production declines and other external factors beyond our control. Segment profit is forecast using the volume assumptions in the table below, priced at forecasted tariff rates, less estimated field operating costs and G&A expenses. Field operating costs do not include depreciation. Actual segment profit could vary materially depending on the level of volumes transported or expenses incurred during the period.

      The following table summarizes our total pipeline volumes and highlights major systems that are significant either in total volumes transported or in contribution to total transportation segment profit.

| | 2008 Guidance | |
|---|---|---|
| | Three Months Ending March 31 | Twelve Months Ending December 31 |
| Average Daily Volumes (000 Bbls/d) | | |
| All American | 48 | 48 |
| Basin | 360 | 360 |
| Capline / Capwood | 350 | 350 |
| Line 63 / 2000 | 175 | 175 |
| Salt Lake City Area Systems(1) | 105 | 120 |
| West Texas / New Mexico Area Systems(1) | 380 | 380 |
| Manito | 75 | 75 |
| Rangeland | 55 | 55 |
| Refined Products | 110 | 110 |
| Other | 1,067 | 1,067 |
| | 2,725 | 2,740 |
| Trucking | 105 | 110 |
| | 2,830 | 2,850 |
| Average Segment Profit ($/Bbl) | | |
| Excluding Selected Items Impacting Comparability | $ 0.35(2) | $ 0.36(2) |

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

(2) Mid-point of guidance.

b. *Facilities*. Our facilities segment operations generally consist of fee-based activities associated with providing storage, terminalling and throughput services for crude oil, refined products and LPG, as well as LPG fractionation and isomerization services. We generate revenue through a combination of month-to-month and multi-year leases and processing arrangements. This segment also includes our equity earnings from our 50% investment in PAA/Vulcan Gas Storage, LLC which owns and operates approximately 25.7 billion cubic feet of underground natural gas storage capacity and is constructing an additional 24 Bcf of underground storage capacity.

Segment profit is forecast using the volume assumptions in the table below, priced at forecasted rates, less estimated field operating costs and G&A expenses. Field operating costs do not include depreciation.

| | 2008 Guidance | |
|---|---|---|
| | Three Months Ending March 31 | Twelve Months Ending December 31 |
| Operating Data | | |
| Crude oil, refined products and LPG storage (MMBbls/Mo.) | 46 | 50 |
| Natural Gas Storage (Bcf/Mo.) | 13 | 14 |
| LPG Processing (MBbl/d) | 16 | 19 |
| Facilities Activities Total 1 | | |
| Avg. Capacity (MMBbls/Mo.) | 49 | 53 |
| Segment Profit per Barrel ($/Bbl) | | |
| Excluding Selected Items Impacting Comparability | $ 0.22(2) | $ 0.23(2) |

(1) Calculated as the sum of: (i) crude oil, refined products and LPG storage capacity; (ii) natural gas storage capacity divided by 6 to account for the 6:1 mcf of gas to crude oil barrel ratio; and (iii) LPG processing volumes multiplied by the number of days in the month and divided by 1,000 to convert to monthly capacity in millions.

(2) Mid-point of guidance.

c. *Marketing*. Our marketing segment operations generally consist of the following merchant activities:

- the purchase of U.S. and Canadian crude oil at the wellhead and the bulk purchase of crude oil at pipeline and terminal facilities, as well as the purchase of foreign cargoes at their load port and various other locations in transit;
- the storage of inventory during contango market conditions and the seasonal storage of LPG;
- the purchase of refined products and LPG from producers, refiners and other marketers;
- the resale or exchange of crude oil, refined products and LPG at various points along the distribution chain to refiners or other resellers to maximize profits; and
- arranging for the transportation of crude oil, refined products and LPG on trucks, barges, railcars, pipelines and ocean-going vessels to our terminals and third-party terminals.

The level of profit in the marketing segment is influenced by overall market structure and the degree of volatility in the crude oil market as well as variable operating expenses. Forecasted operating results for the three-month period ending March 31, 2008 reflect our expectation of a backwardated market structure and weather-related seasonal variations in LPG sales. Unexpected changes in market structure or volatility (or lack thereof) could cause actual results to differ materially from forecasted results.

We forecast segment profit using the volume assumptions stated below, as well as estimates of unit margins, field operating costs, G&A expenses and carrying costs for contango inventory, based on current and anticipated market conditions. Field operating costs do not include depreciation. Realized unit margins for any given lease-gathered barrel could vary significantly based on a variety of factors including location, quality and contract structure.

| | 2008 Guidance | |
|---|---|---|
| | Three Months Ending March 31 | Twelve Months Ending December 31 |
| Average Daily Volumes (MBbl/d) | | |
| Crude Oil Lease Gathering | 690 | 685 |
| LPG Sales | 135 | 105 |
| Refined Products | 20 | 30 |
| Waterborne foreign crude imported | 75 | 75 |
| | 920 | 895 |
| Segment Profit per Barrel ($/Bbl) | | |
| Excluding Selected Items Impacting Comparability | $ 0.75(1) | $ 0.78(1) |

(1) Mid-point of guidance.

3. *Depreciation and Amortization.* We forecast depreciation and amortization based on our existing depreciable assets, forecasted capital expenditures and projected in-service dates. Depreciation is computed using the straight-line method over estimated useful lives, which range from 3 years (for office furniture and equipment) to 40 years (for certain pipelines, crude oil terminals and facilities) and includes gains and losses on the sale of assets.

4. *Statement of Financial Accounting Standards No. 133 "Accounting for Derivative Instruments and Hedging Activities," as amended ("SFAS 133").* The guidance presented above does not include assumptions or projections with respect to potential gains or losses related to derivatives accounted for under SFAS 133, as there is no accurate

way to forecast these potential gains or losses. The potential gains or losses related to these derivatives (primarily mark-to-market adjustments) could cause actual net income to differ materially from our projections.

