



# News Release

## 2000 Second Quarter Report

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**FOR IMMEDIATE RELEASE**

### **Plains All American Pipeline, L.P. Announces Second Quarter 2000 Results; Net Income of \$17.1 million and 16% Increase in Cash Flow**

(Houston – August 9, 2000) Plains All American Pipeline, L.P. (NYSE:PAA) today reported net income before extraordinary item of \$17.1 million, or \$0.49 per unit. After taking into effect an extraordinary loss from early extinguishment of debt of \$11.0 million, or \$.32 per unit, in the current year quarter, net income was \$6.1 million, or \$0.17 per unit. This compares with a net loss in the second quarter of 1999 of \$9.2 million, or \$0.29 per unit.

Second quarter 2000 results also include a \$2.9 million gain realized from a terminated interest rate swap. Second quarter 1999 results have previously been restated to reflect the impact of the losses resulting from unauthorized trading activities discovered by the Partnership in November 1999. The restatement reduced net income for the second quarter of 1999 by \$21.2 million, or \$0.68 per unit.

Earnings before interest, taxes, depreciation, amortization and other noncash expenses (“EBITDA”) for the second quarter of 2000 was \$25.0 million and cash flow from operations (net income plus noncash expenses) totaled \$18.8 million. These amounts represent increases of 20% and 16%, respectively, over EBITDA of \$20.9 million and cash flow of \$16.3 million recorded for the second quarter of 1999. These comparisons exclude the impact of the gain and the extraordinary item, and the 1999 unauthorized trading losses.

Phil Kramer, Executive Vice President and CFO of Plains All American Inc., stated that since the beginning of the year, total debt has decreased \$213.0 million. The Partnership’s total debt at June 30, 2000, was \$270.0 million as compared to \$483.0 million at December 31, 1999.

Kramer also noted that during the quarter, the Partnership refinanced and consolidated its various credit facilities into a \$300.0 million letter of credit and inventory facility and a \$400.0 million revolving facility that currently provides the Partnership with approximately \$133.0 million of additional borrowing capacity. Kramer stated that the agreements governing the new

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facilities do not require the lenders' consent prior to making distributions, provided the Partnership is in compliance with applicable covenants.

Total gross margin for the second quarter of 2000 was \$32.8 million, compared to \$26.5 million for the second quarter of 1999. Gross margin from gathering, marketing, terminalling and storage increased to \$20.0 million during the 2000 quarter, compared to \$13.5 million during the 1999 quarter. Gross margin from pipeline activities was \$12.8 million during the second quarter of 2000 compared to \$12.9 million in the 1999 quarter. Such operating comparisons exclude the impact of the unauthorized trading losses from second quarter 1999 results.

"We are very pleased with the operating results for the quarter," said Greg L. Armstrong, Chairman and Chief Executive Officer. "Based on our outlook for future results and Plains All American's strong financial position, we recently declared a quarterly distribution of \$0.4625 per unit, up from \$0.45 per unit in the prior quarter."

A conference call to discuss the above events is scheduled for Thursday, August 10, 2000, beginning at 10:00AM (Central). The call is being made available live to the public through the Internet and on a delayed basis through a telephonic replay. Instructions for accessing either method follow:

***Internet Instructions:***

Plains has extended the reach of the conference call to an unlimited number of participants over the Internet through Investor Broadcast Network's Vcall web site located at [www.vcall.com](http://www.vcall.com). Please go to the web site at least 15 minutes prior to the start of the call to download and install any necessary audio software (free of charge). After you enter the web site, scroll down the "Today's Vcalls" list until you come to Plains All American Pipeline and click on "Listen". A replay of the call will be available on the web site for a 90-day period. Regretfully the Company cannot take questions over the Internet, but you may email any questions or comments to [info@plainsresources.com](mailto:info@plainsresources.com).

***Telephonic Replay Instructions:***

Call **703-326-3020** and enter **confirmation # 4436397**

The replay will be available beginning Thursday, August 10, at 1:00pm (Central) and will continue through Monday, August 14 until midnight (Central).

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, demand for various grades of crude oil and resulting changes in pricing conditions, 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, 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.

