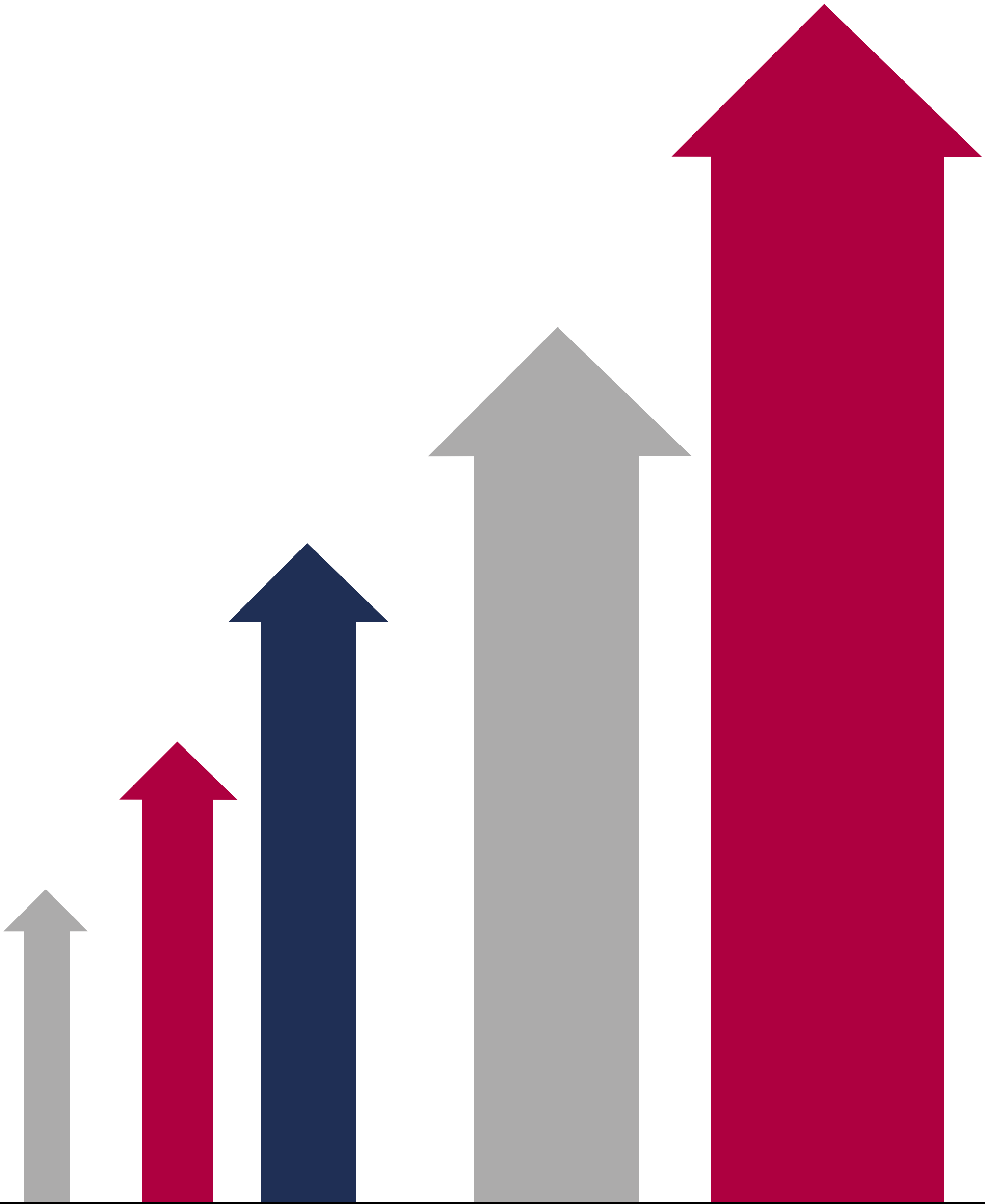


2004 Annual Report

Plains All American Pipeline, L.P.

Exceeded operating and financial guidance

Q1 | Q2 | Q3 | Q4

Received Moody's Investor Services credit rating upgrade

Baa3

Syndicated new $750 million credit facility

Renewed and doubled the size of secured hedged inventory facility

Accessed public and private equity markets and public debt markets on attractive terms

2004 Goals and Achievements

1 Perform

Deliver operating and financial performance in line with our guidance.

