



NEWS

FOR IMMEDIATE RELEASE

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Watco Companies Gulf Region employees affected by Hurricane Rita

PITTSBURG, KANSAS – September 23, 2005 – Watco Companies, Inc. (Watco) Timber Rock Railroad (TIBR), located in Silsbee, TX, is closed in preparation for Hurricane Rita. Seventy-six people are employed at the TIBR Silsbee location and 39 TIBR employees work in San Augustine, Kirbyville and Jasper, TX and DeRidder, LA.

A total of 249 people are employed by Watco in the Gulf Region states of Texas and Louisiana and could potentially be affected by the storm.

Randy Bennett, COO/EVP Business Development, Texas Region, said all locations in the Houston Metro area are also closed, including Greens Port Industrial Park and multiple switching and mechanical repair operations.

“The last Texas based operation in the Houston Metro area closed at 9 p.m. last night. Everyone has left for safer areas and is locked down,” he said.

Bennett is currently located in Leesville, LA, but said the threat of significant weather is expected in the area so he is relocating to an area northeast of Leesville as soon as possible.

Keith LaCaze, COO, Gulf Region, was one of the last to leave the TIBR office in Silsbee last night.

“Our employees have left for safer locations, along with their families. We want to make sure everyone reaches safety and we will do our best to make contact with them afterwards,” LaCaze said.

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Tim Lundberg, Human Resources Manager, agreed the focus right now is the safety of the employees.

“We have a detailed list of employees who live in the affected areas and have instructed them to contact us as soon as they can after the hurricane passes. We want to make sure everyone is safe and accounted for. As we make contact with employees we will also be determining when we can safely resume operations in the Gulf,” he said.

Anyone able to make contact with one of the affected employees should contact Lundberg. Please provide the employee’s name, current location and contact information to him by phone at 620-231-2230 or by e-mail at tlundberg@watcocompanies.com.

Watco Companies, Inc. (Watco), a Pittsburg, Kansas, based company, operates the Timber Rock Railroad and 12 other short line railroads in 13 states. In addition to the TIBR, Watco operates the Appalachian and Ohio, Eastern Idaho, Great Northwest, Kansas and Oklahoma, Kaw River, Mission Mountain, Mississippi Southern, Palouse River and Coulee City, Pennsylvania Southwestern, South Kansas and Oklahoma, Stillwater Central and Yellowstone Valley Railroads. During the next 60 days, Watco will take over operations of the Louisiana Southern, Arkansas Southern and Alabama Southern 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

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