NEWS RELEASE

U.S. Development Group Expands National Crude-by-Rail Network with Niobrara Logistics Hub

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U.S. Development Group LLC (USDG), a Houston-based developer of rail logistics and terminal facilities, announced today that it has begun operations at its Niobrara Crude Terminal (NCT), the third in a nationwide network of crude oil/condensate terminals. Located near I-25 in Carr, Colo., the industry logistics hub will handle crude oil and related products from the Niobrara Shale play. USDG anticipates that the terminal will provide a growth platform for the Niobrara oil field by giving producers immediate access to refiners and blenders on the Gulf Coast.

“U.S. Development Group continues to extend its leadership position in the burgeoning crude-by-rail sector with the addition of our Niobrara Crude Terminal,” said Mike Day, vice president, U.S. Development Group. “Strategically located near the developing Niobrara production area, the new terminal gives producers a safe, efficient and flexible way to transport their product to the lucrative Gulf Coast refining and distribution market.”

NCT rail operations will have direct truck-to-rail loading with capacity to handle up to 35,000 barrels per day at 30 truck unloading positions. Served by Union Pacific Railroad, outbound destinations include USDG’s expanding crude terminal network , as well as refiners with the capability to receive product by rail. NCT has an initial rail loading capacity of 60 railcars, with plans to double rail capacity to 120 railcars by Q1 2012. Available terminal services include unit train terminalling for up to 60 railcars, railcar fleet and freight services, truck scales, and inventory management with state-of-the-art environmental controls.

“We are confident that the Niobrara Shale will continue its evolution into a world-class crude deposit,” said Tom Williams, United Energy Trading (UET) president. “UET looks forward to doing our part in this evolution by working alongside U.S. Development to provide reliable access via rail to the most premium domestic crude oil markets.”

The Niobrara facility joins USDG's St. James Rail Terminal and Eagle Ford Crude Terminal as part of a nationwide network of crude oil and related products terminals. USDG, which pioneered the hub concept, is actively developing additional terminal locations for rail movements of oil and condensate from major production areas to refining and distribution centers across North America.

U.S. Development Group companies are engaged in designing, developing, owning and managing large-scale rail logistic centers within the United States. U.S. Development Group is the industry leader in unit rail facility development for both biofuels and crude oil distribution. For more information, go to **www.us-dev.com**.

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