5. *Capital Expenditures and Acquisitions*. Although acquisitions constitute a key element of our growth strategy, the forecasted results and associated estimates do not include any forecasts for acquisitions that may be made after the date hereof. Capital expenditures for expansion projects are forecasted to be approximately $330 million during calendar 2008. Following are some of the more notable projects and forecasted expenditures for the year:

| | Calendar 2008 (in millions) |
|---|---|
| Expansion Capital | |
| • Patoka tankage | $ 43 |
| • Kerrobert facility | 36 |
| • Paulsboro tankage | 30 |
| • Fort Laramie Tank Expansion | 22 |
| • West Hynes tankage | 13 |
| • Edmonton tankage and connections | 12 |
| • Bumstead expansion | 10 |
| • Pier 400(1) | 10 |
| • Other Projects(2) | 154 |
| | 330 |
| Maintenance Capital | 60 |
| Total Projected Capital Expenditures (excluding acquisitions) | $ 390 |

(1) This project requires approval from a number of city and state regulatory agencies in California. Accordingly, the timing and amount of additional costs, if any, related to Pier 400 are not certain at this time.

(2) Primarily pipeline connections, upgrades and truck stations as well as new tank construction and refurbishing.

6. *Capital Structure*. This guidance is based on our capital structure as of December 31, 2007. The Partnership's policy is to finance acquisitions and major growth capital projects with at least 50% equity or cash flow in excess of distributions. As a result of our equity financing activities in 2007 combined with our projected 2008 cash flows in excess of distributions, we have substantially pre-funded all of the required equity financing associated with our 2008 expansion capital program.

7. *Interest Expense*. Debt balances are projected based on estimated cash flows, current distribution rates, forecasted capital expenditures for maintenance and expansion projects, expected timing of collections and payments, and forecasted levels of inventory and other working capital sources and uses.

   Annual 2008 interest expense is expected to be between $168 million and $175 million, assuming an average long-term debt balance of approximately $2.8 billion during the period. Included in interest expense are commitment fees, amortization of long-term debt discounts or premiums, deferred amounts associated with terminated interest-rate hedges and interest on short-term debt for non-contango inventory (primarily hedged LPG inventory and New York Mercantile Exchange and IntercontinentalExchange margin deposits). Interest expense is net of amounts capitalized for major expansion capital projects and does not include interest on borrowings for contango inventory. We treat interest on contango-related borrowings as carrying costs of crude oil and include it as part of the purchase price of crude oil.

8. *Net Income per Unit.* Basic net income per limited partner unit is calculated by dividing net income allocated to limited partners by the basic weighted average units outstanding during the period.

| | Guidance (in millions, except per unit data) | | | |
|---|---|---|---|---|
| | Three Months Ending March 31, 2008 | | Twelve Months Ending December 31, 2008 | |
| | Low | High | Low | High |
| Numerator for basic and diluted earnings per limited partner unit: | | | | |
| Net Income | $ 76 | $ 100 | $ 356 | $ 419 |
| General partners incentive distribution | (27) | (27) | (109) | (109) |
| General partners incentive distribution reduction | 4 | 4 | 15 | 15 |
| | 53 | 77 | 262 | 325 |
| General partner 2% ownership | (2) | (2) | (5) | (6) |
| Net income available to limited partners | $ 51 | $ 75 | $ 257 | $ 319 |
| Denominator: | | | | |
| Denominator for basic earnings per limited partner unit-weighted average number of limited partner units | 116 | 116 | 116 | 116 |
| Effect of dilutive securities: | | | | |
| Weighted average LTIP units | 1 | 1 | 1 | 1 |
| Denominator for diluted earnings per limited partner unit-weighted average number of limited partner units | 117 | 117 | 117 | 117 |
| Basic net income per limited partner unit | $ 0.44 | $ 0.65 | $ 2.21 | $ 2.75 |
| Diluted net income per limited partner unit | $ 0.44 | $ 0.64 | $ 2.20 | $ 2.73 |

Net income allocated to limited partners is impacted by the income allocated to the general partner and the amount of the incentive distribution paid to the general partner. The amount of income allocated to our limited partner interests is 98% of the total partnership income after deducting the amount of the general partner's incentive distribution. Based on our current annualized distribution rate of $3.40 per unit, our general partner's distribution is forecast to be approximately $117 million annually, of which approximately $109 million is attributed to the incentive distribution rights. In conjunction with the Pacific acquisition, however, the general partner agreed to reduce the amounts due it as incentive distributions. The reduction will be effective for five years, as follows: (i) $5 million per quarter for the first four quarters beginning with the February 2007 distribution, (ii) $3.75 million per quarter for the following eight quarters, (iii) $2.5 million per quarter for the following four quarters, and (iv) $1.25 million per quarter for the final four quarters. The aggregate reduction in incentive distributions will be $65 million and the total reduction during 2008 will be $15 million. The relative amount of the incentive distribution varies directionally with the number of units outstanding and the level of the distribution on the units. Based on the current number of units outstanding, each $0.05 per unit annual increase in the distribution over $3.40 per unit decreases net income available for limited partners by approximately $6 million ($0.05 per unit) on an annualized basis.

9. *Equity Compensation Plans*. The majority of grants outstanding under our equity compensation plans (LTIP and Class B units) contain vesting criteria that are based on a combination of performance benchmarks and service period. The grants will vest in various percentages, typically on the later to occur of specified earliest vesting dates and the dates on which minimum distribution levels are reached. Among the various grants, vesting dates range from May 2008 to May 2012 and minimum annualized distribution levels range from $2.80 to $4.50. For some awards, a percentage of any remaining units will vest on a date certain in 2011 or 2012.

