

Barclays
CEO Energy-Power Conference

September 2012

PXP

Plains Exploration & Production Company

PXP Corporate Information

Corporate Headquarters

Plains Exploration & Production Company 700 Milam, Suite 3100 Houston, Texas 77002

Contacts

James C. Flores – Chairman, President & CEO

Winston M. Talbert - Exec. Vice President & CFO

Hance V. Myers, III - Vice President **Corporate Information Director**

Joanna Pankey – Manager, Shareholder Services

Phone: 713-579-6000 Toll Free: 800-934-6083 Email: investor@pxp.com

Web Site: www.pxp.com

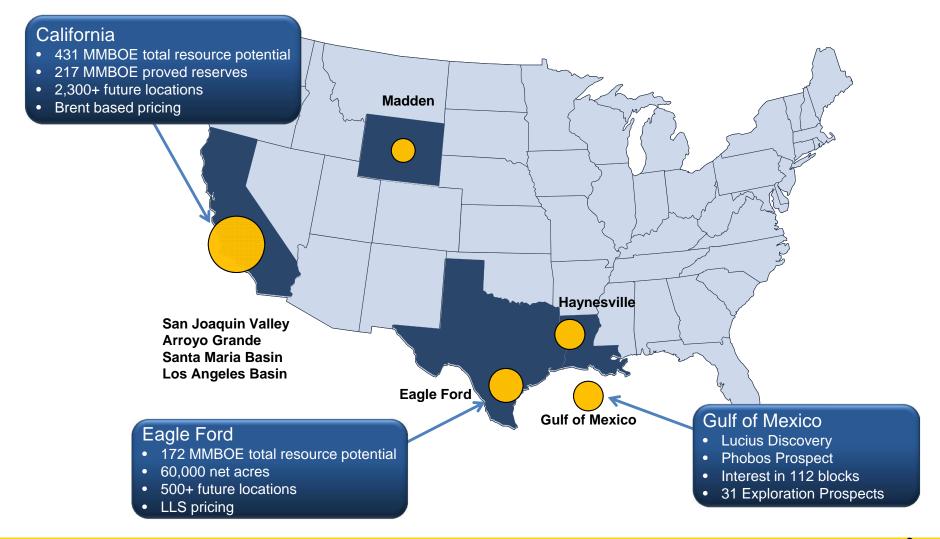
Forward-Looking Statements

Except for the historical information contained herein, the matters discussed in this presentation are "forward-looking statements" as defined by the Securities and Exchange Commission. These statements involve certain assumptions PXP made based on its experience and perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate under the circumstances.

The forward-looking statements are subject to a number of known and unknown risks, uncertainties and other factors that could cause our actual results to differ materially. These risks and uncertainties include, among other things, uncertainties inherent in the exploration for and development and production of oil and gas and in estimating reserves, the timing and closing of acquisitions and divestments, unexpected future capital expenditures, general economic conditions, oil and gas price volatility, the success of our risk management activities, competition, regulatory changes and other factors discussed in PXP's filings with the SEC.

References to quantities of oil or natural gas may include amounts that the Company believes will ultimately be produced, but that are not yet classified as "proved reserves" under SEC definitions.

PXP Asset Overview Core Asset Areas





PXP 2012 Production & Revenue Analysis

- Estimate a 35% increase in 2012(E) oil/liquids revenue compared to 2011 oil/liquids revenue
 - Increase reflects impact of higher estimated oil/liquids volumes and stronger pricing associated with new marketing contracts
- Oil/Liquids sales as a percentage of total revenue

2012(E) 90%±

2011 78%

2010 74%

Estimate 25%-30% Production Growth Per Share in 2012

⁽¹⁾ Assumes \$110/Bbl Brent based oil pricing. Natural Gas pricing of \$3.00/MMBtu in 2012 and 2013, \$4.00/MMBtu in 2014 and \$5.00/MMBtu 2015 and beyond.

Proforma for 2011 asset divestiture.

