



NEWS RELEASE

U.S. Development Group to Expand St. James, LA., Crude Oil Handling and Distribution Terminal

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U.S. Development Group LLC (USDG), a Houston-based developer of unit train logistics and terminal facilities, announced today that it is expanding its St. James Rail Terminal (SJRT), a crude oil and condensate handling and distribution hub located in the Gulf Coast region of Louisiana. Expected to be completed by Q4 2011, the expansion will double the terminal's current capacity to 130,000 barrels (or two unit trains) per day. SJRT is part of a nationwide network of crude oil/condensate facilities being developed by USDG, along with the recently announced Eagle Ford Crude Terminal in Gardendale, Texas, scheduled to open next month.

USDG, which pioneered the crude-by-rail/unit train hub concept, is actively developing several new origin and destination hub facilities. The company plans to construct five such facilities within the next 18 months in order to extend its leadership in crude oil rail network solutions. The expanding USDG network will offer capacity for significantly higher rail volumes of oil and condensate from the Bakken, Eagle Ford, Niobrara and other major production areas into refining and oil distribution centers on the East, Gulf and West coasts of North America.

"Since beginning operations in summer 2010, our St. James terminal has experienced strong demand from producers and marketers looking to obtain the best value for their oil. In addition, the St. James Rail Terminal allows our refiner/blender customers to benefit from a steady supply of high-quality sweet crude," said Mike Day, U.S. Development Group vice president. "U.S. Development Group continues to lead the industry in designing, developing and operating crude oil unit train hubs that give our customers maximum flexibility in moving oil and condensates to strategic markets."

Served by the Union Pacific Railroad, U.S. Development Group's St. James facility is currently receiving manifest and unit train shipments of crude oil, condensate and related products from the Bakken and Eagle Ford Shale plays.

SJRT is connected via pipeline to an adjacent state-of-the-art crude oil/condensate storage terminal operated by Plains Marketing, L.P. The expanded SJRT unit train facility will consist of approximately seven miles of rail track and a fully automated 52-spot high-speed railcar offloading rack.

U.S. Development Group companies are engaged in designing, developing, owning and managing large-scale rail logistics centers in North America. U.S. Development Group is the industry leader in unit rail facility development for biofuels, crude oil/condensate and industrial product distribution.

For additional information about the St. James facility, please contact Bill Swan at 713-445-6929.

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