
**AMENDED AND RESTATED
STATEMENT OF POLICY
CONCERNING
CORPORATE ETHICS
AND
CONFLICTS OF INTEREST**

November 4, 2008

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I.

MESSAGE OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Plains Exploration & Production Company endeavors to maintain the highest standard of ethical conduct in all of its activities. Plains Exploration & Production Company wants to establish a reputation for fair dealing and honesty with: (a) its suppliers, customers, partners, creditors, competitors, stockholders and employees; and (b) the governmental agencies responsible for the supervision and regulation of its activities. Our reputation will be founded on the personal integrity of Plains Exploration & Production Company personnel and our dedication to the following principles:

Fairness - To our customers, suppliers, partners, creditors, neighbors, competitors, stockholders and employees, by observing all applicable laws and regulations and adhering to a high standard of moral behavior.

Respect - For Plains Exploration & Production Company employees and their families and our customers, neighbors and suppliers, coupled with a willingness to solicit the opinions of and to listen to and act appropriately in response to the expressed needs and desires of our customers, neighbors and suppliers.

Competition - Belief in a free market as the best mechanism for producing new ideas and new products, encouraging creative people to be productive and allowing Plains Exploration & Production Company to earn profits for its stockholders.

Candor -

Within Plains Exploration & Production Company: free discussion of projects, problems and ethical issues among our officers and employees and with the family of legal and accounting professionals retained to assist us.

Outside Plains Exploration & Production Company: candor with our neighbors in discussing our operations and their impact on the persons living around our facilities; and candor with suppliers and customers in buying and selling, while in each case protecting our confidential information and trade secrets.

Prudence - Belief in the prudent exercise of personal and corporate discretion.

All actions of Plains Exploration & Production Company personnel in business or public life tend to enhance or detract from its reputation. It is imperative, therefore, that high standards of conduct be observed in all contacts made by Plains Exploration & Production Company employees with suppliers, customers, governmental officials, fellow employees, neighbors and the general public.

Today, all corporations are under high levels of scrutiny and are held to increasingly higher levels of accountability. As a result, Plains Exploration & Production Company's Board of Directors has reaffirmed its strong commitment that the business practices of Plains Exploration & Production Company be conducted in accordance with high professional, ethical, legal and moral standards. These standards are applicable to every employee of Plains Exploration & Production Company and its subsidiaries and affiliates. Ethical conduct, whether in a business or personal context, can only result from a trained and sensitive awareness of right and wrong. The vagaries of daily life provide a spectrum of situations that can never be adequately anticipated by any set of rules intended to govern personal conduct. Nevertheless, we believe that we can identify certain broad areas in which ethical, legal and moral issues may be raised in a business context, and we have endeavored to articulate our general policies regarding conduct in those areas in the following Statement of Policy Concerning Corporate Ethics and Conflicts of Interest ("Statement").

The Board of Directors of Plains Exploration & Production Company directed the preparation of this Statement for its review and adoption so that every employee in a position of responsibility may always have available a clear statement of our policies and our responsibilities. All persons to whom this Statement is distributed, and all those who serve hereafter in positions of responsibility, must certify at least once a year that they have recently read the Statement and understand Plains Exploration & Production Company policies concerning corporate ethics and conflicts of interest. It is imperative that each recipient of this Statement timely file his or her certificate annually.

Much of the Statement outlines legal requirements. It is not intended to make you an expert in such areas. Instead, it is designed to alert you to problems you may face and enable you to know when you should obtain guidance from our Executive Vice President and General Counsel ("Designated Counsel") before taking action that may have an adverse legal impact upon Plains Exploration & Production Company. As used throughout the remainder of this Statement, the terms "Plains Exploration & Production Company," "Company," "we," "our" and similar terms refer collectively to Plains Exploration & Production Company and its subsidiaries and affiliates.

It is the responsibility of every one of us to comply with all applicable laws and regulations and all provisions of this Statement and the related policies and procedures. Each of us must report any violations of the law or this Statement. Failure to report such violations, and failure to follow the provisions of this Statement may have serious legal consequences and will be disciplined by the Company. Discipline may include termination of your employment.

Please remember that legal difficulties usually can be avoided or minimized if Designated Counsel is consulted at the outset of business dealings, rather than at a later stage when arrangements have become so solidified that necessary changes may be difficult to make.

Please also remember that employees should refer to the confidential and proprietary policies contained in the Employee Policy Manual (hereinafter, the "Policy Manual"), for a description of the policies and required reporting procedures applicable to them. This Statement is a statement of goals and expectations for individual and business conduct.

Please read the Statement carefully. I am confident that each of us will comply with the Statement and thereby help build Plains Exploration & Production Company reputation for the highest standard of business integrity.

Please note that this Statement is not an employment contract and does not modify the employment relationship between us and you. We do not create any contractual or legal rights or guarantees by issuing these policies, and we reserve the right to amend, alter and terminate policies at any time and for any reason.

*James C. Flores,
Chairman, President and Chief Executive
Officer*

II.

CORPORATE POLICY CONCERNING BUSINESS CONDUCT

Each employee is expected to adhere to the following principles of business conduct to ensure that Plains Exploration & Production Company conducts itself in a manner consistent with its obligations to its stockholders and to society:

A. Loyalty to Plains Exploration & Production Company.

No employee should be subject, or even appear to be subject, to influences, interests or relationships that conflict with the best interests of the Company. This means avoiding any activity that might compromise or seem to compromise the integrity of the Company or the employee. This requirement is explained in more detail in Section III.