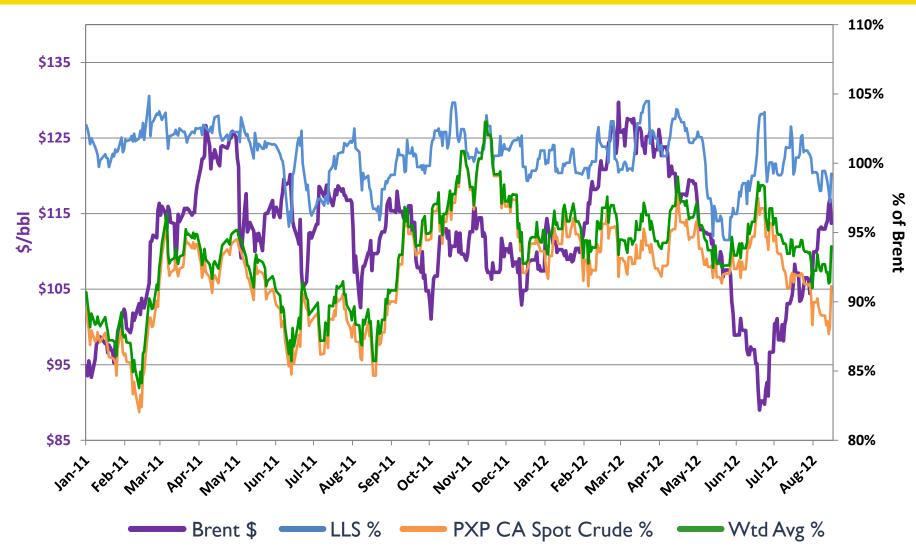


2nd Quarter Operational Highlights

- 98,300 BOEPD 2Q 2012 daily sales volumes, a 36% increase per diluted share pro forma when compared to 2Q 2011
- Increased oil/liquids sales volumes 53% per diluted share pro forma compared to 2Q 2011
- Oil/Liquids average realized price 88% of Brent or \$95.50 per barrel
- Eagle Ford production results
 - 25,700 BOEPD sales volumes compared to 2,300 BOEPD 2Q 2011
 - 8 operated rigs running



Benchmark Prices vs. Brent





PXP Oil Hedge Program "Costless Deferred Premium Strategy"

2012 Current Brent Derivatives

Three-Way Collars (\$80x\$100x\$120)⁽¹⁾

40,000 BOPD

Total 40,000 BOPD

~70% of Expected Oil **Production**

2013 Current Brent Derivatives

30,000 BOPD Put Spreads (\$74x\$94)(1)

Three-Way Collars (\$78x\$98x\$125)(1)

30,000 BOPD

Total 60,000 BOPD

~90% of Expected Oil **Production**

2014 Current Brent Derivatives Put Spreads (\$70x\$90) 50,000 BOPD(1)

> Total 50,000 BOPD ~60% of Expected Oil **Production**

Time Period	Action Taken	Deferred Premium
April 2010	Acquired 2012 WTI Crude Oil Put Option Spreads	\$89 MM
Sept. 2011	Realigned WTI Options to 2012 Brent Crude Oil Put Option Spreads Sold 2012 Brent Crude Oil Call Options	(\$86 MM)
	Net Premium Expense	\$3 MM

Time Period	Action Taken	Deferred Premium
Sept. 2011	Acquired 2013 Brent Crude Oil Put Option Spreads	\$50 MM
Jan. 2012	Acquired 2013 Brent Crude Oil Put Option Spreads	\$32 MM
Feb. 2012	Sold 2013 Brent Crude Oil Call Options	(\$11 MM)
Sept. – Dec. 2012	Sell Brent Crude Oil Call Options ⁽²⁾	(\$71 MM)
F	Estimated Net Premium Expense	(\$0 MM)

Estimated Net	/¢0	N/I N/I
remium Expense	(\$0	IVIIVI

Time Period	Action Taken	Deferred Premium
JanFeb 2012	Acquired 2014 Brent Crude Oil Put Option Spreads	\$48 MM
Apr. 2012	Acquired 2014 Brent Crude Oil Put Option Spreads	\$61 MM
Jan.– Dec. 2013	Sell Brent Crude Oil Call Options ⁽²⁾	(\$109 MM)

