



EXCERPTS FROM A HOUSTON BUSINESS JOURNAL ARTICLE PUBLISHED NOVEMBER 10, 2006:

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C. JIM 'JIMMY' STEWART III, NEW OWNER OF SUPREME ELECTRICAL SERVICE & SUPPLY:
'I'M GLAD TO BE BACK IN THE SADDLE.'

SHORTLY AFTER SEEING ONE ERA END, C. JIM STEWART III HAS EMERGED FROM RETIREMENT TO LAUNCH A NEW ONE BY ACQUIRING HOUSTON'S SUPREME ELECTRICAL SERVICE & SUPPLY CO.

HIS PURCHASE OF THE PRIVATELY HELD OILFIELD SERVICES COMPANY COMES LATER IN THE SAME YEAR THAT STEWART & STEVENSON SERVICES INC. -- A HOUSTON CORPORATION HIS FAMILY HELPED RUN FOR A CENTURY -- WAS ACQUIRED BY ARMOR HOLDINGS INC.

"JIMMY" STEWART, 58, SPENT 34 YEARS OF FULL-TIME EMPLOYMENT WITH STEWART & STEVENSON, FORMERLY LISTED ON THE NEW YORK STOCK EXCHANGE. FOR ROUGHLY A THIRD OF HIS TENURE, HE WAS INVOLVED IN THE COMPANY'S OILFIELD SERVICES OPERATION.

HE IS THE GREAT-GRANDSON OF COMPANY CO-FOUNDER, C. JIM STEWART. IN 1902 THE ORIGINAL C. JIM STEWART FOUNDED THE BUSINESS AS A DOWNTOWN HOUSTON BLACKSMITH SHOP.

IN THE LATE 1950S, JIMMY STEWART BEGAN WORKING IN THE FAMILY COMPANY ON A PART-TIME BASIS. HE ULTIMATELY BECAME AN EXECUTIVE VICE PRESIDENT OF STEWART & STEVENSON AND SAT ON THE COMPANY'S BOARD. HE RETIRED 3 YEARS AGO AS A DIRECTOR AND EXECUTIVE AT AGE 54.

"WAY TOO YOUNG," STEWART NOW REFLECTS.

DURING HIS THREE-YEAR RETIREMENT, HE PLAYED SOME GOLF -- "NOT WELL" -- AND TRAVELED. BUT WITH SOME PROMPTING FROM HIS WIFE, HE DECIDED TO HANG OUT HIS OWN SHINGLE THE SECOND TIME AROUND.

SAYS STEWART: "I'M ACTUALLY GLAD TO BE BACK IN THE SADDLE."

AN OPPORTUNITY IN AGING RIGS

THE THREE OWNERS OF SUPREME ELECTRICAL SERVICE SOLD THE SMALL BUT FAST-GROWING BUSINESS TO STEWART FOR AN UNDISCLOSED SUM.

THE 58-EMPLOYEE COMPANY FOUNDED 14 YEARS AGO PROVIDES ELECTRICAL RIG-UP SERVICES PRIMARILY IN THE UNITED STATES, INCLUDING TEXAS.

CONNIE THOMPSON, WHOSE FAMILY FOUNDED SUPREME ELECTRICAL, OWNED A MAJORITY OF THE BUSINESS ACQUIRED BY STEWART. SHE HAS STAYED ON AT THE COMPANY IN THE SALES DEPARTMENT

STEWART DESCRIBES THE PREVIOUS OWNERS AS "A VERY, VERY CONSERVATIVE GROUP."

HE HAS TAKEN THE HELM OF A COMPANY WITH ANYTHING BUT CONSERVATIVE GROWTH.

SALES HAVE ROUGHLY TRIPLED DURING THE PAST TWO YEARS, REACHING THE \$10 MILLION TO \$12 MILLION RANGE.

"THIS IS A VERY STRONG MARKET FOR SUPREME," SAYS STEWART.

SUPREME ELECTRICAL IS WIRED IN AS A CONTRACTOR FOR DRILLING RIGS. THE COMPANY ELECTRICALLY RIGS UP RIGS AS THEY ARE BEING BUILT.

