



NEWS

FOR IMMEDIATE RELEASE

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Embargo remains in effect for South Kansas and Oklahoma Railroad Winfield, Kan., interchange

PITTSBURG, KANSAS – July 16, 2007 – The South Kansas and Oklahoma Railroad (SKOL) interchange at Winfield, Kan., (BNSF and UP) remains under the embargo that ceases interchange traffic at Winfield. 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 a customer-by-customer basis from the Coffeyville, Kan., (UP) interchange Friday, along with the Columbus (BNSF) and Pittsburg, Kan. (KCS) and Tulsa, Okla. (BNSF and UP) interchanges.

“We will open the interchange at Winfield as soon as track conditions allow,” said Pat Cedeno, Chief Operating Officer for Watco’s Central Region. “After this occurs, it will be important to control the amount of traffic interchanged in order to avoid congestion along the entire line.”

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 as capital funding becomes available and will allow the railroad to return to pre-flood conditions and normal non-restricted speeds of 25mph.

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

Additional updates will be provided as needed, based on changes in the SKOL operating plan.

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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