



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

## **NEWS RELEASE**

### **FOR IMMEDIATE RELEASE**

#### **PXP ANNOUNCES \$500 MILLION SENIOR NOTES OFFERING**

Houston, Texas, March 3, 2009 - Plains Exploration & Production Company (NYSE:PXP) today announced a \$500 million offering of senior notes due in 2016. Net proceeds from the offering will be used for future capital expenditures and for general corporate purposes. The notes are expected to settle on March 6, 2009.

J.P. Morgan Securities Inc., Greenwich Capital Markets, Inc., Wachovia Capital Markets, LLC, Goldman, Sachs & Co., Morgan Stanley & Co. Incorporated, and Banc of America Securities LLC will act as book-running managers for the offering. The offering will be made only by means of a prospectus and related prospectus supplement, copies of which may be obtained from:

J. P. Morgan Securities Inc.  
270 Park Ave., 8th Floor  
Attention: Syndicate Desk  
New York, NY 10017  
Telephone: 800-245-8812

Greenwich Capital Markets, Inc.  
600 Steamboat Road  
Attention: High Yield Syndicate  
Greenwich, CT 06830  
Telephone: 866-884-2071

Wachovia Capital Markets, LLC  
301 S. College Street  
Charlotte, NC 28202  
Telephone: 704-715-0540

Goldman, Sachs & Co.  
85 Broad Street  
New York, NY 10004  
Attention: Prospectus Department  
Telephone: 212-902-1171

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Morgan Stanley & Co. Incorporated  
Attention: Prospectus Department  
180 Varick Street, 2<sup>nd</sup> Floor  
New York, NY 10014  
Email: prospectus@morganstanley.com  
Telephone: 866-718-1649

Banc of America Securities LLC  
Telephone: 800-294-1322  
Email: dg.prospectus\_distribution@bofasecurities.com

An electronic copy of the prospectus and preliminary prospectus supplement is available from the Securities and Exchange Commission's website at <http://www.sec.gov>.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any state.

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:*

- \* completion of proposed offering,*
- \* 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, for the year ended December 31, 2008, 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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