

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): MAY 31, 2005

KIRBY CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

Nevada	1-7615	75-1884980
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

55 WAUGH DRIVE, SUITE 1000
HOUSTON, TEXAS 77007
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (713) 435-1000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On May 31, 2005, Kirby Corporation (the "Company") issued \$200,000,000 of unsecured Floating Rate Senior Notes, Series 2005-A, due February 28, 2013 (the "Series 2005-A Notes") to a group of institutional investors. Interest on the Series 2005-A Notes is payable quarterly at a rate equal to LIBOR plus .50%. The Series 2005-A Notes are prepayable, at the Company's option, with a prepayment premium equal to 2% of the principal amount prepaid during the first year and 1% of the principal amount prepaid during the second year, with no prepayment premium after the second year. No principal payments are required until maturity in 2013. The proceeds of the Series 2005-A Notes were used to repay the Company's \$200,000,000 of outstanding Floating Rate Senior Notes, Series 2003-A, due February 28, 2013 (the "Series 2003-A Notes").

The Series 2005-A Notes were issued pursuant to the existing Master Note Purchase Agreement dated as of February 15, 2003 among the Company and the Purchasers named therein (under which the Series 2003-A Notes were also issued), as supplemented by the First Supplement to Note Purchase Agreement dated as of May 31, 2005 among the Company and the Purchasers named therein. The Master Note Purchase Agreement, as supplemented (the "Note Agreement"), contains certain covenants on the part of the Company, including a debt covenant, an interest coverage covenant and covenants relating to liens, asset sales and mergers, among others. The Note Agreement also specifies certain events of default, upon the occurrence of which the maturity of the Series 2005-A Notes may be accelerated, including failure to pay principal or interest, violation of covenants or default on other indebtedness, among others.

The foregoing summary of the terms of the Series 2005-A Notes and the Note Agreement is qualified in its entirety by reference to the Master Note Purchase Agreement dated as of February 15, 2003 which was filed as Exhibit 4.3 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002 and the First Supplement to Note Purchase Agreement dated as of May 31, 2005 which is filed as Exhibit 4.2 to this report.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

See Item 1.01 for a description of the Company's issuance of \$200,000,000 of Floating Rate Senior Notes, Series 2005-A, due February 28, 2013. That description is incorporated by reference into this Item 2.03.

Item 7.01. Regulation FD Disclosure.

On May 31, 2005, the Company issued a press release disclosing the financing described in Item 1.01 and providing additional information on the anticipated effect of financing costs on the Company's published earnings guidance for the second quarter of 2005 and for the full year. A copy of the press release is furnished as Exhibit 99.1 to this report.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

EXHIBIT NUMBER -----	DESCRIPTION OF EXHIBIT -----
4.1	Master Note Purchase Agreement dated as of February 15, 2003 among Kirby Corporation and the Purchasers named therein (incorporated by reference to Exhibit 4.3 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002).
4.2	First Supplement to Note Purchase Agreement dated as of May 31, 2005 among Kirby Corporation and the Purchasers named therein.
99.1	Press Release dated May 31, 2005.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

KIRBY CORPORATION

By /s/ NORMAN W. NOLEN

Norman W. Nolen
Executive Vice President,
Treasurer and Chief Financial Officer

Date: June 2, 2005

EXHIBIT INDEX

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4.2	First Supplement to Note Purchase Agreement dated as of May 31, 2005 among Kirby Corporation and the Purchasers named therein.
99.1	Press Release dated May 31, 2005.

KIRBY CORPORATION

\$200,000,000
Floating Rate Senior Notes, Series 2005-A, due February 28, 2013

FIRST SUPPLEMENT TO NOTE PURCHASE AGREEMENT

Dated as of May 31, 2005

FIRST SUPPLEMENT TO NOTE PURCHASE AGREEMENT

THIS FIRST SUPPLEMENT is entered into as of May 31, 2005 (this "Supplement") between KIRBY CORPORATION, a Nevada corporation (the "Company"), and the Purchasers listed in the attached Schedule A (the "Purchasers").

