



PAA

07

Building An Enduring Business

Plains All American Pipeline, L.P.
2007 Annual Report

Plains All American Pipeline, L.P. ("PAA" or "the Partnership") is a publicly traded master limited partnership ("MLP") engaged in the transportation, storage, terminalling and marketing of crude oil, refined products and liquefied petroleum gas and other natural gas related petroleum products (collectively, "LPG"). Through our 50% equity ownership in PAA/Vulcan Gas Storage, LLC, we are also engaged in the development and operation of natural gas storage facilities.

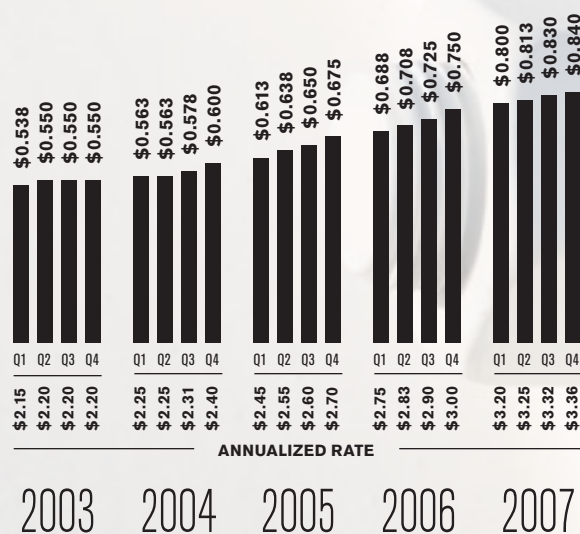
We own and operate a diversified portfolio of strategically-located assets that play a vital role in the movement of U.S. and Canadian energy supplies. On average, we handle over 3 million barrels per day of crude oil, refined products and LPG through our extensive network of assets located in key North American producing regions and transportation gateways.

As an MLP, we make quarterly distributions of our available cash to our Unitholders. Since our initial public offering in 1998, we have increased our quarterly distribution by approximately 89% to its current level at February 2008 of \$0.85 per unit, or \$3.40 per unit on an annualized basis. It is our goal to increase our distribution to Unitholders over time through a combination of internal expansion and acquisition-driven growth.

Our common units are traded on the New York Stock Exchange under the symbol "PAA." We are headquartered in Houston, Texas.

Historical Distribution Growth

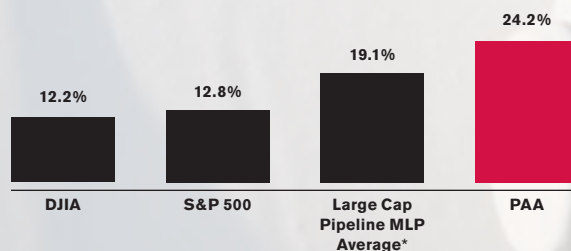
Represents cash distribution paid during each period



Total Annual Return to Unitholders (2003-2007)








Five-Year Compound Annual Total Return (2003-2007)



* Includes ETP, OKS, SXL, TPP, TCLP, EEP, BPL, EPD, KMP, MMP and NS

2007 Goals and Achievements

PERFORM	STRENGTHEN	DISTRIBUTE	GROW	
1. Deliver operating and financial performance in line with guidance.	2. Successfully integrate the Pacific transaction and realize targeted synergies.	3. Increase total distributions paid to unitholders in 2007 by at least 14% over 2006 distributions.	4. Execute planned expansion projects.	5. Pursue an average of \$200 to \$300 million of accretive and strategic acquisitions.
				
» Exceeded initial mid-point adjusted EBITDA guidance by 13%, or \$89 million.	» Substantially completed integration early in 2007. » Exceeded targeted synergies. » See page 5 for a detailed status report on the Pacific transaction.	» Increased distributions paid to unitholders in all four quarters for total increase of 14.4%.	» Invested an aggregate of \$525 million in internal growth projects. » Initiated, developed or advanced a number of new internal expansion projects for implementation in 2008 and beyond: <ul style="list-style-type: none"> – resulted in 2008 expansion capital program of \$330 million. – positioned to invest an additional \$670 million to \$870 million in expansion capital projects over the next several years. 	» Completed four acquisitions for \$123 million. » Trailing 3-year average acquisitions of approximately \$300 million per year, excluding the Pacific transaction.
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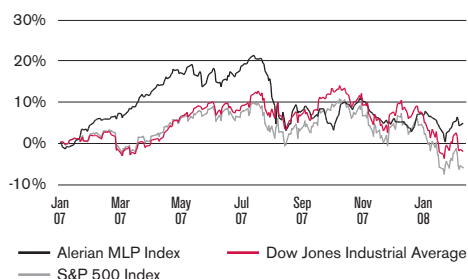
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Chairman and President's Letter

