

PLAINS ALL AMERICAN PIPELINE LP

Form 424B5

December 03, 2014

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Filed pursuant to Rule 424(b)(5)
Registration No. 333-184137
333-184137-01

CALCULATION OF REGISTRATION FEE

	Title of Each Class of Securities to be Registered	Proposed maximum aggregate offering price	Amount of registration fee
	2.60% Senior Notes due 2019	\$499,065,000	\$57,992(1)
	4.90% Senior Notes due 2045	\$649,194,000	\$75,436(1)

- (1) The filing fee, calculated in accordance with Rule 457(r), has been transmitted to the SEC in connection with the securities offered from Registration Statement File No. 333-184137 by means of this prospectus supplement.

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PROSPECTUS SUPPLEMENT

To prospectus dated September 27, 2012

Plains All American Pipeline, L.P.

PAA Finance Corp.

\$500,000,000 2.60% Senior Notes due 2019

\$650,000,000 4.90% Senior Notes due 2045

Plains All American Pipeline, L.P. and PAA Finance Corp. are offering \$1,150 million aggregate principal amount of debt securities, consisting of \$500 million aggregate principal amount of 2.60% Senior Notes due 2019 (the 2019 Notes) and \$650 million aggregate principal amount of 4.90% Senior Notes due 2045 (the 2045 Notes and, together with the 2019 Notes, the Notes).

We will pay interest on the 2019 Notes semi-annually in arrears on June 15 and December 15 of each year, beginning on June 15, 2015, and we will pay interest on the 2045 Notes semi-annually in arrears on February 15 and August 15 of each year, beginning on August 15, 2015. The 2019 Notes and the 2045 Notes will mature on December 15, 2019 and February 15, 2045, respectively, unless redeemed prior to the maturity date.

We may, at our option, redeem the Notes of either series at any time in whole or from time to time in part, prior to maturity, at the redemption prices as described herein under Description of Notes Optional Redemption.

The Notes will be the unsecured senior obligations of Plains All American Pipeline, L.P. and PAA Finance Corp. and will rank equally in right of payment with their other senior indebtedness from time to time outstanding.

Each series of Notes is a new issue of securities with no established trading market. We do not currently intend to apply for listing of either series of the Notes on any securities exchange or have either series of the Notes quoted on any automated quotation system.

Investing in the Notes involves risks. See Risk Factors beginning on page S-6 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying base prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Public Offering Price(1)	Underwriting Discount	Proceeds, Before Expenses, to Us
Per 2019 Note	99.813%	0.600%	99.213%
Total	\$ 499,065,000	\$ 3,000,000	\$ 496,065,000
Per 2045 Note	99.876%	0.875%	99.001%
Total	\$ 649,194,000	\$ 5,687,500	\$ 643,506,500

(1) Plus accrued interest, if any, from December 9, 2014 if settlement occurs after that date.

The underwriters expect to deliver the Notes in book-entry form only through facilities of The Depository Trust Company for the account of its participants, including Clearstream Banking, société anonyme, and Euroclear Bank S.A./N.V., as operator of the Euroclear System, against payment in New York, New York on or about December 9, 2014, the fifth trading day after the date of this prospectus supplement.

Joint Book-Running Managers

Barclays	SunTrust Robinson Humphrey	Wells Fargo Securities
BBVA	RBC Capital Markets <i>Co-Managers</i>	SMBC Nikko
Deutsche Bank Securities	MUFG	Scotiabank
CIBC	Fifth Third Securities	ING
Regions Securities LLC	SOCIETE GENERALE	BMO Capital Markets
		PNC Capital Markets LLC
		US Bancorp

The date of this prospectus supplement is December 2, 2014.

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**IMPORTANT NOTICE ABOUT INFORMATION IN THIS
PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING BASE PROSPECTUS**

This document is in two parts. The first part is the prospectus supplement, which describes our business and the specific terms of this offering. The second part, the accompanying base prospectus, gives more general information and includes disclosures regarding the Notes and additional disclosures that would pertain if at some time in the future we were to offer other series of our debt securities or our common units. Accordingly, the accompanying base prospectus may contain information that does not apply to this offering. Generally, when we refer only to the prospectus, we are referring to both parts combined.

If the description of the offering varies between the prospectus supplement and the accompanying base prospectus, you should rely on the information in the prospectus supplement.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying base prospectus or any free writing prospectus relating to this offering of Notes. Neither we nor the underwriters have authorized anyone to provide you with different information. Neither we nor the underwriters are making an offer of the Notes in any jurisdiction where the offer is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement, the accompanying base prospectus or any related free writing prospectus is accurate as of any date other than the date on the front of those respective documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

The information in this prospectus supplement is not complete. You should review carefully all of the detailed information appearing in this prospectus supplement, the accompanying base prospectus, any free writing prospectus relating to this offering and the documents we have incorporated by reference before making any investment decision.

We expect delivery of the Notes will be made against payment therefor on or about December 9, 2014, which is the fifth business day following the date of pricing of the Notes (such settlement being referred to as T+5). Under Rule 15c6-1 of the Securities Exchange Act of 1934, as amended (the Exchange Act), trades in the secondary market generally are required to settle in three business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of pricing of the Notes or the next succeeding business day will be required, by virtue of the fact that the Notes initially will settle in T+5, to specify an alternate settlement cycle at the time of any such trade to prevent failed settlement and should consult their own advisers.

FORWARD-LOOKING STATEMENTS

All statements included or incorporated by reference in this prospectus supplement or the accompanying base prospectus, other than statements of historical fact, are forward-looking statements, including but not limited to statements incorporating the words anticipate, believe, estimate, expect, plan, intend and forecast, as well as expressions and statements regarding our business strategy, plans and objectives for future operations. The absence of such words, expressions or statements, however, does not mean that the statements are not forward-looking. Any such forward-looking statements reflect our current views with respect to future events, based on what we believe to be reasonable assumptions. Certain factors could cause actual results or outcomes to differ materially from the results or outcomes anticipated in the forward-looking statements. The most important of these factors include, but are not limited to:

failure to implement or capitalize, or delays in implementing or capitalizing, on planned internal growth projects;

unanticipated changes in crude oil market structure, grade differentials and volatility (or lack thereof);

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environmental liabilities or events that are not covered by an indemnity, insurance or existing reserves;

declines in the volume of crude oil, refined product and NGL shipped, processed, purchased, stored, fractionated and/or gathered at or through the use of our facilities, whether due to declines in production from existing oil and gas reserves, failure to develop, or slowdown in the development of, additional oil and gas reserves or other factors;

fluctuations in refinery capacity in areas supplied by our mainlines and other factors affecting demand for various grades of crude oil, refined products and natural gas and resulting changes in pricing conditions or transportation throughput requirements;

the occurrence of a natural disaster, catastrophe, terrorist attack or other event, including attacks on our electronic and computer systems;

weather interference with business operations or project construction, including the impact of extreme weather events or conditions;

tightened capital markets or other factors that increase our cost of capital or limit our access to capital;

maintenance of our credit rating and ability to receive open credit from our suppliers and trade counterparties;

continued creditworthiness of, and performance by, our counterparties, including financial institutions and trading companies with which we do business;

the currency exchange rate of the Canadian dollar;

the availability of, and our ability to consummate, acquisition or combination opportunities;

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;

shortages or cost increases of supplies, materials or labor;

the effectiveness of our risk management activities;

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 impact of current and future laws, rulings, governmental regulations, accounting standards and statements, and related interpretations;

non-utilization of our assets and facilities;

the effects of competition;

increased costs or lack of availability of insurance;

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 facilities, including our ability to satisfy our contractual obligations to our customers at our facilities;

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 and refined products, as well as in the storage of natural gas and the processing, transportation, fractionation, storage and marketing of natural gas liquids.

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Other factors described or incorporated by reference herein, as well as factors that are unknown or unpredictable, could also have a material adverse effect on future results. Please read **Risk Factors** beginning on page S-6 of this prospectus supplement and in Item 1A. **Risk Factors** in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013 (File No. 001-14569), which is incorporated in this prospectus supplement by reference, for information regarding risks you should consider before making an investment decision. Except as required by applicable securities laws, we do not intend to update these forward-looking statements and information.

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PROSPECTUS SUPPLEMENT SUMMARY

*This summary highlights information included or incorporated by reference in this prospectus supplement and the accompanying base prospectus. It does not contain all of the information that you should consider before making an investment decision. You should read carefully the entire prospectus supplement, the accompanying base prospectus, the documents incorporated by reference herein and therein and the other documents to which we refer herein and therein for a more complete understanding of this offering of Notes. Please read *Risk Factors* beginning on page S-6 of this prospectus supplement and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, which is incorporated by reference herein, for information regarding risks you should consider before making a decision to purchase any Notes in this offering.*

*For purposes of this prospectus supplement and the accompanying base prospectus, except as set forth in *Description of Notes* and unless the context clearly indicates otherwise, references to PAA, the Partnership, we, us, our and similar terms refer to Plains All American Pipeline, L.P. and its subsidiaries. With respect to the cover page and in the section entitled *Prospectus Supplement Summary The Offering*, we, our and us refer only to Plains All American Pipeline, L.P. and, as the context requires, PAA Finance Corp., but not to any of the other subsidiaries of Plains All American Pipeline, L.P. References to our general partner, as the context requires, include any or all of PAA GP LLC, Plains AAP, L.P. and Plains All American GP LLC.*

Plains All American Pipeline, L.P.

We are a Delaware limited partnership formed in 1998. Our operations are conducted directly and indirectly through our primary operating subsidiaries. We own and operate midstream energy infrastructure and provide logistics services for crude oil, natural gas liquids (NGL), natural gas and refined products. The term NGL includes ethane and natural gasoline products as well as products commonly referred to as liquefied petroleum gas, such as propane and butane.

