



NEWS

FOR IMMEDIATE RELEASE

Contact: Julie Fortman
620-231-2230
jfortman@watcocompanies.com

Thirteen Watco Companies' railroads recognized for outstanding safety

PITTSBURG, KS—April 21, 2007—Watco Companies, Inc. (Watco) announced today thirteen of its railroads will receive safety awards from the American Shortline & Regional Railroad Association (ASLRRRA). The awards will be presented at the ASLRRRA's 94th annual convention in Baltimore, MD next week.

Railroads receiving recognition include the Alabama Southern (ARS), Arkansas Southern (ARS), Eastern Idaho (EIRR), Great Northwest (GRNW), Kansas and Oklahoma (KO), Kaw River (KAW), Louisiana Southern (LAS), Mississippi Southern (MSR), Pennsylvania Southwestern (PSWR), South Kansas and Oklahoma (SKOL), Stillwater Central (SLWC), Timber Rock (TIBR) and Yellowstone Valley (YSVR) Railroads.

“For the first time in our history, nearly all of our railroads qualify for Jake Awards,” said Gary Vaughn, vice president of safety. “This is a stellar achievement and I, along with all the managers, am very proud of our team. ”

Rick Webb, Watco CEO, said the recognition of safety was paramount.

“Safety is a way of life in this industry,” he said. “Our primary goal is customer satisfaction and to achieve that we must do so safely. Every day, every hour of every year we are focused on running

-- more --

safe operations, and being recognized by the ASLRRRA is an indication that we are moving in the right direction. I am very proud of our Team and know we will continue to provide the best transportation package in the safest manner.”

Known as “Jake Awards”, these awards are presented annually to shortline railroads in the United States that have achieved outstanding safety records in the previous year. Safety records comparisons are based on the average of all United States short lines Frequency Severity Index (FSI). This index takes into account not only all reportable injuries, but the severity of those injuries. To qualify for a “Jake Award”, a railroad had to achieve an FSI better than the industry average, which was 8.9 in 2006. To qualify for a “Jake Award with Distinction”, a railroad had to achieve an FSI of zero, meaning no injuries or accidents for the 2006 year.

Watco railroads with zero accidents or injuries that will receive the “Jake Award with Distinction” include the ABS, ARS, KAW, MSR, PSWR and YSVR. Watco railroads with a lower than industry-average FSI that will receive the “Jake Award” include the EIRR, GRNW, KO, LAS, SKOL, SLWC and TIBR.

“Our employees, the entire Watco Team, are the reason we are being recognized for this achievement,” Vaughn said. “They have dedicated themselves to safe practices and we have achieved tremendous improvement in safety and must continue this trend.”

Watco Companies, Inc. (Watco), a Pittsburg, Kansas, based company, operates 16 railroads in 14 states. Watco operates the Alabama Southern, Arkansas Southern, Eastern Idaho, Great Northwest, Kansas and Oklahoma, Kaw River, Louisiana Southern, Mission Mountain, Mississippi Southern, Palouse River and Coulee City, Pennsylvania Southwestern, South Kansas and Oklahoma, Stillwater Central, Timber Rock, Vicksburg Southern and Yellowstone Valley Railroads. Watco also operates industrial switching locations and mechanical and locomotive shops across the United States. More information about Watco can be found on their website at www.watcocompanies.com

###