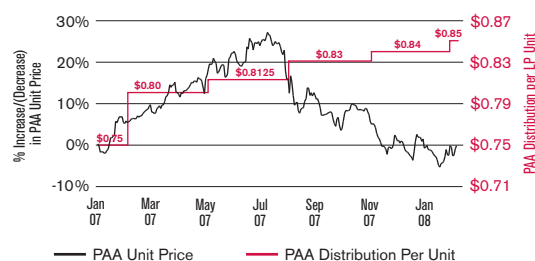
Dear Fellow Unitholders:

We are pleased to report that 2007 was a solid year of executing our business plan, extending our track record of growth and further positioning PAA for continued success in the future. We achieved or exceeded each of our stated goals as we (i) delivered record financial results; (ii) successfully integrated the business and assets of Pacific Energy Partners; (iii) completed the largest capital program in our history along with several strategic bolt-on acquisitions; and (iv) ended the year with a strong balance sheet and excellent liquidity. As a result of these achievements, we increased per unit distributions paid to our limited partners in 2007 by 14.4% over distributions paid in 2006.

Equity Market Performance



PAA Unit Price Performance



Despite our strong operating and financial performance, consistent quarterly distribution increases and solid positioning for the future, the total return realized by our unitholders for 2007 was only 7.6%, comprised of an approximate 1.6% increase in our unit price and the balance provided by our quarterly distributions. As illustrated by the charts at the top of this page, it appears that equity valuations throughout the MLP universe and broader markets were influenced by broader economic and market factors in the second half of 2007 as opposed to fundamental performance. Although we are disappointed that macro market factors negatively impacted our unit price in 2007, we are pleased with our fundamental performance and achievements during the year.

2007 Review

At the beginning of each year, we provide our unitholders and the financial community with specific goals that guide our activities and provide a framework by which to measure our annual performance. In last year's letter, we established five goals that reflected our focus on the opportunities and challenges identified therein. A report card is provided on page one that summarizes our performance against 2007 goals, while a more detailed description is provided in the following paragraphs.

The Partnership delivered solid operating and financial performance in 2007. Adjusted EBITDA of \$779 million exceeded the midpoint of our original 2007 guidance of \$690 million by 13%. This strong financial performance reflects increases in our overall baseline performance and the successful

execution of our risk management strategies during favorable crude oil markets that in turn enabled us to generate approximately \$100 million of cash flow in excess of distributions. This excess was used to fund a portion of the equity component of our expansion capital program.

We successfully integrated the Pacific acquisition and realized the targeted synergies. The \$2.5 billion Pacific transaction closed on November 15, 2006, and was the largest acquisition in our history. As a result of Pacific's acquisition history prior to being acquired by PAA, there were multiple operating systems and several operating practices and cultures that were required to be integrated into PAA's operations. Although not without significant effort, our management team and employees met the challenge and Pacific's assets and operations were substantially integrated early in 2007. Importantly, we estimate that we realized aggregate synergies in excess of the \$30 million targeted for 2007 and believe we are well positioned to extract additional value from the combined asset base. A comparison of our performance relative to our original objectives for the Pacific transaction is presented on page 5.

With the combined asset base as a foundation, we invested a total of \$648 million in internal growth projects and acquisitions during the year. This includes a \$525 million expansion capital program, which was the largest in our history. Major projects completed during the year include: Phase I of the St. James Terminal, the Cheyenne Pipeline and the expansion of both the Kerrobert storage and High Prairie Rail Terminal facilities. In addition to these capital projects, we completed four acquisitions including two strategic LPG storage facilities and a refined products marketing company for \$123 million, resulting in a trailing three-year average annual acquisition amount of approximately \$300 million (excluding the \$2.5 billion

Pacific acquisition). Our 2007 activities also further enhanced our ability to execute our large inventory of internal growth projects over the next several years.

The collective result of these activities enabled us to increase distributions paid to our limited partners from \$2.87 per unit in 2006 to just over \$3.28 per unit in 2007, for a 14.4% total increase.

In addition to our annual stated goals, we have an ongoing objective to execute our financial growth strategy by proactively maintaining a strong capital structure and liquidity position. A key element of this strategy is to fund our acquisition and expansion capital expenditures with at least 50% equity and cash flow in excess of distributions. The combination of the equity raised in late 2006, our \$383 million equity financing in June 2007, and the excess cash flow generated in 2007 enabled us to enter 2008 having effectively pre-funded the equity component of our 2008 expansion capital program. During the year, we renewed our \$1.6 billion revolving credit facility and renewed and expanded our contango inventory credit facility from \$1.0 billion to \$1.2 billion. In recognition of our strong performance and the successful integration of the Pacific acquisition, S&P revised its outlook on PAA from negative to stable and affirmed our BBB- credit rating.