B. Compliance with Applicable Laws.

While Plains Exploration & Production Company is involved in highly competitive business activities and hence must compete vigorously for market share and the maximization of profits, Plains Exploration & Production Company must at the same time do so in strict compliance with all laws and regulations applicable to its activities. No employee should at any time take any action on behalf of the Company that he or she knows or has reason to suspect violates any applicable law or regulation. Sections IV through X outline basic principles of the laws relating to antitrust, inside information, the trading of securities, proprietary information, political contributions, employee relations, environmental regulation and certain other matters. These laws are explained because of their particular importance to our existing and anticipated business activities. It should be understood, however, that this policy is not limited to them, but extends to all applicable laws and regulations.

C. Accounting Practices.

It is the policy of Plains Exploration & Production Company to fully and fairly disclose the financial condition of Plains Exploration & Production Company in compliance with applicable accounting principles, laws, rules and regulations. In order to achieve this policy, each employee is expected to keep and maintain all books and records of Plains Exploration & Production Company in such a way as to fully and fairly reflect all Company transactions, understanding that we all serve as fiduciaries in this respect to our stockholders.

D. Observance of Moral and Ethical Standards of Society.

In addition to the above requirements of loyalty to the Company and compliance with law, each employee must adhere to and comply with the moral and ethical standards of our society in the conduct of business. The Company's interest never can

be served by individual corner-cutting in the interests of a seeming quick profit or temporary advantage.

III.

CONFLICTS OF INTEREST

A conflict of interest exists when an employee's duty to give undivided business loyalty to Plains Exploration & Production Company can be prejudiced by actual or potential personal benefit from another source.

Each employee is expected to avoid any investment, interest or association that interferes, might interfere or might appear or be thought to interfere with the independent exercise of judgment in the Company's best interest.

Disclosures of personal interests or other circumstances that might constitute conflicts of interest are to be reported promptly by the employee to the Chairman and Chief Executive Officer of the Company. This officer or Designated Counsel will arrange for resolution in a manner best suited to the interests of the Company when an employee confronts a possible conflict of interest. Prompt and full disclosure is always the appropriate initial step towards solving any potential conflict of interest problem.

A. Common Sources of Conflicts.

Although it is impossible to prepare a list of all potential conflict of interest situations, conflicts of interest generally arise in four situations:

1. *Interest of Employee.* When an employee, a member of the employee's household or a trust in which the employee is involved, has a significant direct or indirect financial interest in, or obligation to, an actual or potential competitor, supplier or commercial customer of the Company.

2. *Interest of Relative.* When an employee conducts business on behalf of the Company with a supplier or commercial customer of which a relative by blood or marriage is a principal, officer or representative.

3. *Gifts.* When an employee, a member of the employee's household, a trust in which the employee is involved, or any other person or entity designated by the employee, accepts gifts, credits, payments, services or anything else of more than token or nominal value from an actual or potential competitor, supplier, advisor or commercial customer.

4. *Misuse of Information.* When an employee misuses information obtained in the course of employment.

B. Definitions.

For these purposes, *suppliers* include those providing not only goods but also services - such as consultants, transportation companies, financial institutions and equipment lessors. Commercial customers include not only those who buy product, but also those who exercise major influence over our customers.

An interest amounting to one percent or less of any class of securities listed on a nationally recognized securities exchange or regularly traded over-the counter will not be regarded as a "significant" financial interest in a competitor, supplier or commercial customer in the absence of other complicating factors that should cause the employee to recognize that a conflict is present. Similarly, neither the existence of an interest-bearing loan, at normal rates prevailing at the time of the actual borrowing, from a recognized financial institution nor an interest in any employee benefit plan or other employee incentive or compensatory arrangement that has been approved by the Board of Directors of Plains Exploration & Production Company will be regarded as "significant." Any equity interest in a competitor, supplier or commercial customer that is not publicly traded must be treated as "significant" and should be reviewed promptly with Designated Counsel.

C. Specific Policy Applications.

It is not feasible to describe every situation that would constitute a conflict under this Statement. It is, however, useful to consider a few examples in which clear conflicts of interest are present so that ground rules can be established:

1. *Position of Influence.* An employee who owns, directly or beneficially, a significant financial interest in an actual or potential supplier or commercial customer may not, without full disclosure and specific written clearance by Designated Counsel, be assigned to a position in which the employee can influence decisions with respect to business with such supplier or commercial customer. Such positions include situations where employees draw specifications for suppliers' raw materials, products or services; recommend, evaluate, test or approve such raw materials, products or services; or participate in the selection of, or arrangements with, suppliers.

2. *Gifts.* Accepting gifts, credits, payments, services or anything else of other than token or nominal value or excessive entertainment from an actual or potential competitor, supplier, advisor or commercial customer is prohibited. Items classified as advertising novelties that have wide circulation both within and without the Company (calendars, paperweights, etc.) do not violate the policy against receiving gifts. Permitting a supplier's representative to pick up the check at a meal is not offensive so long as business was discussed at arm's length and there are absolutely no implications that an unusual event has been staged with the intention of subverting loyalty to the slightest degree.

3. *Misuse of Information.* No information obtained as a result of employment may be used for personal profit or as the basis for a “tip” to others unless such information has been made generally available to the public by the Company or, if the information is that of a third party, by the third party. This is true whether or not direct injury to Plains Exploration & Production Company appears to be involved. This requirement, as it relates to transactions with respect to stock and other securities, is described in Section V. The requirement, however, is not limited to transactions relating to securities and embraces any situation in which information may be used as the basis for inequitable bargaining with an outsider. The public disclosure of proprietary data and trade secrets relating to our business can have a material adverse effect on the Company and, as noted in Section VI, is prohibited.

4. *Outside Employment.* Sometimes our employees desire to take additional part-time jobs or do other work after hours, such as consulting or other fee-earning services. This kind of work does not in and of itself violate this Statement. However, the second job must be strictly separated from your job with us, and must not interfere with your ability to devote the time and effort needed to fulfill your duties to us as our employee. You cannot engage in any outside activity that causes competition with us or provides assistance to our competitors or other parties (such as suppliers) with whom we regularly do business. You should avoid outside activities that embarrass or discredit us. Outside work may never be done on company time and must not involve the use of our supplies or equipment. Additionally, you should not attempt to sell services or products from your second job to us. Before engaging in a second line of work, you should disclose your plans to your supervisor to confirm that the proposed activity is not contrary to our best interests. You may also contact our Human Resources Department for more information about our policies concerning outside employment.

