

FOR IMMEDIATE RELEASE

May 11, 2005

**CEDAR AMERICAN RAIL HOLDINGS, INC.
NAMES ED TERBELL
EXECUTIVE VICE PRESIDENT – OPERATIONS**

(Sioux Falls, SD) - Cedar American Rail Holdings, Inc (which operates the Dakota, Minnesota & Eastern Railroad (DM&E) and the Iowa, Chicago & Eastern Railroad (IC&E)) announced that Mr. J. Ed Terbell has been named its Executive Vice President – Operations, with responsibilities for Transportation, Engineering and Mechanical Departments.

In making the announcement Cedar American Rail Holdings, Inc, President and Chief Executive Officer Kevin V. Schieffer said “We are delighted to have a person of Ed’s caliber as a part of our senior management team. Ed brings extensive railroad operational experiences from both Class I and Class II railroads to our company and we look forward to his leadership.”

Terbell began his railroad career in 1974 in the Engineering Department with the Chicago and North Western Railroad. In 1987 he joined the Wisconsin Central Railroad, and progressed to Vice President – General Manager in 1993. In 2001 he joined the Canadian National Railroad and, most recently, held the position of Director of Operations Special.

Terbell attended Northwest State University, Maryville, MO, and the University of Michigan Executive Management Program.

The DM&E and IC&E Railroads combine to create the longest regional railroad system in the United States. They operate 2,500 miles of track in eight states in the upper Midwest, including Chicago, IL to Wyoming and from Minneapolis, MN to Kansas City, MO, annually handling 250,000 carloads of freight.

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