



CARRIZO GORGE RAILWAY ANOUNCES MAJOR REHABILITATION OF SD&AE DESERT LINE

FOR IMMEDIATE RELEASE

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**Armando Freire, Chief Operating Officer,
Carrizo Gorge Railway 619-867-3504 (cell) 619-938-1943 (office)
2295 Fletcher Parkway #101, El Cajon, CA 92020**

(San Diego, California) Today, Charles McHaffie, President and CEO of Carrizo Gorge Railway (CZRY) announced a major rehabilitation project to improve safety and reliability of the Desert Line of the San Diego & Arizona Eastern Railway (SD&AE).

The rehabilitation will commence promptly at an estimated cost of \$8.0 Million. Upon completion of some critical points, Carrizo Gorge Railway will reopen the line following a rail embargo while the project is underway.

“Carrizo Gorge Railway fully supports the Government of Baja California’s aggressive infrastructure plans that include improvements to the Port of Ensenada and the development of a new Intermodal Terminal in the Tijuana-Tecate region. These projects will require safe and consistent rail service through the SD&AE Desert Line and we will be prepared to meet the challenges of additional international freight volume,” said McHaffie.

The rail embargo will be in effect on October 17, 2008 from Plaster City to the Campo Yard. The track will be out of service to all non essential security personnel and maintenance equipment, expediting the rehabilitation process. Rail cargo currently moving through the Tecate Port of Entry can be diverted through the San Ysidro Port of Entry thus eliminating any disruption of service.

“Carrizo Gorge Railway maintains our commitment of continued financial investment in the Desert line, increasing capacity and profitability,” said Charles McHaffie.

“Significant regional economic development will result by maintaining this critical international freight corridor of the San Diego/Baja California region as envisioned by John D. Spreckles.” McHaffie stated.

The railroad was completed in 1919 enabling an eastern rail link for San Diego. Carrizo Gorge Railway reopened the line on December 30, 2004 after thirty years for revenue freight and following an extensive \$10 Million in restoration of tunnel, bridge and track repairs.

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