2008 Goals

- Deliver operating and financial performance in line with guidance
- Successfully execute our 2008 capital program, and set the stage for 7% to 10% adjusted EBITDA growth in 2009
- Pursue an average of \$200 million to \$300 million of strategic and accretive acquisitions
- Increase year-over-year distributions in 2008 by \$0.20 to \$0.25 per unit

Looking Forward

We have entitled this report "Building An Enduring Business" to highlight our ongoing focus on building a business that stands the test of time and survives and thrives in all types of financial and commodity market environments. As we have illustrated elsewhere in this report, we believe that "Business Builders" such as PAA have a distinct competitive advantage over other entities that appear to be using the MLP vehicle principally to arbitrage cost of capital. This distinction is particularly relevant during challenging periods for capital formation such as that experienced by the capital markets during the latter half of 2007 and continuing thus far into 2008. We believe these market conditions, coupled with continuing strong demand for PAA's assets and services, will provide us with an opportunity to favorably differentiate PAA from its peer group.

As we enter 2008, we remain focused on the continuing execution of our business plan, which is underpinned by an attractive portfolio of internal growth projects that we believe will be the principal driver of our growth over the next several years. Our annual goals for 2008 are set forth above and will serve to guide us in our activities during the year. We are well positioned both operationally and financially to execute our business plan and to overcome the execution challenges that we face.

We believe that the successful execution of our business plan will position us to deliver an attractive level of distribution growth to our Unitholders. Several years ago, we shared our belief that we could grow our distribution at an average compound growth rate of 7% to 9% per year. Catalyzed by

both organic growth and acquisitions, we have exceeded that target as our actual three-year compound average growth rate on distributions paid through 2007 totaled 12.5%. Individual year-over-year distributions grew approximately 14.4%, 11.5% and 11.8% for 2007, 2006 and 2005, respectively, based on distributions paid in each year. Assuming we are successful in achieving our 2008 distribution growth goal by ratably increasing the distribution over the next three quarters, our four-year compound average distribution growth rate on paid distributions will be approximately 11%, which compares favorably to our large capitalization MLP peer group.

In order to build a truly enduring business, we must vigilantly monitor ever-changing conditions and circumstances and, when appropriate, make mid-course adjustments that we believe are in the best long-term interests of the Partnership. After taking into account the changes that have occurred over the last several years, the current market environment and the conditions that are likely to exist over the next several years as well as our overall growth and timing uncertainties for certain of our expansion projects, we have modified our targeted average annual distribution growth range to approximately 5% to 8%.

Notably, the source of this 5% to 8% distribution growth is primarily derived from our current baseline activities and our inventory of internal growth projects that total approximately \$1.0 billion to \$1.2 billion in expansion capital. We believe the majority of these projects will be implemented from 2008 to 2010, subject in certain cases to timely receipt of permits and regulatory approvals. As has been the case in the past, we believe that this organic project inventory will be augmented with bolt-on acquisitions and any organic projects that are delayed or cancelled will likely be replaced with other

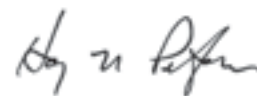
complementary projects. If we are able to complete more significant acquisitions or business combinations, as we have in the past, we have the potential to make a step change in our distribution level that could result in us meeting or exceeding the high end of our targeted distribution growth range in any given year. Our assessment also leads us to believe that there will be potentially attractive opportunities for consolidation among both public and private midstream entities over the next three years.

We remain excited about the opportunities the future holds for PAA and believe the combination of current distributions and our target range for average annual distribution growth provides a competitive and compelling investment proposition for our current and prospective Unitholders.

On behalf of Plains All American Pipeline and our approximately 3,100 loyal and dedicated employees, we sincerely thank you for your support and we look forward to updating you on our progress throughout 2008.



Greg L. Armstrong
Chairman and CEO



Harry N. Pefanis
President and COO

Pacific Energy Partners Acquisition Scorecard

Our \$2.5 billion acquisition of Pacific Energy Partners ("PPX" or "Pacific"), which closed in November 2006, marked the culmination of a multi-year transition from an organization primarily focused on acquisitions for growth to a Partnership with a portfolio of internal growth projects providing extended growth visibility. In our June 2006 conference call announcing the transaction, we identified 10 targeted transaction benefits – some were specifically quantified, while others were more conceptual in nature, but still important. This page outlines a status report related to each of these benefits. All in all, we are very pleased with the acquisition of Pacific and, similar to our 2004 acquisition of Link Energy, we believe that in addition to providing a solid cash flow stream from current operations, the Pacific assets will also provide a source of attractive growth opportunities for several years to come.