R E C I T A L S

A. The Company has entered into a Note Purchase Agreement dated as of February 15, 2003 with the purchasers listed in Schedule A thereto (as heretofore supplemented, the "Note Purchase Agreement"); and

B. The Company desires to issue and sell, and the Purchasers desire to purchase, an additional series of Notes (as defined in the Note Purchase Agreement) pursuant to the Note Purchase Agreement and in accordance with the terms set forth below;

NOW, THEREFORE, the Company and the Purchasers agree as follows:

1. Authorization of the New Series of Notes.

(a) Amount; Designation. The Company has authorized the issue and

sale of \$200,000,000 aggregate principal amount of Notes to be designated as its Floating Rate Senior Notes, Series 2005-A, due February 28, 2013 (the "Series 2005-A Notes", such term to include any such Notes issued in substitution therefor pursuant to Section 13 of the Note Purchase Agreement). The Series 2005-A Notes shall be substantially in the form set out in Exhibit 1 to this Supplement, with such changes therefrom, if any, as may be approved by the Purchasers and the Company.

(b) Adjusted Libor Rate. Section 1.2(b) of the Note Purchase

Agreement shall apply to the Series 2005-A Notes in its entirety, except the reference in the definition of "Adjusted LIBOR Rate" to "1.2%" shall be deemed to be a reference to 0.50%.

(c) Determination of the Adjusted LIBOR Rate. The reference in

Section 1.2(c) of the Note Purchase Agreement to "Series 2003-A Notes"
shall be deemed to be reference to the Series 2005-A Notes.

(d) Interest Period. "INTEREST PERIOD" means for any period for

which interest is to be calculated or paid on the Series 2005-A Notes,
the period commencing on the date of an interest payment, or on the date of
Closing in the case of the first such period, continuing up to, but not
including, the next February 28, May 28, August 28 or November 28, as the
case may be, or if such date is not a Business Day, the next succeeding
Business Day.

2. Sale and Purchase of Series 2005-A Notes. Subject to the terms and

conditions of this Supplement and the Note Purchase Agreement, the Company will issue and sell to each of the Purchasers, and the Purchasers will purchase from the Company, at the Closing provided for in Section 3, Series 2005-A Notes in the principal amount specified opposite their respective names in the attached Schedule A at the purchase price of 100% of the principal amount thereof. The obligations of the Purchasers hereunder are several and not joint obligations and no Purchaser shall have any liability to any Person for the performance or non-performance by any other Purchaser hereunder.

3. Closing. The sale and purchase of the Series 2005-A Notes to be

purchased by the Purchasers shall occur at the offices of Gardner Carton & Douglas LLP, 191 North Wacker Drive, Suite 3700, Chicago, Illinois 60606-1698 at 9:00 a.m., Chicago time, at a closing (the "Closing") on May 31, 2005 or on such other Business Day thereafter on or prior to June 15, 2005 as may be agreed upon by the Company and the Purchasers. At the Closing, the Company will deliver to each Purchaser the Series 2005-A Notes to be purchased by it in the form of a single Note (or such greater number of Series 2005-A Notes in denominations of at least \$500,000 as such Purchaser may request) dated the date of the Closing and registered in its name (or in the name of its nominee), against delivery by such Purchaser to the Company or its order of immediately available funds in the amount of the purchase price therefor by wire transfer of immediately available funds for the account of the Company to account number 00100359554 at JPMorgan Chase Bank, 712 Main Street, Houston, Texas 77002, ABA No. 113000609. If at the Closing the Company shall fail to tender such Series 2005-A Notes to a Purchaser as provided above in this Section 3, or any of the conditions specified in Section 4 of the Note Purchase Agreement, as modified or expanded by Section 4 hereof, shall not have been fulfilled to such Purchaser's satisfaction, such Purchaser shall, at its election, be relieved of all further obligations under this Agreement, without thereby waiving any rights it may have by reason of such failure or such nonfulfillment.

