



NEWS

FOR IMMEDIATE RELEASE

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Embargo lifted from Winfield subdivision of South Kansas and Oklahoma Railroad; all interchanges now open.

PITTSBURG, KANSAS – July 23, 2007 – The South Kansas and Oklahoma Railroad (SKOL) has lifted the embargo on the Winfield, Kan., (BNSF and UP) interchange, opening the location for railcar traffic to originate and terminate. 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).

Emergency repairs allowed the embargo to be lifted on the railroad on a customer-by-customer basis during the last 10 days. Interchanges previously under the embargo at Coffeyville, (UP), Columbus (BNSF) and Pittsburg, Kan. (KCS) and Tulsa, Okla. (BNSF and UP) are open to traffic.

“Many repairs had to be made to allow us to open Winfield,” said Pat Cedeno, Chief Operating Officer for Watco’s Central Region. “Being our largest interchange, the location has a tremendous affect on the amount of traffic that comes onto our railroad. We must be diligent as we begin to return to heavier traffic and ensure we can operate as safely and efficiently as possible.”

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Emergency repairs are still being made to allow traffic to move on the SKOL and the railroad is still operating at restricted speeds of 10mph or less. More aggressive phase two repairs will begin as capital funding becomes available 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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