



NEWS

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

Timber Rock Railroad imposes traffic embargo after Hurricane Rita

PITTSBURG, KANSAS – September 26, 2005 – An embargo has been issued on all traffic moving to or from the Timber Rock Railroad (TIBR), which is located in east Texas and west-central Louisiana. The embargo is a result of damage from Hurricane Rita, which struck the area after 2 a.m. CST Saturday, September 24. The Timber Rock Railroad is a wholly owned subsidiary of Watco Companies, Inc. (Watco)

The hurricane hit the TIBR main line, which runs from Silsbee, TX north to Tenaha, TX, and east to DeRidder, LA.

“We are in the early stages of evaluating damage to the Timber Rock and will be continuing the embargo on a day-to-day basis,” said Ed McKechnie, Chief Commercial Officer. “Our primary efforts at this point are to support our employees who were affected by the hurricane and work to get the railroad back up and running.”

The hardest hit areas of the TIBR include Silsbee and Jasper, TX and Leesville and DeRidder, LA, which sustained structural damage. Portions of the railroad west of Silsbee have been cleared of debris and are being evaluated for service. Crews are at work assessing the extent of the damage to the balance of the line. TIBR management and employees are working to access those areas for damage evaluation, taking great care to inspect bridges.

“Our crews have been at work since Sunday evaluating the damage and we have some portions of the line cleared of debris,” said Keith LaCaze, Chief Operating Officer,

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of Watco's Gulf Region. "We have sustained some flood damage and deterioration of the track structure, and it will take us some time to fully understand the extent of the damage."

Many of the TIBR customers are without power and unable to receive rail traffic. TIBR personnel are trying to maintain regular contact with these customers and service will be restored to each customer as soon as possible. However, power and communication systems, including cell phones, in the affected areas are unreliable so reaching customers and employees is difficult.

Of the 249 employees in the Gulf Region states of Texas and Louisiana, many are without power, but all have found at least temporary shelter. Direct contact has been made with approximately 70% of the affected employees. Four families suffered a total loss of their homes and are staying with relatives or in a shelter.

Pat LaCaze, TIBR General Manager, is working to establish support for both the employees and the railroad.

"We have identified Silsbee (Texas) as a command center where we can begin the hard task of collecting and distributing the goods and services we need to get the railroad back into service," LaCaze said. "Additionally, we will use this location as a center to collect and distribute goods and services for our employees who have been affected."

Supplies such as generators, water, fuel cans and fuel are scheduled to arrive at the TIBR command center as early as today. These goods will be used for the TIBR to begin working towards restoring rail service. Watco has arranged for a fuel tanker truck to be in Silsbee to distribute gasoline to employees for their personal use and for use on the railroad. From that location, fuel, water and supplies will be distributed to other railroad, switching and mechanical locations in the area.

Watco's industrial switching operations in the Houston and Gulf Regions have also been impacted by Hurricane Rita. While most of the switching locations remain closed until electricity can be restored to the customers, many of the locations are expected to be operating by the end of this week.

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,

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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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