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Blackwater Midstream Purchases Interest in Land for 10MM Barrel Terminal Facility

NEW ORLEANS--(BUSINESS WIRE)--Blackwater Midstream Corp. (OTCBB:BWMS), a developing company in the field of fuel and chemical storage, acquired a 7% interest in Safeland Storage, L.L.C., a Louisiana limited liability company. Contemporaneously, Blackwater Midstream Corp. agreed to purchase approximately 435 acres of land in St. John the Baptist Parish, Louisiana from Safeland. The closing is anticipated to take place within 120 days.

Blackwater Midstream Corp. is entering into this transaction with a view toward developing the approximately 435 acres on the Mississippi River as a tank farm and terminal in phases over a number of years.

Michael Suder, CEO of Blackwater Midstream said, "This site is ideal for our state-of-the-art storage facility development and is primed for construction to commence. The site's location is optimal for meeting the increasing demand for domestic fuel and chemical storage."

The property is located in the heart of South Louisiana's petroleum refining and chemical manufacturing corridor that has a refining capacity of approximately two million barrels per day. This represents approximately ten percent of the total U.S. refining capacity including existing world-scale crude oil refineries such as Marathon Garyville (NYSE: MRO) (adjacent to Blackwater Midstream's site), Valero St. Charles (NYSE: VLO) and Shell Norco (NYSE: RDS-B). The site is located within 15 miles of the U.S. Strategic Petroleum Reserves at St. James and The LOOP. It is strategically located for connectivity to the Colonial and Plantation pipelines via the Bengal pipeline. The site also offers complete intermodal logistics capabilities including deep water access on the Mississippi River for ships and barges and access to major highways (U.S. Highway 61 to the north and the Mississippi River and East Jefferson highways to the south). Two railroads, Kansas City Southern and Canadian National, currently have infrastructure on the property, which enables Blackwater Midstream to attract rail served storage positions. The property has already been permitted by the Louisiana Department of Environmental Quality for some of the contemplated operations.

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