2 Strengthen

Improve our credit rating and preserve the strength of our balance sheet and credit profile.

Increased annualized distribution to Unitholders

8.9%

$550 MILLION

Completed five acquisitions including the second largest in our history

25%

Total annual return to Unitholders

Completed Phase IV expansion of Cushing Terminal

Initiated Cushing to Broome pipeline construction and Trenton pipeline expansion projects

3 DISTRIBUTE

Increase our distribution to Unitholders by approximately five percent.

4 GROW

Execute organic expansion projects and pursue our target of averaging $200 to $300 million of accretive and strategic acquisitions.

Plains All American Pipeline, L.P. (“PAA”) is a publicly traded master limited partnership (“MLP”) engaged in interstate and intrastate crude oil transportation, and crude oil gathering, marketing, terminalling and storage, as well as the marketing and storage of liquefied petroleum gas and other petroleum products.

We are one of the largest midstream crude oil companies in North America, handling over 2.5 million barrels per day of physical crude oil through our extensive network of assets located in key producing basins and transportation gateways in the United States and Canada. Our business is comprised of two operating segments: (i) crude oil pipeline transportation operations and (ii) gathering, marketing, terminalling and storage operations.

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 36 percent to its February 2005 level of $0.6125 per unit, or $2.45 per unit on an annualized basis. It is our goal to increase our distribution to Unitholders over time through a combination of organic and acquisition-oriented growth.

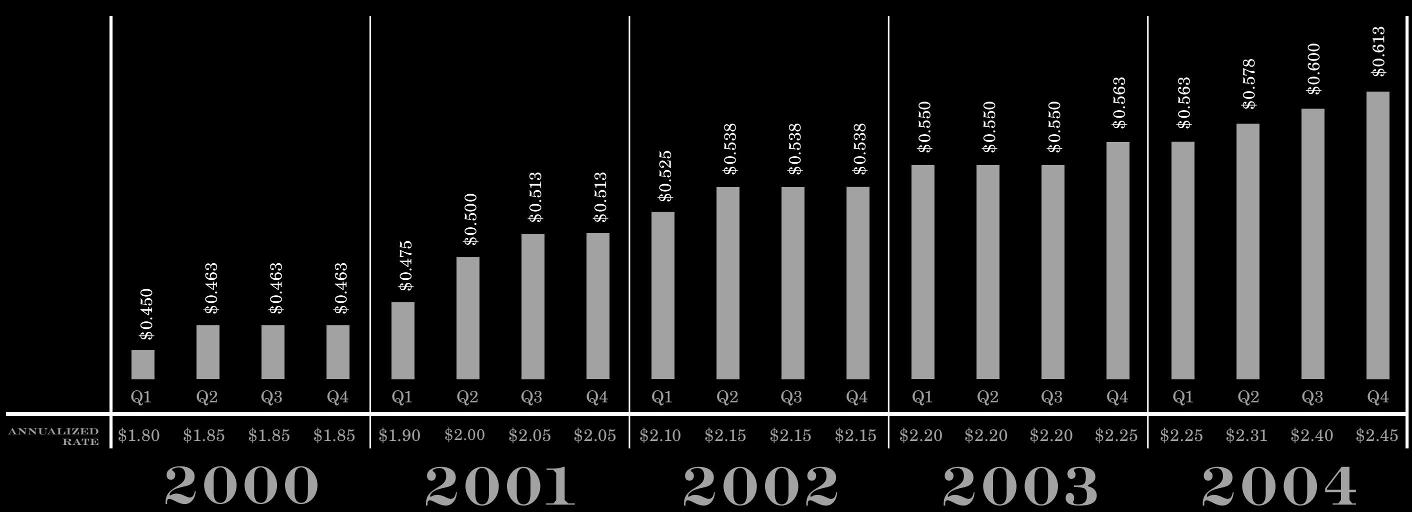
Our common units are traded on the New York Stock Exchange under the symbol “PAA.” We are headquartered in Houston, Texas.

TOTAL RETURN TO UNITHOLDERS

FIVE-YEAR ANNUAL TOTAL RETURN = 34%

64%	47%	2%	44%	25%

HISTORICAL DISTRIBUTION GROWTH



Chairman and President's Letter

As you read this letter, you will likely note many similarities to last year's unitholder letter. It is not because we are at a loss for words, but simply that the words used to describe last year's strong performance are equally applicable to 2004's excellent performance – and then some.