On January 16, 2008, we declared an annualized distribution of $3.40 payable on February 14, 2008 to our unitholders of record as of February 4, 2008. In addition to achieving the distribution level of $3.40, we have deemed probable that the $3.50 distribution level will be achieved. Accordingly, for grants that vest at annualized distribution levels of $3.50 or less, guidance includes an accrual over the applicable service period at an assumed market price of

$52.00 per unit as well as the fair value associated with awards that will vest on a date certain. For 2008, the guidance includes approximately $39 million of expense associated with these equity compensation plans. The actual amount of equity compensation expense amortization in any given year will be directly influenced by (i) our unit price at the end of each reporting period, (ii) our unit price on the date of actual vesting, (iii) the amount of amortization in the early years, (iv) the probability assessment of achieving future distribution rates, and (v) new equity compensation award grants. For example, a $3.00 change in the unit price assumption at March 31, 2008 would change the first quarter equity compensation expense by $3 million — $1 million for the current quarter and $2 million for the life-to-date adjustment to the liability accrued in prior periods. Therefore, actual net income could differ materially from our projections.

Included in equity compensation expense highlighted in selected items impacting comparability for 2008 is approximately $8 million of expense attributable to the Class B units. Since the economic burden of the Class B units is borne solely by the General Partner and not the Partnership, the expense will be reflected as a capital contribution and thus will result in a corresponding credit to Partners' Capital in the financial statements of the Partnership.

The amount of equity compensation expense highlighted in selected items impacting comparability for 2008 excludes the portion of the expense represented by awards that pursuant to their terms, will be settled in cash only ($5 million) and have no impact in the determination of diluted units.

10. *Reconciliation of EBITDA and EBIT to Net Income.* The following table reconciles the 2008 guidance ranges for EBITDA and EBIT to net income.

| | Three Months Ending March 31, 2008 | | Twelve Months Ending December 31, 2008 | |
|---|---|---|---|---|
| | Low | High | Low | High |
| | (in millions) | | (in millions) | |
| **Reconciliation to Net Income** | | | | |
| EBITDA | $ 166 | $ 186 | $ 726 | $ 776 |
| Depreciation and amortization | 47 | 45 | 192 | 186 |
| EBIT | 119 | 141 | 534 | 590 |
| Interest expense | 42 | 40 | 175 | 168 |
| Income tax expense | 1 | 1 | 3 | 3 |
| Net Income | $ 76 | $ 100 | $ 356 | $ 419 |

**Forward-Looking Statements and Associated Risks**

All statements included in this report, other than statements of historical fact, are forward-looking statements, including, but not limited to, statements identified by the words "anticipate," "believe," "estimate," "expect," "plan," "intend" and "forecast" and similar expressions and statements regarding our business strategy, plans and objectives of our management for future operations. The absence of these words, however, does not mean that the statements are not forward-looking. These statements reflect our current views with respect to future events, based on what we believe are reasonable assumptions. Certain factors could cause actual results to differ materially from results anticipated in the forward-looking statements. These factors include, but are not limited to:

- failure to implement or capitalize on planned internal growth projects;
- the success of our risk management activities;
- environmental liabilities or events that are not covered by an indemnity, insurance or existing reserves;
- maintenance of our credit rating and ability to receive open credit from our suppliers and trade counterparties;
- 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 power 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;
- 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 transmission throughput requirements;
- the availability of, and our ability to consummate, acquisition or combination opportunities;
- our access to capital to fund additional acquisitions and our ability to obtain debt or equity financing on satisfactory terms;
- 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;
- unanticipated changes in crude oil market structure and volatility (or lack thereof);
- the impact of current and future laws, rulings and governmental regulations;
- the effects of competition;
- continued creditworthiness of, and performance by, our counterparties;
- interruptions in service and fluctuations in tariffs or volumes 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;
- general economic, market or business conditions; 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.

We undertake no obligation to publicly update or revise any forward-looking statements. Further information on risks and uncertainties is available in our filings with the Securities and Exchange Commission, which information is incorporated by reference herein.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PLAINS ALL AMERICAN PIPELINE, L.P.

By: PAA GP LLC, its general partner

By: PLAINS AAP, L. P., its sole member

By: PLAINS ALL AMERICAN GP LLC, its general partner

Date: February 13, 2008

By: /s/ PHIL KRAMER

Name: Phil Kramer

Title: *Executive Vice President and Chief Financial Officer*

**Index to Exhibits**

Exhibit 99.1—Press release dated February 13, 2008

Exhibit 99.1

PLAINS ALL AMERICAN PIPELINE, L.P.

News Release

**Contacts:**

**Roy I. Lamoreaux**
**Manager, Investor Relations**
**713/646-4222 — 800/564-3036**

**Phil D. Kramer**
**Executive Vice President and CFO**
**713/646-4560 — 800/564-3036**

**FOR IMMEDIATE RELEASE**

# Plains All American Pipeline, L.P. Reports Strong 2007 Results

## *Fourth-Quarter Results In Line with Guidance*

(Houston — February 13, 2008) Plains All American Pipeline, L.P. (NYSE: PAA) today reported net income of $77 million, or $0.47 per diluted limited partner unit, for the fourth quarter 2007 and net income of $365 million, or $2.52 per diluted limited partner unit, for the full year 2007. Net income for the fourth quarter 2006 was $46 million, or $0.36 per diluted limited partner unit, and net income for the full year 2006 was $285 million, or $2.88 per diluted unit. The Partnership's weighted average diluted units outstanding for the fourth quarter and full year 2007 were 117 million and 114 million units, respectively, versus 94 million and 82 million units, respectively, for the comparable 2006 periods.

The Partnership reported earnings before interest, taxes, depreciation and amortization ("EBITDA") of $164 million for the fourth quarter of 2007, which represents an increase of 48% compared to EBITDA of $111 million for the fourth quarter of 2006. EBITDA for the full year 2007 was $723 million, an increase of 54% over 2006 reported EBITDA of $470 million. (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.)