5. *Service on Boards.* Serving as a director of another corporation may create a conflict of interest. Being a director or serving on a standing committee of some organizations, including government agencies, also may create a conflict. Before accepting an appointment to the board or a committee of any organization whose interests may conflict with the Company’s interests, you must discuss it with your supervisor or Designated Counsel and obtain their approval. This rule does not apply to non-employee directors of the Company.

D. *Corporate Opportunities.*

Business opportunities relating to the kinds of products and services the Company usually sells or the activities the Company typically pursues that arise during the course of your employment or through the use of the Company’s property or information belong to Plains Exploration & Production Company. Similarly, other

business opportunities that fit into the Company's strategic plans or satisfy the Company's commercial objectives that arise under similar conditions also belong to Plains Exploration & Production Company. You may not direct these kinds of business opportunities to our competitors, to other third parties or to other businesses that you own or are affiliated with.

IV.

ANTITRUST COMPLIANCE

Antitrust laws are designed to ensure a fair and competitive marketplace by prohibiting various types of anticompetitive behavior. Some of the most serious antitrust offenses occur between competitors, such as agreements to fix prices or to divide customers, territories or markets. Accordingly, it is important to avoid discussions with our competitors regarding pricing, terms and conditions, costs, marketing plans, customers and any other proprietary or confidential information. Foreign countries often have their own body of antitrust laws, so any international operations may also be subject to antitrust laws of other foreign countries.

Unlawful agreements need not be written. They can be based on informal discussions or the mere exchange of information with a competitor. If you believe that a conversation with a competitor enters an inappropriate area, end the conversation at once. Membership in trade associations is permissible only if approved in advance by our Designated Counsel.

Whenever any question arises as to application of antitrust laws, you should consult with Designated Counsel, and any agreements with possible antitrust implications should be made only with the prior approval of Designated Counsel.

V.

THE USE OF INSIDE INFORMATION AND TRADING IN SECURITIES

Until formally released to the public, material information concerning Plains Exploration & Production Company's plans, projects, successes or failures is considered "inside" information and, therefore, confidential. Such data does not belong to the individual directors, officers or other employees who may handle it or otherwise become knowledgeable of it. It is as much an asset of the Company as our oil and gas reserves. For any person to use such information for personal benefit or to disclose it to others outside the Company violates the Company's interests. More particularly, in connection with trading in Plains Exploration & Production Company's securities, it is a fraud not only against the Company, but also against members of the investing public, who suffer by trading in the same market as the insider without the benefit of the confidential information he or she possesses.

Several rigidly enforced, complex laws and regulations are intended to prevent misuse of corporate information by regulating the manner in which securities may be bought and sold. Particularly important are the “antifraud” rules of the Securities and Exchange Commission (“S.E.C.”), which are designated to protect primarily the investing public.

A. Inside Information.

Under the “antifraud” rules, anyone who is in possession of material inside information is an “insider.” This includes not only knowledgeable directors and officers but also nonmanagement employees and persons outside the Company (spouses, friends, brokers, professional advisors, consultants and others) who may have acquired the information directly or indirectly through tips. These rules prohibit insiders from trading in or recommending purchases or sales of the Company’s securities while such inside information remains undisclosed to the general public. Note that the rules apply only to material inside information. The inside information you possess is “material” if it is important enough to affect your or anyone else’s decision to buy, sell or hold the Company’s securities.

The insider is allowed to get back into the market or to recommend the Company’s securities only after the material information has been publicly disclosed, and then only after a reasonable time has been allowed for the information to be absorbed by the general public.

Plains Exploration & Production Company has established rigidly defined channels through which data proposed for public release must flow. No disclosure of inside information that could be material should be made without first consulting Designated Counsel.

A breach of the “antifraud” rules could expose the insider to all of the following penalties:

- (a) civil fines in an amount equal to 300% of the profits made or losses avoided on the transaction;
- (b) judgment in favor of a damaged investor ordering the insider to pay over the profits made on the transaction, and possibly damages;
- (c) judgment in favor of the Company ordering the insider to pay over the profits made on the transaction and possibly damages;
- (d) an S.E.C. injunction; and
- (e) criminal fines and imprisonment (in certain cases).

In addition, the S.E.C. is empowered to bring a civil action not only against any employee committing an insider trading violation but also against the employer.

B. Guidelines.

The following guidelines are established to help you comply with Plains Exploration & Production Company's business conduct policy and avoid the penalties for breach of the federal and state securities laws, as well as the resulting criticism and embarrassment to you and the Company:

1. *Nondisclosure.* You must not disclose material inside information to anyone, except to persons within the Company or its professional advisors whose positions require them to know it, until it has been publicly released by the Company.

2. *Trading in Plains Exploration & Production Company's Securities.* You should not place a purchase or sale order in the Company's securities when you have knowledge of material information concerning the Company that has not been disclosed to the public. This includes not only orders for purchases and sales of stock and convertible securities but also options, warrants, puts and calls. You should wait until the information has been publicly released and the public has had sufficient time to absorb it.

3. *Trading in Other Securities.* You should not place a purchase or sale order in the securities of another corporation, the value of which is likely to be affected by past or proposed actions of the Company of which you are aware and which have not been publicly disclosed by the Company. For example, it would be a violation of the "antifraud" rules if you learned through Company sources of an action – impending or completed – with another company and then bought or sold stock in the other company because of the likely increase or decrease in the value of its securities.

