

Watco Companies, Inc. Announcement

Date: November 17, 2010

To: Watco Team

From: Keith Barksdale, Assistant Chief Operating Officer Gulf Region

Subject: Don Rudd, Gulf Region Director of Locomotives Switching and Leasing

I am pleased to announce that Don Rudd has accepted the position of Gulf Region Director of Locomotives Switching and Leasing. Don will be responsible for directing and overseeing all aspects of Watco's Gulf Region switching and leasing locomotive fleet and team members.

Don has 20 years experience in the railroad industry. He started his career in Battle Creek, Mich., with the Grand Trunk Western Railroad in April, 1988. From November 1994 through June 2001 he was with Econo-Rail/Trans Global Solutions, Inc., out of Port Author, Texas. He then served as Locomotive Contractor and Partner/Owner of Knuckle to Knuckle, Inc., from June 2001 to July 2002 and then was offered a position at Watco's Baytown, Texas, shop. Don was the Baytown Shop Superintendent from July 2002 to July 2004. He then served as Chief Mechanical Officer for the Timber Rock Railroad in Silsbee, Texas, from July 2004 through September 2005. He then served as Electrical Superintendent as part of Watco's corporate locomotive support team from September 2005 through December 2006. In December of 2006 he accepted the position of Director of Locomotives Gulf Region.

Don and his wife Jimmie have four children; Ric, 40; Jonathan, 25; Jami, 23 Kimberly, 20 and two grandchildren, Stephanie, 21 and Mason, 15.

Don will be working from Port Neches, Texas, office and can be reached by cell phone at 409-659-1217 or by e-mail at drudd@watcocompanies.com.

Please join me in congratulating Don on his new position.