"2007 represents a very solid year of execution for our Partnership," stated Greg L. Armstrong, Chairman and CEO of Plains All American. "We achieved or exceeded each of our stated goals, successfully integrated the Pacific Energy Partners acquisition, invested $525 million in internal growth projects and consummated several strategic bolt-on acquisitions. The combination of these achievements enabled us to increase distributions paid per unit in 2007 by 14.4% over distributions paid in 2006."

"Our fourth-quarter results were in line with expectations, coming in slightly above the low end of our guidance range. These financial results reflect the effects of transitioning from a contango market structure for crude oil to a backwardated market structure, as well as an increase in operating expenses primarily associated with unforecasted maintenance activities conducted during the period."

Armstrong continued, "We entered 2008 with a strong balance sheet and excellent liquidity and are positioned to continue to implement our organic capital plan and increase distributions to our unitholders at attractive growth rates. We also established our financial guidance for 2008, which is consistent with the preliminary 2008 guidance we provided in November 2007."

**– MORE –**

Reported results include the impact of various items that affect comparability between reporting periods. These items are excluded from adjusted results, as further described in the table below. Accordingly, the Partnership's fourth-quarter 2007 adjusted net income, adjusted net income per diluted limited partner unit and adjusted EBITDA were $80 million, $0.50 and $167 million, respectively. The Partnership's fourth-quarter 2006 adjusted net income, adjusted net income per diluted limited partner unit and adjusted EBITDA were $81 million, $0.72 and $146 million, respectively. On a comparable basis, fourth-quarter 2007 adjusted EBITDA increased 14%, over the corresponding metric for the fourth quarter of 2006, while adjusted net income and adjusted net income per diluted limited partner unit decreased approximately 1% and 31%, respectively, between the comparable periods.

The Partnership's adjusted net income, adjusted net income per diluted limited partner unit and adjusted EBITDA for the full year 2007 were $431 million, $3.09 and $779 million, respectively. These same metrics for 2006 were $326 million, $3.50 and $511 million, respectively. On a comparative basis, 2007 adjusted net income, and adjusted EBITDA increased 32%, and 52%, respectively, over 2006, while adjusted net income per diluted limited partner unit decreased approximately 12% between periods.

The following table summarizes selected items that the Partnership believes impact comparability of financial results between reporting periods:

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| | (In millions, except per unit data) | | | |
| **Selected items impacting comparability** | | | | |
| Equity compensation charge(1) | $ (6) | $ (16) | $ (44) | $ (43) |
| Cumulative effect of change in accounting principle — Equity compensation(2) | — | — | — | 6 |
| SFAS 133 mark-to-market adjustment(3) | (9) | (19) | (24) | (4) |
| Gain on sale of linefill | 12 | — | 12 | — |
| Deferred income tax expense(4) | — | — | (10) | — |
| Selected items impacting comparability | (3) | (35) | (66) | (41) |
| Less: GP 2% portion of selected items impacting comparability | — | 1 | 1 | 1 |
| LP 98% portion of selected items impacting comparability | $ (3) | $ (34) | $ (65) | $ (40) |
| Impact to basic net income per limited partner unit(5) | $(0.02) | $(0.37) | $(0.57) | $(0.63) |
| Impact to diluted net income per limited partner unit(5) | $(0.03) | $(0.36) | $(0.57) | $(0.62) |

(1) The equity compensation charge for the three- and twelve-month periods ended December 31, 2007 excludes the portion of the equity compensation expense represented by grants under the 2006 Plan that, pursuant to the terms of the Plan, will be settled in cash only and have no impact on diluted units.

(2) During the first quarter of 2006, we adopted SFAS No. 123(R) "Share Based Payment," which requires that the cost resulting from all share-based payment transactions be recognized in the financial statements at fair value. The cumulative adjustment decreased our equity compensation life-to-date accrued expense and related liability, and therefore resulted in a non-cash gain of $6 million in the first quarter of 2006.

(3) The SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities," as amended ("SFAS 133") charge for the three- and twelve-month periods ended December 31, 2007, includes a $2 million gain and $3 million gain, respectively, related to interest rate derivatives, which is included in interest income and other income (expense), net but does not impact segment profit.

(4) Includes the initial cumulative effect of the recent change in Canadian tax legislation.

(5) In periods when the Partnership's net income exceeds the cash distribution paid during such periods the application of Emerging Issues Task Force Issue No. 03-06: "Participating Securities and the Two Class Method under FASB Statement No 128" ("EITF 03-06") does not impact the partnership's aggregate net income or EBITDA, but does reduce the Partnership's net income per limited partner unit. The application of EITF 03-06 negatively impacted basic and diluted earnings per limited partner unit by approximately $0.13 for the twelve months ended December 31, 2006. The application of EITF 03-06 had no impact on our results for the three and twelve months ended December 31, 2007, and for the three months ended December 31, 2006.

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The following tables present certain selected financial information by segment for the fourth-quarter and full-year reporting periods:

| | Three Months Ended December 31, 2007 | | | Three Months Ended December 31, 2006 | | |
|---|---|---|---|---|---|---|
| | Transportation Operations | Facilities Operations | Marketing Operations | Transportation Operations | Facilities Operations | Marketing Operations |
| | | (In millions) | | | (In millions) | |
| Revenues(1) | $ 200 | $ 57 | $ 6,293 | $ 150 | $ 33 | $ 4,273 |
| Purchases and related costs(1) | (22) | — | (6,197) | (17) | — | (4,178) |
| Field operating costs (excluding equity compensation charge) | (75) | (21) | (39) | (58) | (16) | (37) |
| Equity compensation charge — operations | (1) | — | — | (2) | — | — |
| Segment G&A expenses (excluding equity compensation charge)(2) | (12) | (5) | (13) | (13) | (4) | (11) |
| Equity compensation charge — general and administrative | (3) | (1) | (2) | (6) | (2) | (6) |
| Equity earnings in unconsolidated entities | 2 | 1 | — | 1 | 4 | — |
| Segment profit | $ 89 | $ 31 | $ 42 | $ 55 | $ 15 | $ 41 |
| SFAS 133 mark-to-market impact(3) | $ — | $ — | $ (11) | $ — | $ — | $ (19) |
| Maintenance capital | $ 13 | $ 4 | $ 2 | $ 8 | $ 2 | $ 1 |