Although each year has its own significance, we believe that 2004 was perhaps the most productive year in the history of Plains All American Pipeline. We exceeded each of the goals that we established at the beginning of the year while simultaneously closing and integrating the second largest and most complex acquisition in our history. The Partnership met these and many other challenges throughout 2004 and, very importantly, entered 2005 positioned to continue its multi-year track record of improving its operating and financial results and growing its distribution to Unitholders.

2004 Review

At the beginning of 2004, we established four very specific goals for the year. These goals were to:
(1) deliver operating and financial performance in line with our guidance;
(2) improve our credit rating and preserve the strength of our balance sheet and credit profile;
(3) position the Partnership for continued growth by executing our organic expansion projects and pursuing our annual target of averaging $200 to $300 million of accretive and strategic acquisitions; and
(4) increase our distribution to Unitholders by approximately five percent.

Our results for 2004 significantly surpassed the operating and financial guidance that we provided at the beginning of the year. Excluding the impact of certain selected items that affected comparability between periods, our 2004 adjusted EBITDA exceeded our original guidance range by approximately 28 percent. Additionally, 2004 adjusted EBITDA, adjusted net income and adjusted net income per basic unit increased by 46 percent, 53 percent and 27 percent, respectively, over 2003 levels on a comparable basis.

In conjunction with our growth in assets and cash flow during 2004, we continued to execute our disciplined financial growth strategy. We achieved a credit rating upgrade from Moody's Investor Services, which elevated us to an investment grade rating at both agencies. We successfully syndicated a new unsecured five-year $750 million credit facility, which is expandable to $1 billion at our election, and renewed and doubled the size of our secured hedged inventory facility. We raised approximately $260 million of equity capital in two separate transactions – one in the public equity market and one in a private placement with institutional investors. In addition, we accessed the debt capital markets on attractive terms by issuing $350 million of five- and twelve-year senior notes. As a result of these activities, we reduced our incremental borrowing costs, extended our average maturities, reduced our exposure to rising interest rates, expanded our financial flexibility, maintained excellent liquidity and strengthened the Partnership's overall capital structure.

During 2004, we completed five acquisitions for approximately $550 million. In March, we acquired entities owning interests in the Capline Pipeline System and related systems from Shell for approximately $159 million. The Capline transaction was very strategic for us as it established a platform for further growth and consolidation of Gulf Coast crude oil assets and facilitated our entry into the foreign crude oil markets. In April, we significantly increased the size of our asset base through the acquisition of the crude oil and pipeline operations of Link Energy for approximately $332 million. The Link transaction was the second largest acquisition in our history and represented the most challenging integration effort we have ever undertaken. Thanks to the hard work and dedication of our staff, we were able to complete the integration effort in a timely manner, accelerate the realization of our cost savings and synergies and outperform our expectations for the transaction. In addition, we made several acquisitions in our LPG business during the year, including the $32 million acquisition of the Schaefferstown LPG storage facility, and we continue to see opportunities for future growth in that business. On the organic growth front, we initiated and completed the Phase IV expansion of our Cushing Terminal. We also initiated two pipeline construction projects, which we expect to complete in 2005. As a result of the overall increase in the scale and scope of our operations, we are optimistic that we will continue to generate additional organic growth opportunities in the future.

Our Unitholders were once again rewarded in 2004. We raised our distribution level on three separate occasions by a total of $0.20 per unit to $2.45 per unit on an annualized basis, which was effective with the fourth quarter distribution paid in February 2005. This represents an increase of 8.9 percent over the February 2004 distribution of $2.25 per unit. For the 2004 calendar year, the Partnership generated a total return to investors of approximately 25 percent by paying out a total of approximately $2.30 in cash distributions on a unit that appreciated in value from $32.46 to $37.74 per unit. We are pleased that the market rewarded our progress during the year and believe Plains All American continues to offer our investors an attractive and competitive total return proposition.

