



PLAINS
ALL AMERICAN
PIPELINE, L.P.

News Release

Contact: **Phillip D. Kramer**
 Executive Vice President and CFO
 713/654-1414 or 800/934-6083

FOR IMMEDIATE RELEASE

Plains All American Pipeline Extends Reach Into Canada With Acquisition of Murphy Oil Company Ltd.'s Midstream Operations

(Houston and Calgary, Alberta – March 1, 2001) Plains All American Pipeline, L.P. (NYSE:PAA) has agreed to purchase substantially all of the crude oil pipeline, gathering, storage and terminalling assets of Murphy Oil Company Ltd. (“Murphy”) for approximately US\$155 million, plus an additional payment, to be determined prior to closing in accordance with the agreement, for excess inventory in the systems. The principal assets acquired include approximately 450 miles of crude oil and condensate transmission mainlines and associated gathering and lateral lines, and approximately 1.1 million barrels of crude oil storage and terminalling capacity located primarily in Kerrobert, Saskatchewan, as well as a currently inactive 108-mile mainline system and 121 trailers used primarily for crude oil transportation.

Murphy has agreed to continue to transport production from fields currently delivering crude oil to these pipeline systems, under a new long-term contract. The current volume is approximately 11,000 barrels per day. The pipeline systems transport approximately 200,000 barrels per day of light, medium and heavy crudes, as well as condensate.

“These assets represent a strategic entry into Canada and are a perfect fit with Plains All American’s existing operations and core competencies in pipelines, trucking, terminalling and marketing in the U.S.,” commented Harry Pefanis, President and Chief Operating Officer of Plains All American. “Canada has a very large crude oil resource base with Canadian crude oil production projected to increase by over 25% during the next several years. These assets complement our current activities and enhance our ability to service the needs of refiners in the U.S. Midwest.”

“These operations are highly strategic, offering long-term, stable cash flow for our Unitholders and upside via integration with our existing activities, as well as the future growth opportunities they afford us,” added Greg L. Armstrong, Chairman and Chief Executive Officer of Plains All American. “They provide an attractive, synergistic platform on which to build and expand our presence in Canada and we look forward to working with the shippers and producers on these assets.”

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Armstrong noted that the acquisition is expected to be accretive to cash flow for Plains All American Pipeline, L.P. in 2001 and subsequent years. Initial financing for this acquisition will be provided via an expansion of the Partnership's existing \$700 million revolving credit, letter of credit and inventory facility. Plains All American's existing bank lenders, comprised of both U.S. and Canadian banks, have agreed to the expansion of the facility to \$830 million. Consistent with its stated policy of maintaining a strong capital structure by funding acquisitions with a balance of debt and equity, the Partnership intends to refinance a portion of its bank facility with proceeds from future bond and equity financings.

Certain of the principal assets include:

Manito Pipeline: A 100% ownership interest in a 101-mile crude oil line and a parallel 101-mile condensate line that connects the North-Saskatchewan Pipeline and multiple gathering lines to the Enbridge system at Kerrobert, Saskatchewan. The Enbridge system is a 1.9 million barrel per day pipeline that transmits liquid hydrocarbons from the oilfields of Western Canada to refineries and markets in Eastern Canada and the Midwestern U.S. The Manito line is located in the Canadian province of Saskatchewan near the Alberta border and has current throughput of approximately 80,000 barrels a day.

North Saskatchewan Pipeline: An approximate 36% ownership interest in a 34-mile crude oil line and a parallel 34-mile condensate line, which connect to the Manito line. Current throughput approximates 9,500 barrels per day.

Cactus Lake/Bodo Pipeline: Varying interests from 13.125% to 76.25% in a 55-mile crude oil line and a parallel 55-mile condensate line, which connect to the terminal at Kerrobert. Current throughput approximates 39,000 barrels per day.

Milk River Pipeline: A 100% ownership in three parallel 11-mile lines connecting the Bow River Pipeline in Alberta to the Cenex Pipeline at the U.S. border. Current throughput approximates 90,000 barrels a day.

This transaction is subject to certain regulatory approvals and other conditions, and is expected to close within 45 to 60 days. TD Securities Inc. acted as exclusive financial advisor to Plains All American Pipeline, L.P. with regards to this transaction.

Conference Call:

The Partnership will host a conference call to discuss the acquisition on Friday, March 2, 2001. The call will begin at 10:00 AM (Central). To participate in the call, please call 1-888-222-2994 at approximately 9:55 AM (Central). 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 ninety (90) days on the Partnership's website.

Telephonic Replay Instructions:

Call 1-800-428-6051 and enter PIN # 166055

The replay will be available beginning Friday, March 2, 2001, at approximately 12:00 PM (Central) and continue until midnight Monday, March 5, 2001.

Except for the historical information contained herein, the matters discussed in this news release are forward-looking statements that involve certain risks and uncertainties. These risks and uncertainties include, among other things, receipt of governmental approvals and consents from third parties, 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, fluctuations in the capital markets and the availability to Plains All American of credit on satisfactory terms, successful integration and future performance of the assets to be acquired, 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 California, Texas, Oklahoma, Louisiana and the Gulf of Mexico. Plains All American Inc., a wholly owned subsidiary of Plains Resources Inc., holds an effective 54% interest in the Partnership and serves as its General Partner. The Partnership's common units are traded on the New York Stock Exchange under the symbol "PAA". Plains Resources Inc.'s common shares are traded on the American Stock Exchange under the symbol "PLX". The Partnership is headquartered in Houston, Texas.

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