| | Twelve Months Ended December 31, 2007 | | | Twelve Months Ended December 31, 2006 | | |
|---|---|---|---|---|---|---|
| | Transportation Operations | Facilities Operations | Marketing Operations | Transportation Operations | Facilities Operations | Marketing Operations |
| | | (In millions) | | | (In millions) | |
| Revenues(1) | $ 771 | $ 210 | $ 19,858 | $ 534 | $ 88 | $ 22,061 |
| Purchases and related costs(1) | (80) | — | (19,366) | (71) | — | (21,641) |
| Field operating costs (excluding equity compensation charge) | (288) | (84) | (154) | (201) | (39) | (137) |
| Equity compensation charge — operations | (5) | — | — | (5) | — | — |
| Segment G&A expenses (excluding equity compensation charge)(2) | (50) | (18) | (52) | (43) | (14) | (39) |
| Equity compensation charge — general and administrative | (19) | (8) | (17) | (16) | (6) | (16) |
| Equity earnings in unconsolidated entities | 5 | 10 | — | 2 | 6 | — |
| Segment profit | $ 334 | $ 110 | $ 269 | $ 200 | $ 35 | $ 228 |
| SFAS 133 mark-to-market impact(3) | $ — | $ — | $ (27) | $ — | $ — | $ (4) |
| Maintenance capital | $ 34 | $ 10 | $ 6 | $ 20 | $ 5 | $ 3 |

(1) Includes intersegment amounts. Effective April 1, 2006, we adopted EITF 04-13, which impacts the comparability of our revenues and purchases. Revenues and purchases for the twelve months ended December 31, 2006 include buy/sell transactions of $4.8 billion. Revenues and purchases from such transactions are excluded from the twelve-month period ended December 31, 2007.

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(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.

(3) Amounts related to SFAS 133 are included in revenues and impact segment profit. The SFAS 133 mark-to-market adjustment is primarily based upon crude oil prices at the end of the period and is related to the non-effective portion of our cash flow hedges, as well as certain derivative contracts that do not qualify under SFAS 133 as cash flow hedges. The net gain or loss related to these derivative instruments is principally offset by physical positions in future periods. The SFAS 133 amount for the three- and twelve-month periods ended December 31, 2007 excludes a $2 million gain and $3 million gain, respectively, related to interest rate derivatives, which is included in interest income and other income (expense), net but does not impact segment profit.

Excluding selected items impacting comparability, segment profit from Transportation operations in the fourth quarter and full year of 2007 was $92 million and $356 million respectively, representing increases of 46% and 61% over corresponding 2006 results of $63 million and $221 million. Pipeline volumes for the fourth quarter of 2007 were approximately 2.9 million barrels per day versus 2.6 million barrels per day in the fourth quarter 2006.

Fourth-quarter and full-year 2007 Facilities operations adjusted segment profit of $32 million and $116 million represent respective increases of 88% and 183%, over comparable 2006 metrics.

Adjusted segment profit from Marketing operations for the fourth quarter and full year 2007 was $43 million and $300 million, respectively. Comparable fourth-quarter and full-year 2006 results were $66 million and $248 million.

The Partnership's basic weighted average units outstanding for the fourth quarter 2007 totaled 116 million (117 million diluted) as compared to 93 million (94 million diluted) in last year's fourth quarter. At December 31, 2007, the Partnership had approximately 116 million units outstanding, long-term debt of approximately $2.6 billion and a long-term debt-to-total capitalization ratio of 43%.

The Partnership has declared a quarterly distribution of $0.85 per unit ($3.40 per unit on an annualized basis) payable February 14, 2008 on its outstanding limited partner units. This distribution payment represents increases of approximately 6.3% and 1.2%, respectively, over the quarterly distributions paid in February and November 2007. This distribution constitutes the 15th consecutive increase in quarterly distributions for the Partnership and the 22nd increase in the last twenty-eight quarters.

Prior to its February 14 conference call, the Partnership will furnish to the SEC 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 2008. A copy of the Form 8-K will be available on the Partnership's website at www.paalp.com.

**Non-GAAP Financial Measures**

In this release, the Partnership's EBITDA disclosure is not presented in accordance with generally accepted accounting principles and is not intended to be used in lieu of GAAP presentations of net income or cash flows from operating activities. EBITDA is presented because we believe it provides additional information with respect to both the performance of our fundamental business activities as well as our ability to meet our future debt service, capital expenditures and working capital requirements. We also believe that debt holders commonly use EBITDA to analyze Partnership performance. In addition, we present selected items that impact the comparability of our operating results as additional information that may be helpful to your understanding of our financial results. We consider an understanding of these selected items impacting comparability to be material to our evaluation of our operating results and prospects. 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. 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.

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A reconciliation of EBITDA to net income and cash flows from operating activities for the periods presented is included in the tables attached to this release. In addition, the Partnership maintains on its website (www.paalp.com) a reconciliation of all non-GAAP financial information, such as EBITDA, to the most comparable GAAP measures. To access the information, investors should click on the “Investor Relations” link on the Partnership’s home page and then the “Non-GAAP Reconciliation” link on the Investor Relations page.

**Conference Call**

The Partnership will host a conference call on Thursday, February 14, 2008 to discuss the following items:

1. The Partnership’s fourth-quarter and full-year 2007 performance;

2. The status of major expansion projects;

3. Capitalization and liquidity;

4. Financial and operating guidance for the first quarter and full year 2008; and

5. The Partnership’s outlook for the future.

The call will begin at 11:00 AM (Eastern). To participate in the call, please dial 877-709-8150, or, for international callers, 201-689-8354, at approximately 10:55 AM (Eastern). No password or reservation number is required.

