



NEWS

FOR IMMEDIATE RELEASE

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Embargo remains on Timber Rock Railroad DeRidder Subdivision

PITTSBURG, KANSAS – September 30, 2005 – The Timber Rock Railroad (TIBR) has lifted the embargo issued on all traffic moving on the Conroe, Beaumont and San Augustine Subdivisions, with the DeRidder Subdivision embargo still in effect.

The TIBR embargo was 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 west to Dobbin, TX and east to DeRidder, LA.

Full service is available on the Conroe Subdivision, including towns located west of Silsbee to Dobbin, TX and at least partial service is available on the Beaumont Subdivision, including towns south of Silsbee to Beaumont, TX. However, citizens of Beaumont were only allowed to return to the city today and little or no power is available.

The San Augustine Subdivision, including towns north of Silsbee to Tenaha, TX and the DeRidder Subdivision, including towns located east of Kirbyville, TX to DeRidder, LA are still without service. Crews are continuing to remove trees, power lines and other debris from the rail lines.

Pat LaCaze, TIBR General Manager, hopes to restore service by Monday.

“As our crews cut trees and remove visible debris we are finding more debris

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under the piles,” he said. “Right now we continue to work as safely and quickly as we can, but we just don’t know what we will find. I remain cautiously optimistic that we will be able to provide service on the San Augustine and DeRidder Subs by Monday.”

Vicky Spencer, TIBR Customer Service Agent, said she and other TIBR agents are maintaining contact with all customers. An estimated 80 percent of TIBR customers have no power.

“We have made some sort of contact with all of our customers on a daily basis,” she said. “However, that has been a challenge because of power outages and interruptions to cell phone service. We intend to continue providing informational updates as often as we can.”

“As we expected, we have had to evaluate the embargo on a daily basis, and have been able to slowly restore partial service on the Timber Rock,” said Ed McKechnie, Chief Commercial Officer. “We are working with our Class I partner, the BNSF, and expect to have the Beaumont and Tenaha gateways open by Monday.”

In addition to restoring service, Watco and the TIBR continue to provide support to employees. Supplies have continued to arrive in the affected areas, including generators, water, non-perishable food items, fuel and hygiene products.

Watco Companies, Inc. (Watco), a Pittsburg, Kansas, based company, operates the Timber Rock Railroad and 13 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, Louisiana Southern, Mission Mountain, Mississippi Southern, Palouse River and Coulee City, Pennsylvania Southwestern, South Kansas and Oklahoma, Stillwater Central and Yellowstone Valley Railroads. During the next 45 days, Watco will take over operations of the 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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