

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) — **May 8, 2018**

Plains GP Holdings, L.P.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of
incorporation)

1-36132

(Commission File Number)

90-1005472

(IRS Employer Identification No.)

333 Clay Street, Suite 1600, Houston, Texas 77002

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **713-646-4100**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 and Item 7.01. Results of Operations and Financial Condition; Regulation FD Disclosure.

On May 8, 2018, the Registrant issued a press release reporting its first-quarter 2018 results. A copy of the press release is furnished as Exhibit 99.1 hereto. In accordance with General Instruction B.2 of Form 8-K, the information presented herein under Item 2.02 and Item 7.01 shall not be deemed "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, each as amended.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit 99.1 — [Press Release dated May 8, 2018](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PLAINS GP HOLDINGS, L.P.

By: PAA GP Holdings LLC, its general partner

Date: May 8, 2018

By: /s/ Al Swanson

Name: Al Swanson

Title: *Executive Vice President and Chief Financial Officer*

**FOR IMMEDIATE RELEASE****Plains All American Pipeline, L.P. and Plains GP Holdings Report First-Quarter 2018 Results**

(Houston — May 8, 2018) Plains All American Pipeline, L.P. (NYSE: PAA) and Plains GP Holdings (NYSE: PAGP) today reported first-quarter 2018 results.

First-Quarter Highlights

- Delivered 1Q18 financial and operating results slightly ahead of expectations
- Approximately \$60 million year-over-year fee-based Segment Adjusted EBITDA growth (\$80 million when taking into consideration impact of divested assets)
- On target with leverage reduction plans and execution of expansion capital program
- Reiterated 2018 guidance, expect full-year common unit distribution coverage of ~170%
- Continue to expect 14-15% fee-based Segment Adjusted EBITDA growth in 2019

“We are pleased to report first-quarter results that were slightly ahead of our expectations,” stated Willie Chiang, Executive Vice President and Chief Operating Officer of Plains All American Pipeline. “These results reflect year-over-year Adjusted EBITDA growth in our fee-based segments of approximately 13%, or 18% when taking into consideration divested assets.”

“We continue to make progress towards the execution of our strategic plans. We remain on track to achieve our deleveraging objectives and targeted credit metrics by early 2019 while maintaining substantial distribution coverage underpinned by predominantly fee-based cash flow. Additionally, strong Permian fundamentals provide visibility for continued momentum for PAA’s fee-based growth, further complemented by the execution of our capital program.”

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Plains All American Pipeline, L.P.**Summary Financial Information** (unaudited)

(in millions, except per unit data)

GAAP Results	Three Months Ended March 31,		% Change
	2018	2017	
Net income	\$ 288	\$ 444	(35)%
Diluted net income per common unit	\$ 0.33	\$ 0.58	(43)%
Diluted weighted average common units outstanding	727	758	(4)%
Distribution per common unit declared for the period	\$ 0.30	\$ 0.55	(45)%

Non-GAAP Results ⁽¹⁾	Three Months Ended March 31,		% Change
	2018	2017	
Adjusted net income	\$ 310	\$ 224	38%
Diluted adjusted net income per common unit	\$ 0.36	\$ 0.27	33%
Adjusted EBITDA	\$ 593	\$ 512	16%
Implied DCF per Common Unit	\$ 0.61	\$ 0.44	39%

⁽¹⁾ See the section of this release entitled “Non-GAAP Financial Measures and Selected Items Impacting Comparability” and the tables attached hereto for information regarding certain selected items that PAA believes impact comparability of financial results between reporting periods, as well as for information regarding non-GAAP financial measures (such as Adjusted EBITDA) and their reconciliation to the most directly comparable measures as reported in accordance with GAAP.

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Segment Adjusted EBITDA for the first quarter of 2018 and 2017 is presented below:

Summary of Selected Financial Data by Segment (unaudited)

(in millions)

	Three Months Ended March 31, 2018			Three Months Ended March 31, 2017		
	Transportation	Facilities	Supply and Logistics	Transportation	Facilities	Supply and Logistics
Segment Adjusted EBITDA	\$ 335	\$ 185	\$ 72	\$ 273	\$ 188	\$ 51
<i>Percentage change in Segment Adjusted EBITDA versus 2017 period</i>	<u>23%</u>	<u>(2)%</u>	<u>41%</u>			
<i>Percentage change in Segment Adjusted EBITDA versus 2017 further adjusted for impact of divested assets</i>	<u>26%</u>	<u>5%</u>	<u>N/A</u>			

First-quarter 2018 Transportation Segment Adjusted EBITDA increased 23% versus comparable 2017 results. This increase was primarily driven by increased volume on our Permian Basin systems, in addition to contributions from our Eagle Ford JV system, which receives Permian volumes from our Cactus pipeline. First-quarter 2018 also benefited from Diamond pipeline being placed into service in late 2017. These increases were partially offset by the sale of non-core assets in our Rocky Mountain and Central regions.

First-quarter 2018 Facilities Segment Adjusted EBITDA decreased by 2% versus comparable 2017 results. The impact of non-core asset sales was partially offset by increased revenue from Canadian gas processing activity, increased rail terminal activity at certain of our U.S. crude oil terminals and at our Fort Saskatchewan NGL terminal, and capacity expansions at Cushing.

First-quarter 2018 Supply and Logistics Segment Adjusted EBITDA increased by 41% versus comparable 2017 results due to improved NGL and crude oil margin and arbitrage opportunities.

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2018 Full-Year Guidance

The table below presents our full-year 2018 financial and operating guidance:

Financial and Operating Guidance (unaudited)

(in millions, except per unit and barrel data)

	Twelve Months Ended December 31,		
	2016	2017	2018 (G) + / -
Segment Adjusted EBITDA			
Transportation	\$ 1,141	\$ 1,287	\$ 1,535
Facilities	667	734	665
Fee-Based	\$ 1,808	\$ 2,021	\$ 2,200
Supply and Logistics	359	60	100
Other income/(expense), net	2	1	—
Adjusted EBITDA ⁽¹⁾	\$ 2,169	\$ 2,082	\$ 2,300
Interest expense, net ⁽²⁾	(451)	(483)	(425)
Maintenance capital	(186)	(247)	(215)
Current income tax expense	(85)	(28)	(30)
Other	(33)	(12)	5
Implied DCF ⁽¹⁾	\$ 1,414	\$ 1,312	\$ 1,635
Preferred unit distributions paid ⁽³⁾	—	(5)	(160)
General partner cash distributions	(565)	—	—
Implied DCF Available to Common Unitholders	\$ 849	\$ 1,307	\$ 1,475
Implied DCF per Common Unit ⁽¹⁾	\$ 1.83	\$ 1.82	\$ 2.03
Implied DCF per Common Unit and Common Equivalent Unit ⁽¹⁾	\$ 1.63	\$ 1.67	\$ 1.99
Distributions per Common Unit ⁽⁴⁾	\$ 2.65	\$ 1.95	\$ 1.20
Common Unit Distribution Coverage Ratio	0.87x	0.94x	1.70x