We are one of the largest publicly-traded partnerships with 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. Our business activities are conducted through three operating segments: transportation, facilities and supply and logistics.

Ongoing Acquisition Activities

Consistent with our business strategy, we are continuously engaged in discussions with potential sellers regarding the possible purchase of assets and operations that are strategic and complementary to our existing operations. In addition, we have in the past evaluated and pursued, and intend in the future to evaluate and pursue, other energy-related assets that have characteristics and opportunities similar to our existing business lines and enable us to leverage our assets, knowledge and skill sets. Such acquisition efforts may involve participation by us in processes that have been made public and involve a number of potential buyers, commonly referred to as auction processes, as well as situations in which we believe we are the only party or one of a limited number of potential buyers in negotiations with the potential seller. These acquisition efforts often involve assets which, if acquired, could have a material effect on our financial condition and results of operations.

We typically do not announce a transaction until after we have executed a definitive acquisition agreement. However, in certain cases in order to protect our business interests or for other reasons, we may defer public announcement of an acquisition until closing or a later date. Past experience has demonstrated that discussions and negotiations regarding a potential acquisition can advance or terminate in a short period of time. Moreover, the closing of any transaction for

which we have entered into a definitive acquisition agreement will be subject to

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customary and other closing conditions, which may not ultimately be satisfied or waived. Accordingly, we can give no assurance that our current or future acquisition efforts will be successful. Although we expect the acquisitions we make to be accretive in the long term, we can provide no assurance that our expectations will ultimately be realized.

BridgeTex Acquisition

On November 14, 2014, we completed the acquisition from Occidental Petroleum Corporation (Occidental) of Occidental 's 50% interest in BridgeTex Pipeline Company LLC (BridgeTex) for \$1.088 billion, including \$13 million of working capital items. BridgeTex owns the BridgeTex pipeline, which is a new 300,000 barrel-per-day crude oil pipeline system that extends from Colorado City in West Texas to Texas City and is complementary to our existing West Texas assets. The remaining 50% interest in BridgeTex is owned by Magellan Midstream Partners, L.P. (MMP); MMP is also the operator of the BridgeTex pipeline. Contemporaneous with this acquisition, BridgeTex sold the southern leg of the pipeline system which runs from Houston to Texas City (the Texas City Leg) to MMP, and MMP entered into a long-term capacity lease with BridgeTex pursuant to which BridgeTex shippers have access to capacity on the Texas City Leg.

Our Principal Executive Offices

Our executive offices are located at 333 Clay Street, Suite 1600, Houston, Texas 77002. Our telephone number is (713) 646-4100. We maintain a website at www.plainsallamerican.com that provides information about our business and operations. Information contained on or available through our website is not incorporated into or otherwise a part of this prospectus supplement or the accompanying base prospectus.

Additional Information

For additional information about us, including our partnership structure and management, please refer to the documents set forth under Where You Can Find More Information in this prospectus supplement, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2013 and our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2014, June 30, 2014 and September 30, 2014, each of which is incorporated by reference herein.

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THE OFFERING

The summary below describes the principal terms of the Notes. Certain of the terms described below are subject to important limitations and exceptions. The Description of Notes section of this prospectus supplement and the Description of Our Debt Securities section of the accompanying base prospectus contain a more detailed description of the terms of the Notes.

Issuers	Plains All American Pipeline, L.P. and PAA Finance Corp. PAA Finance Corp., a Delaware corporation, is a wholly owned subsidiary of Plains All American Pipeline, L.P. that has been organized for the purpose of co-issuing our existing notes, the Notes offered hereby and the notes issued in any future offerings. PAA Finance Corp. does not have operations of any kind and will not have any revenue other than as may be incidental to its activities as a co-issuer of our debt securities.
Future guarantees	Initially, the Notes will not be guaranteed by any subsidiaries of the issuers. In the future, however, if any subsidiaries guarantee any of the issuers' other debt, then those subsidiaries will, jointly and severally, fully and unconditionally guarantee the issuers' payment obligations under the Notes. Please read Description of Notes Possible Future Guarantees.
Notes offered	\$500,000,000 aggregate principal amount of 2.60% Senior Notes due 2019. \$650,000,000 aggregate principal amount of 4.90% Senior Notes due 2045.
Maturity date	For the 2019 Notes: December 15, 2019. For the 2045 Notes: February 15, 2045.
Interest rate	For the 2019 Notes: 2.60%. For the 2045 Notes: 4.90%.
Interest payment dates	

We will pay interest on the 2019 Notes semi-annually in arrears on June 15 and December 15 of each year, beginning on June 15, 2015, and we will pay interest on the 2045 Notes semi-annually in arrears on February 15 and August 15 of each year, beginning on August 15, 2015.

Optional redemption

We may redeem either or both series of Notes, in whole or in part, at any time and from time to time prior to maturity. If we redeem the 2019 Notes before November 15, 2019 (one month prior to their maturity date) or the 2045 Notes before August 15, 2044 (six months prior to their maturity date), such Notes may be redeemed at a price equal to the greater of (i) 100% of the principal amount of the Notes

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to be redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal of and interest on the Notes to be redeemed, discounted to the redemption date on a semiannual basis at the Adjusted Treasury Rate (as defined herein) plus 20 basis points for the 2019 Notes and 30 basis points for the 2045 Notes, together with accrued and unpaid interest to the date of redemption. If we redeem the 2019 Notes on or after November 15, 2019 (one month prior to their maturity date) or the 2045 Notes on or after August 15, 2044 (six months prior to their maturity date), the redemption price will equal 100% of the principal amount of the Notes to be redeemed plus accrued and unpaid interest to the redemption date. See Description of Notes Optional Redemption.

Ranking

The Notes will be general senior unsecured obligations of the issuers and will rank equally in right of payment with the existing and future senior indebtedness of the issuers.

Certain covenants

The Notes will be issued under an indenture containing covenants for your benefit. These covenants restrict our ability, with certain exceptions, to:

incur liens on principal properties to secure debt;

engage in sale-leaseback transactions; and

merge or consolidate with another entity or sell, lease or transfer substantially all of our properties or assets to another entity.

See Description of Notes Covenants.

Use of proceeds

The net proceeds of this offering will be approximately \$1,138 million after deducting the underwriting discount and our estimated offering expenses. We expect to use the net proceeds from this offering to repay outstanding borrowings under our commercial paper program (a portion of which was used to fund the BridgeTex acquisition).

Amounts repaid under our commercial paper program may be reborrowed, as necessary, to fund our ongoing expansion capital program or future acquisitions or for general partnership purposes.

Book entry, delivery and form

The Notes of each series will be represented by one or more permanent global certificates in fully registered form deposited with a custodian for, and registered in the name of, a nominee of The Depository Trust Company.

Further issuances

We may create and issue additional Notes of either series ranking equally and ratably with the Notes of that series offered by this prospectus supplement in all respects, so that such additional Notes will be consolidated and form a single series with such Notes and will have the same terms, as to status, redemption or otherwise except for the issue date, the initial interest payment date, if applicable, and the payment of interest accruing prior to the issue date of such additional Notes.

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No listing	Each series of Notes is a new issue of securities with no established trading market. We do not currently intend to apply for listing of either series of Notes on any securities exchange or have either series of Notes quoted on any automated quotation system. See Risk Factors Risks Related to the Notes Your ability to transfer the Notes may be limited by the absence of an organized trading market.
Governing law	State of New York.
Trustee	U.S. Bank National Association.
Risk factors	Investing in the Notes involves risks. You should consider carefully all of the information in this prospectus supplement, the accompanying base prospectus, any free writing prospectus relating to this offering and the documents incorporated by reference herein and therein. In particular, you should consider carefully the specific risks set forth in Risk Factors beginning on page S-6 of this prospectus supplement.

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RISK FACTORS

Before making an investment in the Notes offered hereby, you should carefully consider the risk factors included below and those included in Item 1A. Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013 (File No. 001-14569), which is incorporated by reference herein, together with all of the other information included or incorporated by reference in this prospectus supplement. If any of these risks were to occur, our business, financial condition or results of operations could be materially adversely affected. In such case, the value of the Notes could decline, and you could lose all or part of your investment.

Risks Related to the Notes

Your right to receive payments on the Notes is unsecured and will be effectively subordinated to our existing and future secured indebtedness and will be structurally subordinated as to any existing and future indebtedness and other obligations of our subsidiaries, other than subsidiaries that may guarantee the Notes in the future.

The Notes are effectively subordinated to claims of our secured creditors and to any existing and future indebtedness and other obligations of our subsidiaries, including trade payables, other than subsidiaries that may guarantee the Notes in the future. As of September 30, 2014, on an as further adjusted basis as described under Capitalization, the Notes would have been effectively subordinated to no short-term secured indebtedness and structurally subordinated to all of our subsidiaries' indebtedness, which totaled approximately \$266 million at that date. In the event of the insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up of the business of a subsidiary, other than a subsidiary that may guarantee the Notes in the future, creditors of that subsidiary would generally have the right to be paid in full before any distribution is made to us or the holders of the Notes.

Our leverage may limit our ability to borrow additional funds, comply with the terms of our indebtedness or capitalize on business opportunities.

Our leverage is significant in relation to our partners' capital. As of September 30, 2014, on an as further adjusted basis as described under Capitalization, our total outstanding long-term debt was approximately \$8.8 billion, and our total outstanding short-term debt was approximately \$926 million. Various limitations in our credit facilities and other debt instruments may reduce our ability to incur additional debt, to engage in some transactions and to capitalize on business opportunities. Any subsequent refinancing of our current indebtedness or any new indebtedness could have similar or greater restrictions.

