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Blackwater Midstream Announces Terminal Expansion Plans After Latest Commercial Agreement

NEW ORLEANS--(BUSINESS WIRE)--Blackwater Midstream Corp. (OTCBB:BWMS) announces that Blackwater New Orleans, LLC, its wholly owned subsidiary, has reached an agreement for the lease of 55,000 barrels of storage capacity for chemical product service at its Westwego, Louisiana facility. The new agreement is scheduled to commence on September 1, 2009 and is expected to add approximately \$500,000 in annual revenues.

Blackwater Midstream Corp. completed the acquisition of NuStar Energy's storage terminal in Westwego, Louisiana on December 23, 2008. Mike Suder, Blackwater Midstream Corp.'s Chief Executive Officer, stated, "We have experienced the steady revenue growth that we expected when we acquired the Westwego terminal. With this new lease agreement, we have now increased revenues a total of 75% from the time of our acquisition of the facility."

Frank Marrocco, Chief Commercial Officer of Blackwater Midstream Corp., stated, "With this latest contract and the growth of our commercial portfolio, along with the current facility utilization, we have reached a point where we now plan to initiate the expansion of the facility through new tank construction. The tank foundations are already in place to add up to 120,000 barrels of new capacity. With the on-going demand for storage capacity in the Port of New Orleans remaining strong, we continue to attract new business opportunities for Blackwater Midstream Corp." Marrocco added, "The foundation of our business is built on exceeding our customers' expectations for service and product stewardship. Reaching an agreement with a new customer is wonderful, but our job is to then to maintain that trust and develop a long term, mutually beneficial business relationship with every one of our clients."

Blackwater Midstream Corp., through its wholly owned subsidiary Blackwater New Orleans, LLC, is an independent operator of a bulk liquid storage terminal in the Port of New Orleans. The Westwego facility consists of 752,000 barrels of storage capacity, capable of storing a variety of chemical and petroleum products. The site offers marine, rail, and truck access for product distribution. Blackwater Midstream Corp. is a member of the International Liquid Terminal Association.

Forward-Looking Statements

The information in this press release includes certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to prospective acquisitions or anticipated future results. Forward-looking statements relate to expectations or forecasts of future events. Blackwater Midstream does not assume the obligation to update any forward-looking statement. Many factors could cause actual results to differ materially from Blackwater Midstream's forward-looking statements, including market forces, economic factors, the availability of capital and credit, current and future competition and other uncertainties. For further details about these and other factors that may impact the forward-looking statements, see Blackwater Midstream's Securities and Exchange Commission filings, including the "Risk Factors" in the Annual Report on Form 10-K.

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