These are just general guidelines. For more information regarding our policies concerning insider trading, you should refer to our Statement of Policy and Procedures Regarding Insider Trading.

C. Other Securities Matters.

1. *Limitations on Resale.* If you fall into one of the categories of persons referred to in numbered paragraph 2 below or if you hold restricted securities, *i.e.*, securities that cannot be resold by you unless they are: (a) registered under the Securities Act of 1933 ("Securities Act"); (b) sold pursuant to Rule 144 of the Securities Act; or (c) disposed of pursuant to another exemption from the registration requirements of the Securities Act, you should consult with Designated Counsel prior to effecting purchases or sales of the Company's securities.

2. Short-Swing Profit Recapture. Each of the Company's directors and executive officers (as identified in the Company's public reports) and each person (including trusts, employee benefit plans or other entities) who owns beneficially more than ten percent of the Company's equity securities will be subject to the provisions of Section 16(b) of the Securities Exchange Act of 1934 ("Exchange Act"). Section 16(b) provides for the corporate recovery of any profits realized by such directors, executive officers or principal stockholders through a sale and purchase or purchase and sale of any equity security within a six month period. The six month period may be calculated from the date of any transaction and may look backward as well as forward. Moreover, Section 16(b) "profits" are calculated by matching the highest sale price in the six month period with the lowest purchase price.

Special provisions will be applicable to options granted by the Company under its stock option plans. Since the Company's stock option plans will be designed to comply with applicable regulatory requirements, neither the grant of an option by the Company pursuant to one of such plans nor the exercise of such option will be deemed to be a purchase or sale for purposes of the short-swing profit rule of Section 16(b). The sale of the underlying stock in the open market will, however, be subject to matching under Section 16(b). Similarly, the grant and exercise of stock appreciation rights, or SARs, issued under qualified plans are exempt from the provisions of Section 16(b).

The rules related to Section 16(b) are quite complex and it is not possible to address all of the nuances of Section 16(b) in this Statement. Accordingly, it is the policy of the Company that all purchases and sales of securities by officers and directors be cleared with Designated Counsel prior to consummation.

3. Reports of Beneficial Ownership. To help police violations of Section 16(b), Section 16(a) of the Exchange Act imposes beneficial ownership reporting requirements on the directors, executive officers and ten percent stockholders of a corporation with a registered class of securities. (Beneficial ownership for purposes of executive officers and directors means any person who has or shares a direct or indirect pecuniary interest in the securities. Pecuniary interest is defined as an opportunity to profit directly or indirectly from a transaction in the securities. An indirect pecuniary interest represents a person's ability to profit from purchases and sales in securities held by family members or through derivative securities, partnerships, corporations, trusts and other arrangements.)

A report on Form 3 is due within ten days after a person becomes a director, executive officer or ten percent stockholder of a publicly held company that has a class of equity securities registered under the Exchange Act. Thereafter, in each case, a Form 4 must be filed with the S.E.C. no later than 5:30 p.m. Eastern time on the second business day following the date of a reportable transaction. A Form 5 must be filed to report transactions such as acquisitions and dispositions by gift or inheritance.

In the past the S.E.C. expressed concern over the widespread lack of compliance with the reporting requirements under Section 16(a). Accordingly, the S.E.C. requires the Company to disclose in its annual Form 10-K and proxy statement the name of any director or executive officer that fails to comply with the filing requirements of Section 16(a). It is the policy of the Company that all transactions by directors and executive offices in the Company's securities, including the preparation of all Section 16(a) reports, be cleared in advance with Designated Counsel so as to avoid any embarrassment for failure to comply with reporting requirements.

4. Short Sale Prohibition. Section 16(c) of the Exchange Act prohibits directors, executive officers and ten percent holders of a registered class of securities from making "short sales" of any equity security of the Company (regardless of whether that class is itself registered) – that is, sales of securities which the seller does not own at the time or, if owned, which will not be delivered for a period longer than twenty days after the sale.

VI.

PROTECTION AND PROPER USE OF COMPANY ASSETS

A. Protecting Assets.

Each employee of the Company has a responsibility to protect Company assets entrusted to them from loss, theft, misuse and waste. Company assets and funds may be used only for business purposes and may never be used for illegal purposes. If you become aware of theft, waste or misuse of our assets or funds or have any questions about your proper use of them, you should speak immediately with your supervisor or Designated Counsel.

B. Confidentiality.

The Company's success is largely dependent upon the strict adherence by employees to the Company's policy of nondisclosure of proprietary information and other confidential data. Of particular concern is the need to safeguard the Company's business plans and developments. The unauthorized disclosure of proprietary information will not be tolerated.

From time to time, the Company evaluates, among other things, the possibility of acquiring assets from others, making investments in other businesses and entering into joint venture agreements. Under no circumstances should these matters be discussed informally as office gossip, over cocktails, at home or otherwise. Such discussions materially enhance the likelihood that the Company's strategic plans will become known to others prior to the time that the Company is prepared to execute them. Premature disclosure materially restricts the Company's planning flexibility and may make it impossible to conclude the proposed project.

You must be sensitive to the impact of comments made over the Internet through public forums such as chat rooms and bulletin boards. In such forums, you may not post any information about the Company including comments about the Company's products, stock performance, operational strategies, financial results, customers or competitors, even in response to a false statement or question. This applies whether you are at work or away from the office. The Company owns all e-mail messages that are sent from or received through the Company's systems. The Company may monitor your messages and may be required to disclose them in the case of litigation or governmental inquiry.

Remember the success of the Company is largely dependent upon the strict adherence by all employees to the Company's policy of nondisclosure of confidential information. The sharing of such information with others may: (a) result in penalties under state and federal securities laws; (b) constitute the theft of trade secrets, which is a crime; (c) generate criticism and embarrassment to the employee and the Company; and (d) compromise the Company's ability to achieve its strategic objectives. If each employee refrains from discussing confidential aspects of the Company's business and operations with anyone inside the Company who is not otherwise familiar with the confidential information and everyone outside the Company, each employee will avoid liability and embarrassment to himself or herself and damage to the Company.