Our leverage could have important consequences to investors in the Notes. We will require substantial cash flow to meet our principal and interest obligations with respect to the Notes and our other consolidated indebtedness. Our ability to make scheduled payments, to refinance our obligations with respect to our indebtedness or our ability to obtain additional financing in the future will depend on our financial and operating performance, which, in turn, is subject to prevailing economic conditions and to financial, business and other factors. We believe that we will have sufficient cash flow from operations and available borrowings under our bank credit facility to service our indebtedness, although the principal amount of the Notes of each series will likely need to be refinanced at maturity in whole or in part. A significant downturn in the hydrocarbon industry or other development adversely affecting our cash flow could materially impair our ability to service our indebtedness. If our cash flow and capital resources are insufficient to fund our debt service obligations, we may be forced to refinance all or a portion of our debt or sell assets. We can give no assurance that we would be able to refinance our existing indebtedness or sell assets on terms that are commercially reasonable.

Our leverage may adversely affect our ability to fund future working capital, capital expenditures and other general partnership requirements, future acquisition, construction or development activities, or to otherwise fully realize the value of our assets and opportunities because of the need to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness or to comply with any restrictive terms of our

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indebtedness. Our leverage may also make our results of operations more susceptible to adverse economic and industry conditions by limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate and may place us at a competitive disadvantage as compared to our competitors that have less debt.

Your ability to transfer the Notes may be limited by the absence of an organized trading market.

Each series of Notes is a new issue of securities with no established trading market. We do not currently intend to apply for listing of either series of the Notes on any securities exchange or have either series of the Notes quoted on any automated quotation system. Although certain of the underwriters have informed us that they currently intend to make a market in the Notes of each series, they are not obligated to do so. In addition, the underwriters may discontinue any such market making at any time without notice. The liquidity of any market for the Notes of either series will depend on the number of holders of the Notes, the interest of securities dealers in making a market in those Notes and other factors. Accordingly, we can give no assurance as to the development, continuation or liquidity of any market for the Notes of either series.

We have a holding company structure in which our subsidiaries conduct our operations and own our operating assets.

We are a holding company, and our subsidiaries conduct all of our operations and own all of our operating assets. We have no significant assets other than the ownership interests in our subsidiaries. As a result, our ability to make required payments on the Notes depends on the performance of our subsidiaries and their ability to distribute funds to us. The ability of our subsidiaries to make distributions to us may be restricted by, among other things, credit facilities and applicable state partnership laws and other laws and regulations. Pursuant to our credit facilities, we may be required to establish cash reserves for the future payment of principal and interest on the amounts outstanding under our credit facilities. If we are unable to obtain the funds necessary to pay the principal amount at maturity of the Notes of either series, we may be required to adopt one or more alternatives, such as a refinancing of such Notes. We cannot assure you that we would be able to refinance the Notes of either series.

We do not have the same flexibility as other types of organizations to accumulate cash, which may limit cash available to service the Notes of either series or to repay them at maturity.

Unlike a corporation, our partnership agreement requires us to distribute, on a quarterly basis, 100% of our available cash to our unitholders of record and our general partner. Available cash is generally all of our cash receipts adjusted for cash distributions and net changes to reserves. Our general partner will determine the amount and timing of such distributions and has broad discretion to establish and make additions to our reserves or the reserves of our operating partnerships in amounts the general partner determines in its reasonable discretion to be necessary or appropriate:

to provide for the proper conduct of our business and the businesses of our operating partnerships (including reserves for future capital expenditures and for our anticipated future credit needs);

to provide funds for distributions to our unitholders and the general partner for any one or more of the next four calendar quarters; or

to comply with applicable law or any of our loan or other agreements.

Although our payment obligations to our unitholders are subordinate to our payment obligations to you, the value of our units will decrease in direct correlation with decreases in the amount we distribute per unit. Accordingly, if we experience a liquidity problem in the future, we may not be able to issue equity to recapitalize.

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USE OF PROCEEDS

The net proceeds of this offering will be approximately \$1,138 million after deducting the underwriting discount and our estimated offering expenses. We expect to use the net proceeds from this offering to repay outstanding borrowings under our commercial paper program (a portion of which was used to fund the BridgeTex acquisition). Amounts repaid under our commercial paper program may be reborrowed, as necessary, to fund our ongoing expansion capital program or future acquisitions or for general partnership purposes.

Affiliates of certain of the underwriters are dealers under our commercial paper program and may hold commercial paper notes thereunder. Accordingly, they may receive a portion of the net proceeds from this offering. Please read **Underwriting** in this prospectus supplement for further information.

As of December 1, 2014, we had approximately \$1.8 billion of borrowings outstanding under our commercial paper program with a weighted average interest rate of approximately 0.4%. The outstanding borrowings under our commercial paper program have maturity dates of three months or less. Our commercial paper program is backstopped by our senior secured hedged inventory facility and our senior unsecured revolving credit facility.

Table of Contents**RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth our ratio of earnings to fixed charges for the periods indicated on a consolidated historical basis. For purposes of computing the ratio of earnings to fixed charges, earnings consist of pre-tax income from continuing operations before income from equity investees plus fixed charges (excluding capitalized interest), distributed income of equity investees and amortization of capitalized interest. Fixed charges represent interest incurred (whether expensed or capitalized), amortization of debt expense (including discounts and premiums relating to indebtedness) and the portion of rental expense on leases deemed to be the equivalent of interest.

	Years Ended December 31,					
	Nine Months Ended September 30,					
	2014	2013	2012	2011	2010	2009
Ratio of earnings to fixed charges(1)	4.18x	4.41x	4.03x	4.13x	2.57x	3.00x

- (1) Includes interest costs attributable to borrowings for hedged inventory purchases of \$11 million for the nine months ended September 30, 2014 and \$30 million, \$12 million, \$20 million, \$17 million and \$11 million for the years ended December 31, 2013, 2012, 2011, 2010 and 2009, respectively.

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The following table sets forth our capitalization as of September 30, 2014:

on a historical basis;

on an as adjusted basis to give effect to the closing of the BridgeTex acquisition for \$1.088 billion (including \$13 million of working capital items), assuming such acquisition was funded entirely by borrowings under our commercial paper program; and

on an as further adjusted basis to give effect to the sale of the Notes offered hereby and the application of the net proceeds therefrom as described under **Use of Proceeds** in this prospectus supplement.

This table should also be read in conjunction with our financial statements and the notes thereto that are incorporated by reference into this prospectus supplement.

	As of September 30, 2014		
	Historical	As adjusted (In millions)	As further adjusted
CASH AND CASH EQUIVALENTS	\$ 34	34	\$ 34
SHORT-TERM DEBT(1)(2)			
PAA senior secured hedged inventory facility	\$	\$	\$
PAA senior unsecured revolving credit facility			
PAA commercial paper notes	423	423	373
PAA senior notes:			
5.25% senior notes due June 2015	150	150	150
3.95% senior notes due September 2015	400	400	400
Other	3	3	3
Total short-term debt	\$ 976	\$ 976	\$ 926
LONG-TERM DEBT			
Senior notes, net of unamortized discounts	\$ 7,609	\$ 7,609	\$ 7,609
2019 Notes offered hereby, net of unamortized discount			499
2045 Notes offered hereby, net of unamortized discount			649
PAA commercial paper notes(2)		1,088	
Long-term debt under credit facilities and other	4	4	4
Total long-term debt	\$ 7,613	\$ 8,701	\$ 8,761

PARTNERS CAPITAL

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Common unitholders	\$ 7,740	\$ 7,740	\$ 7,740
General partner	331	331	331
Total partners capital excluding noncontrolling interests	8,071	8,071	8,071
Noncontrolling interests	59	59	59
Total partners capital	\$ 8,130	\$ 8,130	\$ 8,130
Total capitalization	\$ 15,743	\$ 16,831	\$ 16,891

- (1) PAA commercial paper notes are backstopped by the PAA senior unsecured revolving credit facility and the PAA senior secured hedged inventory facility, which mature in August 2019 and August 2017, respectively; as such, any borrowings under the PAA commercial paper program effectively reduce the available capacity under these facilities. At September 30, 2014, we classified the borrowings under the commercial paper program as short-term as these borrowings were primarily designated as working capital borrowings, must be repaid within one year and were primarily for hedged NGL and crude oil inventory and NYMEX and ICE margin deposits.

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- (2) On each of a historical, as adjusted and as further adjusted basis as of September 30, 2014, our Canadian subsidiary, Plains Midstream Canada ULC, was the obligor on approximately \$266 million of outstanding commercial paper notes. As of December 1, 2014, we had approximately \$1.8 billion of borrowings outstanding under our commercial paper program of which \$1.088 billion is reflected in the as adjusted column as long-term debt related to the BridgeTex acquisition. We did not have any borrowings outstanding under our senior secured hedged inventory facility or our senior unsecured revolving credit facility as of December 1, 2014.

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DESCRIPTION OF NOTES

We will issue the Notes under an indenture (the **Base Indenture**) dated as of September 25, 2002, among us, the subsidiary guarantors and U.S. Bank National Association, as successor trustee, and a supplemental indenture to the Base Indenture with respect to each series of Notes to be dated as of December 9, 2014 (each such supplemental indenture, together with the Base Indenture, the **Indenture**). Each series of Notes will constitute a new series of debt securities under the Indenture, and multiple other series are now outstanding under the Base Indenture, each issued under a separate supplemental indenture.

