



Plains Exploration & Production Company
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NEWS RELEASE

FOR IMMEDIATE RELEASE

Friesian Project Gets Offset Confirmation - 2nd Well Logs 389 Net Feet Of Oil Pay

Houston, Texas – January 29, 2009 – Plains Exploration & Production Company (NYSE:PXP) (“PXP” or the “Company”) announces an apparent prolific confirmation well at the Friesian Project in the Deepwater of the Gulf of Mexico.

In November of 2006, the original discovery well, Friesian #1, was drilled to a total depth of 29,414 feet and encountered more than 120 feet of net oil pay in Green Canyon Block 599. Friesian #2 offset well is located in the adjacent Green Canyon Block 643 approximately 3,300 feet due south of the initial discovery well.

The Friesian #2 well, operated by PXP (50% working interest) was drilled to a total depth of 28,989 feet and encountered approximately 389 net feet of oil saturated Miocene aged sands with three main sand lobes encountering more than 210 net feet of high quality oil pay plus a fourth sand lobe encountering 179 additional feet of oil pay that was not fully evaluated. These four pay sands, all full to base with oil, are the uppermost field pays at the prolific Tahiti field approximately eight miles to the west across the basin syncline. Existing data show strong correlation, both geologic and pressure, from the initial Miocene field pay sands at Tahiti to the drilled portion of our Friesian #2 well.

PXP as operator and its partner, decided to deepen the Friesian #2 well an additional 3,500 feet to 32,500 feet true vertical depth to test the prolific main field equivalent sands such as the M15, M18, M21A and M21B at Tahiti. Several of these Tahiti pay sands have flow tested in excess of 25,000 barrels of oil per day. The initial drilling rig, the Ocean Star, was not capable of drilling the #2 well deeper so PXP now has the Ocean Monarch under contract and expects the arrival of the higher capability semi-submersible drilling rig in early March of this year to commence the additional deeper drilling operations on the Friesian #2 well.

Additionally, early stage commercialization initiatives for Friesian production are under study with multiple parties to target initial production by 2012.

PXP is an independent oil and gas company primarily engaged in the activities of acquiring, developing, exploring and producing oil and gas in California, Texas, Louisiana and the Gulf of Mexico. PXP is headquartered in Houston, Texas.

ADDITIONAL INFORMATION & FORWARD-LOOKING STATEMENTS

This press release contains forward-looking information regarding PXP that is intended to be covered by the safe harbor "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995. All statements included in this press release that address activities, events or developments that PXP expects, believes or anticipates will or may occur in the future are forward-looking statements. These include statements regarding:

- * reserve and production estimates,*
- * oil and gas prices,*
- * the impact of derivative positions,*
- * production expense estimates,*
- * cash flow estimates,*
- * future financial performance,*
- * capital and credit market conditions,*
- * planned capital expenditures, and*
- * other matters that are discussed in PXP's filings with the SEC.*

These statements are based on our current expectations and projections about future events and involve known and unknown risks, uncertainties, and other factors that may cause our actual results and performance to be materially different from any future results or performance expressed or implied by these forward-looking statements. Please refer to our filings with the SEC, including our Form 10-K, as amended, for the year ended December 31, 2007, for a discussion of these risks.

All forward-looking statements in this report are made as of the date hereof, and you should not place undue reliance on these statements without also considering the risks and uncertainties associated with these statements and our business that are discussed in this report and our other filings with the SEC. Moreover, although we believe the expectations reflected in the forward-looking statements are based upon reasonable assumptions, we can give no assurance that we will attain these expectations or that any deviations will not be material. Except for any obligation to disclose material information under the Federal securities laws, we do not intend to update these forward-looking statements and information.

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