VII.

POLITICAL CONTRIBUTIONS

Political contributions by corporations in federal elections, whether by direct or indirect use of corporate funds or resources, are unlawful. While the limitations on political contributions by corporations in state elections vary from state to state, it is the Company's policy not to make any political contributions in such elections except with the prior approval of the Company's Board of Directors. While individual participation in the political process and in campaign contributions is proper and is encouraged by Plains Exploration & Production Company, an employee's contribution must not be made, or even appear to be made, with the Company's funds; nor should the selection of a candidate or of a party be, or seem to be, coerced by the Company. Fines and jail sentences may be imposed on officers and directors who violate the political contribution laws, and the Company may be fined.

VIII.

EMPLOYEE RELATIONS

A. General.

It is the Company's philosophy that ethical business practices are not limited to dealings with third parties but also include the Company's employees. In this respect,

business ethics begin at home. It is therefore the policy of the Company that managerial personnel and all others having supervisory responsibilities have an obligation:

- (a) to respect each employee as an individual and to be courteous and considerate to each employee in order that personal dignity may be maintained;
- (b) to treat each employee, applicant, supplier or business associate without discrimination with regard to race, color, sex, age, religion, national origin or handicapped status and to comply with all provisions of the Americans with Disabilities Act;
- (c) to provide all employees with a work environment free from harassment of a sexual, racial, ethnic or religious nature;
- (d) to encourage employees to voice their opinions freely about the policies and practices of the Company, and to provide an orderly system by which employees will be given consideration of any job or personal problem which they may have;
- (e) to provide and maintain safe, clean and orderly work facilities and areas;
- (f) to offer competitive standards of pay and benefits; and
- (g) to operate in compliance with all applicable federal, state and local laws affecting employees.

You should be aware that the law forbids discrimination in employment or termination on the basis of race, color, sex, age, religion, national origin or handicapped status. Plains Exploration & Production Company strongly supports and recognizes its responsibility to provide equal employment opportunities to all qualified individuals and strongly believes that all people are unique and valuable and should be respected for their individual abilities.

In support of this goal Plains Exploration & Production Company has established a corporate policy regarding discrimination or harassment on the basis of race, gender, age, color or any characteristic protected by law. The policy applies to all personnel relationships.

All officers and employees are expected to adhere to the laws, regulations and Plains Exploration & Production Company's policies relating to equal opportunity, affirmative action and non-discrimination. To review the policy and for specific employee reporting procedures, employees are instructed to refer to the Company's policy regarding Equal Employment Opportunity in the Policy Manual.

B. Harassment.

It is illegal for any employee to engage in unwelcome sexual advances, requests for sexual favors, verbal or physical conduct of a sexual nature, or any other physical action or verbal conduct that might be construed as sexual. Such activity is not condoned by the Company, and the Company's policy expressly prohibits this type of behavior. Each supervisor/manager has an affirmative duty to maintain his or her workplace free of sexual or other harassment. This duty includes discussing the equal opportunity and sexual harassment policy guidelines with all employees reporting to them and assuring them that they are not required to endure insulting, degrading or exploitative treatment.

IX.

ENVIRONMENTAL REGULATION

All aspects of the Company's operations are subject to comprehensive regulations, including comprehensive federal, state and local environmental regulation. It is the Company's policy to comply fully with the lawful terms and conditions of all permits and authorizations and with the provisions of all applicable environmental laws and regulations. It is the responsibility of the manager of each facility to understand the terms and conditions of all permits and authorizations applicable to operations under his or her control as well as applicable laws and regulations, and to ensure best good faith efforts to attain and maintain compliance therewith.

The environmental and safety and health laws, and applicable regulations, are detailed and complex. Should you be faced with an environmental or safety and health issue with which you are unfamiliar, you should contact the office of the Chairman and Chief Executive Officer or Designated Counsel.

X.

COMPLIANCE WITH OTHER LAWS

A. Bribery of Public Officials.

Bribery, or the giving of money or anything else of value in an attempt to influence the action of a public official, is unlawful. No employee is authorized to pay any bribe or make any other illegal payment on behalf of the Company, no matter how small the amount. This prohibition extends to payments to consultants, agents and other intermediaries when the employee has reason to believe that some part of the payment of the "fee" will be used for a bribe or otherwise to influence government action.

B. Commercial Bribery.

Payment (other than for purchase of a product or procurement of a service) or giving of a gift, credit, payment, service or anything else of other than token or nominal value to suppliers or customers or their agents, employees or fiduciaries may constitute a commercial bribe, which may also be a violation of law. Commercial bribery is also against the policy of the Company, and no employee may engage in such bribery on behalf of the Company.

C. Tax Laws.

It is the policy of the Company to obey local, state and federal tax laws. No employee should on behalf of the Company enter into any transaction that the employee knows or has reason to suspect would violate such laws.

D. Foreign Corrupt Practices Act (FCPA).

U.S. law generally prohibits Plains Exploration & Production Company from making or offering to make a payment, promise or granting another benefit, directly or indirectly, to a "foreign official," foreign candidate for political office or foreign political party for the purpose of improperly causing the foreign official, candidate or political party to act or cause an act for the benefit of Plains Exploration & Production Company or its subsidiaries. "Foreign official" may include employees of state owned foreign companies as well as governmental officials. Such activities are also against the policy of the Company, and no employee may engage in such activities on behalf of the Company.

E. Participation in Violations of Law by Others.

Neither the Company nor its employees should assist any third party in violating any law. This policy applies whether or not the Company's assistance itself violates applicable law.

XI.

