



KIRBY CORPORATION

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FOR IMMEDIATE RELEASE

**KIRBY CORPORATION COMPLETES THE PURCHASE OF
GLOBAL POWER HOLDING COMPANY**

- **Completed the purchase of Global Power Holding Company, the parent of Global Power Systems, L.L.C., a Gulf Coast high-speed diesel engine services provider, for approximately \$100 million in cash**
- **2006 second quarter earnings per share guidance remains at \$.42 to \$.45 and compares with \$.36 for the 2005 second quarter**
- **2006 year earnings per share guidance revised to \$1.69 to \$1.79, above previous guidance of \$1.67 to \$1.75, and compared with \$1.33 for the 2005 year**

Houston, Texas (June 7, 2006) – Kirby Corporation (“Kirby”) (NYSE:KEX) announced today that its wholly owned subsidiary, Marine Systems, Inc. (“Marine Systems”), has completed the purchase of the stock of Global Power Holding Company, a privately held company that owns all of the outstanding equity of Global Power Systems, L.L.C. (“Global”), a Gulf Coast high-speed diesel engine services provider. Kirby acquired Global for approximately \$100 million in cash, subject to post-closing working capital adjustments. The acquisition was financed using a combination of existing cash and Kirby’s undrawn \$150 million revolving credit facility.

Global, headquartered in Houma, Louisiana, operates factory-authorized full service marine market dealerships for Cummins, Detroit Diesel and John Deere high-speed diesel engines, as well as Allison transmissions. Global is also an authorized marine dealer for Caterpillar in Louisiana. High-speed diesel engines provide the main propulsion for approximately 75% of the United States flag commercial vessels. High-speed engines are also used in the power generation industry, as well as other marine applications including engines for generators and barge pumps. Global’s principal customers are Gulf Coast offshore oil services companies, inland waterway carriers, offshore towing companies and oil and gas drilling companies. Global generated revenues of approximately \$63 million during 2005. For the 2006 year, Global’s projected revenues are \$68 to \$70 million, excluding intercompany revenue. Kirby is estimating that the Global acquisition will add \$.02 to \$.04 per share to its 2006 net earnings, after integration costs estimated at \$400,000 to \$600,000.

Joe Pyne, Kirby's President and Chief Executive Officer, commented, "The combination of Marine Systems and Global will provide operating and administrative synergies estimated to be \$1.5 to \$2.0 million annually. These synergies should be achieved over the next six to twelve months. The diesel engine services operating margins after consolidating Global into Marine Systems should be in the mid-teen range."

Commenting on the 2006 second quarter and year guidance, Mr. Pyne said, "Our 2006 second quarter earnings per share guidance remains the same, \$.42 to \$.45, compared with \$.36 per share reported for the 2005 second quarter; however, as a result of the Global acquisition we increased our 2006 year guidance to \$1.69 to \$1.79 per share from previous guidance of \$1.67 to \$1.75 per share." (Per share data for the prior period has been revised to reflect a 2-for-1 stock split effective May 31, 2006.)

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 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.