Targeted Transaction Benefits¹

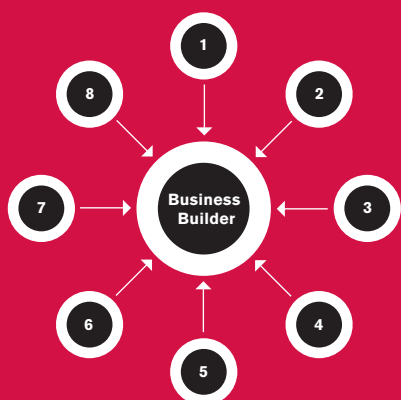
Status Update

1. Cost savings synergies Public company and duplicative costs 2. Operating synergies and efficiencies Attractive vertical integration opportunities 3. Commercial opportunities Optimizing PPX's assets	» Actual synergies >\$30 million initial year target » On track to achieve/exceed the 2010 target of \$55 million
4. Additional Organic Growth Projects Combination of PAA's pre-funded, in-progress projects with PPX's longer lead-time projects extends visibility	» 2007 expansion capex = \$525 million » 2008 projected expansion capex = \$330 million » Added a number of additional projects to project portfolio » Plan to invest additional \$670 million to \$870 million beyond 2008
5. Expanded talent pool Provides opportunity to augment PAA's existing workforce with quality talent from PPX	» ~250 Pacific legacy employees still with PAA
6. Reduced project execution risk and continued acquisition growth PAA has personnel and infrastructure in place to manage large-scale, complex projects (mitigates risks of time delays); portfolio effect	» Former PPX capital projects now fully integrated into PAA project management systems » Realizing procurement benefits of scale
7. Increased exposure to foreign import trends	» Expanding storage capacity on West Coast (LA & San Francisco), East Coast (Paulsboro) and Gulf Coast (St. James)
8. Establishment of complementary new growth platforms » Refined products for PAA » Natural gas storage for PPX	» Currently expanding physical assets in both areas and commercial activities within refined products » Expect to increase natural gas storage commercial activities as cavern capacity at Pine Prairie ² comes into service
9. Reduced financing risk	» PAA's credit rating, strong balance sheet and high liquidity = attractive capital cost and improved ability to timely execute projects
10. Enhanced business profile lowers operating risk Combination of PAA's and PPX's businesses provides stronger, more diversified and more resilient business profile	» Stability of combined baseline cash flows throughout recent market transition and volatility reinforces complementary aspects of combined asset base and business model

¹ Excerpted from June 2006 Conference Call Slides

² Pine Prairie is a salt-cavern natural gas storage facility being developed by the PAA/Vulcan joint venture

The Business-Builders Advantage



Attributes of Business Builders:

1. Vision and perspective on existing and future trends.
2. Investment thesis built on solid industry fundamentals.
3. Ability to realize economies of scale.
4. Strategic asset base poised to benefit from long-term industry trends.
5. Ability to capture value in acquired assets not realized by previous owners.
6. Committed management team capable of executing business plan.
7. Solid business model addressing all aspects of business cycle.
8. Industrial logic in acquisitions and internal growth projects.

The business that ultimately became Plains All American was founded in the early 1990's. When we completed our initial public offering as a master limited partnership in November of 1998, there were approximately 15 publicly traded natural resource MLPs. Over the succeeding ten-year period, PAA, as well as the MLP sector as a whole, generated very attractive financial returns,

We believe a common characteristic of the MLPs that are best positioned to achieve success over the long term is a focus on building an enduring business, which translates into a competitive advantage regardless of the structure of the entity. We refer to these entities as "business builders" and believe that term is appropriately applied to PAA. In our opinion, business builders possess several key attributes, which are outlined in the diagram to the left.

Given the sudden and significant growth of the MLP sector, we believe the business-builder category represents a relatively small subset of the group. MLPs have been formed for a variety of reasons. Certain MLPs were formed as financing vehicles to monetize assets and raise capital for their sponsors. Other MLPs – typically small start-ups – were formed to arbitrage the cost of capital available in the MLP market by realizing a higher valuation for a given asset or set of assets by employing an MLP structure. Since financial arbitrage is the primary driver for these models, sponsors may continue to "drop down" assets or partnerships may purchase additional assets for that primary purpose, with strategic fit and industrial logic becoming only a secondary consideration.

During periods in which the entire sector has relatively unfettered access to capital and there is minimal differentiation between MLPs, it is possible for business builders and non-business builders to be similarly valued by the market for their future growth prospects. However, during periods of reduced availability of capital, increased cost pressures and challenging economic conditions, we believe that business builders should and will appropriately command a premium valuation and enjoy better access to capital.

which in turn lowered the overall cost of equity capital and spawned a record number of initial public offerings. As a result, by year-end 2007, the number of publicly traded natural resource MLPs (excluding the general partner MLPs) had increased over four-fold. These 60+ MLPs possess a wide range of strategies and business models.

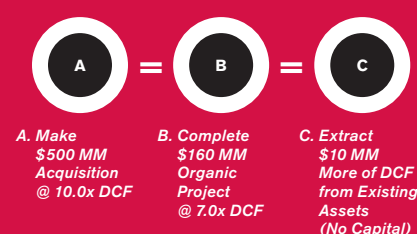
We believe PAA's business-builder advantage provides us with multiple avenues to enhance our growth. First, we have the opportunity to extract more cash flow out of our existing asset base by optimizing product flows and transportation logistics, reducing costs and rationalizing unnecessary or duplicative infrastructure. Second, our market participation provides us with an understanding of industry trends and enables us to timely supply logistical and infrastructure services for our customers. Finally, because of the scale and scope of our asset base and the commercial nature of our business model, we can capture administrative, operating and commercial synergies from certain acquired assets that are not captured by selected peers and competitors, as well as realize lower debt costs than certain of our competitors due to our investment grade credit rating. As a result, we can be more competitive for those acquisitions and deliver better accretion over time.