Operating Data

Transportation			
Average daily volumes (MBbls/d)	4,637	5,186	5,925

Segment Adjusted EBITDA per barrel	\$	0.67	\$	0.68	\$	0.71
Facilities						
Average capacity (MMBbls/Mo)		127		130		125
Segment Adjusted EBITDA per barrel	\$	0.44	\$	0.47	\$	0.44
Supply and Logistics						
Average daily volumes (MBbls/d)		1,153		1,219		1,275
Segment Adjusted EBITDA per barrel	\$	0.85	\$	0.13	\$	0.21
Expansion Capital	\$	1,405	\$	1,135	\$	1,400
Second-Quarter Adjusted EBITDA as Percentage of Full Year		22%		22%		19% - 20%

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(G) 2018 Guidance forecasts are intended to be +/- amounts.

(1) See the section of this release entitled “Non-GAAP Financial Measures and Selected Items Impacting Comparability” and the Non-GAAP Reconciliation tables attached hereto for information regarding non-GAAP financial measures and, for the historical 2016 and 2017 periods, their reconciliation to the most directly comparable measures as reported in accordance with GAAP. We do not provide a reconciliation of non-GAAP financial measures to the equivalent GAAP financial measures on a forward-looking basis as it is impractical to forecast certain items that we have defined as “Selected Items Impacting Comparability” without unreasonable effort, due to the uncertainty and inherent difficulty of predicting the occurrence and financial impact of and the periods in which such items may be recognized. Thus, a reconciliation of non-GAAP financial measures to the equivalent GAAP financial measures could result in disclosure that could be imprecise or potentially misleading.

(2) Excludes certain non-cash items impacting interest expense such as amortization of debt issuance costs and terminated interest rate swaps.

(3) Cash distributions paid to our preferred unitholders during the year presented. The distribution requirement of our Series A preferred units was paid-in-kind for all 2016 and 2017 quarterly distributions and for the February 2018 quarterly distribution. Distributions on our Series A preferred units must be paid in cash beginning with the May 2018 quarterly distribution. The distribution requirement of our Series B preferred units, which were issued in October 2017, is payable semi-annually in arrears on May 15 and November 15. A pro-rated initial distribution on the Series B preferred units was paid on November 15, 2017.

(4) Cash distributions per common unit paid during 2016 and 2017. 2018(G) reflects the current distribution rate held constant.

Plains GP Holdings

PAGP owns an indirect non-economic controlling interest in PAA’s general partner and an indirect limited partner interest in PAA. As the control entity of PAA, PAGP consolidates PAA’s results into its financial statements, which is reflected in the condensed consolidating balance sheet and income statement tables included at the end of this release. Information regarding PAGP’s distributions is reflected below:

	Q1 2018	Q4 2017	Q1 2017
Distribution per Class A share declared for the period	\$ 0.30	\$ 0.30	\$ 0.55
Q1 2018 distribution percentage change from prior periods		—%	(45)%

Conference Call

PAA and PAGP will hold a joint conference call at 4:00 p.m. CT on Tuesday, May 8, 2018 to discuss the following items:

1. PAA’s first-quarter 2018 performance;
2. Financial and operating guidance for the full year of 2018;
3. Capitalization and liquidity; and
4. PAA and PAGP’s outlook for the future.

Conference Call Webcast Instructions

To access the internet webcast please go to https://event.webcasts.com/starthere.jsp?ei=1188859&tp_key=2db2d6dbfd

Alternatively, the webcast can be accessed at www.plainsallamerican.com, under the Investor Relations section of the website (Navigate to: Investor Relations / either “PAA” or “PAGP” / News & Events / Quarterly Earnings). Following the live webcast, an audio replay in MP3 format will be available on the website within two hours after the end of the call and will be accessible for a period of 365 days. A transcript will also be available after the call at the above referenced website.

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Non-GAAP Financial Measures and Selected Items Impacting Comparability

To supplement our financial information presented in accordance with GAAP, management uses additional measures known as “non-GAAP financial measures” in its evaluation of past performance and prospects for the future. The primary additional measures used by management are earnings before interest, taxes, depreciation and amortization (including our proportionate share of depreciation and amortization and gains or losses on significant asset sales of unconsolidated entities) and adjusted for certain selected items impacting comparability (“Adjusted EBITDA”) and implied distributable cash flow (“DCF”).

Management believes that the presentation of such additional financial measures provides useful information to investors regarding our performance and results of operations because these measures, when used to supplement related GAAP financial measures, (i) provide additional information about our core operating performance and ability to fund distributions to our unitholders through cash generated by our operations and (ii) provide investors with the same financial analytical framework upon which management bases financial, operational, compensation and planning/budgeting decisions. We also present these and additional non-GAAP financial measures, including adjusted net income attributable to PAA and basic and diluted adjusted net income per common unit, as they are measurements that investors, rating agencies and debt holders have indicated are useful in assessing us and our results of operations. These non-GAAP measures may exclude, for example, (i) charges for obligations that are expected to be settled with the issuance of equity instruments, (ii) gains or losses on derivative instruments that are related to underlying activities in another period (or the reversal of such adjustments from a prior period), the mark-to-market related to our Preferred Distribution Rate Reset Option, gains and losses on derivatives that are related to investing activities (such as the purchase of linefill) and inventory valuation adjustments, as applicable, (iii) long-term inventory costing adjustments, (iv) items that are not indicative of our core operating results and business outlook and/or (v) other items that we believe should be excluded in understanding our core operating performance. These measures may further be adjusted to include amounts related to deficiencies associated with minimum volume commitments whereby we have billed the counterparties for their deficiency obligation and such amounts are recognized as deferred revenue in “Accounts payable and accrued liabilities” on our Condensed Consolidated Financial Statements. Such amounts are presented net of applicable amounts subsequently recognized into revenue. Furthermore, the calculation of these measures contemplates tax effects as a separate reconciling item, where applicable. We have defined all such items as “selected items impacting comparability.” Due to the nature of the selected items, certain selected items impacting comparability may impact certain non-GAAP financial measures, referred to as adjusted results, but not impact other non-GAAP financial measures. We do not necessarily consider all of our selected items impacting comparability to be non-recurring, infrequent or unusual, but we believe that an understanding of these selected items impacting comparability is material to the evaluation of our operating results and prospects.

