



KIRBY CORPORATION

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FOR IMMEDIATE RELEASE

KIRBY CORPORATION PURCHASES TANK BARGES

- **Purchased 58 inland tank barges currently operated by Kirby for \$34.3 million**
- **Confirmation of 2006 fourth quarter earnings per share guidance of \$.40 to \$.45 and 2006 year guidance of \$1.74 to \$1.79**

Houston, Texas (January 3, 2007) – Kirby Corporation (“Kirby”) (NYSE:KEX) announced today the purchase of the stock of Coastal Towing, Inc. (“Coastal”), the owner of 37 inland black oil tank barges, for approximately \$19.3 million in cash, subject to post closing working capital adjustments. Kirby has been operating the Coastal tank barges since October 2002 under a barge management agreement.

Kirby also announced the purchase of 21 tank barges from Cypress Barge Leasing, LLC (“Cypress”) for \$15.0 million in cash. Kirby has been leasing the barges since 1994 when the leases were assigned to Kirby as part of Kirby’s purchase of the tank barge fleet of The Dow Chemical Company. Both the Coastal and the Cypress purchases were financed through Kirby’s \$250 million revolving credit facility.

Joe Pyne, Kirby’s President and Chief Executive Officer, commented, “Kirby always prefers to own rather than lease whenever possible due to the tax advantages of ownership. We anticipate the two purchases will be slightly accretive to 2007 earnings per share. EBITDA from these purchases for 2007 is projected at approximately \$11 million.”

Kirby also confirmed its 2006 fourth quarter earnings per share guidance of \$.40 to \$.45 and 2006 year guidance of \$1.74 to \$1.79. The guidance represents a 5% to 18% over reported 2005 fourth quarter net earnings of \$.38 per share and a 31% to 35% increase over the 2005 net earnings of \$1.33 per share.

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 large 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, 2005 filed with the Securities and Exchange Commission.