FAIR DEALING

The Company has built a reputation as a trustworthy and ethical member of its community and its industry. The Company and its officers are committed to maintaining the highest levels of integrity and fairness within the Company. When Company officers or employees fail to negotiate, perform or market in good faith, such activities may seriously damage our reputation and we may lose the loyalty of our customers. You must conduct business honestly and fairly and not take unfair advantage of anyone through any misrepresentation of material facts, manipulation, concealment, abuse of privileged information, fraud or other unfair business practice.

XII.

OTHER MATTERS

It is the Company's strict policy to make and keep books, records and accounts that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company. To that end, no undisclosed or unrecorded fund or asset shall be established for any purpose. No withdrawal shall be made from any disbursement account except by check or other acceptable means of transfer customarily used by major banks, and then only by authorized personnel; and no check shall be made payable to "cash" or other unidentified payee. No false or artificial entries shall be made in the books and records of the Company for any reason, and no employee shall engage in any arrangement that results in any such entry. The policy of accurate and fair recording also applies to an employee's maintenance of time reports, expense accounts and other personal Company records.

A. Candor.

Senior management must be informed at all times of matters that might be germane to the preservation of the Company's reputation for honesty and integrity. Concealment of matters that might be violative of this Statement may be considered a signal that this Statement can be ignored; and such conduct cannot be tolerated. Accordingly, there shall be full and open communication with senior management even when it appears that less candor may be desirable to protect the Company or members of management. Likewise, there shall be no concealment of information from the Company's internal accounting and environmental auditors, independent auditors or outside legal counsel.

B. Annual Reporting.

Each recipient of this Statement shall submit to the Company's Chairman and Chief Executive Officer by the last day of March in each year, commencing in 2003, a report letter in the form annexed hereto as Exhibit A. The report letters will be reviewed by the Company's Chairman and Chief Executive Officer, who shall submit a report to the Board of Directors no later than the meeting of directors held in conjunction with the annual meeting of stockholders in each year. All information disclosed in the annual report letters, or otherwise disclosed pursuant to this Statement, shall be treated on a confidential basis, except to the extent reasonably necessary to protect the Company's interests.

C. Periodic Review and Supplementation.

The Audit Committee of the Company is charged with recommending changes in this Statement to the Board of Directors for its consideration and adoption. The Chairman and Chief Executive Officer of the Company and Designated Counsel are

charged with the responsibility of reviewing changes in laws applicable to the Company and may assist the Audit Committee in reviewing such changes and making recommendations regarding appropriate revisions to this Statement. Accordingly, supplements to and revisions of this Statement may be adopted from time to time. Such changes will become effective upon their adoption by the Board of Directors and copies thereof will be circulated as promptly as practicable to the recipients of this Statement. Since all recipients are obligated to observe the requirements of applicable laws and regulations, failure to receive and review a copy of any supplement or revision will not be an acceptable excuse for a failure to observe the requirements of any applicable law or regulation then in effect of which the recipient had knowledge or reasonably should have had knowledge.

D. Responding to Inquiries from the Press and Others.

The Company is subject to laws that govern the timing of our disclosures of material information to the public and others. Only certain designated employees may discuss the Company with the news media, securities analysts and investors. All inquiries from outsiders regarding financial or other information about the Company should be referred to Designated Counsel.

XIII.

ACCURACY AND RETENTION OF RECORDS

A. Accuracy of Records.

All information you record or report on the Company's behalf, whether for the Company's purposes or for third parties, must be done accurately and honestly. All of the Company's records (including accounts and financial statements) must be maintained in reasonable and appropriate detail, must be kept in a timely fashion, and must appropriately reflect the Company's transactions. Falsifying records or keeping unrecorded funds and assets is a severe offense and may result in prosecution or loss of employment. When a payment is made, it can only be used for the purpose spelled out in the supporting document.

Information derived from the Company's records is provided to the Company's stockholders and investors as well as government agencies. Thus, the Company's accounting records must conform not only to our internal control and disclosure procedures but also to generally accepted accounting principles and other laws and regulations, such as those of the Internal Revenue Service and the S.E.C. The Company's public communications and the reports we file with the S.E.C. and other government agencies should contain information that is full, fair, accurate, timely and understandable in light of the circumstances surrounding disclosure.

The Company's internal and external auditing functions help ensure that our financial books, records and accounts are accurate. Therefore, you should provide our accounting department, internal auditing staff, Audit Committee and independent public accountants with all pertinent information that they may request. The Company encourages open lines of communication with our Audit Committee, accountants and auditors and requires that all personnel cooperate with them to the maximum extent possible. It is unlawful for you to fraudulently influence, induce, coerce, manipulate or mislead our independent public accountants for the purpose of making the Company's financial statements misleading.

If you are unsure about the accounting treatment of a transaction or believe that a transaction has been improperly recorded or you otherwise have a concern or complaint regarding an accounting matter, the Company's internal accounting controls, or an audit matter, you should confer with the Company's Chief Financial Officer or Designated Counsel.

B. Record Retention Policy.

The Company's record retention policy establishes procedures to, among other things, minimize the expenses of record keeping and handling, maximize the accessibility of records to corporate and field personnel, and facilitate compliance with the record retention and maintenance provisions of applicable law. In order to accomplish the foregoing objectives, the policy defines and establishes what records will be maintained, the length of time such records shall be maintained and the procedures for storing and controlling records. It is the responsibility of each employee to assure that his or her records are maintained in accordance with the prescribed policy.

XIV.

ADMINISTRATION OF THE STATEMENT

A. Distribution.

All of the Company's directors, officers and employees will receive a copy of this Statement. New personnel will receive a copy when they join the Company. Updates of the Statement will be distributed to all directors, officers and employees.

B. Role of Supervisors and Officers.

Supervisors and officers have important roles under this Statement and are expected to demonstrate their personal commitment to this Statement by fostering a workplace environment that promotes compliance with the Statement and by ensuring that employees under their supervision participate in the Company's compliance training programs.