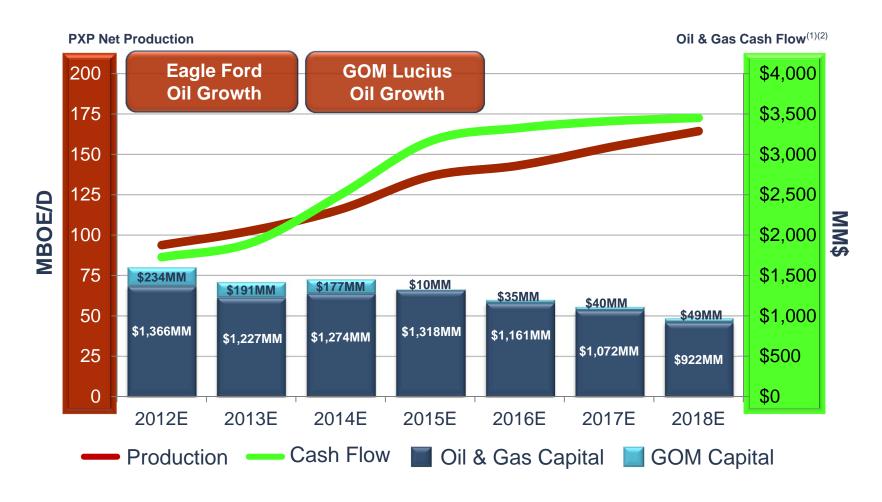
Estimated Net Premium Expense

(\$0 MM)

⁽¹⁾ Weighted average price, see addendum for pricing details.

⁽²⁾ Forecasted transactions.

PXP Operational Plan at \$110 Brent Oil Plains Exploration & Production Company



⁽¹⁾ Oil and Gas revenues minus lease expenses.(2) Assumes \$110/Bbl Brent based oil pricing. Natural Gas pricing of \$3.00/MMBtu in 2012 and 2013, \$4.00/MMBtu in 2014 and \$5.00/MMBtu 2015 and beyond.

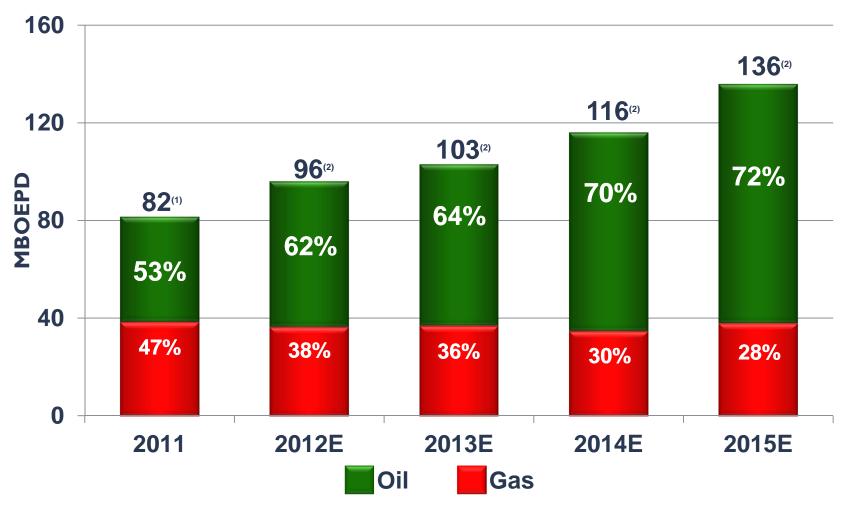
Plains Exploration & Production Company

PXP Strong Asset Intensity

- High Margins
- Durability
 - > Proved Reserves R/P 12.2 years
 - > Total Resource R/P 62 years

	<u>Margin</u>	12/31/2011 Proved R/P	Resource Potential R/P	Gross <u>Locations</u>
Oil Assets				
California	Brent Pricing	15 yr	29 yr	2,300+
Eagle Ford	LLS Pricing	7 yr	52 yr	500 - 650
Gulf of Mexico	LLS Pricing	2 yr	59 yr	8
Notived Con Appete	_			
Natural Gas Assets				
Madden	NYMEX	14 yr	20 yr	30+
Haynesville	NYMEX	10 yr	75 yr	11,000+