Although we present selected items impacting comparability that management considers in evaluating our performance, you should also be aware that the items presented do not represent all items that affect comparability between the periods presented. Variations in our operating results are also caused by changes in volumes, prices, exchange rates, mechanical interruptions, acquisitions, expansion projects and numerous other factors. These types of variations are not separately identified in this release, but will be discussed, as applicable, in management’s discussion and analysis of operating results in our Quarterly Report on Form 10-Q.

Our definition and calculation of certain non-GAAP financial measures may not be comparable to similarly-titled measures of other companies. Adjusted EBITDA, Implied DCF and other non-GAAP financial performance measures are reconciled to Net Income (the most directly comparable measure as reported in accordance with GAAP) for the historical periods presented in the tables attached to this release, and should be viewed in addition to, and not in lieu of, our Condensed Consolidated Financial Statements and notes thereto. In addition, we encourage you to visit our website at www.plainsallamerican.com (in particular the section under “Financial Information” entitled “Non-GAAP Reconciliations” within the Investor Relations tab), which presents a reconciliation of our commonly used non-GAAP and supplemental financial measures.

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Forward-Looking Statements

Except for the historical information contained herein, the matters discussed in this release consist of forward-looking statements that involve certain risks and uncertainties that could cause actual results or outcomes to differ materially from results or outcomes anticipated in the forward-looking statements. These risks and uncertainties include, among other things, declines in the actual or expected volume of crude oil and NGL shipped, processed, purchased, stored, fractionated and/or gathered at or through the use of our assets, whether due to declines in production from existing oil and gas reserves, reduced demand, failure to develop or slowdown in the development of additional oil and gas reserves, whether from reduced cash flow to fund drilling or the inability to access capital, or other factors; the effects of competition; market distortions caused by over-commitments to infrastructure projects, which impacts volumes, margins, returns and overall earnings; unanticipated changes in crude oil and NGL market structure, grade differentials and volatility (or lack thereof); maintenance of our credit rating and ability to receive open credit from our suppliers and trade counterparties; environmental liabilities or events that are not covered by an indemnity, insurance or existing reserves; fluctuations in refinery capacity in areas supplied by our mainlines and other factors affecting demand for various grades of crude oil and natural gas and resulting changes in pricing conditions or transportation throughput requirements; the occurrence of a natural disaster, catastrophe, terrorist attack (including eco-terrorist attacks) or other event, including attacks on our electronic and computer systems; failure to implement or capitalize, or delays in implementing or capitalizing, on expansion projects, whether due to permitting delays, permitting withdrawals or other factors; tightened capital markets or other factors that increase our cost of capital or limit our ability to obtain debt or equity financing on satisfactory terms to fund additional acquisitions, expansion projects, working capital requirements and the repayment or refinancing of indebtedness; the 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; the failure to consummate, or significant delay in consummating, sales of assets or interests as a part of our strategic divestiture program; the impact of current and future laws, rulings, governmental regulations, accounting standards and statements, and related interpretations; the currency exchange rate of the Canadian dollar; continued creditworthiness of, and performance by, our counterparties, including financial institutions and trading companies with which we do business; inability to recognize current revenue attributable to deficiency payments received from customers who fail to ship or move more than minimum contracted volumes until the related credits expire or are used; non-utilization of our assets and facilities; increased costs, or lack of availability, of insurance; weather interference with business operations or project construction, including the impact of extreme weather events or

conditions; the availability of, and our ability to consummate, acquisition or combination opportunities; the effectiveness of our risk management activities; shortages or cost increases of supplies, materials or labor; fluctuations in the debt and equity markets, including the price of our units at the time of vesting under our long-term incentive plans; risks related to the development and operation of our assets, including our ability to satisfy our contractual obligations to our customers; factors affecting demand for natural gas and natural gas storage services and rates; general economic, market or business conditions and the amplification of other risks caused by volatile financial markets, capital constraints and pervasive liquidity concerns; and other factors and uncertainties inherent in the transportation, storage, terminalling and marketing of crude oil, as well as in the storage of natural gas and the processing, transportation, fractionation, storage and marketing of natural gas liquids as discussed in the Partnerships' filings with the Securities and Exchange Commission.

Plains All American Pipeline, L.P. is a publicly traded master limited partnership that owns and operates midstream energy infrastructure and provides logistics services for crude oil, NGLs and natural gas. PAA owns an extensive network of pipeline transportation, terminalling, storage and gathering assets in key crude oil and NGL producing basins and transportation corridors and at major market hubs in the United States and Canada. On average, PAA handles more than 5 million barrels per day of crude oil and NGL in its Transportation segment. PAA is headquartered in Houston, Texas. More information is available at www.plainsallamerican.com.

Plains GP Holdings is a publicly traded entity that owns an indirect, non-economic controlling general partner interest in PAA and an indirect limited partner interest in PAA, one of the largest energy infrastructure and logistics companies in North America. PAGP is headquartered in Houston, Texas. More information is available at www.plainsallamerican.com.

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

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions, except per unit data)

	Three Months Ended March 31,	
	2018	2017
REVENUES	\$ 8,398	\$ 6,667
COSTS AND EXPENSES		
Purchases and related costs	7,519	5,593
Field operating costs	292	288
General and administrative expenses	79	74
Depreciation and amortization	127	121
Total costs and expenses	8,017	6,076
OPERATING INCOME	381	591
OTHER INCOME/(EXPENSE)		
Equity earnings in unconsolidated entities	75	53
Interest expense, net	(106)	(129)
Other expense, net	(1)	(5)
INCOME BEFORE TAX	349	510
Current income tax expense	(13)	(10)
Deferred income tax expense	(48)	(56)
NET INCOME	\$ 288	\$ 444
NET INCOME PER COMMON UNIT:		
Net income allocated to common unitholders — Basic	\$ 237	\$ 406
Basic weighted average common units outstanding	725	691
Basic net income per common unit	\$ 0.33	\$ 0.59
Net income allocated to common unitholders — Diluted	\$ 237	\$ 443
Diluted weighted average common units outstanding	727	758
Diluted net income per common unit	\$ 0.33	\$ 0.58

NON-GAAP ADJUSTED RESULTS

(in millions, except per unit data)

	Three Months Ended March 31,	
	2018	2017
Adjusted net income	\$ 310	\$ 224
Diluted adjusted net income per common unit	\$ 0.36	\$ 0.27

