



# NEWS RELEASE



## Kenan Transport Company Acquired by Advantage Management Group in a Transaction Led by Sterling Investment Partners

April 30, 2001

Westport, Connecticut / Kenan Transport Company and Advantage Management Group today announced that Advantage has completed its acquisition of Kenan Transport Company for \$35 per share in cash. The holding company overseeing the businesses is named The Kenan Advantage Group, Inc., which is the nation's leading provider of transportation and logistics services to the petroleum industry. Kenan Transport Company will remain a separate operating company within The Kenan Advantage Group. The total transaction value of the combined companies, including assumed debt, is approximately \$176 million.

Advantage financed the acquisition through expanded senior debt facilities from a group of senior underwriters led by CIBC World Markets, subordinated debt from Rice Sangalis Toole & Wilson and Massachusetts Mutual Insurance Company, and additional equity from Advantage's lead equity sponsors, Sterling Investment Partners, L.P., of Westport, Connecticut, and RFE Investment Partners, of New Canaan, Connecticut, as well as Massachusetts Mutual Life Insurance Company, an affiliate of Aetna Life Insurance Company, and Rice Sangalis Toole & Wilson.

Lee P. Shaffer, Kenan's former President and Chief Executive Officer, will serve as the Chairman of Kenan Advantage, and Dennis A. Nash, former President and Chief Executive Officer of Advantage, will serve as the President and Chief Executive Officer of Kenan Advantage. The new company will leverage the regional strengths of Kenan in the South and Southeast with the regional strengths of Advantage in the Midwest to provide enhanced transportation and logistics services to the petroleum, propane gas and chemical industries.

Lee Shaffer said, "We believe that the combination of Kenan and Advantage benefits our respective customers through the creation of an unparalleled network of facilities across the United States."

"We are extremely excited about the expanded capabilities and synergies our complementary networks and regional strengths provide our customers and employees," said Dennis Nash.

Doug Newhouse of Sterling Investment Partners commented, "We are looking forward to working with management to further leverage the great franchise of Kenan and Advantage."