4. Conditions to Closing. Each Purchaser's obligation to purchase and

pay for the Series 2005-A Notes to be sold to it at the Closing is subject to the fulfillment to its satisfaction, prior to or at the Closing, of the conditions set forth in Section 4 of the Note Purchase Agreement, as hereafter modified, and to the following additional conditions:

(a) References in Section 4 of the Note Purchase Agreement to "Series 2003-A Notes" shall be deemed to be references to the Series 2005-A Notes and references to the "Closing" shall be deemed to refer to the Closing as such term is defined in this Supplement;

(b) The reference in Section 4.2 to the "Memorandum" shall be deemed to be a reference to the term "Memorandum" as such term is defined in Schedule 5 to this Supplement and the reference to "Schedule 5.14" shall be deemed to be a reference to Schedule 5.14 hereto;

(c) The legal opinions, and forms thereof, called for by Section 4.4 of the Note Purchase Agreement shall be appropriately modified to reflect this Supplement and

the transactions contemplated herein and the rendering of the legal opinion by Fulbright & Jaworski L.L.P. in substitution of the opinion by Jenkens & Gilchrist;

(d) References in the Note Purchase Agreement to "Other Purchasers" shall be deemed to refer to the Purchasers hereunder; and

(e) At least three Business Days prior to the date of the Closing, each Purchaser shall have received a copy of written instructions signed by a Responsible Officer on letterhead of the Company confirming the information specified in Section 3 including (i) the name and address of the transferee bank, (ii) such transferee bank's ABA number and (iii) the account name and number into which the purchase price for the Notes is to be deposited.

5. Representations and Warranties of the Company. The Company represents and warrants to the Purchasers that each of the representations and warranties contained in Section 5 of the Note Purchase Agreement is true and correct as of the date hereof (i) except that all references to "Purchaser" and "you" therein shall be deemed to refer to the Purchasers hereunder, all references to "this Agreement" shall be deemed to refer to the Note Purchase Agreement as supplemented by this Supplement, and all references to "Series 2003-A Notes" therein shall be deemed to refer to the Series 2005-A Notes, and (ii) except for changes to such representations and warranties or the Schedules referred to therein, which changes are set forth in the attached Schedule 5.

6. Representations of the Purchasers. Each Purchaser confirms to the Company that the representations set forth in Section 6 of the Note Purchase Agreement are true and correct as to such Purchaser.

7. Mandatory Prepayment of the Series 2005-A Notes. The Series 2005-A Notes are not subject to mandatory prepayment by the Company.

8. Optional Prepayments of the Series 2005-A Notes. The Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, the Series 2005-A Notes in an amount not less than \$1,000,000 in the aggregate in the case of a partial prepayment, at 100% of the principal amount so prepaid, plus interest on such principal amount accrued to such prepayment date, plus the prepayment premium set forth below and, if such prepayment is to occur on any date other than an Interest Payment Date, the LIBOR Breakage Amount, if any.

<u>IF PREPAID DURING THE PERIOD</u>	<u>PREPAYMENT PREMIUM</u>
May 31, 2005 through May 28, 2006	2.0%
May 29, 2006 through May 28, 2007	1.0%
May 29, 2007 and thereafter	0.0%

The Company will give each holder of Series 2005-A Notes written notice of each optional prepayment under this Section 8 not less than 30 days and not more than 60 days prior to the date fixed for such prepayment. Each such notice shall specify such date, the aggregate principal amount of the Series 2005-A Notes to be prepaid on such date, the principal amount of each

Series 2005-A Note held by such holder to be prepaid (determined in accordance with Section 8.3 of the Note Purchase Agreement), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid.