Adjusted EBITDA	\$ 593	\$ 512
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PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
FINANCIAL SUMMARY (unaudited)

CONDENSED CONSOLIDATED BALANCE SHEET DATA
(in millions)

	<u>March 31, 2018</u>	<u>December 31, 2017</u>
ASSETS		
Current assets	\$ 3,962	\$ 4,000
Property and equipment, net	14,114	14,089
Goodwill	2,543	2,566
Investments in unconsolidated entities	2,882	2,756
Linefill and base gas	870	872
Long-term inventory	159	164
Other long-term assets, net	893	904
Total assets	\$ 25,423	\$ 25,351
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities	\$ 4,601	\$ 4,531
Senior notes, net of unamortized discounts and debt issuance costs	8,935	8,933
Other long-term debt	115	250
Other long-term liabilities and deferred credits	736	679
Total liabilities	14,387	14,393
Partners' capital	11,036	10,958
Total liabilities and partners' capital	\$ 25,423	\$ 25,351

DEBT CAPITALIZATION RATIOS
(in millions)

	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Short-term debt ⁽¹⁾	\$ 774	\$ 737
Long-term debt	9,050	9,183
Total debt	\$ 9,824	\$ 9,920
Long-term debt	\$ 9,050	\$ 9,183
Partners' capital	11,036	10,958
Total book capitalization	\$ 20,086	\$ 20,141
Total book capitalization, including short-term debt	\$ 20,860	\$ 20,878
Long-term debt-to-total book capitalization	45%	46%
Total debt-to-total book capitalization, including short-term debt	47%	48%

⁽¹⁾ As of March 31, 2018 and December 31, 2017, short-term debt includes borrowings of approximately \$556 million and \$523 million, respectively, for short-term hedged inventory purchases and borrowings of approximately \$217 million and \$212 million, respectively, for cash margin deposits with our clearing brokers, which are associated with financial derivatives used for hedging purposes.

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

OPERATING DATA ⁽¹⁾

**Three Months Ended
March 31,**

	2018	2017
Transportation segment (average daily volumes in thousands of barrels per day):		
Tariff activities volumes		
Crude oil pipelines (by region):		
Permian Basin ⁽²⁾	3,240	2,466
South Texas / Eagle Ford ⁽²⁾	422	310
Central ⁽²⁾	441	405
Gulf Coast	204	342
Rocky Mountain ⁽²⁾	257	385
Western	174	189
Canada	318	363
Crude oil pipelines	5,056	4,460
NGL pipelines	173	180
Tariff activities total volumes	5,229	4,640
Trucking volumes	99	114
Transportation segment total volumes	5,328	4,754

Facilities segment (average monthly volumes):		
Liquids storage (average monthly capacity in millions of barrels)	109	111
Natural gas storage (average monthly working capacity in billions of cubic feet)	67	97
NGL fractionation (average volumes in thousands of barrels per day)	138	125
Facilities segment total volumes (average monthly volumes in millions of barrels) ⁽³⁾	124	131

Supply and Logistics segment (average daily volumes in thousands of barrels per day):		
Crude oil lease gathering purchases	1,031	916
NGL sales	361	351
Supply and Logistics segment total volumes	1,392	1,267

(1) Average volumes are calculated as total volumes for the period (attributable to our interest) divided by the number of days or months in the period.

(2) Region includes volumes (attributable to our interest) from pipelines owned by unconsolidated entities.

(3) Facilities segment total volumes is calculated as the sum of: (i) liquids storage capacity; (ii) natural gas storage working capacity divided by 6 to account for the 6:1 mcf of natural gas to crude Btu equivalent ratio and further divided by 1,000 to convert to monthly volumes in millions; and (iii) NGL fractionation volumes multiplied by the number of days in the period and divided by the number of months in the period.

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

COMPUTATION OF BASIC AND DILUTED NET INCOME PER COMMON UNIT ⁽¹⁾

(in millions, except per unit data)

	Three Months Ended	
	March 31,	
	2018	2017
Basic Net Income per Common Unit		
Net income	\$ 288	\$ 444
Distributions to Series A preferred unitholders	(37)	(34)
Distributions to Series B preferred unitholders	(12)	—
Other	(2)	(4)
Net income allocated to common unitholders	\$ 237	\$ 406
Basic weighted average common units outstanding	725	691
Basic net income per common unit	\$ 0.33	\$ 0.59
Diluted Net Income per Common Unit		
Net income	\$ 288	\$ 444
Distributions to Series A preferred unitholders	(37)	—
Distributions to Series B preferred unitholders	(12)	—
Other	(2)	(1)
Net income allocated to common unitholders	\$ 237	\$ 443
Basic weighted average common units outstanding	725	691
Effect of dilutive securities:		
Series A preferred units	—	65
Equity-indexed compensation plan awards ⁽²⁾	2	2
Diluted weighted average common units outstanding	727	758

Diluted net income per common unit ⁽³⁾	\$ 0.33	\$ 0.58
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- (1) We calculate net income allocated to common unitholders based on the distributions pertaining to the current period's net income (whether paid in cash or in-kind). After adjusting for the appropriate period's distributions, the remaining undistributed earnings or excess distributions over earnings, if any, are allocated to common unitholders and participating securities in accordance with the contractual terms of our partnership agreement in effect for the period and as further prescribed under the two-class method.
- (2) Our Long-term Incentive Plan ("LTIP") awards that contemplate the issuance of common units and certain AAP Management Units that contemplate the issuance of common units to AAP when such AAP Management Units become earned are considered dilutive unless (i) vesting occurs only upon the satisfaction of a performance condition and (ii) that performance condition has yet to be satisfied. LTIP awards and AAP Management Units that are deemed to be dilutive are reduced by a hypothetical unit repurchase based on the remaining unamortized fair value, as prescribed by the treasury stock method in guidance issued by the FASB.
- (3) The possible conversion of our Series A preferred units was excluded from the calculation of diluted net income per common unit for the three months ended March 31, 2018 as the effect was antidilutive.