C. Reporting Violations.

All employees are obliged to report violations of this Statement or the law and to cooperate in any investigations into such violations. See I. below. The Company prefers that you give your identity when reporting violations, to allow the Company to contact you in the event further information is needed to pursue an investigation, and your identity will be maintained in confidence to the extent practicable under the circumstances and consistent with enforcing this Statement. However, you may anonymously report violations.

D. Investigations.

The Company will initiate a prompt investigation following any credible indication that a breach of law or this Statement may have occurred. The Company will also initiate appropriate corrective action as it deems necessary, which may include notifying appropriate authorities.

E. Disciplinary Action.

If you violate any provision of this Statement, you may be subject to disciplinary action, up to and including discharge, including termination for cause. Please be aware that the Company may seek civil remedies from you and if your violation results in monetary loss to the Company, you may be required to reimburse the Company for that loss. If you are involved in a violation, the fact that you reported the violation, together with the degree of cooperation displayed by you and whether the violation is intentional or unintentional, will be given consideration in the Company's investigation and any resulting disciplinary action.

F. No Retaliation.

The Company will not retaliate against anyone who, in good faith, notifies the Company of a possible violation of law or this Statement, nor will the Company tolerate any harassment or intimidation of any employee who reports a suspected violation. In addition, there are federal "whistleblower" laws that are designed to protect employees from discrimination or harassment for providing information to the Company or governmental authorities, under certain circumstances, with respect to certain laws such as those governing workplace safety, the environment, securities fraud and federal law relating to fraud against stockholders.

G. Approvals.

Approvals required under this Statement should be documented.

H. Waivers.

Any request for a waiver of this Statement must be submitted in writing to Designated Counsel. However, a waiver of any provision of this Statement for a director or an executive officer must be approved by the Company's Board of Directors or its designated committee and will be promptly disclosed to the extent required by law or regulation.

I. Asking for Help and Reporting Concerns.

The Company takes this Statement seriously and consider its enforcement to be among our highest priorities, but we also acknowledge that it is sometimes difficult to know right from wrong. That's why we encourage open communication. *When in doubt, ask.* Whenever you have a question or concern, are unsure about what the appropriate course of action is, or if you believe that a violation of the law or this Statement has occurred:

- You should talk with your immediate supervisor. He or she may have the information you need, or may be able to refer the matter to an appropriate source, including legal counsel as circumstances warrant.
- If you are uncomfortable talking with your immediate supervisor, you may also contact any manager in the Company with whom you feel comfortable, the Human Resources Department or Designated Counsel.

In addition, if you have concerns or complaints about accounting or audit matters or the Company's internal accounting controls, you may confer with your immediate supervisor, the controller associated with your business unit or the Company's Chief Financial Officer, or you may submit your concern or complaint, on an anonymous basis, to the Audit Committee of the Company's Board of Directors.

EXHIBIT A

**(Form of Report Letter Required by the
Amended and Restated Statement of Policy Concerning
Corporate Ethics and Conflicts of Interest)**

I have reviewed and understand the Amended and Restated Statement of Policy Concerning Corporate Ethics and Conflicts of Interest of Plains Exploration & Production Company dated November 4, 2008, as amended if amended ("Statement").

To the best of my knowledge and belief, neither I nor any member of my immediate family has any interest or connection, or has since January 1 of the preceding calendar year engaged in any activity, that might contravene the terms of the Statement. Furthermore, I am not aware of any other employee subject to the Statement who has engaged in any activity that might contravene the terms of the Statement. The foregoing statements are true (check one box):

Without exception.

Except as reported in full detail on a separate sheet attached to this report letter.

(Signature)

(Position)

(Department, Region or Subsidiary)

(Location)

(Date)

PLAINS EXPLORATION & PRODUCTION COMPANY

STATEMENT OF POLICY AND PROCEDURES REGARDING INSIDER TRADING

August 22, 2005

Objectives

Plains Exploration & Production Company (together with its subsidiaries, the "Company"), as well as its directors, officers and employees are subject to various restrictions, reporting requirements and potential civil and criminal liabilities under the Securities Exchange Act of 1934 (the "1934 Act") and the Securities Act of 1933 (the "1933 Act") with respect to ownership and purchases or sales of, or other transactions in, the Company's securities. The objectives of this Statement of Policy are to assure to the maximum extent reasonably practicable that: (a) the Company's directors, officers and employees will be advised of their obligations under the federal securities laws and provided with reasonable assistance in order to comply with those obligations; (b) the Company will adopt, maintain and follow appropriate procedures and guidelines to minimize potential inadvertent violation of the federal securities laws and potential liability or embarrassment of the Company or its management; and (c) any appearance of impropriety on the part of the Company, its management or employees will be avoided, thus encouraging confidence in the Company and its management on the part of the Company's stockholders and the public securities markets generally.

Our Policy

General. No director, officer, employee or consultant of ours who is aware of material nonpublic information relating to us may, directly or through family members or other persons or entities, (a) buy or sell our securities (other than under a pre-approved trading plan that complies with SEC Rule 10b5-1), or engage in any other action to take personal advantage of that information, or (b) pass that information on to others outside the Company, including family and friends. In addition, none of our directors, officers, employees or consultants who, in the course of working for us, learns of material nonpublic information about a company with which we conduct business, or one of our customers or suppliers, may trade in that company's securities until the information becomes public or is no longer material.

Our policy continues to apply to you even after your employment ends. If you are in possession of material nonpublic information when your employment terminates, you may not trade in our securities until that information has become public or is no longer material.

Directors, officers, employees and consultants must not pass material non-public information on to others or recommend to anyone the purchase or sale of any securities on the basis of such information. This practice, known as “tipping,” also violates the securities laws and can result in the same civil and criminal penalties that apply to insider trading, whether or not the director, officer, employee or consultant derives any benefit from another’s actions.

