

Catalyst Lighting Group, Inc. Announces Financial Results for 2004 Second Fiscal Quarter

Fort Worth, Texas — (May 28, 2004)– Catalyst Lighting Group, Inc., a manufacturer and marketer of outdoor lighting poles and accessories through its Whitco Company, LP subsidiary, announced its financial results for the second quarter of fiscal 2004.

For the quarter ended March 31, 2004, total revenue increased 13 percent to \$3.7 million, up from \$3.3 million in the prior-year comparable quarter. For the six months ended March 31, 2004, revenue rose 25 percent to \$8.2 million from \$6.6 million in the same six-month period of fiscal 2003. The increase in revenue for the three-month period is attributed to a 46 percent increase in sales of aluminum poles and a 28 percent increase in sales to an OEM customer. For the six-month period, sales increased in virtually all channels. Gross margin for the quarter decreased to 32 percent from 33 percent in the comparable quarter last year. For the six-month period, gross margin ended at 31 percent, compared to 33 percent for the same period last year. The decrease in gross margin is attributable to an increase in steel prices, an increase in freight costs, start-up costs associated with the Company's new manufacturing facility, and a lower margin mix of sales of products. The lower margin mix of sales of products is primarily attributable to the revenue growth in sales of aluminum poles and sales to an OEM customer, both historically low gross margin products.

The combination of factors leading to the gross margin decline also led to a net loss for the quarter ended March 31, 2004 of \$313,468, compared to a net loss for the prior-year quarter of \$144,682. For the six months ended March 31, 2004, a net loss of \$356,437 was reported, compared to a net loss of \$135,192 for the same period in fiscal 2003. The rapid increase in steel prices experienced in the first three months of calendar 2004 has been passed on to the Company's customers in the form of price increases on all poles. However, the Company was not able to fully cover the initial increases, thus the decline in quarterly gross margin.

Dennis Depenbusch, CEO of Catalyst Lighting Group, stated, "This quarter was a difficult one as the company worked to set prices commensurate with steel price increases and to rapidly bring the new production facility up to the necessary efficiency level. We are optimistic that these difficulties are behind us, and we are now operating at adequate levels of capacity and backlog."

About Catalyst Lighting Group, Inc.

Catalyst Lighting Group is headquartered in Fort Worth, Texas. Through its sole subsidiary, Whitco Company, LP, Catalyst manufactures and markets light poles for the commercial and industrial markets. The company sells and distributes its products through a network of more than 70 agents stationed throughout the United States. More information about Catalyst Lighting Group, Inc. may be found on the company's Web site, www.catalystlighting.com.

Certain of the above statements contained in this press release contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Actual results, events and circumstances (including future performance, results and trends) could differ materially from those set forth in such statements due to various factors, risks and uncertainties, including but not limited to, risks associated with Catalyst Lighting Group, Inc.'s future growth and operating results, the uncertainty of market acceptance of the company's products, technological change, competitive factors and general economic conditions. Catalyst Lighting Group, Inc. has no duty and undertakes no obligation to update such statements.

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