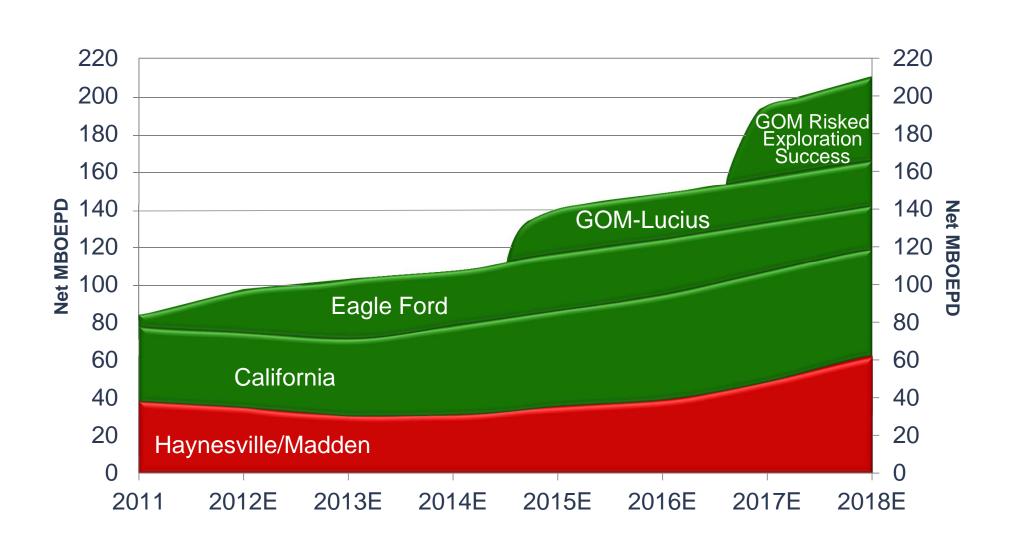
Multi Year Oil Growth **Production Growth Targets** Plains Exploration & Production Company



⁽¹⁾ Pro forma for asset sales.(2) Assumes \$110/Bbl Brent based oil pricing. Natural Gas pricing of \$3.00/MMBtu in 2012 and 2013, \$4.00/MMBtu in 2014 and \$5.00/MMBtu 2015 and beyond.



Asset Production Target Profile



PXP Capital Allocation 2012 Capital Program



⁽¹⁾ Includes development, exploitation, real estate, capitalized interest and G&A costs but does not include additional capital for exploratory successes. Exploration capital is defined as discovery and dry hole costs.



+550 Million BOE Oil/Liquids Development Resource Potential

Region

California
Eagle Ford
Gulf of Mexico

Potential Reserves

283 MMBOE 162 MMBOE 106 MMBOE

+600 Million BOE Oil/Liquids Exploration Resource Potential

Region

Gulf of Mexico

Potential Reserves

659 MMBOE

+ 5,200 Bcfe
Natural Gas Development Resource Potential

Haynesville/Bossier Madden

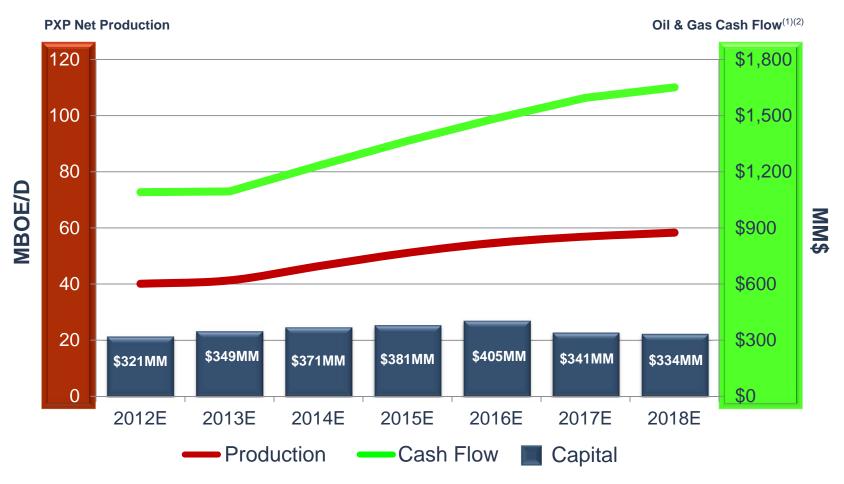
5,200 Bcfe 40 Bcfe

PXP California Oil Onshore/Offshore



- 217 MMBOE Proved Reserves
- 431 MMBOE Total Resource Potential
- 68% Proved Developed
- 15 yr Proved R/P, 29 yr Resource Potential R/P
- 2,300+ Future Well Locations