Since our performance typically improves over time, an excellent example of our business-builder advantage can be seen by reviewing the performance of our six 2004 acquisitions, in which we invested \$550 million (the majority of which was represented by the Link Energy and Capline transactions). Through the integration of these assets into our business model and the subsequent realization of synergies, we were able to lower the aggregate run-rate EBITDA multiple (excluding linefill) from over 9.5x at acquisition to less than 5.0x today, including additional capital spent on these assets. The information on the right outlines the various sources of distribution growth available to a business builder and highlights the importance of realizing synergies from complementary asset bases as well as optimizing the business model.

We believe PAA is a proven business builder that is attractively positioned to not only survive and thrive in the challenging near-term environment, but also to continue to build our business and create value for our stakeholders over the long term.

The illustration below depicts the three principal ways that a hypothetical MLP can generate growth.¹

Alternatives to Generate \$0.10 per Unit of Accretion



A business builder is not only more likely to be able to extract additional cash flow from its existing assets, but also better positioned through the realization of synergies to enhance the economic return of a newly constructed asset or an acquisition.

Using the \$500 million acquisition referenced above as an example, the following illustration depicts the significant improvement in accretion per unit that can be derived through the realization of synergies (the range of synergies shown represents a 0% to 36% increase in base EBITDA).



¹ Assumptions for Hypothetical MLP: (i) current LP distribution of \$2.70 per unit and trades at 7% yield; (ii) general partner sharing ratios of 2% up to \$1.76 per unit, 15% up to \$2.00, 25% up to \$2.40 and 50% above \$2.40; (iii) 50 million units outstanding; (iv) 50% debt/50% equity financing on growth capital; (v) debt capital cost of 6.5% and equity capital raised at 7.5% discount to market price; and (vi) maintenance capital expenditures equal to 10% of EBITDA. DCF means unlevered distributable cash flow and equals EBITDA minus maintenance capital expenditures.

Building a Storage Business

In the early 1990's, PAA constructed the initial phase of its cornerstone asset in Cushing, Oklahoma and, from that time forward, the terminalling and storage business has played an integral role in building an enduring business at PAA. Since the Cushing Terminal's initial two million barrels of capacity and extensive manifold system were completed in 1994, we have increased our storage capacity through a combination of new construction and acquisitions to approximately 78 million barrels as of early 2008, with additional capacity under construction. Approximately 30% of our capacity is used to facilitate movements on our pipelines, while the majority of the remaining capacity is leased to third-party customers.

Although a portion of PAA's storage capacity provides us with significant upside potential during contango markets, the principal driver of PAA's expanding storage business is more fundamental in nature. Specifically, our customers are requiring increased storage capacity to meet operating requirements necessitated by changing transportation logistics and supply and demand dynamics.

The sources and qualities of crude oil being transported to our nation's refineries have evolved and expanded over time. As domestic crude oil production has declined, the absolute volumes as well as the differing varieties of foreign crude oil imports have increased significantly. Importantly, the quality of crude oil has become heavier and more sour. This trend has necessitated additional storage capacity to segregate or blend the new crude varieties according to refinery specifications. Foreign imports transported via pipeline from Canada or via oceangoing tankers from other parts of the world typically arrive into the U.S. in large batches or cargoes requiring storage capacity to receive these shipments and break these volumes into smaller quantities for ratable delivery to refineries.

The number and varieties of refined products have also increased over the years. Variations and specification changes of existing products, such as boutique gasoline blends and ultra low sulfur diesel; the advent of new products, such as bio-fuels; and the increased use of ethanol as a blending component have contributed or may contribute to this trend. The additional number and varieties of products necessitates additional storage capacity causing some refineries to lease additional third-party refined products tankage, or to dedicate more of their on-site storage capacity to refined products service. This displaces the refiners' crude oil storage capacity, causing them to shift their crude oil storage requirements to third-party facilities, such as those owned by PAA. In either case, we believe the demand for storage is increasing.

In addition to operational requirements, regulatory pressures will also affect the availability and value of storage capacity. The Department of Transportation ("DOT") has mandated that all storage tanks connected to DOT-regulated pipelines must comply with certain integrity standards (referred to as API 653) by May 2009 or be removed from service. As a result, we expect a meaningful amount of storage capacity will be either temporarily or permanently removed from service, increasing the need for replacement capacity and positively influencing the value of the capacity currently in service.

