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FOR IMMEDIATE RELEASE

**Caterpillar Announces Expansion Plans for Hydraulic Excavator
Facility in Victoria, Texas**

*Additional \$70 million investment to create about 100 additional jobs at excavator plant,
which when fully operational is expected to employ about 600 people*

PEORIA, Ill. – Caterpillar Inc. (NYSE: CAT) today announced plans to significantly increase its manufacturing capabilities and capacity for hydraulic excavators that will be produced at a facility now under construction in Victoria, Texas. In August of 2010, Caterpillar announced that it would build the excavator plant in Victoria, investing about \$130 million to open the state-of-the-art, 850,000 square foot operation. Work is underway at the Victoria site, and today’s announcement includes plans for an additional \$70 million investment in the Victoria area that will include another 200,000 square feet under roof. The added investment in Victoria will increase excavator capacity beyond the original plans and will include the addition of selected fabrication manufacturing for excavator production. This expansion of investment in Victoria also helps set the stage for potential future phases of growth.

“Based on our analysis of where customer demand is moving for excavators in the years ahead, it makes sense to increase capacity in Victoria now, so that we can better serve our customers,” said Gary Stampanato, Caterpillar vice president with responsibility for hydraulic excavators. “In addition, we have also determined Victoria is

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the right location to produce selected fabrications for the excavators that will be assembled in this new facility.”

Excavator production in Victoria is expected to begin in mid-2012. Once fully operational, the new facility will more than triple the current capacity of hydraulic excavators produced by the company in the United States and would more than double the number of Caterpillar employees in the United States making excavators. Currently in the United States, Caterpillar produces two excavator models at a facility in Aurora, Ill., where it also produces wheel loaders, soil and landfill compactors, wheel dozers and components. Once fully operational, the Victoria facility would produce a total of seven excavator models.

“We continue to aggressively increase our excavator manufacturing footprint with investments like this as part of Caterpillar’s long-term strategic initiative to remain the global leader in this industry,” said Rich Lavin, Caterpillar group president with responsibility for construction industries.

About Caterpillar:

For more than 85 years, Caterpillar Inc. has been making sustainable progress possible and driving positive change on every continent. With 2010 sales and revenues of \$42.588 billion, Caterpillar is the world’s leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. 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.caterpillar.com>.

Forward-Looking Statements

Certain statements in this press release relate to future events and expectations and are 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 Caterpillar’s actual results 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 Caterpillar’s actual results may differ materially from those described or implied in its forward-looking statements based on a number of factors, including, but not limited to: (i) global economic conditions and economic conditions in the industries and markets Caterpillar serves; (ii) government monetary or fiscal policies and government spending on infrastructure; (iii) commodity or component price increases and/or limited availability of raw materials and component products, including steel; (iv) Caterpillar’s and its customers’, dealers’ and suppliers’ ability to access and manage liquidity; (v) 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

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economic instability or civil unrest in the countries in which Caterpillar operates; (vi) 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; (vii) financial condition and credit worthiness of Cat Financial's customers; (viii) inability to realize expected benefits from acquisitions and divestitures, including the acquisition of Bucyrus International, Inc.; (ix) the possibility that the acquisition by Caterpillar of Bucyrus International, Inc. does not close for any reason, including, but not limited to, a failure to obtain required regulatory approvals; (x) international trade and investment policies, such as import quotas, capital controls or tariffs; (xi) the possibility that Caterpillar's introduction of Tier 4 emissions compliant machines and engines is not successful; (xii) market acceptance of Caterpillar's products and services; (xiii) 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; (xiv) union disputes or other employee relations issues; (xv) Caterpillar's ability to successfully implement the Caterpillar Production System or other productivity initiatives; (xvi) adverse changes in sourcing practices of our dealers or original equipment manufacturers; (xvii) compliance costs associated with environmental laws and regulations; (xviii) alleged or actual violations of trade or anti-corruption laws and regulations; (xix) additional tax expense or exposure; (xx) currency fluctuations, particularly increases and decreases in the U.S. dollar against other currencies; (xxi) failure of Caterpillar or Cat Financial to comply with financial covenants in their respective credit facilities; (xxii) increased funding obligations under our pension plans; (xxiii) significant legal proceedings, claims, lawsuits or investigations; (xxiv) imposition of operational restrictions or compliance requirements if carbon emissions legislation and/or regulations are adopted; (xxv) changes in accounting standards or adoption of new accounting standards; (xxvi) adverse effects of natural disasters; and (xxvii) 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 22, 2011 for the year ended December 31, 2010. This filing is available on our website at www.caterpillar.com/secfilings.