



News Release

2001 Third Quarter Report

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FOR IMMEDIATE RELEASE

Plains All American Pipeline, L.P. Announces Third Quarter 2001 Results

(Houston – November 7, 2001) Plains All American Pipeline, L.P. (NYSE: PAA) today reported net income of \$15.2 million, or \$0.38 per unit, for the third quarter of 2001 as compared to net income of \$4.5 million, or \$0.13 per unit, for the third quarter of 2000. Excluding approximately \$8.7 million of unusual or nonrecurring items from the prior period's results, net income for the third quarter of 2000 totaled \$13.3 million, or \$0.38 per unit. The Partnership's weighted average units outstanding for the third quarter of 2001 totaled 38.4 million, an 11% increase as compared to 34.4 million in last year's third quarter.

Earnings before interest, taxes, depreciation, amortization and other noncash items ("EBITDA") for the third quarter of 2001 was \$28.6 million and cash flow from operations (net income plus noncash items) totaled \$20.9 million. This represents increases of 14% and 12%, respectively, over EBITDA of \$25.1 million and cash flow of \$18.6 million recorded for the third quarter of 2000, excluding the impact of the unusual and extraordinary items from the prior year period.

Greg L. Armstrong, Chairman and CEO of Plains All American Pipeline, said, "We are pleased to deliver another quarter of solid operating and financial results, despite challenging market conditions. These results once again reinforce our confidence in the counter-cyclical balance of our business strategy and the complementary nature of our asset base.

"We have made substantial progress in integrating the assets that we have acquired in the last several months. As a result, we recently announced a cash distribution of \$0.5125 per unit on our outstanding units, which represents a \$0.0125 per unit increase over the previous quarter's distribution. This increase marks the third consecutive quarterly increase and the fourth increase in the last six quarters, and brings the total distribution increase for 2001 to 10.8%. With respect to future growth in distributions, we are targeting at least a 10% annual increase in distributions which we believe can be achieved by making \$200 million to \$300 million of acquisitions per year."

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Total gross margin for the third quarter of 2001 was \$39.6 million, an increase of 22% as compared to \$32.6 million for the third quarter of 2000 excluding nonrecurring items. Gross margin from gathering, marketing, terminalling and storage was \$23.5 million during the 2001 quarter, a 14% increase as compared to \$20.7 million during the 2000 quarter. Gross margin from pipeline activities was \$16.1 million during the third quarter of 2001, up 35% compared to \$11.9 million in the comparable 2000 quarter.

The Partnership's long-term debt at September 30, 2001, totaled \$434.5 million as compared to \$372.6 million at June 30, 2001, reflecting the acquisition of CANPET in July 2001 and its routine seasonal working capital requirements. At September 30, 2001, the Partnership's debt-to-total capitalization ratio was approximately 60%. On October 31, 2001, the Partnership completed a public offering of 4.5 million common units. The net proceeds of approximately \$116.0 million were used to reduce indebtedness under the Partnership's revolving credit facilities. Pro forma for this equity offering, the Partnership's debt to total capitalization ratio at September 30, 2001, was approximately 44%. As of November 5, 2001, the Partnership had undrawn revolving credit capacity of approximately \$432 million.

Conference Call:

The Partnership will host a conference call to discuss the results and other forward-looking items on Wednesday, November 7, 2001. The call will begin at 10:00 AM (Central). To participate in the call, please call 1-800-997-8642 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 sixty (60) days on the Partnership's website.

Telephonic Replay Instructions:

Call 1-800-428-6051 and enter PIN # 214268

The replay will be available beginning Wednesday, November 7, 2001, at approximately 1:00 PM (Central) and continue until midnight Monday, November 12, 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, the availability of acquisition opportunities on terms favorable to the Partnership, successful integration and future performance of assets acquired, demand for various grades of crude oil and resulting changes in pricing conditions, availability of third party production volumes for transportation and marketing, fluctuations in the capital markets and the availability to Plains All American of credit on satisfactory terms, successful third party drilling efforts and completion of announced oil-sands projects, regulatory changes, unanticipated shortages or cost increases in materials and skilled labor, weather interference, 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, California, Oklahoma, Louisiana, the Gulf of Mexico and 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.

