



**PLAINS**  
**ALL AMERICAN**  
**PIPELINE, L.P.**

## **News Release**

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### **FOR IMMEDIATE RELEASE**

## **Plains All American Pipeline, L.P. Announces Phase III Expansion of Cushing Terminal Facility**

(Houston – January 16, 2002) Plains All American Pipeline, L.P. (NYSE: PAA) announced today that it will proceed with the Phase III expansion of its Cushing Terminal Facility. Under the Phase III expansion, Plains All American will construct approximately 1.1 million barrels of additional tankage at its crude oil storage and terminal facility located in Cushing, Oklahoma. The Phase III expansion project will expand the total capacity of the facility to approximately 5.3 million barrels and is expected to cost approximately \$11 million.

In June 2001, the Partnership announced the 1.1 million barrel Phase II expansion project that is currently under construction and scheduled to be completed in June 2002. Construction on the Phase III tankage will begin immediately and is expected to be placed into service in December 2002. Construction of the original Cushing Terminal was completed in 1994 with an initial capacity of 2.0 million barrels. The Phase I expansion was completed in mid-1999 and added approximately 1.1 million barrels of additional tank capacity.

Collectively, the Phase II and Phase III expansion projects will increase the aggregate capacity of the Partnership's Cushing Terminal Facility by approximately 70%. Matrix Service Inc. of Tulsa, Oklahoma, is the contractor for both the Phase II and Phase III expansion projects.

Greg L. Armstrong, Chairman and CEO of Plains All American, said, "As a result of increasing customer demand for third-party storage capacity and what we believe is a favorable fundamental outlook for future demand, we have elected to expedite the Phase III expansion of the Cushing Terminal Facility. In addition, this expansion will ensure that we continue to enjoy the benefits derived from the counter-cyclical balance between our terminalling and storage activities and our gathering and marketing activities. This new storage capacity will enable us to better serve the needs of our existing customers and complement our expanding lease gathering business."

Armstrong noted that the Cushing Terminal is one of the most modern, large-scale crude oil terminalling facilities in the United States, incorporating environmental safeguards and operational enhancements designed to safely and efficiently terminal, store, aggregate and segregate large

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volumes and multiple varieties of both foreign and domestic crude oil.

Upon completion of the Phase II and Phase III expansion projects, Plains All American's Cushing Terminal Facility will consist of fourteen 100,000 barrel tanks, four 150,000 barrel tanks, twelve 270,000 barrel tanks and a manifold and pumping system capable of handling up to 800,000 barrels of crude oil throughput per day.

Cushing, Oklahoma, is the official designated delivery location for crude oil futures contracts traded on the New York Mercantile Exchange. Plains All American is the largest independent owner and operator of storage and terminalling capacity in Cushing and its facility is an approved NYMEX delivery location.

Except for the historical information contained herein, the matters discussed in this news release are forward-looking statements that involve certain risks and uncertainties, including risks and uncertainties typically associated with construction projects, such as unanticipated shortages of materials or skilled labor, weather interference or cost increases. The risks and uncertainties associated with the Partnership's business include, among other things, demand for various grades of crude oil and resulting changes in pricing conditions, successful third party drilling efforts and completion of announced oil-sands projects, availability of third party production volumes for transportation and marketing, regulatory changes, the availability of acquisition opportunities on terms favorable to the Partnership, the availability to Plains All American of credit on satisfactory terms, successful integration and future performance of recently acquired assets, and other factors and uncertainties inherent in the marketing, transportation, terminalling, gathering and storage of crude oil discussed in the Partnership's filings with the Securities and Exchange Commission.

Plains All American Pipeline, L.P. is engaged in interstate and intrastate crude oil transportation, terminalling and storage, as well as crude oil gathering and marketing activities, primarily in Texas, Oklahoma, California, Louisiana, Illinois and the Gulf of Mexico and in the Canadian Provinces of Alberta and Saskatchewan. The Partnership's common units are traded on the New York Stock Exchange under the symbol "PAA". The Partnership is headquartered in Houston, Texas.

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