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EPA, NORTHWEST PORTS HAIL FOSS ENVIRONMENTAL INITIATIVE

Switching tug fleet to ultra low sulfur diesel fuel means lower emissions, cleaner air in Puget Sound, Columbia River

SEATTLE, November 1, 2007—Foss Maritime Company announced today that, effective immediately, its vessels are switching to ultra low sulfur diesel fuel (ULSDF) from low sulfur diesel fuel, significantly reducing emissions of particulate matter and other pollutants.

The U.S. Environmental Protection Agency (EPA) and port officials in Seattle and Portland lauded Foss for taking an important step to reducing the air emissions in Elliott Bay, Puget Sound and the Columbia and Snake rivers.

“Foss is stepping up to improve our air quality,” said Gary Faber, President and COO of Foss Maritime. “The next time our tugs fill their tanks, it will be with ultra low sulfur diesel fuel, the cleanest diesel fuel on the market. The maritime industry has to do its part.”

Foss’s fuel switch to ultra low sulfur diesel from low sulfur diesel will reduce sulfur dioxide emissions by about 9 tons per year in the Seattle/Puget Sound region and 8 tons per year in the Columbia and Snake Rivers area including Portland. Use of ultra low sulfur diesel by Foss will also reduce particulate matter by about 0.7 tons per year for Seattle/Puget Sound and 0.6 tons per year for Columbia Snake River.

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Foss Switches Fleet to Ultra Low Sulfur Diesel

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Voluntarily switching to cleaner ULSD is just the latest Foss environmental initiative. In March the company gained worldwide attention when it announced the development of the first true hybrid tug. The vessel is now under construction in the company's Rainier, OR, shipyard and is scheduled for launch in late summer 2008.

"In the Pacific Northwest, one of EPA's top priorities is to protect the environmental health of the Puget Sound and the Columbia River basins," said Elin Miller, Region 10 Administrator in Seattle. "We applaud the action that Foss Maritime is taking to reduce diesel pollution at Northwest port operations. Actions like these lower emissions, resulting in cleaner air. We encourage other companies to follow Foss' lead in reducing their impact and ensure environmental and economic health of the region."

Except in California where the state already mandates use of ULSD, most Foss vessels have been fueled by low sulfur diesel. Foss will immediately switch to ULSD for the remainder of its fleet, except in rare cases of refueling in remote locations where ultra low is not available. Susan Hayman, Vice President of Health, Quality, Safety and Environment for Foss Maritime, said ULSD is fuel with a maximum of 15 parts per million as opposed to low sulfur diesel with a maximum of 500 parts per million. Foss' voluntary switch to the cleaner fuel comes nearly five years in advance of an EPA decree for marine engines to use ULSD by 2012.

"Foss isn't waiting for the federal government regulations to act," Hayman said. "This is the right thing to do even if it means, at least initially, that the company's fuel bill is going to be bit higher. Emissions of particulates and other pollutants are going to be a lot lower."

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"Foss is busy every day in Puget Sound, the Strait of Juan de Fuca, the Columbia and Snake river systems," said David Hill, Vice President of Harbor Services. "We consider it our responsibility, in partnership with our customers, to do what we can do keep the harbors clean and safe and be good stewards of the environment. Foss' number one goal is to protect the safety of people—helping reduce harmful emissions is an important step in reaching this goal."

Foss' announcement was welcomed by the Port of Seattle, which is working to meet recommendations outlined in the *Northwest Ports Clean Air Strategy*. The document was jointly published by the ports of Seattle, Tacoma and Vancouver, B.C., and created in association with the Puget Sound Clean Air Agency, the Washington Department of Ecology, EPA and Environment Canada. Its purpose is to recommend steps to reduce maritime, port-related emissions that affect air quality and climate change in the Pacific Northwest.

The Northwest Ports Clean Air Strategy calls for harbor vessels such as tugs to begin using ULSD or biofuel blends and to test hybrid vehicles by 2010.

"Foss is well ahead of the curve in helping the port achieve early reductions in advance of national regulations so that we can make this a cleaner, healthier environment for Puget Sound area citizens," said Tay Yoshitani, Chief Executive Officer of the Port of Seattle, "We applaud Foss' decision to make this move now. Every day that working vessels are burning cleaner fuel makes a difference."

Foss has a significant presence in Portland as well as the Puget Sound. The Port of Portland welcomed Foss' voluntary move to cleaner fuel as it works toward minimizing emissions of all pollutants and reduce hazardous air pollutant emissions throughout the region.

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“This is very much in concert with the Port of Portland’s Air Quality Program—we are using the same kind of fuel in equipment at our container terminal,” said Sam Ruda, Director of Marine and Industrial Development for the Port of Portland, “We encourage companies that work in and around our port to practice responsible environmental stewardship, and we support this proactive decision by Foss.”

This announcement follows a number of environmental moves from the 115-year old Seattle company.

In March, Foss announced it will build the first true hybrid tug boat, scheduled to be delivered in 2008 to Southern California where it will work in the Los Angeles and Long Beach ports. Together, these ports handle over 40 percent of all containerized cargo coming into or leaving the United States. The Foss hybrid tug is expected to achieve significant reductions in fuel consumption and emissions when compared to its sister tugs currently operating in the same market.

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.

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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