

NEWS RELEASE

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RIVER MATERIALS, L.L.C. TO DEVELOP BULK TERMINAL AT GALVESTON

Galveston, Texas...August 7, 2003...The Board of Trustees of the Galveston Wharves announced today the signing of a lease agreement with River Materials, L.L.C. for the development of a general-purpose bulk cargo terminal at Pier 35/36, site of the former Imperial Sugar Company bulk sugar terminal.

“The agreement between the Wharves Board and River Materials culminates months of hard work by Port staff,” stated Steven M. Cernak, Port Director of the Port of Galveston. “We are extremely excited about this new business for Galveston Island with its potential for increased cargo growth and about the jobs that it will generate for the waterfront.”

The initial term of the lease is fifteen years with the option for seven additional three-year renewal periods. The Port of Galveston will receive annual facility rental revenues of \$30,000. Additional revenue from the facility will be derived from cargo throughput fees, dockage from lay-vessels, and rail-switching volumes.

“River Materials is pleased to be a part of Galveston Bulk Terminal (GBT) and to have concluded a 15-year agreement to develop the former Imperial Sugar facility at the Pier 35/36 T-head into a multi-commodity import facility,” added Fred Weller, General Manager for River Materials. “GBT will be the highest speed water-to-rail transfer facility on the U.S. Gulf Coast serving both the Burlington Northern Sante Fe and the Union Pacific railroads. River Materials expects to participate in future expansions at the Port of Galveston when Piers 36 through 41 are renovated. We are excited about the development of this project and about our future growth opportunities here in the Galveston maritime community.”

River Material’s longer term goal is to make improvements to the facility that will support both import and export operations. Potential cargoes include bulk fertilizer products, bulk agricultural products, bulk grains and grain substitutes, non-hazardous bulk white minerals or mineral products and on-hazardous chemicals.

Galveston Island is home to various public and private maritime facilities. The public port authority, known locally as the Galveston Wharves and in the maritime industry as the Port of Galveston, is a wholly owned entity of the City of Galveston. The port is located on the upper Texas coast at the mouth of Galveston Bay, just 30 minutes steaming time from the open sea. This ideal location boasts facilities to handle all types of cargo including containers, dry and liquid bulk, break bulk, ro-ro, refrigerated project cargoes and cruise passengers.

For additional information about River Materials L.L.C., contact Fred Weller, Doug Gates, or Carl Helms at 409-763-8513 or Fax 409-763-8515.

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