California Oil **Operational Plan** Plains Exploration & Production Company

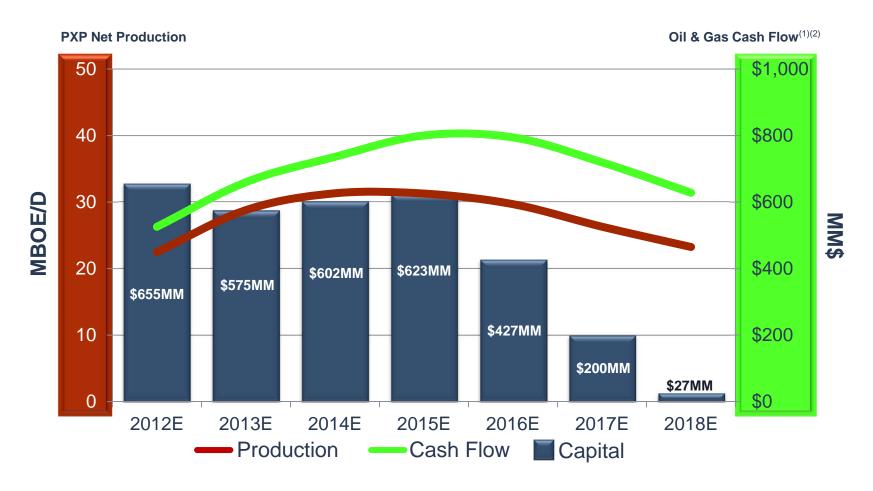


⁽¹⁾ Oil and Gas revenues minus lease expenses.(2) Assumes \$110/Bbl Brent based oil pricing. Natural Gas pricing of \$3.00/MMBtu in 2012 and 2013, \$4.00/MMBtu in 2014 and \$5.00/MMBtu 2015 and beyond.

PXP Onshore California 2012 Activity Map

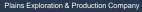


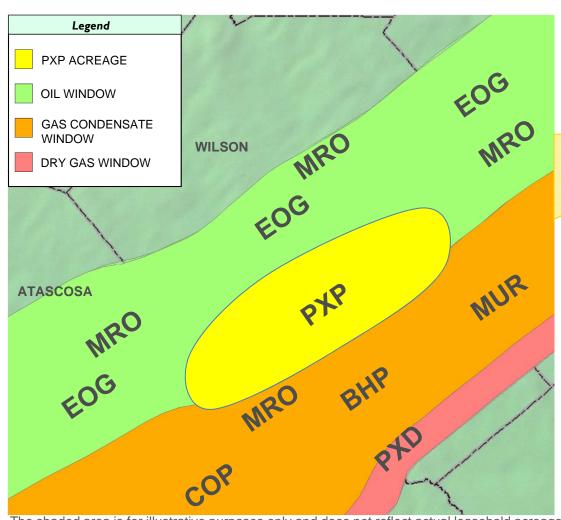
Eagle Ford Oil Play Operational Plan Plains Exploration & Production Company



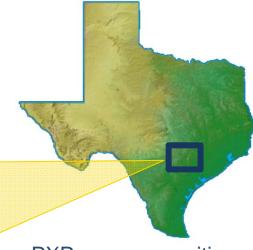
⁽¹⁾ Oil and Gas revenues minus lease expenses.(2) Assumes \$110/Bbl Brent based oil pricing. Natural Gas pricing of \$3.00/MMBtu in 2012 and 2013, \$4.00/MMBtu in 2014 and \$5.00/MMBtu 2015 and beyond.

PXP Eagle Ford Oil Play



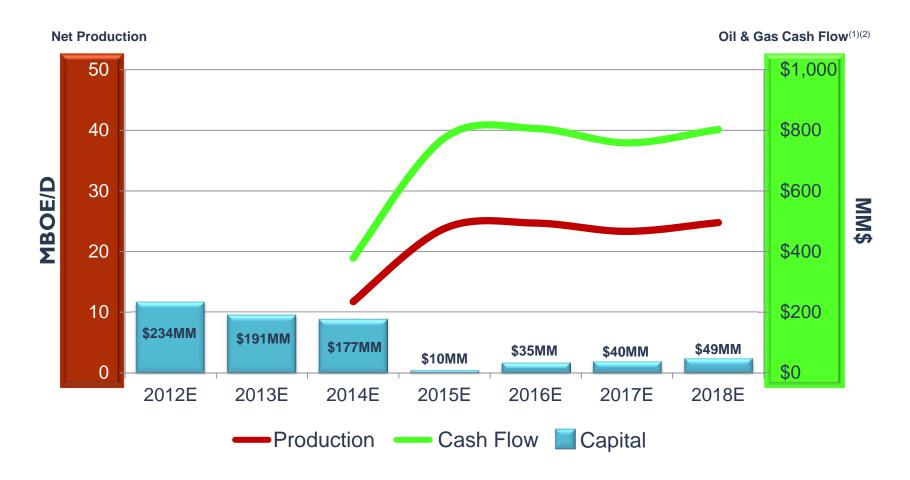


The shaded area is for illustrative purposes only and does not reflect actual leasehold acreage.



