



KIRBY CORPORATION

FOR IMMEDIATE RELEASE

KIRBY CORPORATION ANNOUNCES AGREEMENT TO LEASE 94 INLAND TANK BARGES

Houston, Texas (February 8, 2001) - Kirby Corporation ("Kirby") (NYSE: KEX) announced today that it has entered into a long-term lease with a subsidiary of The Dow Chemical Company ("Dow") for 94 inland tank barges. The 94 inland tank barges are all double-skin and have a total capacity of 1,335,000 barrels. The inland tank barges were acquired by Dow as part of the recent merger between Union Carbide Corporation ("Union Carbide") and Dow.

Kirby currently has a long-term contract with Dow to provide for Dow's inland bulk liquid marine transportation requirements throughout the inland waterways of the United States. With the merger between Union Carbide and Dow, Kirby's long-term contract with Dow has been amended to provide for the Union Carbide inland marine transportation requirements. However, for a transition period the leased barges will be employed by Kirby exclusively in Union Carbide service prior to being integrated into the Kirby fleet under the terms of Kirby's long-term contract with Dow.

It is anticipated that this transition period arrangement will be marginally additive to Kirby's earnings until such time as the leased barges are integrated into the Kirby fleet and commence operating under the long-term contract with Dow, which should occur within the next twelve months. This integration will allow Kirby to achieve additional operating synergies, thereby allowing Kirby to take advantage of backhaul opportunities and its distribution system. Kirby reported marine transportation revenues of \$443.2 million for the year ended December 31, 2000 and total revenues of \$512.6 million.

Joe Pyne, Kirby's President and Chief Executive Officer, commented, "Pending regulatory approval of the merger between Dow and Union Carbide, we were unable to fully assess Union Carbide's transportation requirements. With the completion of the merger and full access to the necessary information, we now can begin to integrate the Union Carbide barges under our long-term contract with Dow. On January 31, 2001, as part of our year end 2000 earnings press release, we gave our current projection for earnings per share for the year 2001 as a range of \$1.45 to \$1.55. At the present time, we feel an adjustment to that range is not in order."

Kirby Corporation, based in Houston, Texas, operates 871 inland tank barges, with 15.4 million barrels of capacity, and 219 towing vessels, transporting chemicals, petrochemicals, refined petroleum products, black oil and agricultural chemicals throughout the United States' inland waterway system. Through its diesel engine services segment, Kirby provides after-market service for large medium-speed diesel engines used in marine, power generation, industrial, nuclear and rail applications.

Statements contained in this press release with respect to the future are forward-looking statements. These statements reflect management's reasonable judgement 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 the timing, magnitude and the number of acquisitions made by Kirby. A list of additional risk factors can be found in Kirby's annual report on Form 10K for the year ended December 31, 1999, filed with the Securities and Exchange Commission.