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FOR IMMEDIATE RELEASE**Progress Rail Services Finalizes Electro-Motive Diesel Acquisition**

ALBERTVILLE, Ala.—Progress Rail Services announced today it has finalized the purchase of Electro-Motive Diesel (EMD) for \$820 million in cash, plus a net working capital adjustment subject to post-closing finalization, which is currently estimated at approximately \$108 million, from Berkshire Partners LLC and Greenbriar Equity Group LLC. Effective with the closing of the acquisition, EMD is now a wholly-owned subsidiary of Progress Rail. Progress Rail is a wholly-owned subsidiary of Caterpillar Inc. (NYSE: CAT).

“The acquisition of EMD is a natural fit as it supports our enterprise strategy to aggressively grow our Energy Power Systems business, and the rail industry is an important component,” said Caterpillar Vice Chairman and CEO Doug Oberhelman. “Both EMD and Progress Rail will continue to produce innovative solutions to establish leadership positions in the United States and abroad,” continued Oberhelman.

Progress Rail Services is one of the largest providers of rail and transit products and services in North America, including: locomotive upgrade and repair, railcar

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remanufacturing, trackwork, rail welding, railcar repair and replacement, signal design and installation, maintenance of way equipment, parts reclamation and recycling.

“This acquisition further strengthens Progress Rail’s unmatched portfolio of products and component support of our rail-related services and solutions,” said Progress Rail CEO Billy Ainsworth. “Together with Caterpillar and EMD’s engine solutions, our comprehensive offerings can power trains that will deliver sustainable and clean transportation for the public and our customers for years to come,” continued Ainsworth.

With 2009 revenues of \$1.8 billion, EMD has the largest installed base of diesel-electric locomotives in the world and offers the most extensive range of locomotive products in the rail and transit industry.

EMD will remain headquartered in LaGrange, Ill. John Hamilton will continue as president and CEO of EMD and will report to Billy Ainsworth.

About Progress Rail:

Progress Rail Services, a wholly-owned subsidiary of Caterpillar Inc., is a leading supplier of remanufactured locomotive and railcar products and services to the railroad industry, operating one of the most extensive rail service and supply networks in North America. We serve our customers through a network of more than 125 locations across the United States, Canada, Mexico, Brazil, Italy, Germany and the United Kingdom, with more than 4,300 employees. Progress Rail Services is headquartered in Albertville, Ala. For more information, visit www.progressrail.com.

About Electro-Motive Diesel, Inc.:

Founded in 1922, Electro-Motive (EMD) is one of two U.S. original equipment manufacturers of diesel-electric locomotives. Headquartered in LaGrange, Ill., with additional facilities in London, Ontario, and San Luis Potosi, Mexico. EMD designs, manufactures and sells diesel-electric locomotives for all commercial railroad applications and has sold its products in more than 70 countries worldwide. The company is the only diesel-electric locomotive manufacturer to have produced more than 70,000 engines and has the largest installed base in both North America and worldwide. In addition to its manufacturing activities, EMD has an extensive aftermarket business offering customers replacement parts, maintenance solutions, and a range of value-added services. The company is also a global provider of diesel engines for marine propulsion, offshore and land-based oil well drilling rigs, and stationary power generation. Additional information can be found at: www.EMDiesels.com.

About Caterpillar:

For more than 85 years, Caterpillar Inc. has been making progress possible and driving positive and sustainable change on every continent. With 2009 sales and revenues of \$32.396 billion, Caterpillar is the world’s leading manufacturer of construction and mining equipment, diesel and natural gas engines and industrial gas turbines. The company also is a leading services provider through Caterpillar Financial Services,

Caterpillar Remanufacturing Services, Caterpillar Logistics Services and Progress Rail Services. More information is available at: www.cat.com.

Forward-Looking Statements

Certain statements in this press release relate to future events and expectations and, as such, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are subject to known and unknown factors that may cause actual results of Caterpillar Inc. to be different from those expressed or implied in the forward-looking statements. Words such as “believe,” “estimate,” “will be,” “will,” “would,” “expect,” “anticipate,” “plan,” “project,” “intend,” “could,” “should” or other similar words or expressions often identify forward-looking statements. All statements other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding our outlook, projections, forecasts or trend descriptions. These statements do not guarantee future performance, and Caterpillar does not undertake to update its forward-looking statements.

It is important to note that actual results of the company may differ materially from those described or implied in such forward-looking statements based on a number of factors, including, but not limited to: (i) economic volatility in the global economy generally and in capital and credit markets; (ii) Caterpillar’s ability to generate cash from operations, secure external funding for operations and manage liquidity needs; (iii) adverse changes in the economic conditions of the industries or markets Caterpillar serves; (iv) government regulations or policies, including those affecting interest rates, liquidity, access to capital and government spending on infrastructure development; (v) commodity price increases and/or limited availability of raw materials and component products, including steel; (vi) compliance costs associated with environmental laws and regulations; (vii) Caterpillar’s and Cat Financial’s ability to maintain their respective credit ratings, material increases in either company’s cost of borrowing or an inability of either company to access capital markets; (viii) financial condition and credit worthiness of Cat Financial’s customers; (ix) material adverse changes in our customers’ access to liquidity and capital; (x) market acceptance of Caterpillar’s products and services; (xi) effects of changes in the competitive environment, which may include decreased market share, lack of acceptance of price increases, and/or negative changes to our geographic and product mix of sales; (xii) Caterpillar’s ability to successfully implement Caterpillar Production System or other productivity initiatives; (xiii) international trade and investment policies, such as import quotas, capital controls or tariffs; (xiv) failure of Caterpillar or Cat Financial to comply with financial covenants in their respective credit facilities; (xv) adverse changes in sourcing practices for our dealers or original equipment manufacturers; (xvi) additional tax expense or exposure; (xvii) political and economic risks associated with our global operations, including changes in laws, regulations or government policies, currency restrictions, restrictions on repatriation of earnings, burdensome tariffs or quotas, national and international conflict, including terrorist acts and political and economic instability or civil unrest in the countries in which Caterpillar operates; (xviii) currency fluctuations, particularly increases and decreases in the U.S. dollar against other currencies; (xix) increased payment obligations under our pension plans; (xx) inability to successfully integrate and realize expected benefits from acquisitions; (xxi) significant legal proceedings, claims, lawsuits or investigations; (xxii) imposition of significant costs or restrictions due to the enactment and implementation of health care reform legislation and proposed financial regulation legislation; (xxiii) changes in accounting standards or adoption of new accounting standards; (xxiv) adverse effects of natural disasters; and (xxv) other factors described in more detail under “Item 1A. Risk Factors” in Part I of our Form 10-K filed with the SEC on February 19, 2010 for the year ended December 31, 2009 and in Part II of our Form 10-Q filed with the SEC on May 3, 2010 for the quarter ended March 31, 2010. These filings are available on our website at www.cat.com/sec_filings.