9. Applicability of Note Purchase Agreement. Except as otherwise

expressly provided herein (and expressly permitted by the Note Purchase Agreement), all of the provisions of the Note Purchase Agreement are incorporated by reference herein and shall apply to the Series 2005-A Notes as if expressly set forth in this Supplement. For purposes of the Series 2005-A Notes and any future series or tranche of Notes issued pursuant to a supplement to the Note Purchase Agreement:

(a) Section 22.2 of the Note Purchase Agreement shall read in its entirety as follows:

"22.2 PAYMENTS DUE ON NON-BUSINESS DAYS.

Anything in this Agreement or the Series 2005-A Notes to the contrary notwithstanding, any payment of principal of or LIBOR Breakage Amount or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of the interest payable on such next succeeding Business Day."

(b) The definition of Business Day in Schedule B of the Note Purchase Agreement shall read in its entirety as follows:

"BUSINESS DAY" means (a) for the purposes of Section 8.6 and the determination of LIBOR only, any day other than a Saturday, a Sunday or a day on which commercial banks in London, England are required or authorized to be closed, and (b) for the purposes of any other provision of this Agreement, any day other than a Saturday, a Sunday or a day on which commercial banks in Chicago, Illinois or New York City are required or authorized to be closed."

IN WITNESS WHEREOF, the Company and the Purchasers have caused this Supplement to be executed and delivered as of the date set forth above.

KIRBY CORPORATION

By: /s/ Norman W. Nolen
Name: Norman W. Nolen
Title: Executive Vice President and
Chief Financial Officer

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MONUMENTAL LIFE INSURANCE COMPANY

By: /s/ Bill Henricksen
Name: Bill Henricksen
Title: Vice President

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By: PPM AMERICA, INC., as attorney in fact, on behalf of Jackson National
Life Insurance Company

By: /s/ Mark Staub
Name: Mark Staub
Title: Vice President

By: PPM AMERICA, INC., as attorney in fact, on behalf of Jackson National
Life Insurance Company of New York

By: /s/ Mark Staub
Name: Mark Staub
Title: Vice President

GENERAL ELECTRIC CAPITAL ASSURANCE COMPANY

By: /s/ Stephen R. De Motto
Name: Stephen R. De Motto
Title: Investment Officer

ALLSTATE LIFE INSURANCE COMPANY

By: /s/ Robert B. Bodett
Name: Robert B. Bodett

By: /s/ Jerry D. Zinkula
Name: Jerry D. Zinkula

Authorized Signatories

ALLSTATE INSURANCE COMPANY

By: /s/ Robert B. Bodett
Name: Robert B. Bodett

By: /s/ Jerry D. Zinkula
Name: Jerry D. Zinkula

Authorized Signatories

CONNECTICUT GENERAL LIFE INSURANCE COMPANY

By: CIGNA Investments, Inc. (authorized agent)

By: /s/ Deborah B. Wiacek
Name: Deborah B. Wiacek
Title: Managing Director

PHOENIX LIFE INSURANCE COMPANY

By: /s/ Carole A. Masters
Name: /s/ Carole A. Masters
Title: Vice President

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HARTFORD LIFE INSURANCE COMPANY

By: HARTFORD INVESTMENT SERVICES, INC.
Its Agent and Attorney-in-Fact

By: /s/ Daniel C. Leimbach
Name: Daniel C. Leimbach
Title: Senior Vice President

THE TRAVELERS INSURANCE COMPANY

By: /s/ Allen Cantrell
Name: Allen Cantrell
Title: Investment Officer

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EXCEPTIONS TO REPRESENTATIONS
AND WARRANTIES

SECTION

5.3 In the first sentence, change the date of the Private Placement Memorandum from January 2003 to April 2005.

In the fourth sentence, change September 30, 2002 to March 31, 2005.