**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.

**Telephonic Replay Instructions**

To listen to a telephonic replay of the conference call, please dial 877-660-6853, or, for international callers, 201-612-7415, and enter account number 232 and replay ID number 270348. The replay will be available beginning Thursday, February 14, 2008, at approximately 4:00 PM (Eastern) and continue until 11:59 PM (Eastern) Friday, March 14, 2008.

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**

Except for the historical information contained herein, the matters discussed in this news 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 implement or capitalize on planned internal growth projects; the success of our risk management activities; environmental liabilities or events that are not covered by an indemnity, insurance or existing reserves; maintenance of our credit rating and ability to receive open credit from our suppliers and trade counterparties; abrupt or severe declines or interruptions in outer continental shelf production located offshore California and transported on our pipeline system; shortages or cost increases of power 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;

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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 transmission throughput requirements; the availability of, and our ability to consummate, acquisition or combination opportunities; our access to capital to fund additional acquisitions and our ability to obtain debt or equity financing on satisfactory terms; 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; unanticipated changes in crude oil market structure and volatility (or lack thereof); the impact of current and future laws, rulings and governmental regulations; the effects of competition; continued creditworthiness of, and performance by, our counterparties; interruptions in service and fluctuations in tariffs or volumes 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; general economic, market or business conditions; 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.

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

## CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except per unit data)

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| **REVENUES**(1) | $6,447 | $4,392 | $20,394 | $22,445 |
| **COSTS AND EXPENSES** | | | | |
| Purchases and related costs(1) | 6,116 | 4,131 | 19,001 | 21,474 |
| Field operating costs | 136 | 113 | 531 | 382 |
| General and administrative expenses | 36 | 42 | 164 | 134 |
| Depreciation and amortization | 45 | 33 | 180 | 100 |
| Total costs and expenses | 6,333 | 4,319 | 19,876 | 22,090 |
| **OPERATING INCOME** | 114 | 73 | 518 | 355 |
| **OTHER INCOME/(EXPENSE)** | | | | |
| Equity earnings in unconsolidated entities | 3 | 5 | 15 | 8 |
| Interest expense | (41) | (33) | (162) | (86) |
| Interest income and other income (expense), net | 2 | 1 | 10 | 2 |
| Income before tax | 78 | 46 | 381 | 279 |
| Current income tax expense | (1) | — | (3) | — |
| Deferred income tax expense | — | — | (13) | — |
| Income before cumulative effect of change in accounting principle | 77 | 46 | 365 | 279 |
| Cumulative effect of change in accounting principle | — | — | — | 6 |
| **NET INCOME** | $ 77 | $ 46 | $ 365 | $ 285 |
| **NET INCOME — LIMITED PARTNERS** | $ 55 | $ 34 | $ 286 | $ 247 |
| **NET INCOME — GENERAL PARTNER** | $ 22 | $ 12 | $ 79 | $ 38 |
| **BASIC NET INCOME PER LIMITED PARTNER UNIT** | | | | |
| Income before cumulative effect of change in accounting principle | $ 0.48 | $ 0.37 | $ 2.54 | $ 2.84 |
| Cumulative effect of change in accounting principle | — | — | — | 0.07 |
| Basic net income per limited partner unit | $ 0.48 | $ 0.37 | $ 2.54 | $ 2.91 |
| **DILUTED NET INCOME PER LIMITED PARTNER UNIT** | | | | |
| Income before cumulative effect of change in accounting principle | $ 0.47 | $ 0.36 | $ 2.52 | $ 2.81 |
| Cumulative effect of change in accounting principle | — | — | — | 0.07 |
| Diluted net income per limited partner unit | $ 0.47 | $ 0.36 | $ 2.52 | $ 2.88 |
| **BASIC WEIGHTED AVERAGE UNITS OUTSTANDING** | 116 | 93 | 113 | 81 |
| **DILUTED WEIGHTED AVERAGE UNITS OUTSTANDING** | 117 | 94 | 114 | 82 |

(1) Revenues and purchases include buy/sell transactions of $4.8 billion in the three months ended March 31, 2006.

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

## OPERATING DATA[1]

| | Three Months Ended December 31, 2007 | Three Months Ended December 31, 2006 | Twelve Months Ended December 31, 2007 | Twelve Months Ended December 31, 2006 |
|---|---|---|---|---|
| **Transportation activities (Average Daily Volumes, thousands of barrels):** | | | | |
| Tariff activities | | | | |
| All American | 45 | 49 | 47 | 49 |
| Basin | 368 | 358 | 378 | 332 |
| Capline/Capwood | 390 | 293 | 368 | 258 |
| Line 63 / Line 2000 | 168 | 80 | 175 | 20 |
| Salt Lake City area systems[2] | 99 | 54 | 101 | 14 |
| West Texas/New Mexico area systems[2] | 370 | 398 | 386 | 433 |
| Manito | 70 | 77 | 73 | 72 |
| Rangeland | 59 | 97 | 63 | 24 |
| Refined products | 107 | 79 | 109 | 24 |
| Other | 1,082 | 986 | 1,012 | 880 |
| | 2,758 | 2,471 | 2,712 | 2,106 |
| Trucking volumes | 101 | 109 | 105 | 101 |
| Transportation activities total | 2,859 | 2,580 | 2,817 | 2,207 |
| **Facilities activities (Average Monthly Volumes):** | | | | |
| Crude oil, refined products, and LPG storage (average monthly capacity in millions of barrels) | 42 | 26 | 38 | 21 |
| Natural gas storage, net to our 50% interest (average monthly capacity in billions of cubic feet) | 13 | 13 | 13 | 13 |
| LPG processing (thousands of barrels per day) | 16 | 15 | 18 | 12 |
| Facilities activities total (average monthly capacity in millions of barrels)[3] | 45 | 29 | 41 | 23 |
| **Marketing activities (Average Daily Volumes, thousands of barrels):** | | | | |
| Crude oil lease gathering | 672 | 683 | 685 | 650 |
| Refined products | 14 | N/A | 11 | N/A |
| LPG sales | 123 | 103 | 90 | 70 |
| Waterborne foreign crude imported | 59 | 73 | 71 | 63 |
| Marketing activities total | 868 | 859 | 857 | 783 |

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

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

(3) In order to calculate total facilities activities volume add: (i) crude oil, refined products and LPG storage capacity; (ii) natural gas storage capacity divided by 6 to account for the 6:1 mcf of gas to crude oil barrel ratio; and (iii) LPG processing volumes multiplied by the number of days in the period and divided by 1,000 and the number of months in the period to convert to monthly capacity in millions.