In 2004, the composite strength of our general partner owners improved substantially as Vulcan Energy, an affiliate of Paul Allen, acquired Plains Resources, which owned 44 percent of our general partner interest and 12.4 million common units. Collectively, our seven general partner owners have access to literally billions of dollars of capital, which they have shown a willingness to use to help us take advantage of attractive opportunities to grow the Partnership. As an illustration, within 24 hours of being contacted, two of our current general partner owners committed to provide as much as $100 million of equity capital to assist us in financing the Link acquisition. Although we have never failed to raise the equity capital necessary to complete attractive acquisition opportunities, we believe the addition of Vulcan to our group of general partner owners strengthens our overall financial capabilities. We believe these capabilities should make us a preferred candidate to potential sellers of midstream assets, especially in difficult economic times when financial strength and agility become a competitive advantage.

Outlook for the Future

Looking forward, we are excited about our prospects for 2005 and beyond. The acquisitions and organic growth projects that we completed in 2004 have set the stage for us to continue executing our business plan in 2005. We are a management team that believes in fundamentals and we are focused on long-term value creation for our stakeholders. We endeavor to accomplish that objective by simultaneously pursuing both long-term strategic initiatives and short-term tactical goals.

An important strategic initiative that we are currently pursuing is establishing a meaningful presence in the importation of foreign crude oil using our Gulf Coast assets. Given the potential significance of this initiative to our future growth, we have included a more detailed discussion of this topic beginning on page eight in this report.

Our tactical goals are relatively consistent from year to year and generally represent the next steps in the growth of our Partnership. Specifically, our goals for 2005 are to:

1 Deliver operating and financial performance in line with our guidance, which targets a year-over-year increase in EBITDA of over ten percent;

2 Optimize our field operations to eliminate inefficiencies and improve our ability to service our customers, thereby strengthening our competitive position;

3 Position the Partnership for continued growth by executing our organic expansion projects and pursuing our target of averaging $200 to $300 million per year of accretive and strategic acquisitions; and

4 Increase our distribution to Unitholders by approximately five to seven percent, without regard to future acquisitions.

We will also be pursuing the strategic initiative mentioned above and focusing on maintaining the strength of our balance sheet and credit rating. We believe all of these goals are achievable and we pledge to do our best to deliver these results to our Unitholders. Although every year brings its own set of unique and unforeseen challenges, we have confidence in our ability to overcome obstacles and thrive. We encourage you to monitor our progress and our results by visiting our Partnership website at www.paalp.com.

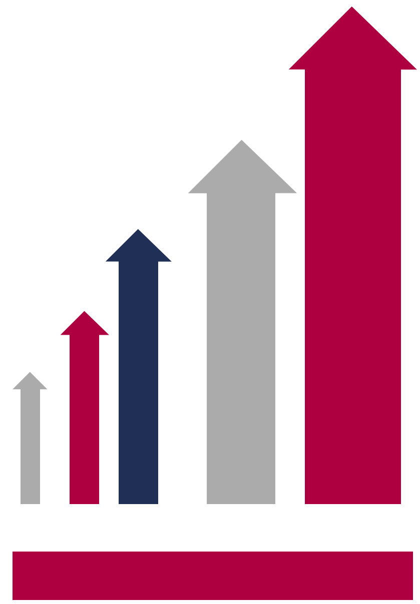
On behalf of Plains All American Pipeline and its 1,900 plus loyal and dedicated employees, we thank you for your continued support.

Sincerely,

Greg L. Armstrong
Chairman and
Chief Executive Officer

Harry N. Pefanis
President and
Chief Operating Officer

Growth + Yield = Total Return



The acquisitions and organic growth projects that we completed in 2004 have set the stage for us to continue executing our business plan in 2005.

Link Energy's Crude Oil and Pipeline Operations

$332 MILLION

Interests in the Capline and Capwood Pipeline Systems

$159 MILLION

Two Major Acquisitions

In 2004, Plains All American completed two major acquisitions that were both strategic to our business model and accretive to our Unitholders. We significantly increased the size of our asset base and expanded the scale and scope of our operations.

Capline Acquisition

On March 1, 2004, we completed the acquisition of entities whose principal assets were an approximate 22 percent ownership interest in the Capline Pipeline System and an approximate 76 percent ownership interest in the Capwood Pipeline System for approximately $159 million. The Capline Pipeline System is a 633-mile, 40-inch mainline crude oil pipeline originating in St. James, Louisiana and terminating in Patoka, Illinois. The Capwood Pipeline System is a 57-mile, 20-inch mainline crude oil pipeline originating in Patoka and terminating in Wood River, Illinois.

