

BLACKWATER MIDSTREAM CORP. ANNOUNCES NEW COMMERCIAL AGREEMENT FOR FIVE YEAR LEASE ON THREE NEW 50,000 BARREL TANKS AND SHIP DOCK CONSTRUCTION

NEW ORLEANS—(BUSINESS WIRE)—Blackwater Midstream Corp. (OTCBB: BWMS) announces that Blackwater New Orleans, LLC, its wholly owned subsidiary, has reached a five year commercial agreement with a new customer for the lease of three 50,000 barrel storage tanks currently under construction at its' Westwego, Louisiana facility. The new contract is scheduled to commence on December 1, 2009 and is expected to add approximately \$8 million in gross earnings over the five year period. In connection with the 150,000 barrel tank expansion, Blackwater has also begun construction of a ship dock at the terminal that will expand access to the site for cargo tankers, requiring a deepwater draft of approximately 40 feet.

Blackwater New Orleans, LLC completed the acquisition of NuStar Energy's storage terminal in Westwego, Louisiana on December 23, 2008. Michael Suder, Blackwater Midstream Corp.'s Chief Executive Officer stated, "This new long-term commercial agreement is a significant step for Blackwater New Orleans and the continued success of our business. Expanding the facility within our fence line with the construction of additional tank assets and a ship dock has been an integral part of our business plan from day one. We expect participation by our existing senior debt lender for this expansion. Upon the commencement of this new commercial agreement in December 2009, we will have grown our annual revenues by approximately 250% from the time of the acquisition of the terminal".

Francis Marrocco, Chief Commercial Officer of Blackwater Midstream Corp. stated "We are extremely pleased with the commercial results that we have experienced since our acquisition of the Westwego site. We are attracting new business from a variety of clients by offering tank storage systems that meet the customers' long term product distribution requirements along with exceptional customer service. This new agreement is instrumental in allowing Blackwater New Orleans to construct a ship dock that will provide a benefit to our existing customer base; as well as make our site marketable to a wider array of potential customers".

Blackwater New Orleans, LLC is an independent operator of a bulk liquid storage terminal in the Port of New Orleans. The Westwego facility currently consists of 752,000 barrels of storage capacity that is increasing to 902,000 barrels during the announced expansion. The tank systems are capable of storing a variety of chemical and petroleum products. The site offers modal access for product distribution via marine, rail, and truck. Blackwater Midstream Corp. is a member of the International Liquid Terminal Association.

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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