

October 12, 2010



Alon USA Announces Offering to Sell Convertible Preferred Stock

DALLAS, Oct. 12 /PRNewswire-FirstCall/ -- Alon USA Energy, Inc. (NYSE: ALJ) (the "Company") announced today that it has commenced a public offering of \$60 million of the Company's Series A Convertible Preferred Stock (the "Preferred Stock"). The offering will consist of 6,000,000 shares of Preferred Stock with a liquidation preference of \$10.00 per share. Deutsche Bank Securities Inc. ("Deutsche Bank") will serve as the sole bookrunning manager of the offering.

The Company intends to pursue the offering of Preferred Stock with Deutsche Bank in place of the previously announced \$40 million convertible preferred rights offering.

The conversion rate, dividend rate and other terms of the Preferred Stock will be determined by negotiations between the Company and the underwriter. Alon Israel Oil Company Ltd., the Company's majority shareholder, has indicated its desire to purchase approximately \$30 million of the \$60 million of Preferred Stock being offered.

A registration statement relating to the Preferred Stock has been filed with the Securities and Exchange Commission (the "SEC") but has not yet become effective. Offering materials, including a prospectus describing the terms of the offering and the Preferred Stock will be filed with the SEC following the SEC declaring the registration statement effective. When available, copies of the prospectus may be obtained from Deutsche Bank Securities Inc., Attn: Prospectus Department, 100 Plaza One, Second Floor, Jersey City, NJ 07311 (telephone: 1-800-503-4611).

This announcement does not constitute an offer to sell or the solicitation of an offer to buy and there will be no sale of the Preferred Stock in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The Preferred Stock may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective.

Alon USA Energy, Inc., headquartered in Dallas, Texas, is an independent refiner and marketer of petroleum products, operating primarily in the South Central, Southwestern and Western regions of the United States. The Company owns four crude oil refineries in Texas, California, Louisiana and Oregon, with an aggregate crude oil throughput capacity of approximately 250,000 barrels per day. Alon is a leading producer of asphalt, which it markets through its asphalt terminals predominately in the Western United States. Alon is the largest 7-Eleven licensee in the United States and operates more than 300 convenience stores in Texas and New Mexico. Alon markets motor fuel products under the FINA brand at these locations and at approximately 610 distributor-serviced locations.

This communication contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Any statements in this press release that are not statements of historical fact are forward-looking statements. Forward-looking statements reflect our current expectations regarding future events, results or outcomes. These statements involve risks and uncertainties that could cause actual results to vary materially from expectations expressed in or indicated by the forward-looking statements, including market conditions. Additional information regarding these and other risks and uncertainties is contained in our Annual Report on Form 10-K for the year ended December 31, 2009, and our subsequent filings with the SEC.

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