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FOR IMMEDIATE RELEASE**Caterpillar Announces New Parts Distribution Center in Spokane,
Washington**

MORTON, Ill.—Building on the strength of the industry’s premier global service parts distribution network, Caterpillar Logistics Services, Inc. (Cat Logistics), a wholly owned subsidiary of Caterpillar Inc. (NYSE: CAT), today announced plans to open a new parts distribution center in Spokane, Washington. The new facility, which will replace the existing 125,000 square foot facility, will span more than a half million square feet and is part of the North American multiyear expansion and enhancement of the global Cat Parts distribution network.

“Cat dealers provide industry leading product support services,” said Steve Larson, Vice President of Caterpillar Inc. and Chairman and President of Cat Logistics. “We enable that capability with the industry’s best parts distribution network. The Spokane Parts Distribution Center makes us even stronger in North America by providing capacity for growth in parts demand while further optimizing the service parts supply chain.”

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When operational in 2012 and dependent on market demand, the Spokane Distribution Center is expected to employ 100 to 150 people.

“The announcement today by Caterpillar is great news for our community,” said Al French, Chair, Spokane County Board of Commissioners. “Bringing more jobs to this community is one of the County’s highest priorities. This economic development win was the result of the Spokane County team working with the Washington State Department of Commerce, multiple utility providers and the business community to provide the highest level of responsiveness and support to ensure that Caterpillar selected Spokane County for their Distribution Center.”

This facility builds on network improvements achieved with the recent addition of a one million square foot parts distribution center in Clayton, Ohio, in 2011, continuing execution of our global supply chain enhancement. It will be the fourth parts facility to utilize Service Parts Management (SPM), a global solution that replaces multiple legacy software systems supporting the Cat Parts network.

“I offer my congratulations to Spokane area leadership, who worked tirelessly to ensure the Caterpillar expansion happened in the Inland Northwest,” Gov. Chris Gregoire said. “And I’m pleased to be a partner in this effort, which is good for Spokane and the entire state of Washington as we move toward a full economic recovery.”

Construction is expected to begin in the summer of 2011.

About Cat Logistics:

Caterpillar Logistics Services, Inc. provides world-class supply chain solutions and services to its parent company, Caterpillar Inc., and more than 50 other leading corporations throughout the world. Headquartered in Morton, Illinois, Cat Logistics operates more than 108 offices and facilities in 23 countries on six continents. Cat Logistics provides its full service capabilities to companies in market sectors, which include automotive, industrial and aerospace service parts, consumer durables, technology, electronics and manufacturing logistics. More information is available at www.CatLogistics.com.

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 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.