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

**CONDENSED CONSOLIDATED BALANCE SHEET DATA**
(In millions)

| | December 31, 2007 | December 31, 2006 |
|---|---|---|
| **ASSETS** | | |
| Current assets | $ 3,673 | $ 3,158 |
| Property and equipment, net | 4,419 | 3,842 |
| Pipeline linefill in owned assets | 284 | 265 |
| Inventory in third-party assets | 74 | 76 |
| Investment in unconsolidated entities | 215 | 183 |
| Goodwill | 1,072 | 1,026 |
| Other long-term assets, net | 169 | 165 |
| Total assets | $ 9,906 | $ 8,715 |
| **LIABILITIES AND PARTNERS' CAPITAL** | | |
| Current liabilities | $ 3,729 | $ 3,025 |
| Long-term debt under credit facilities and other | 1 | 3 |
| Senior notes, net of unamortized discount | 2,623 | 2,623 |
| Other long-term liabilities and deferred credits | 129 | 87 |
| Total liabilities | 6,482 | 5,738 |
| Partners' capital | 3,424 | 2,977 |
| Total liabilities and partners' capital | $ 9,906 | $ 8,715 |

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

## COMPUTATION OF BASIC AND DILUTED EARNINGS PER LIMITED PARTNER UNIT

(In millions, except per unit data)

| | Three Months Ended December 31, 2007 | Three Months Ended December 31, 2006 | Twelve Months Ended December 31, 2007 | Twelve Months Ended December 31, 2006 |
|---|---|---|---|---|
| Numerator for basic and diluted earnings per limited partner unit: | | | | |
| Net income | $ 77 | $ 46 | $ 365 | $ 285 |
| Less: General partner's incentive distribution paid | (21) | (11) | (73) | (33) |
| Subtotal | 56 | 35 | 292 | 252 |
| Less: General partner 2% ownership | (1) | (1) | (6) | (5) |
| Net income available to limited partners | 55 | 34 | 286 | 247 |
| Less: Pro forma additional general partner's distribution(1) | — | — | — | (11) |
| Net income available for limited partners under EITF 03-06 | 55 | 34 | 286 | 236 |
| Less: Limited partner 98% portion of cumulative effect of change in accounting principle | — | — | — | (6) |
| Limited partner net income before cumulative effect of change in accounting principle | $ 55 | $ 34 | $ 286 | $ 230 |
| Denominator: | | | | |
| Basic weighted average number of limited partner units outstanding | 116 | 93 | 113 | 81 |
| Effect of dilutive securities: | | | | |
| Weighted average LTIP units | 1 | 1 | 1 | 1 |
| Diluted weighted average number of limited partner units outstanding | 117 | 94 | 114 | 82 |
| Basic net income per limited partner unit before cumulative effect of change in accounting principle(1) | $ 0.48 | $ 0.37 | $ 2.54 | $ 2.84 |
| Cumulative effect of change in accounting principle per limited partner unit(1) | — | — | — | 0.07 |
| Basic net income per limited partner unit(1) | $ 0.48 | $ 0.37 | $ 2.54 | $ 2.91 |
| Diluted net income per limited partner unit before cumulative effect of change in accounting principle(1) | $ 0.47 | $ 0.36 | $ 2.52 | $ 2.81 |
| Cumulative effect of change in accounting principle per limited partner unit(1) | — | — | — | 0.07 |
| Diluted net income per limited partner unit(1) | $ 0.47 | $ 0.36 | $ 2.52 | $ 2.88 |

(1) Reflects pro forma full distribution of earnings under EITF 03-06. The application of EITF 03-06 negatively impacted basic and diluted earnings per limited partner unit by approximately $0.13 for the twelve months ended December 31, 2006. The application of EITF 03-06 had no impact on our results for the three and twelve months ended December 31, 2007, and for the three months ended December 31, 2006.

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

## FINANCIAL DATA RECONCILIATIONS

(In millions, except per unit data)

| | Three Months Ended December 31, 2007 | Three Months Ended December 31, 2006 | Twelve Months Ended December 31, 2007 | Twelve Months Ended December 31, 2006 |
|---|---|---|---|---|
| **Earnings before interest, taxes, depreciation and amortization (“EBITDA”)** | | | | |
| **Net income reconciliation** | | | | |
| Net income | $ 77 | $ 46 | $ 365 | $ 285 |
| Add: Interest expense | 41 | 33 | 162 | 86 |
| Add: Income tax expense | 1 | — | 16 | — |
| Less: Interest income(1) | — | (1) | — | (1) |
| Earnings before interest and taxes (“EBIT”) | 119 | 78 | 543 | 370 |
| Add: Depreciation and amortization | 45 | 33 | 180 | 100 |
| EBITDA | $ 164 | $ 111 | $ 723 | $ 470 |

(1) Interest for the three and twelve months ended December 31, 2006 is comprised of interest income on cash received from the issuance of debt prior to closing the Pacific merger transaction. Other interest income arising from the normal course of business during each of the periods listed is immaterial and is not deducted in the calculation of EBITDA.