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

**CONSOLIDATED AND COMBINED STATEMENTS OF OPERATIONS**

(in thousands, except per unit data) (unaudited)

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
		<b>(restated)</b>		<b>(restated)</b>
<b>REVENUES</b>	\$ 738,967	\$ 862,524	\$ 1,738,286	\$ 1,318,284
<b>COST OF SALES AND OPERATIONS</b>	706,193	836,069	1,668,960	1,272,170
<b>UNAUTHORIZED TRADING LOSSES AND RELATED EXPENSES</b>	-	21,470	-	42,675
Gross Margin	32,774	4,985	69,326	3,439
<b>EXPENSES</b>				
General and administrative	7,949	5,769	16,444	7,947
Noncash compensation expense	-	-	131	-
Depreciation and amortization	4,661	3,840	14,799	6,671
Restructuring expense	-	-	-	410
Total expenses	12,610	9,609	31,374	15,028
Operating income (loss)	20,164	(4,624)	37,952	(11,589)
Interest expense	(5,184)	(4,720)	(12,040)	(7,913)
Related party interest expense	(966)	-	(3,268)	-
Gain on sale of assets	-	-	48,188	-
Interest and other income	3,049	190	10,531	287
Net income (loss) before extraordinary item	17,063	(9,154)	81,363	(19,215)
Extraordinary item	(11,002)	-	(15,147)	-
<b>NET INCOME (LOSS)</b>	<u>\$ 6,061</u>	<u>\$ (9,154)</u>	<u>\$ 66,216</u>	<u>\$ (19,215)</u>
<b>BASIC AND DILUTED NET INCOME (LOSS) PER LIMITED PARTNER UNIT:</b>				
Before extraordinary item	<u>\$ 0.49</u>	<u>\$ (0.29)</u>	<u>\$ 2.32</u>	<u>\$ (0.62)</u>
After extraordinary item	<u>\$ 0.17</u>	<u>\$ (0.29)</u>	<u>\$ 1.89</u>	<u>\$ (0.62)</u>
<b>WEIGHTED AVERAGE NUMBER OF UNITS OUTSTANDING</b>	<u>34,386</u>	<u>30,807</u>	<u>34,386</u>	<u>30,450</u>
<b><u>OPERATING DATA</u> (in thousands)</b>				
<b>Average Daily Volumes (barrels)</b>				
Pipeline activities:				
All American				
Tariff activities	74	101	73	113
Margin activities	57	63	58	55
Other	118	20	116	10
Total	<u>249</u>	<u>184</u>	<u>247</u>	<u>178</u>
Lease gathering	237	251	247	186
Bulk purchases	26	137	28	116
Total	<u>263</u>	<u>388</u>	<u>275</u>	<u>302</u>
Terminal throughput	<u>61</u>	<u>84</u>	<u>55</u>	<u>79</u>
<b>Estimated maintenance capital</b>	<u>\$ 569</u>	<u>\$ 143</u>	<u>\$ 1,238</u>	<u>\$ 327</u>

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

**FINANCIAL DATA**

(in thousands) (unaudited)

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
		<b>(restated)</b>		<b>(restated)</b>
Earnings before interest, depreciation and amortization ("EBITDA") (a)	\$ 25,005	\$ 20,876	\$ 53,734	\$ 38,454
Cash flow from operations (net income before noncash items) (a)	\$ 18,808	\$ 16,265	\$ 37,952	\$ 30,758
Cash flow from operations after maintenance capital expenditures (a)	\$ 18,239	\$ 16,122	\$ 36,714	\$ 30,431

**CONDENSED CONSOLIDATED BALANCE SHEET DATA**

(in thousands)

	<b>June 30, 2000</b>	<b>December 31, 1999</b>
	<b>(unaudited)</b>	
<b>ASSETS</b>		
Current assets	\$ 350,003	\$ 739,000
Property and equipment, net	440,017	443,297
Pipeline linefill	18,562	17,633
Other long-term assets	10,727	23,107
	<b>\$ 819,309</b>	<b>\$ 1,223,037</b>
<b>LIABILITIES AND PARTNERS' CAPITAL</b>		
Current liabilities	\$ 310,141	\$ 637,461
Long-term bank debt	267,250	259,450
Subordinated note payable - general partner	-	114,000
Other long-term liabilities and deferred credits	9,571	19,153
	<b>586,962</b>	<b>1,030,064</b>
Partners' capital	<b>232,347</b>	<b>192,973</b>
	<b>\$ 819,309</b>	<b>\$ 1,223,037</b>

(a) Excludes the unauthorized trading losses, noncash compensation expense, restructuring expense, gain on sale of assets, amortization of deferred gains on interest rate swap terminations and extraordinary loss from extinguishment of debt.