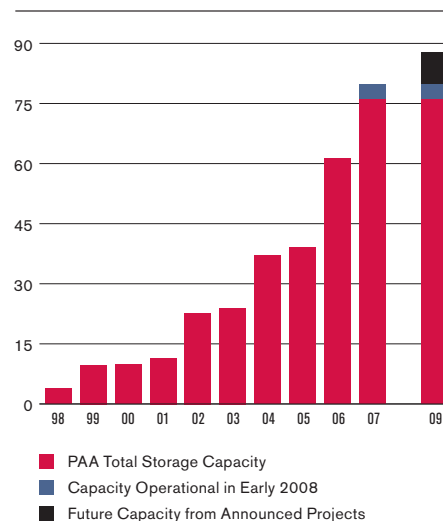
PAA is well positioned to benefit from the increasing value of and growing demand for storage capacity. We own crude oil or refined products storage capacity in several of the most strategic locations in the U.S. and Canada, including (a) major crude oil market hubs such as Cushing, Oklahoma; St. James, Louisiana; Midland, Texas; Mobile, Alabama; and Kerrobert and Edmonton, Canada; (b) near the refining centers of Los Angeles, San Francisco and Philadelphia and (c) along the transportation corridors that connect North American refineries to sources of waterborne foreign crude oil and Canadian imports. In addition to current expansions at several of these facilities, we are in the process of constructing a new terminal facility in Patoka, Illinois. Patoka represents an important regional supply hub for Midwestern refineries and an increasingly important terminalling hub for southern movements of Canadian crude oil. We are also developing the Pier 400 deepwater crude oil import terminal at the Port of Los Angeles, which will play a vital role in meeting the long-term energy needs of California as regional crude oil production continues to decline. In our LPG business, we own strategically-located storage assets near Phoenix, Arizona and Charlotte, North Carolina, which provide a firm foundation for our LPG marketing business in those areas.

As a result of our experience handling multiple grades of crude oil and other products in high throughput terminalling operations for multiple customers with varied needs, we have gained a level of expertise that our customers appreciate and utilize to more efficiently operate their businesses. Our refinery customers understand and value the flexibility that our terminalling and storage assets provide. Since we are not a refiner, competitive sensitivity is minimized, and our refinery customers are able to use PAA as a resource in achieving their terminalling, storage and blending requirements.

We believe the combination of strategically-located assets, flexible operations and superior service and expertise will continue to differentiate PAA as a preferred provider of storage and terminalling services for our customers and position us to continue to expand our existing facilities, construct new facilities and continue to enable us to build a storage business that will endure well into the future.

Increasing PAA Storage Capacity¹

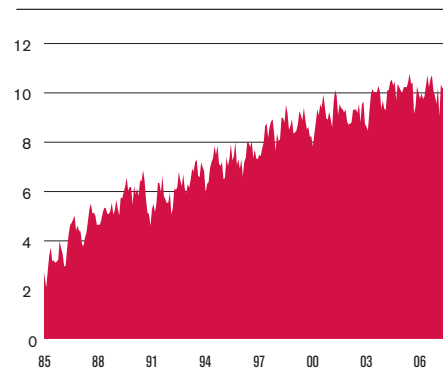
(millions of barrels)



¹ Includes Crude Oil, Refined Product and LPG Storage Capacity

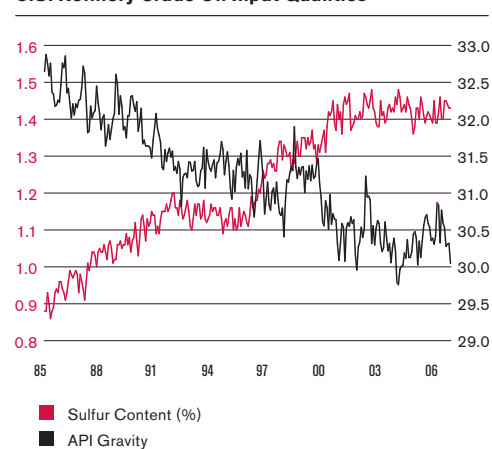
U.S. Crude Oil Imports

(millions of barrels per day)



Source: Energy Information Administration

U.S. Refinery Crude Oil Input Qualities



Source: Energy Information Administration

Maintaining A Solid Foundation

Major tenets of PAA's financial growth strategy:

1. Fund growth capital with at least 50% equity and excess cash flow
2. Target a credit profile of:
 - An average Long-Term Debt/Book Capitalization ratio of approximately 50%
 - An average Long-Term Debt/Adjusted EBITDA¹ multiple of approximately 3.5x
 - An average Adjusted EBITDA¹/Interest coverage multiple of approximately 3.3x or better
3. Achieve and maintain mid-to-high BBB/Baa credit ratings
4. Maintain significant liquidity
5. Prudently manage our interest rate exposure and debt-maturity profile

¹ Adjusted EBITDA is earnings before interest, taxes, depreciation and amortization, equity compensation plan charges and gains and losses attributable to Statement of Financial Accounting Standards No. 133 "Accounting for Derivative Instruments and Hedging Activities," as amended.

