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MEDIA RELEASE

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STILLWATER CENTRAL RAILROAD AWARDED SOONER SUB

Oklahoma City, OK, May 5, 2014 -- The Stillwater Central Railroad, L.L.C., a subsidiary of Watco Transportation Services, L.L.C., was awarded the opportunity to purchase the 97.5 mile stretch of State-owned track that runs between Del City, Okla., and Sapulpa, Okla., known as the Sooner Sub. The decision was passed today by the Oklahoma Transportation Commission and was the culmination of a 180 day process put into place in 2013 by the State Legislature.

"We are extremely pleased with the State's decision to sell the Sooner Sub to the Stillwater Central Railroad. The support we have had from our Customers and interchange partners throughout this entire process was extremely humbling," said Ed McKechnie, Chief Commercial Officer of Watco Companies, the parent company of the Stillwater Central Railroad (SLWC).

The State's process consisted of requesting formal bids that were then reviewed by the Oklahoma Secretaries of Finance, Agriculture, Transportation, Commerce, and Energy. Two short listed proposals were then given further consideration through formal negotiation and an economic impact assessment.

"Our proposal to the State was based on the value we add for our Customers through competition, as well as the growth we anticipate for the State. We also have a unique knowledge of the line as we have been the operator, in partnership with the State, for the past 16 years," McKechnie said.

"We look forward to working with our Customers to meet Oklahoma's freight and passenger rail needs in the years ahead. We very much appreciate the support we have received from so many people, and are committed to going to work to surpass expectations," added McKechnie.

With the purchase of the Sooner Sub, the SLWC will maintain its 275-mile Oklahoma network that currently runs from Duke through Lawton, Oklahoma City, and Stroud, ending just outside of Tulsa in Sapulpa. Trackage rights through Tulsa allows the SLWC to interchange traffic with its sister railroad, the South Kansas and Oklahoma Railroad, which serves Customers in Oklahoma and southeastern Kansas. The SLWC also has a separate line running from Stillwater to Pawnee. The Sooner Sub has been the heart of the Stillwater Central's rail network since 1998 and has established a solid and diverse Customer base over time. Many of the current Customers on the Sooner Sub supported SLWC's proposal to the State.

The SLWC interchanges with Class I Railroads BNSF, Union Pacific Railroad and Kansas City Southern Railway as well as short line partners including the AOK Railroad, Farmrail System, and the South Kansas & Oklahoma Railroad.

Watco Companies is a Pittsburg, Kan., based transportation company providing transportation, mechanical, terminal and port and compliance solutions to Customers throughout North America and Australia. Watco is the owner of Watco Transportation Services, LLC, the second largest short line railroad holding company in the U.S. More information about Watco and its subsidiaries can be found at www.watcocompanies.com.