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U.S. BARGE INKS FIRST DEAL

Company co-owned by Oregon Iron Works and Vigor Industrial to deliver barges in 2007

PORTLAND, Ore. – (August 29, 2006) U.S. Barge LLC, a company co-owned by Oregon Iron Works, Inc. (OIW) and Vigor Industrial LLC, today announced that it has signed a contract for its first order. The company has agreed to build and deliver multiple “blue-water,” or ocean-going, barges to Young Brothers, Ltd. in Hawaii, with the first barge to be delivered in late September of 2007.

U.S. Barge will invest approximately \$8 million in new equipment on Portland’s Swan Island and in Clackamas, Ore. in order to build barges and other watercraft. This venture is expected to bring nearly 100 high-skilled, family-wage jobs to the region.

“I am ecstatic that, with this venture, we bring Swan Island back to its roots in vessel construction: Ships were built here during World War II. The Port of Portland deserves serious credit for their foresight in making decisions to keep the shipyard open for marine and industrial purposes,” said Vigor Industrial president Frank Foti.

“I am also delighted to partner with Oregon Iron Works. It has a well-deserved reputation for quality work and more importantly has great people who make it all happen. These traits combined with our resourcefulness and marine experience make for a great match.

“We look forward to building barges for Young Brothers, Ltd. and other clients for many years to come,” Foti added.

Oregon Iron Works Chairman Terry Aarnio said, “Our joint undertaking with Vigor Industrial holds great promise. We always take the innovative approach – this alliance and the building of these barges are no exception.

“We are very pleased to have the opportunity to bring new ocean service barge construction work to Swan Island. Vigor Industrial has been a strong ally of Oregon Iron on several past projects, and we think the U.S. Barge alliance is an ideal fit, one that complements the strength of both firms. We’re confident that there are excellent prospects for U.S. Barge in the current marketplace and expect this market to grow substantially in the next decade. Swan Island is an ideal location that has the essential physical facilities and infrastructure to support our anticipated growth,” Aarnio added.

Oregon Governor Ted Kulongoski said, “This is a great day for Oregon. U.S. Barge is a welcome addition to Oregon’s array of cutting-edge industries. I know the workers and management of U.S. Barge will succeed in serving an important market and that their efforts will make Oregon’s economy stronger. Congratulations to Oregon Iron Works, Vigor Industrial, and everyone involved in this exciting new undertaking.”

For more information on U.S. Barge, visit www.usbarge.com or email info@usbarge.com.

About Vigor Industrial LLC

Vigor Industrial LLC, located on Swan Island in Portland, Ore., is a holding company for several marine businesses. Vigor Industrial repairs and refurbishes large marine vessels up and down the West coast. Vigor companies include Vigor Marine, Cascade General, Specialty Finishes, Washington Marine Repair, and Shipyard Commerce Center. More information is available at www.vigorindustrial.net.

About Oregon Iron Works, Inc.

Oregon Iron Works, Inc. is a world-class complex metal fabricator and systems integrator, with diverse capabilities spanning various industries, including; marine, aerospace, hydroelectric, nuclear, bridge, commercial, and defense manufacturing. OIW has extensive experience in boat building from custom design and prototype development to large-scale production, outfitting, and testing. Founded in 1944 in Portland, Ore., this innovative small business has been under the same management since 1974. It has nearly 400 employees and is now headquartered in Clackamas, Ore., with additional manufacturing facilities in Vancouver, Wash. More information is available at www.oregoniron.com.

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