As used in this description, the terms **we**, **us** and **our** refer to Plains All American Pipeline, L.P. and PAA Finance Corp. as co-issuers of the Notes and not to any of their subsidiaries or affiliates, and references to **Plains All American Pipeline** are to Plains All American Pipeline, L.P. Other capitalized terms that are used in this section of the prospectus supplement have the meanings assigned to them in the Indenture, and we have included some of those definitions at the end of this section. See **Definitions**. Also, in this section, the term **holders** means The Depository Trust Company or its nominee and not the persons who own beneficial interests in the Notes through participants in The Depository Trust Company. Please review the special considerations that apply to beneficial owners under **Book Entry, Delivery and Form**.

The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended. We urge you to read the Indenture because it, and not this description, defines your rights as a holder of Notes. You may request copies of the Base Indenture and the supplemental indentures creating each series of Notes from us as set forth under **Where You Can Find More Information**.

This description is intended to be an overview of the material provisions of the Notes and is intended to supplement and, to the extent of any inconsistency, replace the description of the general terms and provisions of the debt securities set forth in the accompanying base prospectus, to which we refer you. Since this description is only a summary, you should refer to the Indenture for a complete description of our obligations and your rights.

General Description of Each Series of Notes

The Notes of each series will be:

our senior unsecured indebtedness ranking equally in right of payment with all of our existing and future unsubordinated indebtedness;

a new series of debt securities issued under the Indenture;

non-recourse to our general partner;

senior in right of payment to any of our future subordinated indebtedness;

effectively junior to any of our existing and future secured indebtedness, to the extent of the security for that debt; and

effectively junior to existing and future indebtedness and other obligations of our subsidiaries, including trade payables, other than subsidiaries that may guarantee the Notes in the future.

As of September 30, 2014, on an as further adjusted basis as described under Capitalization, the Notes would have been effectively subordinated to no short-term secured indebtedness and structurally subordinated to all of our subsidiaries outstanding indebtedness, which totaled approximately \$266 million at that date. See Risk Factors Risks Related to the Notes Your right to receive payments on the Notes is unsecured and will be effectively subordinated to our existing and future secured indebtedness and will be structurally subordinated as to any existing and future indebtedness and other obligations of our subsidiaries, other than subsidiaries that may guarantee the Notes in the future.

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The Indenture will not limit the aggregate principal amount of debt securities that may be issued thereunder and provides that debt securities may be issued thereunder from time to time in one or more series. Except to the extent described under Covenants, the Indenture does not limit our ability or the ability of our subsidiaries to incur either secured or unsecured additional indebtedness.

Further Issuances

We may, from time to time, without notice to or the consent of the holders of the Notes of either series, create and issue additional Notes of the same series ranking equally and ratably with the Notes of that same series in all respects, so that such additional Notes will be consolidated and form a single series with such Notes and will have the same terms as to status, redemption or otherwise as such Notes (except for the issue date, the initial interest payment date, if applicable, and the payment of interest accruing prior to the issue date of such additional Notes).

Principal, Maturity and Interest

We will issue the Notes in an initial aggregate principal amount of \$1,150 million, consisting of \$500 million aggregate principal amount of 2019 Notes and \$650 million aggregate principal amount of 2045 Notes. The 2019 Notes and the 2045 Notes will mature on December 15, 2019 and February 15, 2045, respectively. The 2019 Notes will bear interest at an annual rate of 2.60%, and the 2045 Notes will bear interest at the annual rate of 4.90%. Interest on the Notes will accrue from December 9, 2014, will be payable on the 2019 Notes semi-annually in arrears on June 15 and December 15 of each year, beginning on June 15, 2015, and will be payable on the 2045 Notes semi-annually in arrears on February 15 and August 15 of each year, beginning on August 15, 2015. We will make each interest payment to the holders of record of the 2019 Notes at the close of business on June 1 and December 1 preceding the interest payment dates for the 2019 Notes, and we will make each interest payment to the holders of record of the 2045 Notes at the close of business on February 1 and August 1 preceding the interest payment dates for the 2045 Notes. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. We will issue the Notes in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

If any interest payment date, redemption date or maturity date of the Notes is not a business day, then the related payment of interest or principal payable, as applicable, on such date will be paid on the next succeeding business day with the same force and effect as if made on such interest payment date, redemption date or maturity date and no further interest will accrue as a result of such delay.

No Liability of General Partner

Plains All American Pipeline's general partner and its directors, officers, employees and member (in their capacities as such) will not have any liability for our obligations under the Notes. In addition, the Managing General Partner, and its directors, officers, employees and members, will not have any liability for our obligations under the Notes. By accepting the Notes, each holder waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes. This waiver may not be effective, however, to waive liabilities under the federal securities laws, and it is the view of the SEC that such a waiver is against public policy.

Possible Future Guarantees

Initially, the Notes will not be guaranteed by any of our Subsidiaries. If at any time after the issuance of the Notes, including following any release of a future subsidiary guarantor from its guarantee under the Indenture, a Subsidiary of Plains All American Pipeline (including any future Subsidiary) guarantees any of our debt, we will cause such Subsidiary to guarantee the Notes in accordance with the Indenture by simultaneously executing and delivering a

supplemental indenture.

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Provided that no default shall have occurred and shall be continuing under the Indenture, a future subsidiary guarantor will be unconditionally released and discharged from its guarantee:

upon any sale or other disposition of all or substantially all of the assets of that subsidiary guarantor, including by way of merger, consolidation or otherwise, to any person that is not our affiliate (provided such sale or other disposition is not prohibited by the Indenture);

upon any sale or other disposition of all of our direct or indirect equity interests in that subsidiary guarantor to any person that is not our affiliate; or

following delivery of a written notice of the release from the guarantee by us to the trustee, upon the release of all guarantees by the subsidiary guarantor of any debt of ours (other than debt securities issued under the Indenture).

Optional Redemption

The Notes will be redeemable, in whole or in part, at our option at any time and from time to time prior to maturity. If we redeem the 2019 Notes before November 15, 2019 (one month prior to their maturity date) or the 2045 Notes before August 15, 2044 (six months prior to their maturity date), such Notes may be redeemed at a redemption price equal to the greater of (i) 100% of the principal amount of the Notes to be redeemed and (ii) as determined by the Quotation Agent, the sum of the present values of the remaining scheduled payments of principal of and interest on the Notes to be redeemed (not including any portion of those payments of interest accrued to the date of redemption), discounted to the date of redemption on a semiannual basis (assuming 360-day years, each consisting of twelve 30-day months) at the Adjusted Treasury Rate (as defined herein) plus 20 basis points for the 2019 Notes and 30 basis points for the 2045 Notes, together with accrued and unpaid interest to the date of redemption.

If we redeem the 2019 Notes on or after November 15, 2019 (one month prior to their maturity date) or the 2045 Notes on or after August 15, 2044 (six months prior to their maturity date), the redemption price will equal 100% of the principal amount of the Notes to be redeemed plus accrued and unpaid interest to the redemption date.

Adjusted Treasury Rate means, with respect to any date of redemption, the rate per annum equal to the semi-annual equivalent yield to maturity of the applicable Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the date of redemption.

Comparable Treasury Issue means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

Comparable Treasury Price means, with respect to any date of redemption (a) the average of the Reference Treasury Dealer Quotations for the date of redemption, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (b) if the trustee obtains fewer than five Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations.

Quotation Agent means a Primary Treasury Dealer (as defined below) appointed by us.

Reference Treasury Dealer means, Barclays Capital Inc., a primary U.S. Government securities dealer in the United States (a Primary Treasury Dealer) selected by SunTrust Robinson Humphrey, Inc. and a Primary Treasury Dealer selected by Wells Fargo Securities, LLC, or their respective successors; provided, however, if any of the foregoing ceases to be a Primary Treasury Dealer, we shall substitute another Primary Treasury Dealer.

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Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any date of redemption, the average, as determined by the trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by that Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding that date of redemption.

Unless we default in payment of the redemption price, on and after the date of redemption, interest will cease to accrue on the Notes or portions thereof called for redemption.

On or before a redemption date, we will deposit with a paying agent (or with the trustee) sufficient money to pay the redemption price and accrued interest on the Notes to be redeemed.

If less than all of the Notes of either series are to be redeemed at any time, the trustee will select Notes (or any portion of Notes in integral multiples of \$1,000) for redemption as follows:

if the Notes are listed, in compliance with the requirements of the principal national securities exchange on which such Notes are listed; or

if the Notes are not so listed or there are no such requirements, on a pro rata basis, by lot or by such method as the trustee shall deem fair and appropriate.

However, no Note with a principal amount of \$2,000 or less will be redeemed in part. Notice of any such optional redemption will be mailed by first class mail at least 30 days but not more than 60 days before the redemption date to each holder of Notes to be redeemed at its registered address. If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note to be redeemed.

