CEDAR RAPIDS, IOWA – At approximately 2:15 AM CDT this morning, the Company incurred a derailment of 26 cars approximately one mile east of Tiskilwa, Illinois in Bureau County. The train consisted of 131 total railcars pulled by two locomotives. The cause of the derailment has not yet been determined. Nine of the derailed cars contained ethanol, of which seven caught on fire. The other derailed railcars contained animal feed and sand. No injuries or deaths have occurred in connection with this incident. The nearest residence was further than 900 feet from the derailment site.

Emergency response teams immediately responded after the incident. Local authorities ordered a precautionary evacuation of the nearby town of Tiskilwa (population of 745). A temporary evacuation center was staged at the Princeton, Illinois High School (approximately 7 miles from Tiskilwa). There were no disruptions to the school due to a scheduled in-service day.

Local authorities allowed most residents to return to their homes by 9:30 AM CDT. At this time, one ethanol tank car is still burning under the watchful eye of the emergency responders. As soon as the fire has been completely extinguished, an immediate investigation of the incident will commence. Cleanup of the accident site will also immediately ensue with professional contractors who are presently on the scene. The National Transportation Safety Board will also commence an investigation of the incident.

The Company apologizes for the derailment and is offering assistance to Tiskilwa residents who have been disrupted by the incident.

The Iowa Interstate Railroad, Ltd. is a privately held, regional railroad that operates across the Council Bluffs, Iowa to Chicago, IL corridor with a connection to Peoria, IL. It further provides freight rail service to the Quad Cities (IA and IL), Des Moines, Cedar Rapids, and Iowa City. For more information, please visit www.IAISRR.com.

Contact: Lanny Van Daele
Legal Counsel
Telephone: (319) 298 5405
Cell: (319) 325 5204

# # #