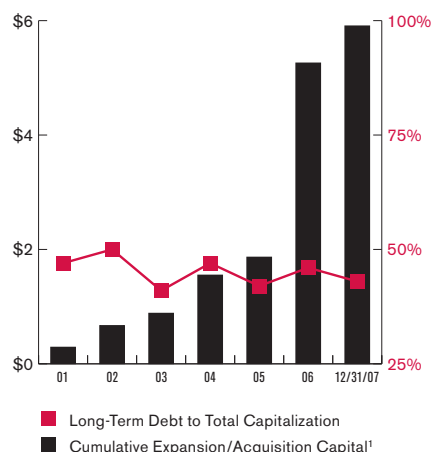
Building an enduring business requires maintaining a solid foundation. An important component of PAA's foundation is a financial growth strategy predicated on a strong capital structure and liquidity position that is capable of supporting the continued growth of our business.

We believe that maintaining a strong capital structure and liquidity position reduces our risk profile and enables PAA to remain opportunistic in pursuing attractive growth projects or acquisitions. In addition, our customers value our financial strength and our ability to meet their needs regardless of the commodity price environment.

Since 2001, PAA has invested \$5.9 billion of expansion capital in internal growth projects and acquisitions. However, as illustrated by the chart below, by adhering to our financial growth strategy, PAA has ended each year at or below its targeted long-term debt to total capitalization metric of 50%. Moreover, throughout this extended period of significant growth, PAA has ended 24 of the last 25 quarters at or below the 50% target. We remain dedicated to prudently financing our future growth.

Successful Execution of Financial Growth Strategy

(dollars in billions)

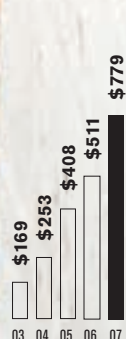


■ Long-Term Debt to Total Capitalization
 ■ Cumulative Expansion/Acquisition Capital¹

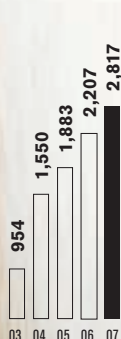
¹ Includes accrued capital expenditures

As we enter 2008, we have a strong financial foundation to support our continued growth. We have pre-funded the equity component of our \$330 million 2008 expansion capital program, with excess capacity available to expand our 2008 capital program, to make acquisitions or to carry over to fund our 2009 expansion capital projects. As a result, we are very well positioned, particularly during the current period of turbulence in the capital markets, to capitalize on future opportunities.

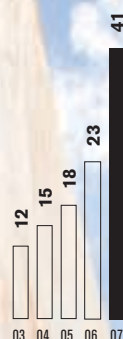
Performance Metrics



Adjusted EBITDA
(millions of dollars)

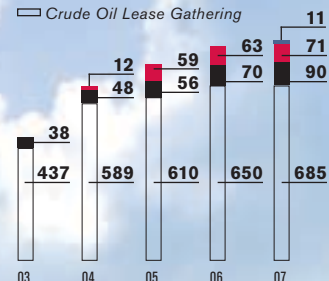


Transportation Segment Volumes
(thousands of barrels per day)



Facilities Segment Volumes¹
(average monthly capacity in million of barrels)

■ Refined Products
 ■ Waterborne Foreign Crude Imported
 ■ LPG Sales
 □ Crude Oil Lease Gathering



Marketing Segment Volumes
(thousands of barrels per day)

This picture shows a storage tank under construction at our St. James terminal. Steel plates have been welded together to form the floor and walls of the tank.

¹ Includes crude oil, refined products, LPG and natural gas (converted at 6:1 Mcf of gas to crude oil barrel ratio) storage capacity and LPG processing volumes.

Non-GAAP Reconciliations

(in millions)

	Year Ended December 31,				
	2007	2006	2005	2004	2003
EBIT and EBITDA reconciliations					
Net income reconciliation					
Net Income	\$ 365	\$ 285	\$ 218	\$ 130	\$ 59
Income tax expense	16	—	—	—	—
Interest income	—	(1)	—	—	—
Interest expense	162	86	59	47	35
EBIT	\$ 543	\$ 370	\$ 277	\$ 177	\$ 94
Depreciation and amortization	180	100	84	69	46
EBITDA	\$ 723	\$ 470	\$ 361	\$ 246	\$ 140

	Year Ended December 31,				
	2007	2006	2005	2004	2003
Selected items impacting comparability					
Positive (negative) impact to reported amount:					
SFAS 133 mark-to-market adjustment	\$ (24)	\$ (4)	\$ (19)	\$ 1	\$ —
Equity compensation charge	(44)	(43)	(26)	(8)	(29)
Cumulative effect of change in accounting principle	—	6	—	(3)	—
Inventory valuation adjustment	—	—	—	(2)	—
Gain/(loss) on foreign currency adjustment	—	—	(2)	5	—
Gain/(loss) on sale of linefill	12	—	—	—	—
Total of selected items impacting comparability	\$ (56)	\$ (41)	\$ (47)	\$ (7)	\$ (29)