Events of Default

Each of the following is an Event of Default with respect to the Notes of either series:

default in payment when due of the principal of or any premium on any Note of that series at maturity, upon redemption or otherwise;

default for 60 days in the payment when due of interest on any Note of that series;

failure by us or, if and so long as the Notes of that series are guaranteed by a subsidiary guarantor, by such subsidiary guarantor, for 90 days after receipt of notice from the trustee or the holders to comply with any other term, covenant or warranty in the Indenture or the Notes (provided that notice need not be given, and an Event of Default will occur, 90 days after any breach of the covenants described under Consolidation, Merger or Sale);

default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any debt for money borrowed of us or any of the Subsidiaries of Plains All American Pipeline (or the payment of which is guaranteed by Plains All American Pipeline or any of its Subsidiaries), whether such debt or guarantee now exists or is created after the Issue Date, if (a) that default (x) is caused by a failure to pay principal of or premium, if any, or interest on such debt prior to the expiration of any grace period provided in such debt (a Payment Default), or (y) results in the acceleration of the maturity of such debt to a date prior to its originally stated maturity, and, (b) in each case described in clause (x) or (y) above, the principal amount of any such debt, together with the principal amount of any other such debt under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates \$25 million or more; provided that if any such default is cured or waived or any such acceleration rescinded, or such debt is repaid, within a period of 30 days from the continuation of such default beyond the applicable grace period or the occurrence of such acceleration, as the case may be, such Event of Default and any consequential acceleration of the Notes shall be automatically rescinded, so long as such rescission does not conflict with any judgment or decree;

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specified events in bankruptcy, insolvency or reorganization of us or, if and so long as the Notes of that series are guaranteed by a subsidiary guarantor, by such subsidiary guarantor; or

if and so long as the Notes of that series are guaranteed by a subsidiary guarantor:

the guarantee by such subsidiary guarantor ceases to be in full force and effect, except as otherwise provided in the Indenture;

the guarantee by such subsidiary guarantor is declared null and void in a judicial proceeding; or

such subsidiary guarantor denies or disaffirms its obligations under the Indenture or its guarantee. An Event of Default regarding the Notes of either series will not necessarily constitute an Event of Default for the Notes of the other series or for any other series of debt securities that may be issued under the Base Indenture. In the case of an Event of Default arising from certain events of bankruptcy, insolvency or reorganization involving us, but not any subsidiary guarantor, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing with respect to the Notes of either series, the trustee or the holders of at least 25% in principal amount of the then outstanding Notes of that series may declare all the Notes of such series to be due and payable immediately.

Within five days after any of our officers becomes aware of the occurrence of any Default (meaning an event that is, or after the giving of notice or passage of time or both would be, an Event of Default) or Event of Default, we are required to give an officers' certificate to the trustee specifying the Default or Event of Default and what action we are taking or propose to take to cure it. In addition, we and the subsidiary guarantors, if any, are required to deliver to the trustee, within 90 days after the end of each fiscal year, an officers' certificate indicating that we have complied with all covenants contained in the Indenture or whether any Default or Event of Default has occurred during the previous year.

If a Default with respect to the Notes of either series occurs and is continuing and is known to the trustee, the trustee must mail to each holder of such series of Notes a notice of the Default within 90 days after the Default occurs. Except in the case of a Default in the payment of principal, premium, if any, or interest with respect to the Notes of either series, the trustee may withhold such notice, but only if and so long as a committee of responsible officers of the trustee in good faith determines that withholding such notice is in the interests of such holders.

Consolidation, Merger or Sale

We will not merge, amalgamate or consolidate with or into any other Person or sell, convey, lease, transfer or otherwise dispose of all or substantially all of our assets to any Person, whether in a single transaction or series of related transactions, except in accordance with the provisions of the partnership agreement of Plains All American Pipeline, and unless:

we are the surviving Person in the case of a merger, or the surviving Person:

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is a partnership, limited liability company or corporation organized under the laws of the United States, a state thereof or the District of Columbia, provided that PAA Finance Corp. may not merge, amalgamate or consolidate with or into another Person other than a corporation satisfying such requirement for so long as Plains All American Pipeline is not a corporation; and

expressly assumes, by supplemental indenture in form reasonably satisfactory to the trustee, the due and punctual payment of the principal of, premium, if any, and interest on all of the Notes, and the due and punctual performance or observance of all the other obligations under the Indenture to be performed or observed by us;

immediately after giving effect to the transaction or series of transactions, no Default or Event of Default has occurred and is continuing;

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if we are not the surviving Person, then any subsidiary guarantor, unless such subsidiary guarantor is the Person with which we have consummated a transaction under this provision, shall have confirmed that its guarantee of the Notes shall continue to apply to the obligations under the Notes and the Indenture; and

we have delivered to the trustee an officers' certificate and opinion of counsel, each stating that the merger, amalgamation, consolidation, sale, conveyance, transfer, lease or other disposition, and if a supplemental indenture is required, the supplemental indenture, comply with the Indenture and all other conditions precedent to the transaction have been complied with.

Thereafter, the surviving Person will be substituted for us under the Indenture. If we sell or otherwise dispose of (except by lease) all or substantially all of our assets and the above stated requirements are satisfied, we will be released from all our liabilities and obligations under the Indenture. If we lease all or substantially all of our assets, we will not be so released from our obligations under the Indenture.

Modification of the Indenture

Generally, we, any subsidiary guarantors and the trustee may amend or supplement the Indenture, any guarantees and the Notes with respect to each series of Notes with the consent of the holders of at least a majority in principal amount of the then outstanding Notes of the applicable series. However, without the consent of each holder affected, an amendment, supplement or waiver may not (with respect to any Notes held by a nonconsenting holder):

reduce the principal amount of Notes whose holders must consent to an amendment, supplement or waiver;

reduce the principal of or change the fixed maturity of any Note;

reduce or waive the premium payable upon redemption or alter or waive the other provisions with respect to the redemption of any Notes;

reduce the rate of or change the time for payment of interest on any Note;

waive a Default or an Event of Default in the payment of principal of or premium, if any, or interest on, any Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount and a waiver of the payment default that resulted from such acceleration);

release any security that may have been granted with respect to the Notes;

make any note payable in currency other than that stated in the Notes;

make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of holders of Notes to receive payments of principal of or premium, if any, or interest on the Notes;

waive a redemption payment with respect to any Note;

except as otherwise permitted in the Indenture, release any subsidiary guarantor from its obligations under its guarantee or the Indenture or change any guarantee in any manner that would adversely affect the rights of holders; or

make any change in the preceding amendment, supplement and waiver provisions (except to increase any percentage set forth therein).

Notwithstanding the preceding paragraph, without the consent of any holder of Notes, we, any subsidiary guarantors and the trustee may amend or supplement the Indenture or the Notes with respect to each series of Notes:

to cure any ambiguity, defect or inconsistency;

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to provide for uncertificated Notes in addition to or in place of certificated Notes;

to provide for the assumption of our or the confirmation of any subsidiary guarantor's obligations to holders of Notes in the case of a merger or consolidation or sale of all or substantially all of our assets;

to add or release any subsidiary guarantors as permitted pursuant to the terms of the Indenture (see Possible Future Guarantees);

to make any changes that would provide any additional rights or benefits to the holders of Notes that do not, taken as a whole, adversely affect the rights under the Indenture of any holder of the Notes;

to comply with requirements of the SEC in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act;

to evidence or provide for the acceptance of appointment under the Indenture of a successor trustee;

to add any additional Events of Default;

to secure the Notes and/or any guarantees; or

to establish the form or terms of any other series of debt securities under the Base Indenture.

Covenants

Limitations on Liens

We will not, nor will we permit any Subsidiary to, create, assume, incur or suffer to exist any lien upon any Principal Property or upon any Capital Interests of any Restricted Subsidiary, whether owned or leased or hereafter acquired, to secure any of our debt or any debt of any other Person (other than debt securities issued under the Indenture), without in any such case making effective provision whereby all of the Notes shall be secured equally and ratably with, or prior to, such debt so long as such debt shall be so secured. The following are excluded from this restriction:

Permitted Liens;

any lien upon any property or assets created at the time of acquisition of such property or assets by us or any Restricted Subsidiary or within one year after such time to secure all or a portion of the purchase price for such property or assets or debt incurred to finance such purchase price, whether such debt was incurred prior to, at the time of or within one year after the date of such acquisition;

any lien upon any property or assets to secure all or part of the cost of construction, development, repair or improvements thereon or to secure debt incurred prior to, at the time of, or within one year after completion of such construction, development, repair or improvements or the commencement of full operations thereof (whichever is later), to provide funds for any such purpose;

any lien upon any property or assets existing thereon at the time of the acquisition thereof by us or any Restricted Subsidiary (whether or not the obligations secured thereby are assumed by us or any Restricted Subsidiary); provided, however, that such lien only encumbers the property or assets so acquired;

any lien upon any property or assets of a Person existing thereon at the time such Person becomes a Restricted Subsidiary by acquisition, merger or otherwise; provided, however, that such lien only encumbers the property or assets of such Person at the time such Person becomes a Restricted Subsidiary;

any lien upon any of our property or assets or the property or assets of any Restricted Subsidiary in existence on December 10, 2003 or provided for pursuant to agreements existing on December 10, 2003;

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liens imposed by law or order as a result of any proceeding before any court or regulatory body that is being contested in good faith, and liens which secure a judgment or other court ordered award or settlement as to which we or the applicable Restricted Subsidiary has not exhausted its appellate rights;

any extension, renewal, refinancing, refunding or replacement, or successive extensions, renewals, refinancings, refundings or replacements of liens, in whole or in part, referred to above; provided, however, that any such extension, renewal, refinancing, refunding or replacement lien shall be limited to the property or assets covered by the lien extended, renewed, refinanced, refunded or replaced and that the obligations secured by any such extension, renewal, refinancing, refunding or replacement lien shall be in an amount not greater than the amount of the obligations secured by the lien extended, renewed, refinanced, refunded or replaced and any of our expenses and the expenses of the Restricted Subsidiaries (including any premium) incurred in connection with such extension, renewal, refinancing, refunding or replacement; or

any lien resulting from the deposit of moneys or evidence of indebtedness in trust for the purpose of defeasing our debt or debt of any Restricted Subsidiary.

Notwithstanding the preceding, we may, and may permit any Restricted Subsidiary to, create, assume, incur, or suffer to exist any lien upon any Principal Property or Capital Interests of a Restricted Subsidiary to secure our debt or debt of any Person (other than debt securities issued under the Indenture), that is not excepted above without securing the Notes, provided that the aggregate principal amount of all debt then outstanding secured by such lien and all other liens not excepted above, together with all Attributable Indebtedness from Sale-leaseback Transactions, excluding Sale-leaseback Transactions permitted in the first paragraph under Limitations on Sale-leasebacks, does not exceed 10% of Consolidated Net Tangible Assets.

