

Personable. Reliable. Flexible.

- ◆ Investing in a barge offers an alternative to traditional portfolio purchases of stocks, bonds, and other financial vehicles.
- ◆ Barges have historically delivered very solid returns over the 25 to 30 year life of the assets.
- ◆ Heartland Barge can assist in acquiring and managing barge(s) in its Barge Management Program.
- ◆ Barge investment can be used as a cost “hedge” to long-term users of barge transportation.
- ◆ Current investors include: corporations, trusts, partnerships, and individuals.



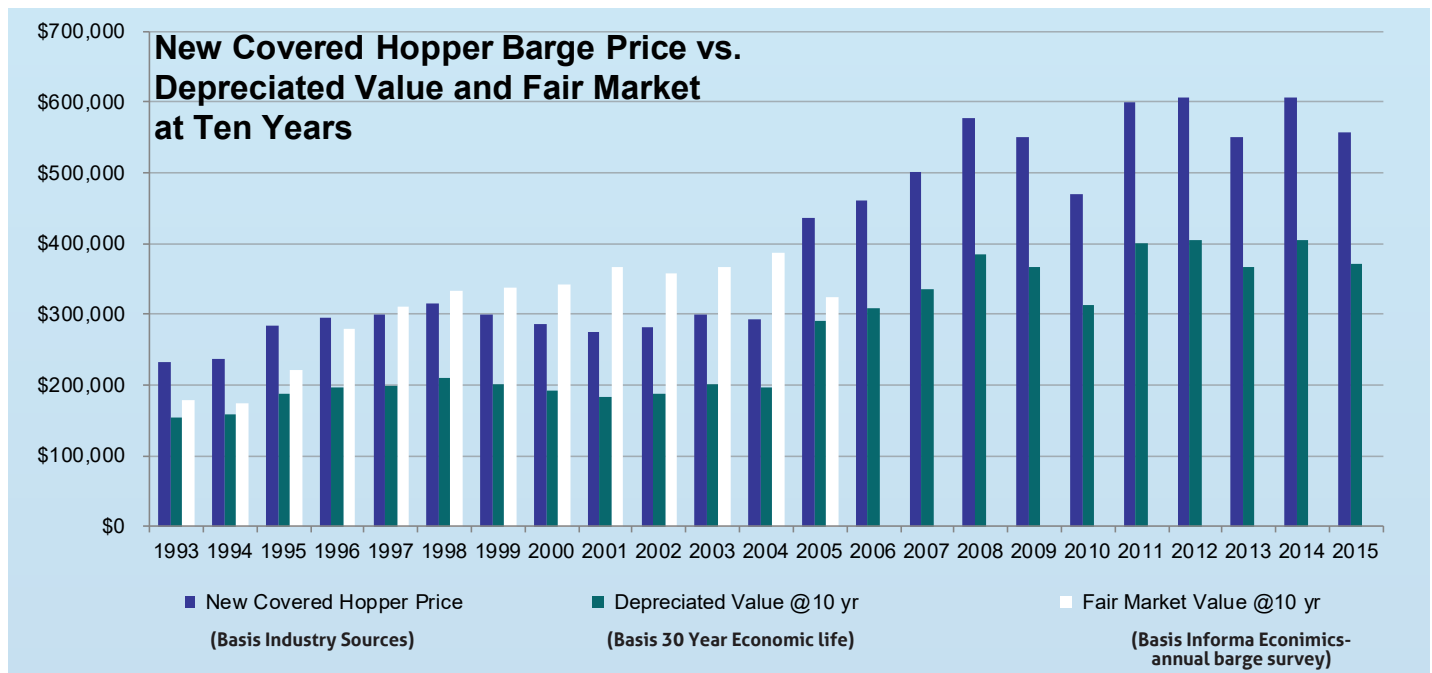
Barge Cost = \$500,000

Projected IRR and Operating Profits

EXAMPLE	Cash Outlay (000)			Internal Rate of Return Based on Initial Cash Outlay and Annual Profits under three Profit Per Day Scenarios		
	Equity	Origin Fee	Total	\$100 Avg. Recovery	\$125 Avg. Recovery	\$150 Avg. Recovery
25% Equity & 4.0% Interest Rate						
After Tax Yield Full Advantage of Tax Benefits*	\$125.0	\$3.0	\$128.0	8.7%	13.7%	18.8%
After Tax Yield Not Able to Utilize Tax Benefits	\$125.0	\$3.0	\$128.0	6.2%	10.6%	15.9%
100% Equity - No Debt						
After Tax Yield Full Advantage of Tax Benefits*	\$500.0	\$3.0	\$503.0	5.0%	6.7%	8.3%
After Tax Yield Not Able to Utilize Tax Benefits	\$500.0	\$3.0	\$503.0	4.7%	6.5%	8.1%

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Barges provide a hedge against inflation



Rate of Income

- Average long-term annual operating earnings have provided solid returns on un-leveraged investment of approximately 5-8 percent.
- Returns can be enhanced by leverage.

Asset Value Stability

- Investing in a barge represents tangible property - a hard asset - as opposed to most conventional investments.
- Barge values have historically exceeded the calculated depreciated value.

Shared Risk

- Barges are in a "single - shared risk" operating pool.
- Investors share revenues, expenses and earnings based on their proportion of participating barges.
- Each month, management issues a report summarizing markets along with a formal earnings statement, and distributes earnings.

Long-Term Demand

- Barges move "basic" commodities that are critical to the agricultural, construction, industrial and energy sectors and are unlikely to be supplanted. There is little risk for technological obsolescence.

Tax-Sheltering Possibilities

- Purchasing a barge provides a means to shelter other income due to the accelerated depreciation schedules allowed for this type of asset.

Liquidity

- Barge assets are hard assets that can be sold.
- Barge ownership provides cash flow on a monthly basis.