	Year Ended December 31,				
	2007	2006	2005	2004	2003
Adjusted EBITDA (excludes selected items)	\$ 779	\$ 511	\$ 408	\$ 253	\$ 169

	Mid-point of 2007 guidance furnished on			
	Actual 2007	2/22/07	Change	%
2007 Actual adjusted EBITDA vs. 2007 Original guidance	\$ 779	\$ 690	\$ 89	13%

	Year Ended December 31,				
	2007	2006	2005	2004	2003
Distributable cash flow					
Adjusted EBITDA	\$ 779	\$ 511	\$ 408	\$ 253	\$ 169
Less:					
Undistributed equity earnings in unconsolidated entities	15	8	1	—	—
Current income tax expense	3	—	—	—	—
Maintenance capital	50	28	14	11	8
Interest expense	162	86	59	47	35
Non-cash amortization of terminated interest rate hedging instrument	(1)	(2)	(2)	(2)	—
Distributions paid	451	263	197	158	122
Excess distributable cash flow reinvested	\$ 99	\$ 128	\$ 139	\$ 39	\$ 4

Forward-Looking Statements

Except for the historical information contained herein, the matters discussed in this report 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; 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 transportation 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.

Partnership Information

Directors of Plains All American GP LLC¹

Greg L. Armstrong
Chairman of the Board and
Chief Executive Officer
Plains All American GP LLC

David N. Capobianco
Managing Director and Co-head
of Private Equity of Vulcan Capital,
an affiliate of Vulcan Inc.
Chairman of the Board,
Vulcan Energy Corporation

Everardo Goyanes
President and Chief Executive Officer
Liberty Energy Holdings LLC

Gary R. Petersen
Senior Managing Director
EnCap Investments L.P.

Robert V. Sinnott
President and Chief Investment Officer
Kayne Anderson Capital Advisors, L.P.

Arthur L. Smith
President and Managing Member
Triple Double Advisors, LLC

J. Taft Symonds
Chairman of the Board
Symonds Trust Co. Ltd.

¹ The general partner of Plains AAP, L.P., the sole member of PAA GP LLC, the general partner of Plains All American Pipeline, L.P.

Officers of Plains All American GP LLC

Greg L. Armstrong
Chairman of the Board and
Chief Executive Officer

Harry N. Pefanis
President and Chief Operating Officer

Phillip D. Kramer
Executive Vice President and
Chief Financial Officer

Mark F. Shires
Senior Vice President – Operations

Al Swanson
Senior Vice President –
Finance and Treasurer

Alfred A. Lindseth
Senior Vice President – Technology,
Process & Risk Management

A. Patrick Diamond
Vice President

Lawrence J. Dreyfuss
Vice President, General Counsel –
Commercial and Litigation and
Assistant Secretary

Roger D. Everett
Vice President – Human Resources

James B. Fryfogle
Vice President – Refinery Supply

Mark J. Gorman
Vice President

Jim G. Hester
Vice President – Acquisitions

John Keffer
Vice President – Terminals

Tim Moore
Vice President, General Counsel
and Secretary

Daniel J. Nerbonne
Vice President – Engineering

John F. Russell
Vice President – West Coast Projects

Robert Sanford
Vice President – Lease Supply

Tina L. Val
Vice President – Accounting and
Chief Accounting Officer

Troy E. Valenzuela
Vice President – Environmental,
Health and Safety

John P. vonBerg
Vice President – Commercial Activities

David E. Wright
Vice President

Management Team of Plains Midstream Canada (PMC)

W. David Duckett
President

Stephen L. Bart
Vice President – Operations

Ralph R. Cross
Vice President – Business Development
and Transportation Services

M.D. (Mike) Hallahan
Vice President – Crude Oil

Bill Harradence
Vice President – Human Resources

Richard H. (Rick) Henson
Vice President – Corporate Services

Ron F. Wunder
Vice President – LPG

Unitholder Information

The Common Units are listed and traded on the New York Stock Exchange under the symbol "PAA".

The following table sets forth the high and low sales prices for the common units as reported on the New York Stock Exchange Composite Tape for the periods indicated:

	2007 High	2007 Low	2006 High	2006 Low
1st Quarter	\$ 59.33	\$ 49.56	\$ 47.00	\$ 39.81
2nd Quarter	\$ 64.82	\$ 56.32	\$ 48.92	\$ 42.81
3rd Quarter	\$ 65.24	\$ 52.01	\$ 47.35	\$ 43.21
4th Quarter	\$ 57.09	\$ 46.25	\$ 53.23	\$ 45.20

Annual Report on Form 10-K

The Partnership's Annual Report on Form 10-K for the year ended December 31, 2007 (including audited financial statements and notes thereto) as filed with the Securities and Exchange Commission, is available on the Partnership's website at www.paalp.com under "Investor Relations – Annual Report." Unitholders may obtain a hard copy of the Form 10-K free of charge upon request by emailing info@paalp.com or by calling 1-800-564-3036.

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