5.4 Replace Schedule 5.4 with the attached Schedule 5.4.

5.5 Replace Schedule 5.5 with the attached Schedule 5.5.

5.8 Replace Schedule 5.8 with the attached Schedule 5.8.

5.9 Change the date in the last sentence from December 31, 1998 to December 31, 2000.

5.14 Replace Schedule 5.14 with the attached Schedule 5.14.

5.15 In the first sentence, change December 31, 2002 to April 30, 2005.

Replace Schedule 5.15 with the attached Schedule 5.15.

SUBSIDIARIES AND AFFILIATES

SUBSIDIARIES	ORGANIZED	OWNERSHIP
AFRAM Carriers, Inc.	Delaware	100%
Dixie Offshore Transportation Company	Delaware	100%
Engine Systems, Inc.(1)	Delaware	100%
KIM Holdings, Inc.	Delaware	100%
KIM Partners, LLC(2)	Louisiana	100%
Kirby Corporate Services, LLC	Delaware	100%
Kirby Inland Marine, LP(3)	Delaware	100%
Kirby Engine Systems, Inc.	Delaware	100%
Kirby Tankships, Inc.	Delaware	100%
Kirby Terminals, Inc.	Texas	100%
Marine Systems, Inc.(1)	Louisiana	100%
Rail Systems, Inc.(1)	Delaware	100%
Sabine Transportation Company	Delaware	100%
Dixie Carriers, Inc.(4)	Texas	100%
Mariner Reinsurance Company Limited	Bermuda	100%
Matagorda Terminal, Ltd.(5)	Texas	100%
Hollywood Marine, No. 3., Ltd.(4)	Texas	75%
Hollywood Chem 107, Ltd.(4)	Texas	83.4%
Hollywood Chem 108, Ltd.(4)	Texas	87.5%
Hollywood Marine 1004-7, Ltd.(4)	Texas	83.4%
Hollywood Marine 1008-14, Ltd.(4)	Texas	87.5%
Hollywood Marine 3009-14, Ltd.(4)	Texas	87.5%
Hollywood Marine 3015, Ltd.(4)	Texas	83.4%
Hollywood/Texas Olefins, Ltd.(4)	Texas	50%
Marine Highways, LLC	Delaware	Variable

AFFILIATES	ORGANIZED	OWNERSHIP
BargeNet, LLC(4)	Delaware	33 1/3%
Bolivar Terminal Co., Inc.(4)	Texas	50%
Dixie Fuels Limited(6)	Texas	35%
The Hollywood Camp, L.L.C.(4)	Texas	50%
Osprey Line, L.L.C.	Texas	33 1/3%

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- (1) Owned by Kirby Engine Systems, Inc.
 - (2) Owned by KIM Holdings, Inc.
 - (3) Owned by KIM Holdings, Inc. and KIM Partners, LLC
 - (4) Owned by Kirby Inland Marine, LP
 - (5) Owned by Kirby Inland Marine, LP and Kirby Terminals, Inc.
 - (6) Owned by Dixie Offshore Transportation Company

DIRECTORS OF KIRBY CORPORATION

C. Sean Day
Bob G. Gower
Walter E. Johnson
William M. Lamont, Jr.
C. Berdon Lawrence
George A. Peterkin, Jr.
Joseph H. Pyne
Robert G. Stone, Jr.
Richard C. Webb

SENIOR OFFICERS OF KIRBY CORPORATION

C. Berdon Lawrence	-	Chairman of the Board
Joseph H. Pyne	-	President & Chief Executive Officer
Norman W. Nolen	-	Executive Vice President & Chief Financial Officer
Mark R. Buese	-	Senior Vice President - Administration
G. Stephen Holcomb	-	Vice President - Investor Relations
Howard G. Runser	-	Vice President - Information Technology
Jack M. Sims	-	Vice President - Human Resources
Ronald A. Dragg	-	Controller

FINANCIAL STATEMENTS

Kirby Corporation Annual Reports on Form 10-K for fiscal years 2000 through 2004.

