Weyerhaeuser to Sell Short Line Railroads, Including Two in Washington

Local News

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Washington State - Yesterday Patriot Rail Corp. a privately-held short line and regional freight railroad holding company, announced that it has agreed in principle to purchase the short line railroad assets of Weyerhaeuser Company. The acquisition is subject to certain closing conditions, including Patriot’s due diligence and regulatory approval, and is expected to close in the fourth quarter of 2010.

The six railroads operate over approximately 160 miles of track in four states and currently handle approximately 60,000 carloads of freight annually. The railroads include:

the DeQueen and Eastern Railroad Company consists of two railroads -- the DeQueen and Eastern and the Texas, Oklahoma & Eastern railroads -- that operate over a total of 87 route miles in southeast Oklahoma and southwest Arkansas;

the Columbia & Cowlitz Railway operates over 8.5 route miles in southwest Washington;

the Weyerhaeuser Woods Railroad operates over 30 route miles in southwest Washington and connects directly to the CLC;

the Golden Triangle Railroad operates over 13.3 route miles in central Mississippi; and

the Mississippi & Skuna Valley Railroad owns 21 route miles in Mississippi.

Each of the railroads interchange traffic with Class I carriers. The railroads primarily source Weyerhaeuser and International Paper mills, move finished products and serve some third-party customers. The railroads employ approximately 120 people.

“Once the transaction is completed, these railroads will double the rail portfolio of Patriot Rail,” said Gary O. Marino, Chairman, President & CEO of Patriot Rail. “They are very attractive railroads with appealing growth opportunities and are a key step in our company’s strategic growth process. After closing and integration of the railroads, Patriot Rail’s goal is to expand the rail business by providing customers with first class rail service focused on safety, productivity and service reliability.”

Patriot Rail Corp. is a short line and regional freight railroad holding company based in Boca Raton, Florida. The Company owns and operates six short line freight railroads comprising 331 total rail miles in eight states. In addition, Patriot recently signed an agreement to lease and operate the 13-mile Piedmont & Northern Railroad in Gaston County, North Carolina. For more information on Patriot Rail Corp. visit us at www.patriotrail.com.