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Modesto & Empire Traction Co. pleased with NREC ultra low emissions locomotive test

Modesto, CA, June 10, 2008 — National Railway Equipment Co. (NREC) announced today that Modesto & Empire Traction Company (M&ET) recently operated an NREC N-ViroMotive™ GenSet locomotive in an operational test at their facility here. The locomotive, a two-engine 1500 HP 4-axle unit, is EPA certified and CARB recognized as an ultra-low emitting GenSet locomotive.

“Our goal is to improve our already efficient railroad. Fuel conservation and low emissions are also a priority for us,” said Ken Beard III, Vice President. “We were excited to test this N-ViroMotive locomotive, and we were more than pleased with its excellent performance, fuel savings, tractive effort and quiet running. It exceeded our expectations. We found that it pulled the equivalent of two to three of our existing 70-ton 600 HP units.” Beard added.

Jim Wurtz, NREC’s vice president marketing and sales, said, “The performance of our N-ViroMotive GenSet locomotives has met or exceeded customer expectations everywhere they have operated.”

The operational advantages the N-ViroMotive locomotives are dramatic:

- 80%+ reduction in nitrous oxide (NOx) and particulate matter (PM) emissions
- 50% to 65%+ improved tractive effort adhesion efficiency
- Over 50% fuel savings capability in switching and road switching service
- N-Force microprocessor-based electronic controls and modularized mechanical platforms which decrease maintenance requirements by 35% or more
- Achieves the most stringent noise level requirements for off-road capital equipment

Operating since 1911, Modesto & Empire Traction Company [www.metrr.com] is a short-line railroad situated in a 2000-acre industrial park known as the Beard Industrial District [www.BeardLand.com] in Modesto, California. The railroad has a 5-mile-long main line and operates and maintains an additional 28 miles of track within the Beard Industrial District serving numerous customers. M&ET serves customers whose products include wine,

canned goods, paper products, corn syrup, cooking oil, feed & grain, lumber, and packaging materials. M&ET connects with BNSF Railway and Union Pacific Railroad and operates a 70-acre rail/truck transload facility encompassing 6,000 feet of unloading/loading tracks.

National Railway Equipment Co., headquartered in Mt. Vernon, IL, is the designer, developer and manufacturer of the industry's first Ultra Low Emitting GenSet Locomotives. The world's largest independent locomotive rebuilder and remanufacturer, NREC is also a locomotive lessor. It has locomotive, diesel engine and parts facilities in fourteen locations throughout the United States and Canada.

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