The Capline system is the largest and perhaps most reliable transportation route to the Midwestern U.S., also known as PADD II, for crude oil produced in the Gulf of Mexico and foreign crude oil imported on the water. Including its connection to the Capwood system, Capline has access to over 2.7 million barrels of refining capacity in PADD II. Capline has direct connections to a significant amount of sweet and light sour crude production in the Gulf of Mexico. In addition, with its two active docks capable of handling 600,000-barrel tankers as well as access to the LOOP, the Louisiana Offshore Oil Port, it is a key transporter of sweet and light sour foreign crude to PADD II.

In addition to providing us with a direct transportation route to the Midwest market, the Capline acquisition facilitated our entry into the foreign crude oil markets. Over the long term, as onshore

A tanker unloads its cargo of foreign crude oil at our Mobile Bay terminal.

Gross property & equipment

2003	2004
$1.3 BILLION	$1.9 BILLION

2004 Total Assets

$3.2 BILLION

domestic crude oil production continues to deplete, particularly in PADD II, increasing volumes of crude oil from the Gulf of Mexico and from foreign sources will compete with increasing volumes of Canadian crude oil (particularly from the oil sands) to supply the PADD II market.

Link Acquisition

On April 1, 2004, we completed the acquisition of Link Energy's crude oil and pipeline operations for approximately $332 million. The Link transaction was the second largest in our history and significantly expanded the size of our asset base. The Link assets consisted of approximately 7,000 miles of active crude oil pipeline and gathering systems, over ten million barrels of crude oil storage capacity, a fleet of approximately 200 owned or leased trucks and approximately two million barrels of crude oil linefill and working inventory.

The Link assets complemented our existing asset base, particularly in West Texas and along the Gulf Coast, and allowed us to significantly expand our footprint in the Rocky Mountain and Oklahoma/Kansas regions. By integrating the Link assets into our operations, we were able to realize substantial cost savings that enabled us to more than double the cash flow from the assets within twelve months of the acquisition date. Additionally, we believe there is future upside to be realized as we identify and develop organic growth projects in and around the new assets.

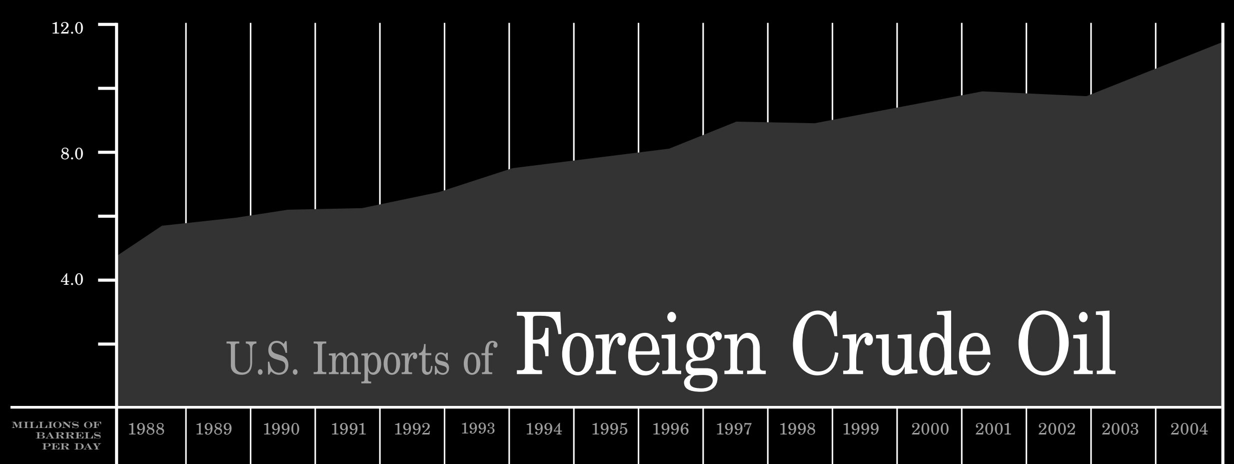
Strategic Initiative: Build Asset Position Capable of Receiving Foreign Crude Oil Via Gulf Coast

Plains All American's asset base has been intentionally configured to benefit from long-term trends in the crude oil industry. One of those trends is the decline in U.S. crude oil production and the related increase in imports of foreign crude oil.