| | Three Months Ended December 31, 2007 | Three Months Ended December 31, 2006 | Twelve Months Ended December 31, 2007 | Twelve Months Ended December 31, 2006 |
|---|---|---|---|---|
| **Cash flow from operating activities reconciliation** | | | | |
| EBITDA | $ 164 | $ 111 | $ 723 | $ 470 |
| Interest expense | (41) | (33) | (162) | (86) |
| Interest income | — | 1 | — | 1 |
| Net change in assets and liabilities, net of acquisitions | (299) | (204) | 190 | (703) |
| Other items to reconcile to cash flows from operating activities: | | | | |
| Cumulative effect of change in accounting principle | — | — | — | (6) |
| Equity earnings in unconsolidated entities, net of distributions | (3) | (5) | (14) | (8) |
| Net cash paid for terminated interest rate hedging instruments | — | (2) | — | (2) |
| Inventory valuation adjustment | — | 1 | 1 | 6 |
| Gain on sale of investment assets | — | — | (4) | — |
| Gain on sale of linefill | (12) | — | (12) | — |
| Net (gain)/loss on foreign currency revaluation | 3 | 2 | — | 4 |
| SFAS 133 mark-to-market adjustment | 9 | 19 | 24 | 4 |
| Equity compensation charge | 7 | 16 | 49 | 43 |
| Non-cash amortization of terminated interest rate hedging instruments | — | 1 | 1 | 2 |
| Net cash provided by (used in) operating activities | $ (172) | $ (93) | $ 796 | $ (275) |

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

## FINANCIAL DATA RECONCILIATIONS

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

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| **Funds flow from operations ("FFO")** | | | | |
| Net income | $ 77 | $ 46 | $ 365 | $ 285 |
| Undistributed equity earnings in unconsolidated entities | (3) | (5) | (15) | (8) |
| Depreciation and amortization | 45 | 33 | 180 | 100 |
| Deferred income tax expense | — | — | 13 | — |
| Non-cash amortization of terminated interest rate hedging instruments | — | 1 | 1 | 2 |
| FFO | 119 | 75 | 544 | 379 |
| Maintenance capital expenditures | (19) | (11) | (50) | (28) |
| FFO after maintenance capital expenditures | $ 100 | $ 64 | $ 494 | $ 351 |

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| **Net income and earnings per limited partner unit excluding selected items impacting comparability** | | | | |
| Net income | $ 77 | $ 46 | $ 365 | $ 285 |
| Selected items impacting comparability | 3 | 35 | 66 | 41 |
| Adjusted net income | $ 80 | $ 81 | $ 431 | $ 326 |
| Net income available for limited partners under EITF 03-06 | $ 55 | $ 34 | $ 286 | $ 236 |
| Limited partners 98% of selected items impacting comparability | 3 | 34 | 65 | 40 |
| Pro forma additional general partner distribution under EITF 03-06 | — | — | — | 11 |
| Adjusted limited partners net income | $ 58 | $ 68 | $ 351 | $ 287 |
| Adjusted basic net income per limited partner unit | $0.50 | $0.73 | $ 3.11 | $ 3.54 |
| Adjusted diluted net income per limited partner unit | $0.50 | $0.72 | $ 3.09 | $ 3.50 |
| Basic weighted average units outstanding | 116 | 93 | 113 | 81 |
| Diluted weighted average units outstanding | 117 | 94 | 114 | 82 |

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| **EBITDA excluding selected items impacting comparability** | | | | |
| EBITDA | $164 | $111 | $ 723 | $ 470 |
| Selected items impacting comparability(1) | 3 | 35 | 56 | 41 |
| Adjusted EBITDA | $167 | $146 | $ 779 | $ 511 |

(1) Excludes the deferred income tax expense associated with the initial cumulative effect of the recent change in Canadian tax legislation as it does not impact EBITDA.

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

## FINANCIAL DATA RECONCILIATIONS

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

| | Three Months Ended December 31, 2007 | | | Twelve Months Ended December 31, 2007 | | |
|---|---|---|---|---|---|---|
| | Transportation | Facilities | Marketing | Transportation | Facilities | Marketing |
| **Segment profit excluding selected items impacting comparability** | | | | | | |
| Reported segment profit | $ 89 | $ 31 | $ 42 | $ 334 | $ 110 | $ 269 |
| Selected items impacting comparability of segment profit:(1) | | | | | | |
| Equity compensation charge | 3 | 1 | 2 | 22 | 6 | 16 |
| SFAS 133 mark-to-market adjustment(2) | — | — | 11 | — | — | 27 |
| Gain on sale of linefill | — | — | (12) | — | — | (12) |
| Segment profit excluding selected items impacting comparability | $ 92 | $ 32 | $ 43 | $ 356 | $ 116 | $ 300 |

| | Three Months Ended December 31, 2006 | | | Twelve Months Ended December 31, 2006 | | |
|---|---|---|---|---|---|---|
| | Transportation | Facilities | Marketing | Transportation | Facilities | Marketing |
| **Segment profit excluding selected items impacting comparability** | | | | | | |
| Reported segment profit | $ 55 | $ 15 | $ 41 | $ 200 | $ 35 | $ 228 |
| Selected items impacting comparability of segment profit:(3) | | | | | | |
| Equity compensation charge | 8 | 2 | 6 | 21 | 6 | 16 |
| SFAS 133 mark-to-market adjustment | — | — | 19 | — | — | 4 |
| Segment profit excluding selected items impacting comparability | $ 63 | $ 17 | $ 66 | $ 221 | $ 41 | $ 248 |

(1) Excludes the deferred income tax expense associated with the initial cumulative effect of the recent change in Canadian tax legislation as it does not impact segment profit.

(2) The SFAS 133 amount for the three- and twelve-month periods ended December 31, 2007 excludes a $2 million and $3 million gain, respectively, related to interest rate derivatives, which is included in interest income and other income (expense), net but does not impact segment profit.

(3) Excludes the cumulative effect of change in accounting principle as it does not impact segment profit.

# # #