



KIRBY CORPORATION

Contact: Steve Holcomb
713-435-1135

FOR IMMEDIATE RELEASE

KIRBY CORPORATION ANNOUNCES THE PURCHASE OF 94 INLAND TANK BARGES PREVIOUSLY LEASED FROM UNION CARBIDE FINANCE CORPORATION

Houston, Texas (December 16, 2002) – Kirby Corporation (“Kirby”) (NYSE:KEX) announced today that it has purchased from Union Carbide Finance Corporation, a subsidiary of Union Carbide Corporation, 94 inland tank barges for \$23 million in cash. Nine of the 94 tank barges are currently out-of-service and will be sold. Kirby has operated the tank barges since February 2001 under a long-term lease agreement between Kirby and Union Carbide Finance Corporation.

Joe Pyne, Kirby’s President and Chief Executive Officer, commented, “The 85 in-service inland tank barges are all double hull. We anticipate this transaction to be marginally accretive to our 2003 earnings, as the integration of the leased tank barge fleet was completed during the 2001 third quarter.”

Kirby Corporation, based in Houston, Texas, owns or operates 937 inland tank barges and 219 inland towing vessels, transporting petrochemicals, refined petroleum products, black oil and agricultural chemicals throughout the United States inland waterway system. Through the diesel engine services segment, Kirby provides after-market service for large medium-speed diesel engines used in marine, power generation, industrial and rail 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 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 10-K for the year ended December 31, 2001, filed with the Securities and Exchange Commission.