STEWART DRAWS THE ANALOGY OF A CONTRACTOR WHO HANDLES ALL THE ELECTRICAL WORK FOR A HOUSE UNDER CONSTRUCTION. ALL RIG LIGHTING, FOR INSTANCE, IS PROVIDED BY SUPREME ELECTRICAL.

AMONG THE LARGEST SUPREME ELECTRICAL CLIENTS IS HOUSTON-BASED NATIONAL OILWELL VARCO INC., A PUBLICLY TRADED MANUFACTURER OF OIL AND GAS EQUIPMENT.

NATIONAL OILWELL MAINTAINS A "FEVERED PACE" OF ORDERS AND A RECORD BACKLOG, ACCORDING TO CITIGROUP EQUITY ANALYST GEOFF KIEBURTZ.

AN INEVITABLE REPLACEMENT CYCLE FOR A WORLD RIG FLEET WELL PAST PRIME BODES WELL FOR BOTH NATIONAL OILWELL AND SUPREME ELECTRICAL.

KIEBURTZ BELIEVES THE ADVANCED AGE OF MUCH OF THE INDUSTRY'S DRILLING INFRASTRUCTURE "SHOULD SUSTAIN A HIGH LEVEL OF REPLACEMENT ACTIVITY FOR YEARS TO COME."

THE CITIGROUP ANALYST ESTIMATES THE AVERAGE AGE AMONG THE WORLD'S FLEET OF LAND RIGS AT ROUGHLY 30 YEARS.

FIVE GENERATIONS

SUPREME ELECTRICAL HAS OPERATED AS A PURE SERVICE COMPANY UP TO NOW.

STEWART PLANS TO DIVERSIFY INTO MANUFACTURING CERTAIN ELECTRICAL CONTROLS AND INSTRUMENTATION. SUPREME ELECTRICAL CURRENTLY SERVICES ONLY ONSHORE, BUT HE INTENDS TO BROADEN THE COMPANY'S REACH TO OFFSHORE RIGS.

SAYS STEWART: "I WANT TO GROW IT AND EXPAND THIS BUSINESS."

ANOTHER FAMILY TRADITION COULD EVENTUALLY TAKE HOLD AT HIS NEW COMPANY. HIS SONS, ROBERT ROSS STEWART AND C. JIM STEWART IV, WORKED WITH THEIR FATHER AT STEWART & STEVENSON -- WITH THE YOUNGER DUO REPRESENTING THE FAMILY'S FIFTH GENERATION AT THE LONGTIME MANUFACTURER.

SOMEDAY, THEIR FATHER HOPES, HIS SONS WILL BE ABLE TO APPLY OILFIELD SERVICES EXPERIENCE FROM STEWART & STEVENSON AS EMPLOYEES OF SUPREME ELECTRICAL.

MEANWHILE, HE ADMITS HIS SITUATION IS NOT AS ROMANTIC AS HIS PIONEERING BLACKSMITH GREAT-GRANDFATHER, WHO TRANSFORMED HORSESHOES INTO HORSEPOWER AS STEWART & STEVENSON EMERGED INTO A MAJOR MANUFACTURER OF DIESEL ENGINES AND OTHER PRODUCTS.

THE "CARRIAGE REPAIR AND HORSESHOEING PARLOR" THAT TOOK THE NAME C. JIM STEWART & STEVENSON IN 1903 HAD MORPHED INTO PRIMARILY A MILITARY VEHICLE MANUFACTURER BY THE TIME ARMOR HOLDINGS ACQUIRED IT SIX MONTHS AGO.

JIMMY STEWART'S FATHER, C. JIM STEWART II, WAS 76 WHEN HE RETIRED IN 2001 AS STEWART & STEVENSON'S CHAIRMAN. ROSS STEWART, JIMMY STEWART'S GRANDFATHER, PRESIDED OVER THE COMPANY UNTIL PASSING AWAY IN 1976.

"THIS IS SOMETHING GENERATIONS AND GENERATIONS HAVE WORKED SO HARD TO BUILD," JIMMY STEWART SAID IN 2003 OF THE CENTURY-OLD COMPANY FROM WHICH HE HAD JUST RETIRED

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