Limitations on Sale-Leasebacks

We will not, and will not permit any Subsidiary to, engage in a Sale-leaseback Transaction, unless:

such Sale-leaseback Transaction occurs within one year from the date of completion of the acquisition of the Principal Property subject thereto or the date of the completion of construction, development or substantial repair or improvement, or commencement of full operations on such Principal Property, whichever is later;

the Sale-leaseback Transaction involves a lease for a period, including renewals, of not more than three years;

the Attributable Indebtedness from that Sale-leaseback Transaction is an amount equal to or less than the amount that we or such Subsidiary would be allowed to incur as debt secured by a lien on the Principal Property subject thereto without equally and ratably securing the Notes; or

we or such Subsidiary, within a one-year period after such Sale-leaseback Transaction, applies or causes to be applied an amount not less than the net sale proceeds from such Sale-leaseback Transaction to (A) the prepayment, repayment, redemption, reduction or retirement of any Pari Passu Debt of us or any Subsidiary,

or (B) the expenditure or expenditures for Principal Property used or to be used in the ordinary course of the business of Plains All American Pipeline or that of its Subsidiaries.

Notwithstanding the preceding, we may, and may permit any Subsidiary of Plains All American Pipeline to, effect any Sale-leaseback Transaction that is not excepted above, provided that the Attributable Indebtedness from such Sale-leaseback Transaction, together with the aggregate principal amount of then outstanding debt (other than debt securities issued under the Indenture) secured by liens upon Principal Properties not excepted in the first paragraph under Limitations on Liens, do not exceed 10% of Consolidated Net Tangible Assets.

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SEC Reports

Regardless of whether Plains All American Pipeline is required to remain subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, it will electronically file with the SEC, so long as the Notes are outstanding, the annual, quarterly and other periodic reports that it is required to file (or would otherwise be required to file) with the SEC pursuant to Sections 13 and 15(d) of the Exchange Act, and such documents will be filed with the SEC on or prior to the respective dates (the Required Filing Dates) by which it is required to file (or would otherwise be required to file) such documents, unless, in each case, such filings are not then permitted by the SEC.

If such filings are not then permitted by the SEC, or such filings are not generally available on the Internet free of charge, we will provide the trustee with, and the trustee will mail to any holder of Notes requesting in writing to the trustee copies of, such annual, quarterly and other periodic reports specified in Sections 13 and 15(d) of the Exchange Act within 15 days after its Required Filing Date.

Defeasance and Discharge

At any time we may terminate all our obligations under the Indenture as they relate to either series of the Notes (legal defeasance), except for certain obligations, including those respecting the defeasance trust and timely payments therefrom and obligations to register the transfer of or exchange the Notes of that series, to replace mutilated, destroyed, lost or stolen Notes and to maintain a registrar and paying agent for such Notes.

Also, at any time we may terminate our obligations under covenants described in the first paragraph of Possible Future Guarantees, under Covenants and under SEC Reports with respect to the Notes of the defeased series (covenant defeasance), and thereafter our failure to comply with any of such covenants would not constitute an Event of Default with respect to that series.

We may exercise our legal defeasance option notwithstanding our prior exercise of our covenant defeasance option. If we exercise our legal defeasance option, any guarantee obligation will be deemed to have been discharged with respect to the Notes of the defeased series.

In order to exercise either defeasance option, we must irrevocably deposit in trust (the defeasance trust) with the trustee money, U.S. Government Obligations (as defined in the Indenture) or a combination thereof for the payment of principal, premium, if any, and interest on the Notes of the defeased series to redemption or stated maturity, as the case may be, and must comply with certain other conditions, including delivery to the trustee of an opinion of counsel to the effect that holders of such Notes will not recognize income, gain or loss for federal income tax purposes as a result of such defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred. In the case of legal defeasance only, such opinion of counsel must be based on a ruling of the Internal Revenue Service or other change in applicable federal income tax law.

In the event of any legal defeasance, holders of the Notes of the defeased series would be entitled to look only to the trust for payment of principal of and any premium and interest on their Notes until maturity.

Although the amount of money and U.S. Government Obligations on deposit with the trustee would be intended to be sufficient to pay amounts due on the defeased Notes at the time of their stated maturity, if we exercise our covenant defeasance option for the Notes of either series and the Notes of that series are declared due and payable because of the occurrence of an Event of Default, such amount may not be sufficient to pay amounts due on such Notes at the time of the acceleration resulting from such Event of Default. We would remain liable for such payments, however.

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In addition, we may satisfy and discharge all our obligations under the Indenture with respect to either series of the Notes, other than certain obligations to the trustee and our obligation to register the transfer of or exchange the Notes, provided that we either:

deliver all outstanding Notes of the applicable series to the trustee for cancellation; or

all Notes of the applicable series not so delivered for cancellation have either become due and payable or will become due and payable at their stated maturity within one year or are to be called for redemption within one year, and in the case of this bullet point we have irrevocably deposited with the trustee in trust an amount of cash or U.S. Government Obligations or a combination thereof sufficient to pay the entire indebtedness of the Notes of the applicable series, including interest and premium, if any, to the stated maturity or applicable redemption date;

and comply with the other requirements of the Indenture in relation to satisfaction and discharge.

Definitions

Attributable Indebtedness, when used with respect to any Sale-leaseback Transaction, means, as at the time of determination, the present value, discounted at the rate set forth or implicit in the terms of the lease included in such transaction, of the total obligations of the lessee for rental payments, other than amounts required to be paid on account of property taxes, maintenance, repairs, insurance, assessments, utilities, operating and labor costs and other items that do not constitute payments for property rights during the remaining term of the lease included in such Sale-leaseback Transaction including any period for which such lease has been extended. In the case of any lease that is terminable by the lessee upon the payment of a penalty or other termination payment, such amount shall be the lesser of the amount determined assuming termination upon the first date such lease may be terminated, in which case the amount shall also include the amount of the penalty or termination payment, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated, or the amount determined assuming no such termination.

Board of Directors means (a) with respect to Plains All American Pipeline, the board of directors of the Managing General Partner, and (b) with respect to PAA Finance Corp., its board of directors or, in each case, with respect to any determination or resolution permitted to be made under the Indenture, any authorized committee or subcommittee of such board.

Capital Interests means any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock, including, without limitation, with respect to partnerships, partnership interests (whether general or limited) and any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, such Person.

Consolidated Net Tangible Assets means, at any date of determination, the total amount of assets after deducting therefrom:

(1) all current liabilities excluding:

(a) any current liabilities that by their terms are extendible or renewable at the option of the obligor thereon to a time more than 12 months after the time as of which the amount thereof is being computed; and

(b) current maturities of long-term debt; and

(2) the amount, net of any applicable reserves, of all goodwill, trade names, trademarks, patents and other like intangible assets,

all as set forth on the consolidated balance sheet of Plains All American Pipeline for its most recently completed fiscal quarter, prepared in accordance with generally accepted accounting principles.

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Exchange Act means the Securities Exchange Act of 1934, as amended.

Funded Debt means all debt maturing one year or more from the date of the creation thereof, all debt directly or indirectly renewable or extendible, at the option of the debtor, by its terms or by the terms of any instrument or agreement relating thereto, to a date one year or more from the date of the creation thereof, and all debt under a revolving credit or similar agreement obligating the lender or lenders to extend credit over a period of one year or more.

Issue Date means the date on which the Notes are initially issued.

Managing General Partner means (i) Plains All American GP LLC, a Delaware limited liability company (and its successors and permitted assigns), as general partner of Plains AAP, L.P., a Delaware limited partnership (and its successors and permitted assigns), as sole member of PAA GP LLC (and its successors and permitted assigns), as general partner of Plains All American Pipeline or (ii) the business entity with the ultimate authority to manage the business and operations of Plains All American Pipeline.

Pari Passu Debt means any of our Funded Debt, whether outstanding on the Issue Date or thereafter created, incurred or assumed, unless, in the case of any particular Funded Debt, the instrument creating or evidencing the same or pursuant to which the same is outstanding expressly provides that such Funded Debt shall be subordinated in right of payment to the Notes.

