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'GREEN DOLPHIN' HYBRID TUG EARNS HISTORIC FIRST FOR FOSS MARITIME

Company wins EPA's prestigious Clean Air Technology Award for development of low emission vessel

WASHINGTON, D.C., June 2, 2008 – Foss Maritime has won the Environmental Protection Agency's Clean Air Technology Award for development of its low emission 'Green Dolphin' hybrid tug, the first time a maritime operating company has ever received the federal government's prestigious honor.

Foss Maritime President and CEO Gary Faber and other top company officials accepted the coveted award in a ceremony May 28 at the Smithsonian National Museum of the American Indian.

Industry analysts and environmental officials alike have praised the 'Green Dolphin' hybrid tug, which is the world's first true hybrid. It reduces nitrogen oxide, particulate emissions, sulphur dioxide and carbon emissions and will exceed the EPA's Tier 2 emissions requirement for marine engines. The hybrid tug is being built in collaboration with the ports of Long Beach and Los Angeles and is scheduled to begin operation in southern California in Fall 2008.

Foss and Innovation

"At Foss Maritime we are committed to technological innovation and being stewards of the environment," Faber said as he received the EPA award. "In that way the 'Green Dolphin' hybrid tug truly embodies our company's core values. Over the 119-year-history of our company this kind of forward thinking building is what the public, our customers and the industry itself have come to expect from us."

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"EPA applauds the winners of the 2007 Clean Air Excellence Awards who are helping us deliver healthier air and healthier lives to all Americans," said EPA Administrator Stephen L. Johnson. Their dedication to creating a cleaner tomorrow is truly a breath of fresh air."

What sets the low-emission 'Green Dolphin' apart

Unlike other tugs, the 'Green Dolphin' hybrid tug will rely on batteries and an active power management system to minimize engine use. When the engines are used, they will run at power levels that maximize efficiency, reversing the trend of harbor tugs to spend approximately 60 percent of their time at less efficient low power levels. Main engine emissions reductions from using the hybrid tug are expected to be in the order of 44 percent for particle emissions and nitrous oxide. Fuel consumption is expected to decrease by 20 to 30 percent with a commensurate reduction in sulphur dioxide and carbon emissions.

The 'Green Dolphin' hybrid tug will help lower some costs. The primary financial benefits of the design come through fuel and lube savings and reduced life cycle and maintenance costs of the major equipment components.

Additionally, the 'Green Dolphin' hybrid tug's modular design can be applied as a retrofit technology for existing tugboats. It will be able to incorporate future energy storage improvements in battery technology and hydrogen fuel cells.

"We are grateful for EPA's recognition of the 'Green Dolphin' hybrid tug," said Susan Hayman, Vice President of Health, Quality, Safety and Environment for Foss Maritime.

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"Any time you introduce cutting edge technologies there are barriers that you must overcome. We've done that. Our company's commitment to the 'Green Dolphin' project has been unwavering. And we have developed a tremendous partnership with the ports of Long Beach and Los Angeles in the process."

Collaborations with the EPA

The 'Green Dolphin' hybrid tug, which is being built at the company's Rainier, OR, shipyard, is just one of several ways Foss is moving aggressively to improve the global environment, including new initiatives seeking to improve energy efficiency and air quality.

In October 2007 the company announced its vessels were switching to ultra low sulfur diesel fuel (ULSDF), a move aimed at producing a significant reduction in emissions of particulate matter and carbon monoxide. Port officials in Seattle and Portland lauded Foss for taking an important step to reducing the carbon footprint in Elliott Bay, Puget Sound and the Columbia and Snake rivers.

In August 2007, Foss announced that it had joined the SmartWay Transport® Partnership, a voluntary collaboration between EPA and the freight industry designed to increase energy efficiency while significantly reducing greenhouse gases and air pollution. Foss was the first carrier accepted into the program for its marine transportation services.

Foss has pledged to contribute to the partnership's goal to reduce 33 to 66 million metric tons of carbon dioxide and up to 200,000 tons of nitrogen oxide per year by 2012 by improving the environmental performance of its marine operations. Carbon dioxide is the most common greenhouse gas, and nitrogen oxide is an air pollutant that contributes to smog.

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About Foss

Founded in 1889, Seattle-based Foss Maritime offers a complete range of maritime services and project management to customers across the Pacific Rim, Europe, South America and around the globe. The company has harbor services and transportation operations in all major U.S. West Coast ports, including the Columbia and Snake River system. With one of the largest fleets of tugs and barges on the American West Coast, Foss operates two shipyards and offers worldwide marine transportation, emphasizing safety, environmental responsibility and high-quality service. See www.foss.com for more information.

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