Kirby Corporation Quarterly Report on Form 10-Q for the quarter ended March 31, 2005.

Schedule 5.5

LITIGATION

In 2000, two subsidiaries of the Company and a group of approximately 45 other companies were notified that they are Potentially Responsible Parties ("PRPs") under the Comprehensive Environmental Response, Compensation and Liability Act of 1981, as amended ("CERCLA"), with respect to a Superfund site, the Palmer Barge Line site ("Palmer"), located in Port Arthur, Texas. In prior years, Palmer had provided tank barge cleaning services to various subsidiaries of the Company. The Company and three other PRPs have entered into an agreement with the United States Environmental Protection Agency ("EPA") to perform a remedial investigation and feasibility study. Based on information currently available, the Company is unable to ascertain the extent of its exposure, if any, in this matter.

In 2003, the Company and certain subsidiaries received a Request For Information ("RFI") from the EPA under CERCLA with respect to a Superfund site, the Gulfco site, located in Freeport, Texas. In prior years, a company unrelated to Gulfco operated at the site and provided tank barge cleaning services to various subsidiaries of the Company. Based on information currently available, the Company is unable to ascertain the extent of its exposure, if any, in this matter.

In 2004, the Company and certain subsidiaries received an RFI from the EPA under CERCLA with respect to a Superfund site, the State Marine site, located in Port Arthur, Texas. Based on information currently available, the Company is unable to ascertain the extent of its exposure, if any, in this matter.

USE OF PROCEEDS

	Balance 4/30/05	Private Placement Proceeds	Balance After Paydown
250,000,000 Floating Rate Senior Notes, Series 2003-A, due February 28, 2013	\$200,000,000	\$ 200,000,000	\$ -0-

Schedule 5.14

EXISTING DEBT

	Balance at 4/30/05
\$250,000,000 Floating Rate Senior Notes, Series 2003-A, due February 28, 2013	\$200,000,000
\$150,000,000 Revolving Credit Facility, due December 9, 2007	-0-
\$10,000,000 Bank of America line of credit, due November 2, 2005	2,500,000
\$5,000,000 BNP Paribas revolving credit note, due December 31, 2005	5,000,000
Real estate lien note, \$590.84 monthly installments (principal and interest) through 10/01/12	39,000
	\$207,539,000

Schedule 5.15

[FORM OF SERIES 2005-A NOTE]

KIRBY CORPORATION

FLOATING RATE SENIOR NOTE
SERIES 2005-A, DUE FEBRUARY 28, 2013

No. [_____]]
\$[_____]]

[Date]
PPN: 497266 A @ 5

FOR VALUE RECEIVED, the undersigned, KIRBY CORPORATION (herein called the "Company"), a corporation organized and existing under the laws of the State of Nevada, promises to pay to [_____] , or registered assigns, the principal sum of \$[_____] on February 28, 2013, with interest (computed on the basis of a 360-day year and the actual number of days elapsed) (a) on the unpaid principal thereof at a floating rate equal to the Adjusted LIBOR Rate from time to time, payable quarterly on each February 28, May 28, August 28 and November 28, commencing with the February, May, August or November next succeeding the date hereof until the principal shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any LIBOR Breakage Amount at the Default Rate until paid.

Payments of principal of, interest on and any LIBOR Breakage Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of Bank of America in Chicago, Illinois or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the "Notes") issued pursuant to a Note Purchase Agreement dated as of February 15, 2003, as supplemented by a First Supplement dated as of May 31, 2005 (as supplemented, the "Note Purchase Agreement"), between the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Reference is made to the Note Purchase Agreement for the definitions used herein and the method of calculating the interest and other payments to be made or in respect of this Note. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (ii) to have made the representations and agreement set forth in Section 6 of the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable LIBOR Breakage Amount) and with the effect provided in the Note Purchase Agreement.