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

CONSOLIDATED INCOME STATEMENTS

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

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2001	2000	2001	2000
REVENUES	\$ 2,191,310	\$ 1,555,863	\$ 5,298,051	\$ 5,040,204
COST OF SALES AND OPERATIONS	2,151,666	1,523,303	5,189,288	4,938,318
UNAUTHORIZED TRADING LOSSES AND RELATED EXPENSES	-	6,600	-	6,600
Gross Margin	39,644	25,960	108,763	95,286
EXPENSES				
General and administrative	10,297	7,773	28,586	24,217
Noncash compensation expense	-	2,138	5,741	2,269
Depreciation and amortization	6,402	5,349	17,575	20,148
Total expenses	16,699	15,260	51,902	46,634
Operating income	22,945	10,700	56,861	48,652
Interest expense	(7,775)	(6,478)	(22,482)	(18,518)
Related party interest expense	-	-	-	(3,268)
Gain on sale of assets	-	-	-	48,188
Interest and other income (expense)	(9)	294	356	10,825
Income before extraordinary item and cumulative effect of accounting change	15,161	4,516	34,735	85,879
Extraordinary item	-	-	-	(15,147)
Cumulative effect of accounting change	-	-	508	-
NET INCOME	<u>\$ 15,161</u>	<u>\$ 4,516</u>	<u>\$ 35,243</u>	<u>\$ 70,732</u>
BASIC AND DILUTED INCOME PER LIMITED PARTNER UNIT:				
Income before extraordinary item and cumulative effect of accounting change	<u>\$ 0.38</u>	<u>\$ 0.13</u>	<u>\$ 0.93</u>	<u>\$ 2.45</u>
Net Income	<u>\$ 0.38</u>	<u>\$ 0.13</u>	<u>\$ 0.94</u>	<u>\$ 2.01</u>
WEIGHTED AVERAGE UNITS OUTSTANDING	<u>38,353</u>	<u>34,386</u>	<u>36,156</u>	<u>34,386</u>
OPERATING DATA (in thousands) (unaudited)				
Average Daily Volumes (barrels)				
Pipeline activities:				
All American				
Tariff activities	68	76	68	74
Margin activities	53	55	58	57
Canadian activities	225	-	217	-
Other	113	100	128	106
Total	<u>459</u>	<u>231</u>	<u>471</u>	<u>237</u>
Lease gathering	391	258	359	259
Bulk purchases	55	28	49	28
Total	<u>446</u>	<u>286</u>	<u>408</u>	<u>287</u>
Terminal throughput	<u>97</u>	<u>81</u>	<u>103</u>	<u>64</u>
Estimated maintenance capital	<u>\$ 629</u>	<u>\$ 384</u>	<u>\$ 2,917</u>	<u>\$ 1,622</u>

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

FINANCIAL DATA

(in thousands) (unaudited)

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2001	2000	2001	2000
Earnings before interest, taxes, depreciation and amortization ("EBITDA") (a)	\$ 28,627	\$ 25,081	\$ 80,142	\$ 78,815
Cash flow from operations (net income plus noncash items) (a)	\$ 20,852	\$ 18,603	\$ 57,278	\$ 56,555
Cash flow from operations after maintenance capital expenditures (a)	\$ 20,223	\$ 18,219	\$ 54,361	\$ 54,933

CONDENSED CONSOLIDATED BALANCE SHEET DATA

(in thousands)

	September 30, 2001	December 31, 2000
ASSETS		
Current assets	\$ 633,308	\$ 397,904
Property and equipment, net	589,908	440,645
Pipeline linefill	44,674	34,312
Other long-term assets, net	31,203	12,940
	<u>\$ 1,299,093</u>	<u>\$ 885,801</u>
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities	\$ 571,285	\$ 350,793
Long-term bank debt	434,540	320,000
Other long-term liabilities and deferred credits	1,017	1,009
	<u>1,006,842</u>	<u>671,802</u>
Partners' capital	292,251	213,999
	<u>\$ 1,299,093</u>	<u>\$ 885,801</u>

(a) Excludes the unauthorized trading losses, compensation expense associated with the vesting of Partnership units, gain on sale of assets, amortization of deferred gains on interest rate swap terminations, extraordinary loss from extinguishment of debt, current year impact of SFAS 133, and the cumulative effect of accounting change for the adoption of SFAS 133.

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