NEWS RELEASE

U.S. Development Group and Kinder Morgan Form Ethanol Distribution Venture

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U.S. Development Group LLC (USD), an industry leader in ethanol handling and distribution terminals, announced today that it has formed a joint venture with Kinder Morgan Energy Partners, L.P. (NYSE: KMP), one of the largest pipeline transportation and energy storage companies in North America, to form a nationwide ethanol distribution platform.

The joint venture will combine USD's expertise in designing, developing and operating ethanol terminals with existing Kinder Morgan ethanol terminal and pipeline assets to create a national distribution network of ethanol handling facilities capable of meeting the growing demand for bio-fuels. As part of the venture, USD and KMP will optimize and coordinate customer access to the expanded distribution platform.

"We look forward to partnering with Kinder Morgan, a national leader in fuel transportation and storage, to revolutionize the way that bio-fuels are delivered to the market," said Dan Borgen, president and CEO of U.S. Development Group. "The venture will offer immediate, significant efficiencies for our customers, and we look forward to continuing our working relationship with them in the new expanded platform. USD is committed to maintaining the level of customer service that our customers expect across the expanding network."

The agreement will facilitate the rapid expansion of additional ethanol logistics facilities throughout the U.S. USD will manage the development of new facilities, including the development of facilities in conjunction with existing KMP terminal assets and pipeline network. The transaction includes the acquisition of existing USD unit train ethanol handling terminals in Baltimore, Dallas, and Linden, N.J., by Kinder Morgan.

"This new network will give our combined customers unparalleled access to major markets across the country," said

KMP Terminals President Jeff Armstrong. “The formation of the venture, along with projects already underway, solidifies KM and USD’s position on three coasts.”

USD is an industry leader in ethanol handling and distribution terminals. U.S. Development Group companies are engaged in rail logistics terminalling, as well as designing, developing, owning and managing large-scale ethanol rail logistic centers in the United States.

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