



ANNOUNCEMENT

FRANK J. BUTZELAAR NAMED PRESIDENT OF SOUTHERN RAILWAY OF BRITISH COLUMBIA

On behalf of the Board of Directors of Southern Railway of British Columbia (SRY), I am pleased to announce that Mr. Frank J. Butzelaar has been promoted to the position of President of the Company. Frank will succeed John van der Burch who announced his retirement effective January 1, 2008. Mr. Butzelaar will also become President of Southern Railway of Vancouver Island Limited, a wholly owned subsidiary of Southern Railway of British Columbia.

Frank began his railroad career at SRY in 1993 as a Pricing Analyst. He progressed to Market Manager in year 2000 and was appointed Director, Business Development – Forest Products in January 2001. Frank became Executive Vice President in the Spring of 2006, and worked closely with Mr. van der Burch in anticipation of Mr. van der Burch's retirement.

We look forward to Frank's leadership of Southern Railway of British Columbia. We are most fortunate to have an individual of Frank's outstanding qualities within the company to provide the vital leadership of Southern Railway of British Columbia.

William H. Brodsky
Chairman
Southern Railway of British Columbia