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

SELECTED FINANCIAL DATA BY SEGMENT

(in millions)

	Three Months Ended March 31, 2018			Three Months Ended March 31, 2017		
	Transportation	Facilities	Supply and Logistics	Transportation	Facilities	Supply and Logistics
Revenues ⁽¹⁾	\$ 454	\$ 292	\$ 8,112	\$ 389	\$ 293	\$ 6,400
Purchases and related costs ⁽¹⁾	(46)	(5)	(7,925)	(24)	(11)	(5,970)
Field operating costs ⁽¹⁾⁽²⁾	(147)	(84)	(64)	(141)	(83)	(67)
Segment general and administrative expenses ⁽²⁾⁽³⁾	(28)	(21)	(30)	(29)	(19)	(26)
Equity earnings in unconsolidated entities	75	—	—	53	—	—
Adjustments: ⁽⁴⁾						
Depreciation and amortization of unconsolidated entities	14	—	—	14	—	—
(Gains)/losses from derivative activities net of inventory valuation adjustments	(1)	(1)	(21)	—	2	(291)
Long-term inventory costing adjustments	—	—	(13)	—	—	7
Deficiencies under minimum volume commitments, net	8	2	—	5	6	—
Equity-indexed compensation expense	6	2	3	1	—	2
Net (gain)/loss on foreign currency revaluation	—	—	10	—	—	(4)
Significant acquisition-related expenses	—	—	—	5	—	—
Segment adjusted EBITDA	<u>\$ 335</u>	<u>\$ 185</u>	<u>\$ 72</u>	<u>\$ 273</u>	<u>\$ 188</u>	<u>\$ 51</u>
Maintenance capital	<u>\$ 29</u>	<u>\$ 14</u>	<u>\$ 2</u>	<u>\$ 29</u>	<u>\$ 27</u>	<u>\$ 3</u>

(1) Includes intersegment amounts.

(2) Field operating costs and Segment general and administrative expenses include equity-indexed compensation expense.

(3) Segment general and administrative expenses reflect direct costs attributable to each segment and an allocation of other expenses to the segments. The proportional allocations by segment require judgment by management and are based on the business activities that exist during each period.

(4) Represents adjustments utilized by our Chief Operating Decision Maker ("CODM") in the evaluation of segment results. Many of these adjustments are also considered selected items impacting comparability when calculating consolidated non-GAAP financial measures such as Adjusted EBITDA. See the "Selected Items Impacting Comparability" table for additional discussion.

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

SELECTED ITEMS IMPACTING COMPARABILITY

(in millions, except per unit data)

	Three Months Ended March 31,	
	2018	2017
Selected Items Impacting Comparability: ⁽¹⁾		
Gains from derivative activities net of inventory valuation adjustments ⁽²⁾	\$ 19	\$ 285
Long-term inventory costing adjustments ⁽³⁾	13	(7)
Deficiencies under minimum volume commitments, net ⁽⁴⁾	(10)	(11)
Equity-indexed compensation expense ⁽⁵⁾	(11)	(3)
Net gain/(loss) on foreign currency revaluation ⁽⁶⁾	(8)	3
Significant acquisition-related expenses ⁽⁷⁾	—	(5)
Selected items impacting comparability - Adjusted EBITDA	\$ 3	\$ 262
Gains from derivative activities ⁽²⁾	3	—
Tax effect on selected items impacting comparability	(28)	(42)
Selected items impacting comparability - Adjusted net income	\$ (22)	\$ 220

⁽¹⁾ Certain of our non-GAAP financial measures may not be impacted by each of the selected items impacting comparability.

⁽²⁾ We use derivative instruments for risk management purposes and our related processes include specific identification of hedging instruments to an underlying hedged transaction. Although we identify an underlying transaction for each derivative instrument we enter into, there may not be an accounting hedge relationship between the instrument and the underlying transaction. In the course of evaluating our results of operations, we identify the earnings that were recognized during the period related to derivative instruments for which the identified underlying transaction does not occur in the current period and exclude the related gains and losses in determining adjusted results. In addition, we exclude gains and losses on derivatives that are related to investing activities, such as the purchase of linefill. We also exclude the impact of corresponding inventory valuation adjustments, as applicable, as well as the mark-to-market adjustment related to our Preferred Distribution Rate Reset Option.

⁽³⁾ We carry crude oil and NGL inventory comprised of minimum working inventory requirements in third-party assets and other working inventory that is needed for our commercial operations. We consider this inventory necessary to conduct our operations and we intend to carry this inventory for the foreseeable future. Therefore, we classify this inventory as long-term on our balance sheet and do not hedge the inventory with derivative instruments (similar to linefill in our own assets). We treat the impact of changes in the average cost of the long-term inventory (that result from fluctuations in market prices) and writedowns of such inventory that result from price declines as a selected item impacting comparability.

⁽⁴⁾ We have certain agreements that require counterparties to deliver, transport or throughput a minimum volume over an agreed upon period. Substantially all of such agreements were entered into with counterparties to economically support the return on our capital expenditure necessary to construct the related asset. Some of these agreements include make-up rights if the minimum volume is not met. We record a receivable from the counterparty in the period that services are provided or when the transaction occurs, including amounts for deficiency obligations from counterparties associated with minimum volume commitments. If a counterparty has a make-up right associated with a deficiency, we defer the revenue attributable to the counterparty's make-up right and subsequently recognize the revenue at the earlier of when the deficiency volume is delivered or shipped, when the make-up right expires or when it is determined that the counterparty's ability to utilize the make-up right is remote. We include the impact of amounts billed to counterparties for their deficiency obligation, net of applicable amounts subsequently recognized into revenue, as a selected item impacting comparability. We believe the inclusion of the contractually committed revenues associated with that period is meaningful to investors as the related asset has been constructed, is standing ready to provide the committed service and the fixed operating costs are included in the current period results.

⁽⁵⁾ Our total equity-indexed compensation expense includes expense associated with awards that will or may be settled in units and awards that will or may be settled in cash. The awards that will or may be settled in units are included in our diluted net income per unit calculation when the applicable performance criteria have been met. We consider the compensation expense associated with these awards as a selected item impacting comparability as the dilutive impact of the outstanding awards is included in our diluted net income per unit calculation and the majority of the awards are expected to be settled in units. The portion of compensation expense associated with awards that are certain to be settled in cash is not considered a selected item impacting comparability.

⁽⁶⁾ During the periods presented, there were fluctuations in the value of the Canadian dollar to the U.S. dollar, resulting in gains and losses that were not related to our core operating results for the period and were thus classified as a selected item impacting comparability.

⁽⁷⁾ Includes acquisition-related expenses associated with the Alpha Crude Connector acquisition.

