



NEWS

FOR IMMEDIATE RELEASE

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South Kansas and Oklahoma Railroad Lifts Embargo at Coffeyville Interchange

PITTSBURG, KANSAS – July 11, 2007 – The South Kansas and Oklahoma Railroad (SKOL) has lifted the embargo issued on all traffic moving to and from the Coffeyville, Kan., interchange (UP), and traffic can now move from Coffeyville to all stations across the SKOL. The embargo was a result of flooding, which forced the railroad to cease operations on July 2. The SKOL is a wholly owned subsidiary of Watco Companies, Inc. (Watco)

In addition to lifting the embargo from the Coffeyville interchange, the embargo restricting traffic at the Columbus (BNSF) and Pittsburg, Kan. (KCS), and Tulsa, Okla. (BNSF and UP), interchanges has also been lifted. Those stations are now open to receive traffic to move to all stations on the SKOL.

“We are pleased to be able to open the Coffeyville interchange as quickly as we did,” said Pat Cedeno, Chief Operating Officer for Watco. “A week ago we anticipated it might take three weeks to be where we are right now. Our team has showed tenacity, dedication and heart since this flood and we are excited and proud to be open for business on most of the railroad.”

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“Our people and our Customers affected by the flood have been the focus during our work to repair the railroad and today we made a great achievement for both of them,” he said. “As we begin serving Customers again we will continue to make repairs and look forward to having the entire railroad operating at full capacity.”

A major interchange for the railroad, Winfield, Kan. (BNSF and UP) remains closed. An announcement regarding this interchange is expected late Monday, July 16.

Emergency repairs that now allow traffic to move on the SKOL were not intended to allow the railroad to run normal operations, only to allow the railroad to begin moving traffic safely at restricted speeds of 10mph or less. More aggressive phase two repairs will begin soon and will allow the railroad to return to pre-flood conditions and normal non-restricted speeds of 25mph.

Customers who need to identify locations of railcars on the SKOL may call Customer Service 24 hours a day at 866-889-2826.

Watco Companies, Inc. (Watco), a Pittsburg, Kansas, based company, operates 16 railroads in 14 states including 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 and is the owner of Millennium Rail, Inc. (MRI), a fully-integrated provider of repair and maintenance services to the rail industry. MRI operates eight car repair shops across the United States. More information about Watco and MRI can be found on their website at www.watcocompanies.com.

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