



## **KIRBY CORPORATION**

### **FOR IMMEDIATE RELEASE**

#### **KIRBY CORPORATION EXPECTS 2008 THIRD QUARTER NET EARNINGS TO BE \$.73 TO \$.76 PER SHARE, AFTER IMPACT OF HURRICANES GUSTAV AND IKE**

- **2008 third quarter earnings expected to be \$.73 to \$.76 per share compared with \$.64 per share for the 2007 third quarter**
- **Hurricanes Gustav and Ike estimated to negatively impact results \$.08 to \$.09 per share**
- **Timing of reduction in diesel fuel prices estimated to positively impact results \$.03 to \$.04 per share**
- **Marine transportation and diesel engine services operations anticipated to return to normal levels with business fundamentals remaining strong**

**Houston, Texas (September 23, 2008)** – Kirby Corporation (“Kirby”) (NYSE:KEX) announced today that following the impact of Hurricanes Gustav and Ike it expects its 2008 third quarter earnings to be \$.73 to \$.76 per share compared with 2007 third quarter earnings of \$.64 per share. Kirby estimates the 2008 third quarter effect of Hurricanes Gustav and Ike will be in the \$.08 to \$.09 per share range.

Joe Pyne, Kirby’s President and Chief Executive Officer, commented, “Hurricane Ike made landfall on September 13 in the Houston/Galveston area as a strong Category 2 hurricane. Because of Hurricane Ike’s size and its unpredictable course, much of the Gulf Coast petrochemical and refining capacity was shut down prior to making landfall. Ike’s windfield and storm surge significantly affected the Houston and Port Arthur/Beaumont petrochemical and refining capacity, much of which is still not operating. The Gulf Coast contains over 90% of the United States base petrochemical production. As of Friday, September 19, one week after Hurricane Ike’s landfall, approximately 50% of this capacity was idle. This compares with approximately 35% idled one week after Hurricane Rita’s 2005 landfall, and less than 10% idled one week after Hurricane Katrina’s 2005 landfall. Gulf Coast petrochemical production continues to recover with outages of less than 40% of capacity as of Monday, September 22. Additionally, an eight mile stretch of the Gulf Intracoastal Waterway between the Houston Ship Channel and Port Arthur, Texas remains closed due to obstructions in the

waterway. This part of the waterway should reopen tomorrow, eleven days after Ike made landfall. Hurricane Gustav, which made landfall between Houma and Morgan City, Louisiana on September 1, also created disruptions to our Gulf Coast diesel engine services operations and our four Gulf Coast based offshore barge and tug units. The disruptions to our inland marine transportation operations were not as severe from Gustav as they were from Ike, primarily due to fewer closures of our customers' facilities and only limited waterway closures."

Mr. Pyne further commented, "Although none of Kirby's active tank barges and towboats were materially damaged by the hurricanes, a large portion of them were idled. Because of our customers' inability to produce products which require marine transportation movements in the Houston and Port Arthur/Beaumont areas, coupled with the closure of the Gulf Intracoastal Waterway, the impact of Hurricane Ike was significantly greater than Hurricanes Katrina and Rita in 2005. We do anticipate a return to strong pre-hurricane operating fundamentals after customer facilities begin operating at normal levels. Offsetting some of the negative effects of the hurricanes on the 2008 third quarter's operating results is an estimated \$.03 to \$.04 per share positive timing impact from falling diesel fuel prices, which declined from an average of \$4.33 per gallon on July 14 to an average of \$3.29 per gallon on September 22. We will further address the impact of the hurricanes and fuel on our operating results when we announce our 2008 third quarter results, and fourth quarter and year guidance, on Wednesday afternoon, October 29, and in our conference call on Thursday morning, October 30, 2008."

Kirby Corporation, based in Houston, Texas, operates inland tank barges and towing vessels, transporting petrochemicals, black oil products, refined petroleum products and agricultural chemicals throughout the United States inland waterway system. Kirby also owns and operates four ocean-going barge and tug units transporting dry-bulk commodities in United States coastwise trade. Through the diesel engine services segment, Kirby provides after-market service for medium-speed and high-speed diesel engines and reduction gears used in marine, power generation and railroad applications.

Statements contained in this press release with respect to the future are forward-looking statements. These statements reflect management's reasonable judgment with respect to future events. Forward-looking statements involve risks and uncertainties. Actual results could differ materially from those anticipated as a result of various factors, including cyclical or other downturns in demand, significant pricing competition, unanticipated additions to industry capacity, changes in the Jones Act or in U.S. maritime policy and practice, fuel costs, interest rates, weather conditions, and timing, magnitude and number of acquisitions made by Kirby. Forward-looking statements are based on currently available information and Kirby assumes no obligation to update any such statements. A list of additional risk factors can be found in Kirby's annual report on Form 10-K for the year ended December 31, 2007, filed with the Securities and Exchange Commission.