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PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
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NON-GAAP RECONCILIATIONS

(in millions, except per unit and ratio data)

	Three Months Ended March 31,	
	2018	2017
Net Income to Adjusted EBITDA and Implied DCF Reconciliation		

Net Income	\$	288	\$	444
Interest expense, net		106		129
Income tax expense		61		66
Depreciation and amortization		127		121
Depreciation and amortization of unconsolidated entities ⁽¹⁾		14		14
Selected items impacting comparability - Adjusted EBITDA ⁽²⁾		(3)		(262)
Adjusted EBITDA	\$	593	\$	512
Interest expense, net ⁽³⁾		(106)		(125)
Maintenance capital		(45)		(59)
Current income tax expense		(13)		(10)
Adjusted equity earnings in unconsolidated entities, net of distributions ⁽⁴⁾		14		(15)
Distributions to noncontrolling interests ⁽⁵⁾		—		(1)
Implied DCF	\$	443	\$	302
Preferred unit distributions ⁽⁶⁾		—		—
Implied DCF Available to Common Unitholders	\$	443	\$	302
Implied DCF per Common Unit ⁽⁷⁾	\$	0.61	\$	0.44
Implied DCF per Common Unit and Common Equivalent Unit ⁽⁸⁾	\$	0.56	\$	0.40
Cash Distribution Paid per Common Unit	\$	0.30	\$	0.55
Common Unit Cash Distributions ⁽⁵⁾	\$	218	\$	371
Common Unit Distribution Coverage Ratio		2.03x		0.81x
Implied DCF Excess / (Shortage)	\$	225	\$	(69)

(1) Adjustment to add back our proportionate share of depreciation and amortization expense and gains or losses on significant asset sales of unconsolidated entities.

(2) Certain of our non-GAAP financial measures may not be impacted by each of the selected items impacting comparability.

(3) Excludes certain non-cash items impacting interest expense such as amortization of debt issuance costs and terminated interest rate swaps.

(4) Represents the difference between non-cash equity earnings in unconsolidated entities (adjusted for our proportionate share of depreciation and amortization and gains or losses on significant asset sales) and cash distributions received from such entities.

(5) Cash distributions paid during the period presented.

(6) No cash distributions were paid to our preferred unitholders during the periods presented. The current \$0.5250 quarterly (\$2.10 annualized) per unit distribution requirement of our Series A preferred units was paid-in-kind for each quarterly distribution since their issuance through February 2018. Distributions on our Series A preferred units will be paid in cash beginning with the May 2018 quarterly distribution. The current \$61.25 per unit annual distribution requirement of our Series B preferred units, which were issued in October 2017, is payable semi-annually in arrears on May 15 and November 15.

(7) Implied DCF Available to Common Unitholders for the period divided by the weighted average common units outstanding for the period of 725 million and 691 million, respectively.

(8) Implied DCF Available to Common Unitholders for the period, adjusted for Series A preferred unit cash distributions paid (if any), divided by the weighted average common units and common equivalent units outstanding for the periods of 796 million and 756 million, respectively. Our Series A preferred units are convertible into common units, generally on a one-for-one basis and subject to customary anti-dilution adjustments, at any time after January 28, 2018, in whole or in part, subject to certain minimum conversion amounts.

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

NON-GAAP RECONCILIATIONS (continued)

(in millions, except per unit data)

	Three Months Ended	
	March 31,	
	2018	2017
Net Income Per Common Unit to Implied DCF Per Common Unit and Common Equivalent Unit Reconciliation		
Basic net income per common unit	\$ 0.33	\$ 0.59
Reconciling items per common unit ⁽¹⁾⁽²⁾	0.28	(0.15)
Implied DCF per common unit	\$ 0.61	\$ 0.44
Basic net income per common unit	\$ 0.33	\$ 0.59
Reconciling items per common unit and common equivalent unit ⁽¹⁾⁽³⁾	0.23	(0.19)
Implied DCF per common unit and common equivalent unit	\$ 0.56	\$ 0.40

(1) Represents adjustments to Net Income to calculate Implied DCF Available to Common Unitholders. See the "Net Income to Adjusted EBITDA and Implied DCF Reconciliation" table for additional information.

(2) Based on weighted average common units outstanding for the period of 725 million and 691 million, respectively.

(3) Based on weighted average common units outstanding for the period, as well as weighted average Series A preferred units outstanding for the period of approximately 71 million and 65 million, respectively.

	Three Months Ended March 31,	
	2018	2017
Net Income Per Common Unit to Adjusted Net Income Per Common Unit Reconciliation		
Basic net income per common unit	\$ 0.33	\$ 0.59
Selected items impacting comparability per common unit ⁽¹⁾	0.03	(0.32)
Basic adjusted net income per common unit	<u>\$ 0.36</u>	<u>\$ 0.27</u>
Diluted net income per common unit	\$ 0.33	\$ 0.58
Selected items impacting comparability per common unit ⁽¹⁾	0.03	(0.31)
Diluted adjusted net income per common unit	<u>\$ 0.36</u>	<u>\$ 0.27</u>

(1) See the “Selected Items Impacting Comparability” and the “Computation of Basic and Diluted Adjusted Net Income Per Common Unit” tables for additional information.

	Three Months Ended March 31,	
	2018	2017
Fee-based Segment Adjusted EBITDA to Adjusted EBITDA Reconciliation		
Transportation segment adjusted EBITDA	\$ 335	\$ 273
Facilities segment adjusted EBITDA	185	188
Fee-based segment adjusted EBITDA	<u>\$ 520</u>	<u>\$ 461</u>
Supply and Logistics segment adjusted EBITDA	72	51
Adjusted other income/(expense), net ⁽¹⁾	1	—
Adjusted EBITDA ⁽²⁾	<u>\$ 593</u>	<u>\$ 512</u>

(1) Represents Other expense, net adjusted for selected items impacting comparability of \$2 million and \$5 million for the three months ended March 31, 2018 and 2017, respectively. See the “Selected Items Impacting Comparability” table for additional information.

(2) See the “Net Income to Adjusted EBITDA and Implied DCF Reconciliation” table for reconciliation to net income.