- PXP acreage position
 - ~60,000 net acres
- 7 to 9 rigs running in 2012
- Depth to Eagle Ford Top
 - ~9,500' 11,500' TVD
- 172 MMBOE Total Resource Potential, 52 yr R/P
- 25.7 MBOE/D average 2Q 2012 rate
- 50+% 2011-2015 CAGR
- 500+ future locations

Gulf of Mexico **Operational Plan** Plains Exploration & Production Company



(1) Oil and Gas revenues minus lease expenses.(2) Assumes \$110/Bbl Brent based oil pricing. Natural Gas pricing of \$3.00/MMBtu in 2012 and 2013, \$4.00/MMBtu in 2014 and \$5.00/MMBtu 2015 and beyond.



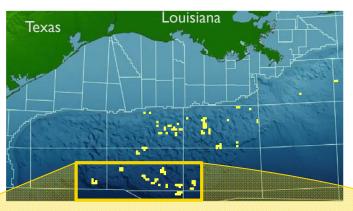
PXP Gulf of Mexico-Frontal Pliocene Trend

Plains Exploration & Production Company

Frontal Pliocene Trend Deepwater Leasehold

- Lucius Discovery
- 12 Exploration Prospects

- Interest in 39 blocks
- 224,640 gross acres / 122,877 net acres



Keathley Canyon Alaminos Canyon LUCIUS Sigsbee Escarpment

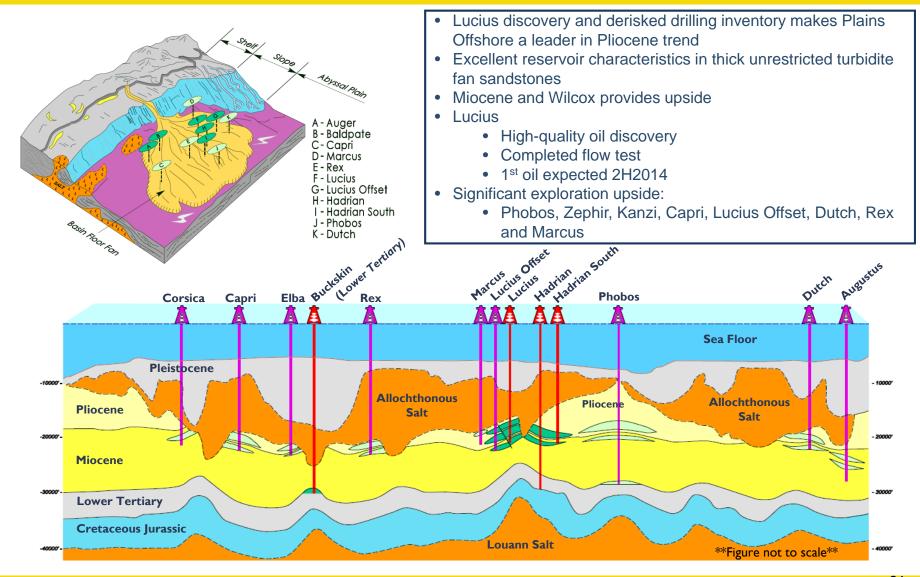
High-Quality Deepwater GOM Assets

- Lucius discovery made PXP an early mover in Pliocene play
 - Acquisition of substantial additional acreage at favorable terms in the March 2010 and December 2011 lease sales
- Phobos prospect located in the same Pliocene hydrocarbon complex as the Lucius discovery
 - Analogous characteristics to Lucius discovery well
 - Additional upside potential in the Lower Tertiary play