Notwithstanding any other provision of this Note or the Note Purchase Agreement, in no event shall the interest payable hereon, whether before or after maturity, exceed the maximum interest that may be charged on this Note under applicable law, and this Note is expressly made subject to the provisions of the Note Purchase Agreement which more fully set out the limitations on how interest may be accrued, charged or paid on this Note.

This Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of Illinois excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

KIRBY CORPORATION

By: _____
Name: _____
Title: _____

KIRBY CORPORATION

CONTACT: STEVE HOLCOMB
713-435-1135

FOR IMMEDIATE RELEASE

KIRBY CORPORATION ANNOUNCES PLACEMENT OF
\$200 MILLION SENIOR NOTES

- \$200 MILLION OF SENIOR NOTES AT LIBOR PLUS 0.5% DUE 2013
- PROCEEDS USED TO REPAY \$200 MILLION OF SENIOR NOTES AT LIBOR PLUS 1.2%
- PRIVATE PLACEMENT WILL SAVE \$1.4 MILLION OF INTEREST EXPENSE, OR \$.03 PER SHARE, ANNUALLY. KIRBY WILL EXPENSE \$1.1 MILLION OF UNAMORTIZED FINANCING COSTS ASSOCIATED WITH REFINANCED NOTES.
- 2005 SECOND QUARTER AND FULL YEAR EARNINGS PER SHARE GUIDANCE UNCHANGED

HOUSTON, TEXAS (MAY 31, 2005) - Kirby Corporation ("Kirby") (NYSE:KEX) today announced the private placement of \$200 million of senior notes ("2005 Senior Notes") with the assistance of Banc of America Securities LLC. The unsecured floating rate 2005 Senior Notes have an interest rate equal to the London Interbank Offered Rate ("LIBOR") plus 0.5%. No principal payments are required until maturity in February 2013. The 2005 Senior Notes are callable, at Kirby's option, with a 2% prepayment premium during the first year, 1% during the second year and at par thereafter.

Proceeds of the 2005 Senior Notes were used to repay Kirby's \$200 million of senior notes ("2003 Senior Notes") due February 2013. The 2003 Senior Notes had an interest rate equal to LIBOR plus 1.2%. With the early extinguishment of the 2003 Senior Notes, Kirby will expense in the 2005 second quarter approximately \$1.1 million, or \$.03 per share after taxes, of unamortized financing costs associated with the 2003 Senior Notes.

Joe Pyne, Kirby's President and Chief Executive Officer, commented, "The new \$200 million private placement loan will replace Kirby's 2003 Senior Notes and will result in \$1.4 million of annual interest savings at the current level outstanding. Kirby also has a \$150 million bank revolving line of credit which is substantially unused at this time." Mr. Pyne further commented, "Kirby's earnings per share guidance ranges for the second quarter of 2005 and for the full year are unchanged at \$.65 to \$.70 and \$2.45 to \$2.55, respectively."

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Kirby Corporation, based in Houston, Texas, operates inland tank barges and towing vessels, transporting petrochemicals, black oil products, refined petroleum products and agricultural chemicals throughout the United States inland waterway system. Through the diesel engine services segment, Kirby provides after-market service for large medium-speed and high-speed diesel engines and reduction gears used in marine, power generation and railroad applications.

Statements contained in this press release with respect to the future are forward-looking statements. These statements reflect management's reasonable judgment with respect to future events. Forward-looking statements involve risks and uncertainties. Actual results could differ materially from those anticipated as a result of various factors, including cyclical or other downturns in demand, significant pricing competition, unanticipated additions to industry capacity, changes in the Jones Act or in U.S. maritime policy and practice, fuel costs, interest rates, weather conditions, and timing, magnitude and the number of acquisitions made by Kirby. A list of additional risk factors can be found in Kirby's annual report on Form 10-K for the year ended December 31, 2004, filed with the Securities and Exchange Commission.

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