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

NON-GAAP RECONCILIATIONS (continued)

(in millions, except per unit and ratio data)

	Twelve Months Ended December 31,	
	2017	2016
Net Income to Adjusted EBITDA and Implied DCF Reconciliation		
Net Income	\$ 858	\$ 730
Interest expense, net	510	467
Income tax expense	44	25
Depreciation and amortization	626	494
Depreciation and amortization of unconsolidated entities ⁽¹⁾	45	50
Selected items impacting comparability - Adjusted EBITDA	(1)	403
Adjusted EBITDA	<u>\$ 2,082</u>	<u>\$ 2,169</u>
Interest expense, net ⁽²⁾	(483)	(451)
Maintenance capital	(247)	(186)
Current income tax expense	(28)	(85)
Adjusted equity earnings in unconsolidated entities, net of distributions ⁽³⁾	(10)	(29)
Distributions to noncontrolling interests	(2)	(4)
Implied DCF	\$ 1,312	\$ 1,414
Preferred unit distributions ⁽⁴⁾	(5)	—
General partner cash distributions ⁽⁵⁾	—	(565)
Implied DCF Available to Common Unitholders	<u>\$ 1,307</u>	<u>\$ 849</u>
Implied DCF per Common Unit ⁽⁶⁾	\$ 1.82	\$ 1.83
Implied DCF per Common Unit and Common Equivalent Unit ⁽⁷⁾	\$ 1.67	\$ 1.63
Cash Distribution Paid per Common Unit	\$ 1.95	\$ 2.65
Common Unit Cash Distributions ⁽⁸⁾	\$ 1,386	\$ 1,627
Common Unit Distribution Coverage Ratio	0.94x	0.87x

- (1) Adjustment to add back our proportionate share of depreciation and amortization expense and gains or losses on significant asset sales of unconsolidated entities.
- (2) Excludes certain non-cash items impacting interest expense such as amortization of debt issuance costs and terminated interest rate swaps.
- (3) Represents the difference between non-cash equity earnings in unconsolidated entities (adjusted for our proportionate share of depreciation and amortization and gains or losses on significant asset sales) and cash distributions received from such entities.
- (4) Cash distributions paid to our preferred unitholders during the period presented. The \$0.5250 quarterly (\$2.10 annualized) per unit distribution requirement of our Series A preferred units has been paid-in-kind for each quarterly distribution since their issuance; as such, no Series A preferred unit distributions are included for any periods presented. Distributions on our Series A preferred units must be paid in cash beginning with the May 2018 quarterly distribution. The \$61.25 per unit annual distribution requirement of our Series B preferred units, which were issued in October 2017, is payable semi-annually in arrears on May 15 and November 15. A pro-rated initial distribution on the Series B preferred units was paid on November 15, 2017.
- (5) The Simplification Transactions, which closed on November 15, 2016, simplified our governance structure and permanently eliminated our incentive distribution rights (IDRs) and the economic rights associated with our 2% general partner interest.
- (6) Implied DCF Available to Common Unitholders for the period divided by the weighted average common units outstanding for the periods of 717 million and 464 million, respectively.
- (7) Implied DCF Available to Common Unitholders for the period, adjusted for Series A preferred unit cash distributions paid (if any), divided by the weighted average common units and common equivalent units outstanding for the periods of 784 million and 522 million, respectively. Our Series A preferred units are convertible into common units, generally on a one-for-one basis and subject to customary anti-dilution adjustments, at any time after January 28, 2018, in whole or in part, subject to certain minimum conversion amounts.
- (8) Cash distributions paid during the period presented. For the twelve months ended December 31, 2016, includes \$565 million of cash distributions paid to the general partner during the period.

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PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
FINANCIAL SUMMARY (unaudited)
NON-GAAP RECONCILIATIONS (continued)

(in millions, except per unit data)

	Twelve Months Ended December 31,	
	2017	2016
Net Income Per Common Unit to Implied DCF Per Common Unit and Common Equivalent Unit Reconciliation		
Basic net income per common unit	\$ 0.96	\$ 0.43
Reconciling items per common unit ⁽¹⁾⁽²⁾	0.86	1.40
Implied DCF per common unit	<u>\$ 1.82</u>	<u>\$ 1.83</u>
Basic net income per common unit	\$ 0.96	\$ 0.43
Reconciling items per common unit and common equivalent unit ⁽¹⁾⁽³⁾	0.71	1.20
Implied DCF per common unit and common equivalent unit	<u>\$ 1.67</u>	<u>\$ 1.63</u>

(1) Represents adjustments to Net Income to calculate Implied DCF Available to Common Unitholders. See the "Net Income to Adjusted EBITDA and Implied DCF Reconciliation" table for additional information.

(2) Based on weighted average common units outstanding for the period of 717 million and 464 million, respectively.

(3) Based on weighted average common units outstanding for the period, as well as weighted average Series A preferred units outstanding for the period of 67 million and 58 million, respectively.

Reconciliation of Segment Adjusted EBITDA to Segment Adjusted EBITDA further adjusted for impact of divested assets

	Three Months Ended March 31, 2018			Three Months Ended March 31, 2017		
	Transportation	Facilities	Supply and Logistics	Transportation	Facilities	Supply and Logistics
Segment Adjusted EBITDA	\$ 335	\$ 185	\$ 72	\$ 273	\$ 188	\$ 51
Impact of divested assets ⁽¹⁾	—	—	—	(8)	(12)	—
Segment Adjusted EBITDA further adjusted for impact of divested assets	<u>\$ 335</u>	<u>\$ 185</u>	<u>\$ 72</u>	<u>\$ 265</u>	<u>\$ 176</u>	<u>\$ 51</u>

(1) Estimated impact of divestitures completed during 2017, assuming an effective date of 1/1/17. Divested assets include certain non-core pipelines in the Rocky Mountain and Central regions previously reported in our Transportation segment, and certain Bay Area, California terminal assets and the Bluewater natural gas storage facility previously reported in our Facilities segment.

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

COMPUTATION OF BASIC AND DILUTED ADJUSTED NET INCOME PER COMMON UNIT ⁽¹⁾

(in millions, except per unit data)

	Three Months Ended March 31,	
	2018	2017
Basic Adjusted Net Income per Common Unit		
Net income	\$ 288	\$ 444
Selected items impacting comparability - Adjusted net income ⁽²⁾	22	(220)
Adjusted net income	\$ 310	\$ 224
Distributions to Series A preferred unitholders	(37)	(34)
Distributions to Series B preferred unitholders	(12)	—
Other	(2)	(4)
Adjusted net income allocated to common unitholders	\$ 259	\$ 186
Basic weighted average common units outstanding	725	691
Basic adjusted net income per common unit	\$ 0.36	\$ 0.27
Diluted Adjusted Net Income per Common Unit		
Net income	\$ 288	\$ 444
Selected items impacting comparability - Adjusted net income ⁽²⁾	22	(220)
Adjusted net income	\$ 310	\$ 224
Distributions to Series A preferred unitholders	(37)	(34)
Distributions to Series B preferred unitholders	(12)	—
Other	(2)	(4)
Adjusted net income allocated to common unitholders	\$ 259	\$ 186
Basic weighted average common units outstanding	725	691
Effect of dilutive securities:		
Equity-indexed compensation plan awards ⁽³⁾	2	2
Diluted weighted average common units outstanding	727	693
Diluted adjusted net income per common unit ⁽⁴⁾	\$ 0.36	\$ 0.27

⁽¹⁾ We calculate adjusted net income allocated to common unitholders based on the distributions pertaining to the current period's net income. After adjusting for the appropriate period's distributions, the remaining undistributed earnings or excess distributions over earnings, if any, are allocated to the common unitholders and participating securities in accordance with the contractual terms of our partnership agreement in effect for the period and as further prescribed under the two-class method.