Our insider trading policy also applies to your family members who reside with you, anyone else who lives in your household, and any family members who do not live in your household but whose transactions in our securities are directed by you or are subject to your influence or control (such as parents or children who consult with you before they trade in our securities). You are responsible for the transactions of these other persons and therefore should make them aware of the need to confer with you before they trade in our securities.

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are not excepted from this policy. The securities laws do not recognize any mitigating circumstances.

Transactions Under Company Plans.

- **SAR Exercises.** For employees other than those officers whom our Board of Directors has designated as “executive officers” for purposes of the reporting requirements and trading restrictions under Section 16 of 1934 Act (“Section 16 officers”), our insider trading policy does not apply to the exercise of cash-only Stock Appreciation Rights (“SARs”). The policy does apply, however, to any market sale for the purpose of generating the cash needed to pay the exercise price of a SAR. If you elect to exercise SARs, you still need to consider whether you have material nonpublic information regarding the Company, and if so, whether the SAR exercise could be a possible breach of your fiduciary duties to the Company and its stockholders under Delaware law.
- **401(k) Plan.** As you know, we do not provide employer matching contributions in stock. Our matching contributions are in cash. However, as a result of previous plans, you may have shares or our common stock in your 401(k) plan account. As a result, our insider trading policy applies to various elections you may make under the 401(k) plan, including (a) to make an intra-plan transfer of an existing account balance out of the Company stock fund, (b) to borrow money against your 401(k) plan account if the loan will result in a liquidation of some or all of your Company stock fund balance, and (c) to pay a plan loan if the payment will result in allocation of loan proceeds to the Company stock fund.

Additional Transactions

We consider it improper and inappropriate for any of our directors, officers, employees or consultants to engage in short-term or speculative transactions in our securities. This includes but is not limited to, short-term trading, short sales, options trading, hedging transactions, margin accounts and pledges.

We may grant an exception to the prohibition on pledges where you wish to pledge our securities as collateral for a loan (not including margin debt) and you clearly demonstrate the financial capacity to repay the loan without resort to the pledged securities. Any person who wishes to pledge our securities as collateral for a loan must submit a request for approval to our General Counsel at least two weeks before the proposed execution of documents evidencing the proposed pledge. Our General Counsel may deny such request in his sole discretion.

Trading Policy for Section 16 Officers and Directors

General. The Company's policy is to assist its directors and Section 16 officers in complying with legal requirements applicable to proposed transactions relating to the Company's securities by such individuals, including Section 16 reporting of their stock ownership and transactions.

In order to help assure that the Company's directors, officers and other employees do not trade on material non-public information, and to help avoid inadvertent short-swing profit transactions, it is the Company's policy with respect to transactions in the Company's securities that the Section 16 officers of the Company and other employees who may be designated from time to time by the Company's General Counsel trade only (i) after first consulting with the General Counsel and (ii) during the period commencing on the third business day after an earnings release for the preceding fiscal quarter and ending on the close of business on the 23rd business day following such earnings release (the "Window Period"), and that Section 16 officers promptly report each such trade to the Section 16 filing coordinator.

The Chairman of the Audit Committee, the Chief Executive Officer and the General Counsel shall jointly consult prior to the opening or closing of the Window Period and prior to any trade in Company securities by the Chief Executive Officer.

Notwithstanding the foregoing, as long as a director, officer or other employee of the Company or a subsidiary possesses material non-public information relating to the Company or any other entity, including any of the Company's affiliates, competitors, suppliers, customers or others with whom the Company does business, such individual may not buy or sell the securities of the Company or of that entity.

Rule 10b5-1. If directors or Section 16 officers wish to implement a trading plan under SEC Rule 10b5-1, it must first be pre-cleared with our General Counsel. As required by Rule 10b5-1, you cannot start a trading plan when you are in possession of

material nonpublic information. Transactions effected under a pre-cleared trading plan will not require further pre-clearance if the plan specifies the dates, prices and amounts of the contemplated trades or SAR exercises, or establishes a formula for determining the dates, prices and amounts.

Pension Plan Blackout Periods. Directors and Section 16 officers may not trade or transfer during any pension plan blackout period any Company securities that were acquired in connection with their service as an officer or director, except to the extent such trade or transfer is permitted by SEC rules. A pension plan blackout period is generally any period of more than three consecutive business days during which at least 50% of participants or beneficiaries under all our individual account plans are temporarily suspended from acquiring or disposing of our securities under the plan (whether by us or a fiduciary of the plan), excluding certain regularly scheduled blackouts and blackouts imposed solely in connection with certain corporate transactions such as mergers. The SEC may later expand the definition of pension plan blackout period. Any profits made by a director or Section 16 officer in violation of this provision are recoverable by the Company.

Company Assistance

If you have any questions about our policy or its application to any proposed transaction, you may obtain additional guidance from our General Counsel. Ultimately, however, the responsibility for adhering to this policy and avoiding unlawful transactions rests with you.

ACKNOWLEDGMENT AND CERTIFICATION

I have received a copy of the Statement of Policy and Procedures Regarding Insider Trading of Plains Exploration & Production Company (the "*Company*") and certify that I have read, understand and will comply with the policies and procedures set forth in such document. I understand that my failure to comply in all respects with the Company's policies, including the Company's Statement of Policy and Procedures Regarding Insider Trading, is a basis for termination for cause of my employment or relationship with the Company.

Signature: _____

Date: _____

Printed Name: _____

Waiver

The Board of Directors waived the designated window period for the September 26, 2008, purchase of 280,000 shares of Plains Exploration & Production Company common stock at prices ranging from \$35.01 to \$37.16 by a limited partnership controlled by Mr. Flores.

Dated: October 30, 2008