The primary sources for incremental foreign barrels into the U.S. are imports from Canada and imports received along the Gulf Coast. The Partnership's Cushing Terminal has always been well positioned relative to imports and, beginning in 2001, Plains All American established a meaningful position in the Canadian market and has continued to grow its business in Canada. As a result of the initial investment in Canada and several follow-up acquisitions and expansions, Plains All American now operates a suite of Canadian pipeline assets that aggregate and transport crude oil bound for the U.S. market. Moreover, the Partnership continues to evaluate ways to expand its presence in Canada and enhance its ability to capture profits derived from the market conditions that it believes those imports will influence. The more dynamic area for foreign imports is the Gulf Coast, which offers several locations for the delivery of waterborne cargoes transported via tanker, and provides access to numerous sources and varieties of foreign crude oil.

In 2003, Plains All American determined that the next logical step in its efforts to provide supply alternatives to its refinery customers was to build a meaningful asset position that enables the Partnership to receive foreign crude oil via the Gulf Coast. Accordingly, Plains All American established this next step as a strategic initiative, which we believe also provides an excellent hedge against domestic depletion.

The assets the Partnership acquired from El Paso in mid-2003 provided it with tankage at Nederland, Texas that supports its ability to deliver foreign crude oil to refiners in the Gulf Coast area or to refiners that access crude oil through its Cushing Terminal. As a result of its March 2004 acquisition



Source: U.S. Energy Information Administration of Shell's interest in the Capline Pipeline System, Plains All American positioned itself to be able to supply its refiner customers in the eastern half of PADD II with foreign crude oil sourced through the Gulf Coast. In April 2004, the Partnership acquired Link Energy's crude oil assets, which included approximately three million barrels of tankage in the Mobile Bay area. The Mobile Bay facilities fit perfectly into the foreign crude oil initiative and complement Plains All American's existing asset base as they can receive tanker cargoes of foreign crude oil and deliver into the Capline system or to local refiners that source crude oil from the Mobile Bay Terminal.

In order to further implement this strategic initiative, the Partnership has added additional human resources to augment the experience already possessed by certain members of its management team. The results of its efforts to date have been promising. Although a relative newcomer to the foreign crude oil market, PAA has been embraced as a viable participant in this arena. In 2004, the Partnership purchased an average of approximately 13,500 barrels per day of foreign crude oil sourced through its Gulf Coast assets. Plains All American intends to continue expanding its foreign crude oil capabilities by acquiring and/or building strategically located Gulf Coast crude oil infrastructure assets, including a terminal at St. James, Louisiana, where Capline originates, as well as expanding its global network of industry relationships.

Our Cushing Terminal is well positioned to benefit from imports of foreign crude oil.

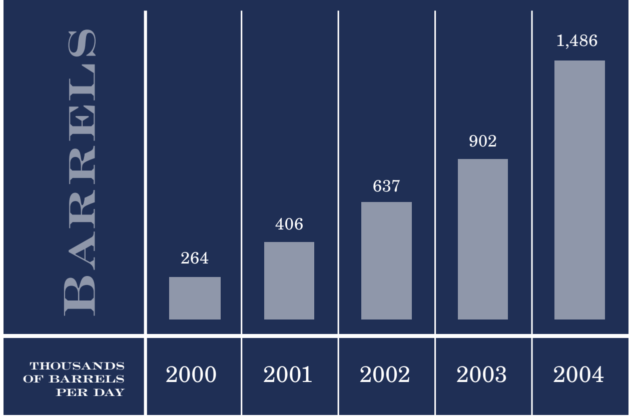
Plains Foreign Crude Oil Logistics

Plains Terminal

3rd Party Terminal

Performance Metrics

1 Pipeline Volumes

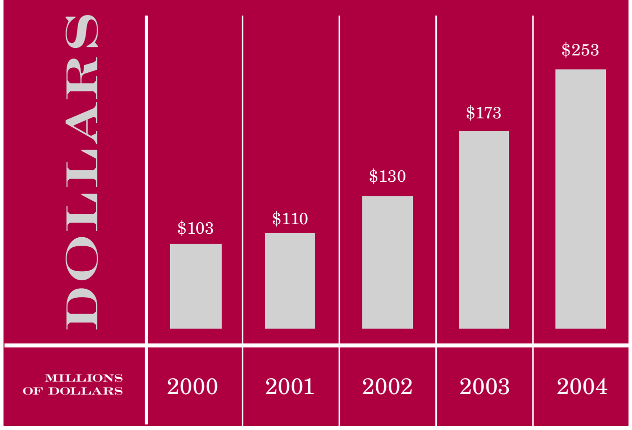


2 Lease Gathering & LPG Volumes

THOUSANDS OF BARRELS PER DAY	Lease Gathering	LPG
2004	589	48
2003	437	38
2002	410	35
2001	348	19
2000	262	0