⁽²⁾ Certain of our non-GAAP financial measures may not be impacted by each of the selected items impacting comparability.

⁽³⁾ Our LTIP awards that contemplate the issuance of common units and certain AAP Management Units that contemplate the issuance of common units to AAP when such AAP Management Units become earned are considered dilutive unless (i) vesting occurs only upon the satisfaction of a performance condition and (ii) that performance condition has yet to be satisfied. LTIP awards and AAP Management Units that are deemed to be dilutive are reduced by a hypothetical unit repurchase based on the remaining unamortized fair value, as prescribed by the treasury stock method in guidance issued by the FASB.

⁽⁴⁾ The possible conversion of our Series A preferred units was excluded from the calculation of diluted adjusted net income per common unit for the three months ended March 31, 2018 and 2017 as the effect was antidilutive.

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PLAINS GP HOLDINGS AND SUBSIDIARIES
FINANCIAL SUMMARY (unaudited)

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

(in millions, except per share data)

Three Months Ended
March 31, 2018

Three Months Ended
March 31, 2017

	PAA	Consolidating Adjustments ⁽¹⁾	PAGP	PAA	Consolidating Adjustments ⁽¹⁾	PAGP
REVENUES	\$ 8,398	\$ —	\$ 8,398	\$ 6,667	\$ —	\$ 6,667
COSTS AND EXPENSES						
Purchases and related costs	7,519	—	7,519	5,593	—	5,593
Field operating costs	292	—	292	288	—	288
General and administrative expenses	79	1	80	74	1	75
Depreciation and amortization	127	—	127	121	1	122
Total costs and expenses	8,017	1	8,018	6,076	2	6,078
OPERATING INCOME	381	(1)	380	591	(2)	589
OTHER INCOME/(EXPENSE)						
Equity earnings in unconsolidated entities	75	—	75	53	—	53
Interest expense, net	(106)	—	(106)	(129)	—	(129)
Other expense, net	(1)	—	(1)	(5)	—	(5)
INCOME BEFORE TAX	349	(1)	348	510	(2)	508
Current income tax expense	(13)	—	(13)	(10)	—	(10)
Deferred income tax expense	(48)	(14)	(62)	(56)	(40)	(96)
NET INCOME	288	(15)	273	444	(42)	402
Net income attributable to noncontrolling interests	—	(236)	(236)	—	(361)	(361)
NET INCOME ATTRIBUTABLE TO PAGP	<u>\$ 288</u>	<u>\$ (251)</u>	<u>\$ 37</u>	<u>\$ 444</u>	<u>\$ (403)</u>	<u>\$ 41</u>
BASIC AND DILUTED NET INCOME PER CLASS A SHARE			<u>\$ 0.23</u>			<u>\$ 0.34</u>
BASIC AND DILUTED WEIGHTED AVERAGE CLASS A SHARES OUTSTANDING			<u>157</u>			<u>120</u>

(1) Represents the aggregate consolidating adjustments necessary to produce consolidated financial statements for PAGP.

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PLAINS GP HOLDINGS AND SUBSIDIARIES
FINANCIAL SUMMARY (unaudited)

CONDENSED CONSOLIDATING BALANCE SHEET DATA

(in millions)

	March 31, 2018			December 31, 2017		
	PAA	Consolidating Adjustments ⁽¹⁾	PAGP	PAA	Consolidating Adjustments ⁽¹⁾	PAGP
ASSETS						
Current assets	\$ 3,962	\$ 3	\$ 3,965	\$ 4,000	\$ 3	\$ 4,003
Property and equipment, net	14,114	15	14,129	14,089	16	14,105
Goodwill	2,543	—	2,543	2,566	—	2,566
Investments in unconsolidated entities	2,882	—	2,882	2,756	—	2,756
Deferred tax asset	—	1,373	1,373	—	1,386	1,386
Linefill and base gas	870	—	870	872	—	872
Long-term inventory	159	—	159	164	—	164
Other long-term assets, net	893	(2)	891	904	(3)	901
Total assets	<u>\$ 25,423</u>	<u>\$ 1,389</u>	<u>\$ 26,812</u>	<u>\$ 25,351</u>	<u>\$ 1,402</u>	<u>\$ 26,753</u>
LIABILITIES AND PARTNERS' CAPITAL						
Current liabilities	\$ 4,601	\$ 1	\$ 4,602	\$ 4,531	\$ 2	\$ 4,533
Senior notes, net of unamortized discounts and debt issuance costs	8,935	—	8,935	8,933	—	8,933
Other long-term debt	115	—	115	250	—	250
Other long-term liabilities and deferred credits	736	—	736	679	—	679
Total liabilities	<u>\$ 14,387</u>	<u>\$ 1</u>	<u>\$ 14,388</u>	<u>\$ 14,393</u>	<u>\$ 2</u>	<u>\$ 14,395</u>
Partners' capital excluding noncontrolling interests	11,036	(9,335)	1,701	10,958	(9,263)	1,695
Noncontrolling interests	—	10,723	10,723	—	10,663	10,663

Total partners' capital	11,036	1,388	12,424	10,958	1,400	12,358
Total liabilities and partners' capital	<u>\$ 25,423</u>	<u>\$ 1,389</u>	<u>\$ 26,812</u>	<u>\$ 25,351</u>	<u>\$ 1,402</u>	<u>\$ 26,753</u>

(1) Represents the aggregate consolidating adjustments necessary to produce consolidated financial statements for PAGP.

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PLAINS GP HOLDINGS AND SUBSIDIARIES
FINANCIAL SUMMARY (unaudited)

COMPUTATION OF BASIC AND DILUTED NET INCOME PER CLASS A SHARE

(in millions, except per share data)

	Three Months Ended	
	March 31,	
	2018	2017
Basic and Diluted Net Income per Class A Share ⁽¹⁾		
Net income attributable to PAGP	\$ 37	\$ 41
Basic and diluted weighted average Class A shares outstanding	157	120
Basic and diluted net income per Class A share	<u>\$ 0.23</u>	<u>\$ 0.34</u>

(1) For the three months ended March 31, 2018 and 2017, the possible exchange of any AAP units and certain AAP Management Units would not have had a dilutive effect on basic net income per Class A share.

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