PXP Premium Frontal Pliocene Position

Plains Exploration & Production Company





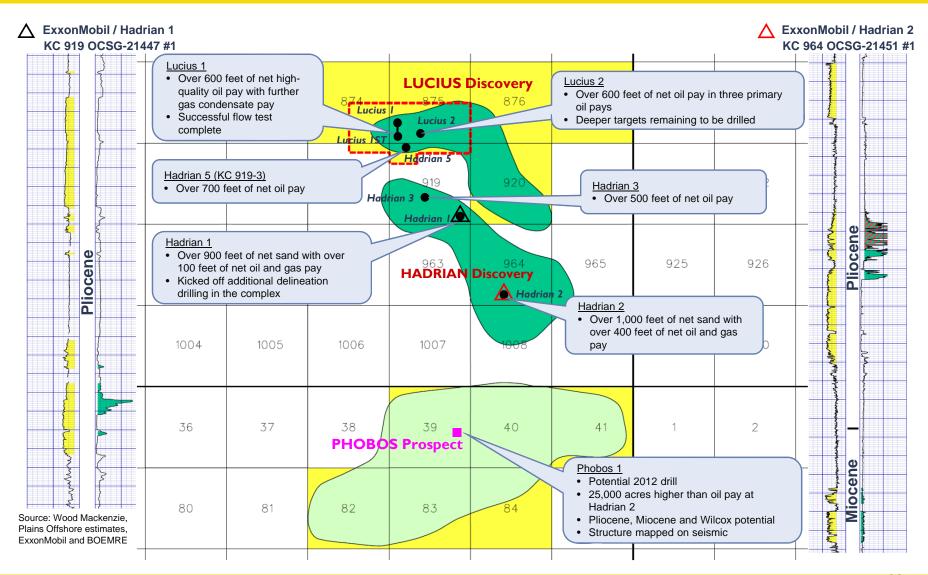
2012 – 2014 GOM Operational Plan Existing Discoveries and Near-Term Exploration

Prospect / Discovery	Year of Discovery / Projected Spud	Working Interest	Operator	Emerging Pliocene	Miocene	Lower Tertiary	Resource Potential (MMBOE)
Lucius	2009	23.33%(1)	Anadarko	✓	✓		106
Phobos	2012	50%	Anadarko	✓	✓	✓	306
Zephir	2013/2014	50%(2)	TBD	✓	✓		140
Kanzi	2013/2014	50%(2)	TBD	✓	✓		130
Capri	2013/2014	33.33%	Anadarko	✓	✓		42
Lucius Offset	2013/2014	33.33%	Anadarko	✓	✓		25
Dutch	2014	33.33%	Anadarko	✓	✓		16
					To	otal	765

⁽¹⁾ Lucius working interest per contractual unitization; remaining working interests reflective of existing leasehold ownership.

^{(2) 100%} working interest currently held; 50% interest reserved for venture partner.

PXP Lucius / Hadrian / Phobos Oil Complex 500 MMBOE of Discovered Resource; 1+ BBOE Exploration Upside



PIAIRS Exploration & Production Company 2012 Objectives

- Strong Quarterly Operating Results
- 15+% Production Growth
- Eagle Ford Oil Development Growth Focus
- Continue Lucius Oil Development Build Out with Third Party Funding
- Phobos Exploration Well with 300+ MMBOE Net Potential
- Continue Share Repurchase



Addendum

Plains Exploration & Production Company

PXP Updated Hedging Position Derivative Instruments

Period	Instrument Type	Daily Volumes	Average Price	Average Deferred Premium	Index
Sales of Crude	Oil Production				
2012					
Sept – Dec	Three-way collars	40,000 B bls	\$100.00 Floor with an \$80.00 Limit \$120.00 Ceiling	-	Brent
2013					
Jan – Dec	Put options	17,000 Bbls	\$90.00 Floor with a \$70.00 Limit	\$6.253 per Bbl	Brent
Jan – Dec	Put options	13,000 Bbls	\$100.00 Floor with an \$80.00 Limit	\$6.800 per B bl	Brent
Jan – Dec	Three-way collars	25,000 Bbls	\$100.00 Floor with an \$80.00 Limit \$124.29 Ceiling	-	Brent
Jan – Dec	Three-way collars	5,000 Bbls	\$90.00 Floor with a \$70.00 Limit \$126.08 Ceiling	-	Brent
2014					
Jan – Dec	Put options	50,000 Bbls	\$90.00 Floor with a \$70.00 Limit	\$5.979 per B bl	Brent
Sales of Natura	al Gas Production				
2012					
Sept – Dec	Put options	120,000 MMBtu	\$4.30 Floor with a \$3.00 Limit	\$0.298 per MMB tu	Henry Hub
Sept – Dec	Three-way collars	40,000 MMBtu	\$4.30 Floor with a \$3.00 Limit \$4.86 Ceiling	-	Henry Hub
Sept - Dec	Swap contracts	80,000 MMBtu	\$2.72	-	Henry Hub
2013					
Jan - Dec	Swap contracts	110,000 MMBtu	\$4.27	-	Henry Hub
2014					
Jan – Dec	Swap contracts	100,000 MMBtu	\$4.09	-	Henry Hub