Permitted Liens means:

- (1) Liens upon rights-of-way for pipeline purposes;
- (2) any statutory or governmental lien or lien arising by operation of law, or any mechanics , repairmen s, materialmen s, suppliers , carriers , landlords , warehousemen s or similar lien incurred in the ordinary course of business which is not yet due or which is being contested in good faith by appropriate proceedings and any undetermined lien which is incidental to construction, development, improvement or repair;
- (3) the right reserved to, or vested in, any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or by any provision of law, to purchase or recapture or to designate a purchaser of any property;
- (4) liens of taxes and assessments which are: (a) for the then current year, (b) not at the time delinquent, or (c) delinquent but the validity of which is being contested at the time by us or any Restricted Subsidiary in good faith;
- (5) liens of, or to secure performance of, leases, other than capital leases;
- (6) any lien upon, or deposits of, any assets in favor of any surety company or clerk of court for the purpose of obtaining indemnity or stay of judicial proceedings;
- (7) any lien upon property or assets acquired or sold by us or any Restricted Subsidiary resulting from the exercise of any rights arising out of defaults on receivables;
- (8) any lien incurred in the ordinary course of business in connection with worker s compensation, unemployment insurance, temporary disability, social security, retiree health or similar laws or regulations or to secure obligations imposed by statute or governmental regulations;

(9) any lien in favor of us or any Restricted Subsidiary;

(10) any lien in favor of the United States of America or any state thereof, or any department, agency or instrumentality or political subdivision of the United States of America or any state thereof, to secure partial, progress, advance, or other payments pursuant to any contract or statute, or any debt incurred by us or any Restricted Subsidiary for the purpose of financing all or any part of the purchase price of, or the cost of constructing, developing, repairing or improving, the property or assets subject to such lien;

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- (11) any lien securing industrial development, pollution control or similar revenue bonds;
- (12) any lien securing our debt or debt of any Restricted Subsidiary, all or a portion of the net proceeds of which are used, substantially concurrently with the funding thereof (and for purposes of determining such substantial concurrence, taking into consideration, among other things, required notices to be given to holders of outstanding debt securities under the Indenture (including the Notes) in connection with such refunding, refinancing or repurchase, and the required corresponding durations thereof), to refinance, refund or repurchase all outstanding debt securities under the Indenture (including the Notes), including the amount of all accrued interest thereon and reasonable fees and expenses and premium, if any, incurred by us or any Restricted Subsidiary in connection therewith;
- (13) liens in favor of any Person to secure obligations under the provisions of any letters of credit, bank guarantees, bonds or surety obligations required or requested by any governmental authority in connection with any contract or statute;
- (14) any lien upon or deposits of any assets to secure performance of bids, trade contracts, leases or statutory obligations;
- (15) any lien or privilege vested in any grantor, lessor or licensor or permittor for rent or other charges due or for any other obligations or acts to be performed, the payment of which rent or other charges or performance of which other obligations or acts is required under leases, easements, rights-of-way, licenses, franchises, privileges, grants or permits, so long as payment of such rent or the performance of such other obligations or acts is not delinquent or the requirement for such payment or performance is being contested in good faith by appropriate proceedings;
- (16) easements, exceptions or reservations in any property of Plains All American Pipeline or any property of any of its Restricted Subsidiaries granted or reserved for the purpose of pipelines, roads, the removal of oil, gas, coal or other minerals, and other like purposes for the joint or common use of real property, facilities and equipment, which are incidental to, and do not materially interfere with, the ordinary conduct of its business or the business of Plains All American Pipeline and its Subsidiaries, taken as a whole;
- (17) liens arising under operating agreements, joint venture agreements, partnership agreements, oil and gas leases, farmout agreements, division orders, contracts for sale, transportation or exchange of oil and natural gas, unitization and pooling declarations and agreements, area of mutual interest agreements and other agreements arising in the ordinary course of Plains All American Pipeline's or any Restricted Subsidiary's business that are customary in the business of marketing, transportation and terminalling of crude oil and/or marketing of liquefied petroleum gas; or
- (18) any obligations or duties to any municipality or public authority with respect to any lease, easement, right-of-way, license, franchise, privilege, permit or grant.

Person means any individual, corporation, partnership, joint venture, limited liability company, association, joint stock company, trust, other entity, unincorporated organization or government or any agency or political subdivision thereof.

Principal Property means, whether owned or leased on the Issue Date or thereafter acquired:

- (1) any of the pipeline assets of Plains All American Pipeline or the pipeline assets of any Subsidiary of Plains All American Pipeline, including any related facilities employed in the transportation, distribution, terminalling, gathering, treating, processing, marketing or storage of crude oil or refined petroleum products, natural gas, natural gas liquids, fuel additives or petrochemicals; and

(2) any processing or manufacturing plant or terminal owned or leased by Plains All American Pipeline or any Subsidiary of Plains All American Pipeline; except, in either case above: (a) any such assets consisting of inventories, furniture, office fixtures and equipment, including data processing equipment, vehicles and equipment used on, or useful with, vehicles, and (b) any such assets, plant or terminal which, in

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the good faith opinion of the Board of Directors, is not material in relation to the activities of Plains All American Pipeline or the activities of Plains All American Pipeline and its Subsidiaries, taken as a whole.

Restricted Subsidiary means any Subsidiary of Plains All American Pipeline owning or leasing, directly or indirectly through ownership in another Subsidiary, any Principal Property.

Sale-leaseback Transaction means the sale or transfer by us or any Subsidiary of Plains All American Pipeline of any Principal Property to a Person (other than us or a Subsidiary of Plains All American Pipeline) and the taking back by us or any Subsidiary of Plains All American Pipeline, as the case may be, of a lease of such Principal Property.

Securities Act means the Securities Act of 1933, as amended.

Subsidiary means, with respect to any Person:

(1) any other Person of which more than 50% of the total voting power of shares or other Capital Interests entitled, without regard to the occurrence of any contingency, to vote in the election of directors, managers or trustees (or equivalent persons) thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof; or

(2) in the case of a partnership, more than 50% of the partners' Capital Interests, considering all partners' Capital Interests as a single class, is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof.

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BOOK ENTRY, DELIVERY AND FORM

We will issue the Notes of each series in the form of one or more fully registered global notes, without coupons, each of which we refer to as a Global Note. Each such Global Note will be registered in the name of a depository or a nominee of a depository and held through one or more international and domestic clearing systems, principally the book-entry systems operated by The Depository Trust Company, or DTC, in the United States and by Euroclear Bank S.A./N.V., or the Euroclear Operator, as an operator of the Euroclear System, or Euroclear, and Clearstream Banking, société anonyme, or Clearstream, in Europe. Unless and until definitive notes are issued, all references to actions by holders of Notes issued in global form refer to actions taken by DTC, Euroclear or Clearstream, as the case may be, upon instructions from their respective participants, and all references to payments and notices to the holders refer to payments and notices to DTC, its nominee, Euroclear or Clearstream, as the case may be, as the registered holder of the Notes. Electronic notes and payment transfer, processing, depository and custodial links have been established among these systems and others, either directly or indirectly, which enable Global Notes to be issued, held and transferred among these clearing systems through these links.

Although DTC, Euroclear and Clearstream have agreed to the procedures described below in order to facilitate transfers of Global Notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform these procedures, and these procedures may be modified or discontinued at any time. Neither we nor the Trustee or any registrar and transfer agent with respect to the Notes will have any responsibility for the performance by DTC, Euroclear, Clearstream or any of their respective direct or indirect participants of their respective obligations under the rules and procedures governing DTC's, Euroclear's or Clearstream's operations.

The Notes in the form of one or more Global Notes will be registered in the name of DTC or a nominee of DTC. Where appropriate, links will be established among DTC, Euroclear and Clearstream to facilitate the initial issuance of any Notes sold outside the United States and cross-market transfers of the Notes associated with secondary market trading. Although the following information concerning DTC, Euroclear and Clearstream and their respective book-entry systems has been obtained from sources that we believe to be reliable, we take no responsibility for the accuracy of that information.

Depository Procedures

DTC has advised us that DTC is a limited purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participating organizations (collectively, the Participants) and to facilitate the clearance and settlement of securities transactions in those securities between the Participants through electronic book-entry changes in accounts of the Participants thereby eliminating the need for physical movement of securities certificates. The Participants include securities brokers and dealers (including the underwriters), banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its Participants and by the New York Stock Exchange, Inc., the NYSE Alternext LLC and the Financial Regulatory Authority, Inc. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the Indirect Participants). Persons who are not Participants or Indirect Participants may beneficially own securities held by or on behalf of DTC only through the Participants or the Indirect Participants. The ownership interest and transfer of ownership interest of each actual purchaser of each security held by or on behalf of DTC is recorded on the records of the Participants and the Indirect Participants.

DTC has also advised us that pursuant to procedures established by it, (a) upon deposit of the Global Notes, DTC will credit the accounts of Participants designated by the underwriters with portions of the principal amount

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of the Global Notes and (b) ownership of such interests in the Global Notes will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interests in the Global Notes).

Investors in the Global Notes may hold their interests therein directly through DTC, if they are Participants in such system, or indirectly through organizations (including Euroclear and Clearstream) which are Participants in such system. Euroclear and Clearstream will hold any interests in the Global Notes on behalf of their participants through their respective depositories, which in turn will hold such interests on the books of DTC. All interests in a Global Note, including any held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Any interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such system.

The laws of some jurisdictions may require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such persons may be limited to that extent. Because DTC can act only on behalf of the Participants, which in turn act on behalf of the Indirect Participants and certain banks, the ability of a person having beneficial interests in a Global Note to pledge such interests to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests. For certain other restrictions on the transferability of the Notes, see Exchange of Book Entry Notes for Certificated Notes.

Except as described below, owners of interests in the Global Notes will not have Notes registered in their names, will not receive physical delivery of Notes in certificated form and will not be considered the registered owners or holders thereof under the Indenture for any purpose.

Payments in respect of the principal of (and premium, if any) and interest on a Global Note registered in the name of DTC or its nominee will be payable to DTC or its nominee in its capacity as the registered holder under the Indenture. Under the terms of the Indenture, we and the trustee will treat the persons in whose names the Notes, including the Global Notes, are registered as the owners thereof for the purpose of receiving such payments and for any and all other purposes whatsoever. Consequently, neither we nor the underwriters, the trustee nor any of our or their agents has or will have any responsibility or liability for (1) any aspect or accuracy of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership or (2) any other matter relating to the actions and practices of DTC or any of the Participants or the Indirect Participants.

DTC has advised us that its current practice, upon receipt of any payment in respect of securities such as the Notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date, in amounts proportionate to their respective interests in the principal amount of the relevant security as shown on the records of DTC. Payments by the Participants and the Indirect Participants to the beneficial owners of Notes will be governed by standing instructions and customary practices and will not be the responsibility of DTC, the trustee or us. Neither we nor the trustee will be liable for any delay by DTC or any of the Participants in identifying the beneficial owners of the Notes, and we and the trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee as the registered owner of the Global Notes for all purposes.

