

January 19, 2022

Board of Directors - Conflicts Committee  
Blueknight Energy Partners G.P., L.L.C.  
6060 American Plaza, Suite 600  
Oklahoma City, Oklahoma 74135  
Attn: Duke R. Ligon, Chairman

**RE: On Ergon, Inc.'s Offer to Acquire Common and Preferred Units of Blueknight Energy Partners, L.P.**

Dear Mr. Ligon,

I am writing a follow up letter as there has been no public statement on the proposal by Ergon to acquire all public units of Blueknight at a highly insufficient price for the BKEP common units - a price that reflects both an unreasonably low enterprise value and an unfair allocation of value between BKEP/BKEPP.

For the reasons outlined in my prior letter (see attached) and in Blueknight's own investor presentation, refocused Blueknight is an exceptional infrastructure business which shares characteristics of industrial real estate combined with an operating business.

As was clearly summarized by an astute caller in the Q3 earnings call, BKEP unitholders have suffered mightily under Ergon's watch. To have Ergon now "steal" these long-suffering investors' chance of being made whole - right when the business is perfectly positioned to allow this to happen would be unconscionable.

We estimate that a fair enterprise value for Blueknight should be in the neighborhood of \$650M.

Even if the inflated \$8.46 price for the preferred units stands, a \$650M EV would imply a price for Blueknight common units of approximately \$6.40/unit - 93% above the current proposal.

Ergon's low-ball offer is not in the right ballpark - not close. We hope that the conflicts committee rejects this offer and is able to negotiate a price for BKEP unitholders that more closely resembles the fair value of our economic stake in the underlying business.

The conflicts committee must stand firm against this proposed malfeasance - either BKEP must be acquired for a reasonable price reflecting the underlying value, or the offer must be rejected.

If the offer is withdrawn, any future plan must be win/win for all stakeholders - minority BKEP/BKEPP holders and Ergon. This is entirely possible.

Regards,

Nathanael Stewart, CFA  
N.A.S. Capital LLC  
155 Fleet Street | Portsmouth, N H 03801  
P: 603-205-1465