PXP Full-Year 2012 Operating and Financial Guidance

		Year Ended December 31, 2	
Production Volumes (MBOE/day) Total Production volumes sold	95		07
Oil	95 57%		97 60%
NGLs	3%	_	4%
Natural Gas	40%	_	36%
Product Price Realization (Unhedged)			
Oil - Brent	94%	_	96%
Oil - Transportation Expense		\$5.00	
NGLs - WTI		40%	
Gas - Henry Hub		100%	
Gas - Transportation Expense		\$0.15	
Production Costs per BOE			
Lease operating expense	\$ 9.50	_	\$ 10.50
Steam gas costs (1)	\$ 1.25	_	\$ 1.75
Electricity	\$ 1.20	_	\$ 1.40
Production and ad valorem taxes (2)	\$ 2.00	_	\$ 2.25
Gathering and transportation	\$ 1.50	_	\$ 2.00
Depreciation, Depletion and Amortization per BOE	\$ 26	_	\$ 28
General and Administrative Expenses (in millions)			
Cash	\$ 107	_	\$ 111
Stock-based compensation (3)	\$ 40	_	\$ 46
Interest Expense			
Average revolver balance	30 [Day LIBOR + 1.50%	- 2.50%
\$185 Million Senior Notes		10.000%	
\$400 Million Senior Notes		7.625%	
\$750 Million Senior Notes		6.125%	
\$400 Million Senior Notes \$300 Million Senior Notes		8.625% 7.625%	
\$600 Million Senior Notes		6.625%	
\$1,000 Million Senior Notes		6.750%	
Effective Tax Rate	38%	0.73070	40%
Weighted Average Equivalent Shares Outstanding (in thousands)	00,0		.0,0
Basic		127,600	
Diluted		129,300	
Capital Expenditures (millions) ⁽⁴⁾		,	
PXP		\$1,366	
Gulf of Mexico - Plains Offshore		234	
Total		\$1,600	

Steam gas costs assume a base SoCal Border index price of \$3.84 per MMBtu. The purchased volumes are anticipated to be 43,000 - 45,000 MMBtu per day.
 Production and ad valorem taxes assume base index prices of \$110.00 per barrel and \$4.00 per MMBtu. (Note: Brent index price for oil)
 Based on current outstanding and projected awards and current stock price.
 Includes capitalized interest and general and administrative expenses.

PXP Balance Sheet Summary

(Millions)		6/30/2012	_1	2/31/2011
Current Assets				
Cash	\$	302.2	\$	419.1
Investment		562.5		611.7
Other Current Assets		470.1		410.6
Total Current Assets		1,334.8		1,441.4
PP&E, net		8,222.6		7,725.3
Other Assets		674.0		624.8
Total Assets	\$	10,231.4	\$	9,791.5
Current Liabilities	\$	690.9	\$	626.2
Long-Term Debt	·	3,918.9	•	3,761.0
Deferred Income Taxes and Other Long-Term Liabilities		1,858.1		1,709.1
Total Equity ⁽¹⁾		3,763.5		3,695.2
Total Liabilities & Equity	\$	10,231.4	\$	9,791.5
<u>Liquidity</u>				
Current Ratio		1.9		2.3
Borrowing Base for Senior Revolving Line of Credit	\$	2,300	\$	2,300

⁽¹⁾ Includes \$435.2 million and \$430.6 million non-controlling interest in the form of preferred stock of subsidiary at June 30, 2012 and December 31, 2011, respectively.

PXP Income Statement Summary

(Millions, except for share data)	Quarter Ended 6/30/2012	Quarter Ended 6/30/2011
Revenues	\$ 566.7	\$ 514.8
Production Costs	(146.2)	(143.1)
General & Administrative	(31.7)	(30.8)
DD&A & Accretion Expense	(254.5)	(155.1)
Other Operating Income	1.3	0.3
Income From Operations	\$ 135.6	\$ 186.1
Income Before Income Taxes	\$ 386.8	\$ 212.1
Net Income Attributable to Common Stockholders	\$ 223.2	<u>\$ 124.9</u>
Earnings Per Share – Diluted	\$ 1.70	\$ 0.87



"People building value together to find and produce oil and natural gas safely, reliably and efficiently"