Except for trades involving only Euroclear and Clearstream participants, secondary market trading activity in interests in the Global Notes will settle in same-day funds, subject in all cases to the rules and procedures of DTC and the Participants. Transfers between accountholders in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Cross-market transfers between the accountholders in DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream accountholders, on the other hand, will be effected through DTC in accordance

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with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by its depository; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its depository to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream accountholders may not deliver instructions directly to the depositories for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream accountholder purchasing an interest in a Global Note from an accountholder in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear or Clearstream) immediately following the settlement date of DTC. Cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream accountholder to a Participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

DTC has advised us that it will take any action permitted to be taken by a holder of Notes only at the direction of one or more Participants to whose account with DTC interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of the Notes as to which such Participant or Participants has or have given such direction. However, if any of the events described under Exchange of Book Entry Notes for Certificated Notes occurs, DTC reserves the right to exchange the Global Notes for Notes in certificated form and to distribute such Notes to its Participants.

Neither we, the underwriters, the trustee nor any of our respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants, indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

Exchange of Book Entry Notes for Certificated Notes

A Global Note is exchangeable for definitive notes in registered certificated form if (1) DTC (a) notifies us that it is unwilling or unable to continue as depository for the Global Note or (b) has ceased to be a clearing agency registered under the Exchange Act, and (2) we fail to appoint a successor depository within 90 days. In all cases, certificated notes delivered in exchange for any Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of DTC (in accordance with its customary procedures).

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MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following discussion is a summary of the material U.S. federal income tax consequences that may be relevant to the purchase, ownership and disposition of the Notes. The discussion is based on the Internal Revenue Code of 1986, as amended (the Code), Treasury Regulations issued thereunder, and judicial decisions and administrative interpretations now in effect, all of which are subject to change, possibly on a retroactive basis, or are subject to different interpretations. There can be no assurance that the Internal Revenue Service (the IRS) will take a similar view of such consequences, and we have not obtained, nor do we intend to obtain, a ruling from the IRS with respect to the U.S. federal income tax consequences of the purchase, ownership or disposition of the Notes. This discussion is limited to initial beneficial owners who purchase Notes for cash at their issue price (the first price at which a substantial amount of the Notes is sold to investors, not including bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) and who hold the Notes as capital assets (generally property held for investment).

In this discussion, we do not purport to address all tax considerations that may be important to a particular holder in light of the holder's special circumstances, or to certain categories of holders that may be subject to special rules, such as:

dealers in securities or currencies;

traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;

banks, insurance companies, or other financial institutions;

former U.S. citizens or long-term residents of the United States;

tax-exempt organizations;

regulated investment companies;

real estate investment trusts;

holders subject to the alternative minimum tax;

persons holding Notes as part of a straddle transaction, hedging transaction, conversion transaction or other synthetic security or integrated transaction;

U.S. Holders (as defined below) whose functional currency is not the U.S. dollar;

persons deemed to sell the Notes under constructive sale provisions of the Code; and

partnerships and other pass-through entities and holders of interests therein.

In addition, the discussion does not consider the effect of U.S. federal estate tax laws or gift tax laws or of any applicable foreign, state, local or other tax laws or income tax treaties.

If an entity treated as a partnership for U.S. federal income tax purposes is a beneficial owner of Notes, the U.S. federal income tax treatment of a partner in the partnership will generally depend upon the status of the partner and upon the activities of the partnership. Partners in partnerships acquiring Notes are encouraged to consult their tax advisors about the U.S. federal income tax consequences of acquiring, owning and disposing of the Notes.

PROSPECTIVE INVESTORS ARE ENCOURAGED TO CONSULT THEIR OWN TAX ADVISORS WITH REGARD TO THE APPLICATION OF THE TAX CONSEQUENCES DISCUSSED BELOW TO THEIR PARTICULAR SITUATIONS, AS WELL AS THE APPLICATION OF U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR OF ANY STATE, LOCAL, FOREIGN OR OTHER TAX LAWS OR INCOME TAX TREATIES.

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Certain Additional Payments

In certain circumstances (see Description of Notes Optional Redemption), we may pay amounts in excess of the stated interest and principal on the Notes. We intend to take the position that the possibility that such additional amounts will be paid does not cause the Notes to be treated as contingent payment debt instruments. It is possible that the IRS might take a different position, in which case, the timing, character and amount of taxable income in respect of the Notes may be different from that described herein. The remainder of this discussion assumes that the Notes are not contingent payment debt instruments. Prospective investors should consult their own tax advisors regarding the possible application of the contingent payment debt instrument rules to the Notes.

U.S. Federal Income Taxation of U.S. Holders

As used herein, a U.S. Holder means a beneficial owner of a Note that is:

an individual who is a citizen or resident alien of the United States;

a corporation or other entity taxable as a corporation for U.S. federal income tax purposes created or organized in or under the laws of the United States or any political subdivision thereof;

an estate the income of which is subject to U.S. federal income tax regardless of its source; or

a trust, if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust, or (ii) the trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a United States person.

Interest on the Notes

Interest on a Note generally will be taxable to a U.S. Holder as ordinary income at the time it accrues or is received in accordance with the U.S. Holder's regular method of accounting for U.S. federal income tax purposes.

Disposition of Notes

Upon the sale, exchange, retirement, redemption or other taxable disposition of a Note, a U.S. Holder will generally recognize capital gain or loss equal to the difference, if any, between proceeds received on the disposition (excluding any proceeds attributable to accrued but unpaid interest which is taxable as ordinary interest income to the extent not previously included in income) and such holder's adjusted tax basis in the Note. The amount realized by a U.S. Holder will include the amount of any cash and the fair market value of any other property received for the Note. A U.S. Holder's adjusted tax basis in a Note will generally equal the purchase price paid by such holder for the Note.

In general, any gain or loss realized on the sale, exchange, retirement, redemption or other taxable disposition of a Note by a U.S. Holder will be long-term capital gain or loss if, at the time of disposition, the U.S. Holder has held the Note for more than one year. The long-term capital gains of individuals, estates and trusts currently are subject to a reduced rate of U.S. federal income tax. The deductibility of capital losses is subject to certain limitations.

Information Reporting and Backup Withholding

Information reporting will generally apply to payments of interest on, and the proceeds of the sale, exchange, retirement, redemption or other disposition of, Notes held by a U.S. Holder, and backup withholding may apply unless the U.S. Holder provides the applicable withholding agent with a taxpayer identification number, certified under penalties of perjury, as well as certain other information or otherwise establishes an exemption from backup withholding. Any amount withheld under the backup withholding rules is allowable as a

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credit against the U.S. Holder's U.S. federal income tax liability, if any, and a refund may be obtained if the amounts withheld exceed the U.S. Holder's actual U.S. federal income tax liability and the U.S. Holder timely provides the required information or appropriate claim form to the IRS.

Additional Tax on Net Investment Income

An additional 3.8% tax is imposed on the net investment income of certain U.S. citizens and resident aliens, and on the undistributed net investment income of certain estates and trusts. Among other items, net investment income would generally include gross income from interest and net gain from the sale, exchange, retirement, redemption or other taxable disposition of a Note, less certain deductions. Prospective investors should consult their own tax advisors with respect to the imposition of this additional tax.

U.S. Federal Income Taxation of Non-U.S. Holders

As used herein, a Non-U.S. Holder means a beneficial owner of a Note that is an individual, corporation, estate or trust that is not a U.S. Holder.

Interest on the Notes

Subject to the discussion of backup withholding and FATCA withholding, below, the payment to a Non-U.S. Holder of interest on a Note generally will not be subject to U.S. federal income tax and will be exempt from withholding of U.S. federal income tax under the portfolio interest exemption provided that interest on the Note is not effectively connected with a U.S. trade or business conducted by the Non-U.S. Holder and the Non-U.S. Holder:

does not actually or constructively own 10% or more of our capital or profits interests;

is not a controlled foreign corporation for U.S. federal income tax purposes that is actually or constructively related to us;

is not a bank whose receipt of interest on the Note is in connection with an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business; and

properly certifies as to his foreign status as described below.

The portfolio interest exemption generally applies only if a Non-U.S. Holder appropriately certifies as to its foreign status. A Non-U.S. Holder can generally meet this certification requirement by providing a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E (or applicable successor form) to the applicable withholding agent.

If a Non-U.S. Holder holds a Note through a financial institution or other agent acting on its behalf, that Non-U.S. Holder may be required to provide appropriate certifications to the agent. That agent will then generally be required to provide appropriate certifications to the applicable withholding agent, either directly or through other intermediaries. Special rules apply to foreign partnerships, estates and trusts, and in certain circumstances certifications as to foreign status of partners, trust owners or beneficiaries may have to be provided to the applicable withholding agent. In addition, special rules apply to qualified intermediaries that enter into withholding agreements with the IRS.

If a Non-U.S. Holder cannot satisfy the requirements described above, payments of interest made to the Non-U.S. Holder will be subject to a 30% U.S. federal withholding tax, unless the Non-U.S. Holder provides the applicable withholding agent with a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E (or applicable successor form) claiming an exemption from or reduction of the rate of withholding under the benefit of an income tax treaty, or that the interest paid on the Note is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States and the Non-U.S. Holder satisfies the certification requirements described below. See **Income or Gain Effectively Connected with a U.S. Trade or Business**.

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Disposition of Notes

Subject to the discussion of backup withholding and FATCA withholding, below, a Non-U.S. Holder generally will not be subject to U.S. federal income tax with respect to gain realized on the sale, exchange, retirement, redemption or other taxable disposition of a Note unless: