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FOR IMMEDIATE RELEASE

**Caterpillar Announces New Engineering Design Center in
South Dakota**

New design center to increase velocity and build on existing engineering support strategy

PEORIA, Ill. – Caterpillar Inc. (NYSE: CAT) today announced plans to open an engineering design center in Rapid City, S.D. The new facility, known as the Black Hills Engineering Design Center, will provide additional engineering support services for Caterpillar’s U.S. operations and will complement the company’s existing engineering design centers in Chennai, India, and Champaign, Ill.

“The Black Hills Engineering Design Center is part of Caterpillar’s Product Development and Global Technology Division’s engineering services strategy to increase velocity and, ultimately, better serve our customers,” said Caterpillar Vice President and Chief Technology Officer Tana Utley. “For years, Caterpillar has benefited from a long relationship with the South Dakota School of Mines and Technology.”

“Caterpillar has long been one of our leading partners and recognizes our heritage in preparing leaders in engineering and science,” said School of Mines President Robert A. Wharton, Ph.D. “This is a great opportunity for both of us to work together and further one another’s success as we make a difference both locally and globally.”

(more)

Utley added, “In addition, South Dakota and Rapid City’s diverse and talented local population are an excellent fit for our highly skilled global workforce who perform engineering around the clock.”

“This truly is great news for South Dakota. Caterpillar is a world-class company with a long-standing history of success,” said Governor Mike Rounds. “When I talk about attracting companies that create the kinds of jobs that will keep our young people here, this is exactly the type of company I mean.”

The Black Hills Engineering Design Center will initially occupy 3,100 square feet of office space within the Black Hills Business Development Center in Rapid City and, when staffed at full capacity, will employ up to 100 people. Construction is expected to be complete by the end of the third quarter of 2010; hiring is planned to begin at that time and ramp up over a five-year period.

“Caterpillar’s Engineering Design Center is a great fit for Rapid City. Caterpillar will be employing students and graduates from both South Dakota School of Mines and Western Dakota Tech as engineers and draftsman. These high-skilled positions are what we are looking for because they allow our talented students to remain in our community while putting their education to great use,” said Rapid City Mayor Alan Hanks.

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: <http://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.