3 EBITDA

Excluding selected items impacting comparability



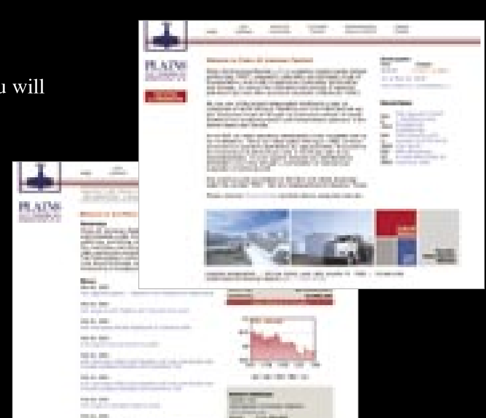
4 Credit Ratings

AS OF YEAR END	S&P *Corporate Rating*	Moody's *Senior Implied Rating*
2004	BBB-	Baa3
2003	BBB-	Ba1
2002	BB+	Ba1
2001	BB+	Ba2
2000	BB-	Ba3

Note: View complete Non-GAAP Reconciliation table on the last page of annual.

WWW.PAALP.COM

Visit our Partnership website at www.paalp.com to monitor our progress and performance. There you will find information about our company, including our history, vision, strategy, management, assets and operations. The site contains our press releases, investor presentations, conference call transcripts, SEC filings, an extensive list of investor questions and answers and an online form where you can sign up to receive our corporate communications via e-mail. In addition, our investors can access their K-1 tax information online and our customers can locate business development contacts and marketing representatives. With regard to corporate governance, our committee charters and governance guidelines, as well as our Code of Business Conduct and our Code of Ethics for Senior Financial Officers, can all be accessed on our website.



Partnership Information

Directors of Plains All American GP LLC

The General Partner of Plains AAP, L.P., The General Partner of Plains All American Pipeline, L.P.

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

David N. Capobianco
Managing Director
Vulcan Capital
Chairman of the Board
Vulcan Energy Corporation

Everardo Goyanes
President and Chief Executive Officer
Liberty Energy Holdings LLC

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

John T. Raymond
Chief Executive Officer
Vulcan Energy Corporation

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

Arthur L. Smith
Chairman and Chief Executive Officer
John S. Herold, Inc.

J. Taft Symonds
Chairman of the Board
Tetra Technologies, Inc.

Senior Management Team of Plains All American GP LLC

The General Partner of Plains AAP, L.P., The General Partner of Plains All American Pipeline, L.P.

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

George R. Coiner
Senior Group Vice President

Mark F. Shires
Senior Vice President – Operations

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

Lawrence J. Dreyfuss
Vice President, Associate General
Counsel and Assistant Secretary

James B. Fryfogle
Vice President – Refinery Supply

Jim G. Hester
Vice President – Acquisitions

Tim Moore
Vice President, General Counsel
and Secretary

Daniel J. Nerbonne
Vice President – Engineering

John F. Russell
Vice President – Pipeline Operations

Al Swanson
Vice President and Treasurer

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

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

John P. vonBerg
Vice President – Trading

A. Patrick Diamond
Manager – Special Projects

Management Team of PMC (Nova Scotia) Company

W. David Duckett
President

D. Mark Alenius
Vice President and
Chief Financial Officer

Ralph R. Cross
Vice President – Business Development

Ronald H. Gagnon
Vice President – Operations

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

Richard (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:

	2004 High	2004 Low	2003 High	2003 Low
1st Quarter	$ 35.23	$ 31.18	$ 26.90	$ 24.20
2nd Quarter	$ 36.13	$ 27.25	$ 31.48	$ 24.65
3rd Quarter	$ 35.98	$ 31.63	$ 32.49	$ 29.10
4th Quarter	$ 37.99	$ 34.51	$ 32.82	$ 29.76

Transfer Agent

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