



The St. Joe Company Leases 20 Acres of Land to Eastern Shipbuilding Group to Expand Shipbuilding Operations into Gulf County

WATERSOUND, Fla. - (February 21, 2012) - The St. Joe Company (NYSE: JOE) today announced that it will lease 20 acres of its former paper mill site in Port St. Joe (Gulf County), Florida, to Eastern Shipbuilding Group (ESG) of Panama City, Florida. ESG plans to expand its existing shipbuilding, vessel construction and repair and industrial steel fabrication operations to Port St. Joe. ESG will continue its operations in Panama City and Allanton. ESG's Port St. Joe facility is immediately adjacent to one of only 14 state-authorized deep water ports in Florida. The Port St. Joe facility will enable ESG to meet its current and emerging contracts for vessel manufacturing requirements and has the potential to create many new jobs in Port St. Joe. In order to perform these contracts, ESG is already in the process of hiring 500 new employees who will join ESG's current workforce.

"The hard and diligent work of our current workforce has earned Eastern Shipbuilding Group the manufacturing contracts that necessitate our expansion to Port St. Joe," said Brian D'Isernia, President of Eastern Shipbuilding Group. "Eastern Shipbuilding Group remains committed to manufacturing the highest quality vessels our customers demand in a global market. I appreciate the assistance of Gulf County Commissioner Warren Yeager and Port Authority Chairman Joanna White whose tireless efforts led to our expansion to Gulf County."

Governor Rick Scott added, "Congratulations to Eastern Shipbuilding Group and The St. Joe Company on their combined efforts and confidence in taking this bold step which solidifies new opportunities for our State's economy, and specifically, our citizens across the Panhandle. Efforts like this are part of the success we are seeing in Florida to create a business climate that creates jobs, and I commend Eastern Shipbuilding's commitment to our great State."

"Eastern Shipbuilding's expansion to Port St. Joe is great news for Florida," said Senator Bill Nelson.

"Eastern Shipbuilding's growth is continued evidence of the growth of our State's diverse economy," stated State Representative Marti Coley. "Brian D'Isernia's vision and leadership for Eastern Shipbuilding will create opportunities for Eastern's suppliers and vendors to grow their workforce as well. The expansion of Eastern Shipbuilding Group has the potential to put a lot of people back to work."

"The community has been determined to create jobs and this achievement enables us to build a critical mass of industrial suppliers and vendors with an expanded and experienced labor force who can help attract other industrial tenants to our Port," commented State Representative Jimmy Patronis. "This primes the pump for the growth of Eastern Shipbuilding and other potential Port tenants from around the world. We are fortunate that our available facilities in Port St. Joe were a perfect fit for a company of the magnitude and stature of Eastern Shipbuilding Group."

State Senator Bill Montford said, "This is wonderful news for the people of Gulf County and all of North Florida. This is a very important step in the rebuilding of the economy, in our area, that will pay dividends for many years to come. It is an excellent example of interested parties coming together for the purpose of doing what is practical and right."

"For over 30 years, Eastern Shipbuilding Group has produced specialized vessels for their customers around the world," commented Congressman Steve Southerland. "There is no finer operation or harder working group of men and women than those at Eastern Shipbuilding Group. Congratulations to Gulf County on this significant achievement which brings the old mill site back to life and with it, the spirit of many residents who have longed for activity such as this."

Gulf County Commission Chairman Warren Yeager stated, "The significance of this announcement cannot be overstated for the future of our county and the aspirations of generations of local residents who are excited to put their pride and reputation into specialized vessels that will travel around the world. This excites every man, woman and child in our county. We are all thankful for the blessings this announcement represents."

"The expansion of Eastern Shipbuilding Group into Port St. Joe has the potential to provide the opportunity for many people to get back to work," stated Mayor Mel Magidson of Port St. Joe. "We have weathered some difficult economic storms over time and this gives us a platform to stabilize our economy and begin attracting other businesses. On behalf of the City Commission and the citizens of Port St. Joe, I cannot express enough appreciation to Eastern Shipbuilding Group and Brian D'Isernia for believing in Port St. Joe, for investing in our community and for enabling us to once again see a bright future."

St. Joe has been working with the Port St. Joe Port Authority to reposition this area for port-related industrial and commercial activities. St. Joe's former paper mill site is approximately 180 acres in size and offers approximately 2,000 linear feet of bulkhead, which has the potential to be expanded. The Port and Eastern Shipbuilding Group's Port St Joe facility is also

adjacent to a federally-authorized turning basin and navigational channel.

St. Joe also owns about 4,700 acres of undeveloped land adjacent to the site, with more than three miles of frontage along the Gulf County Canal, which connects the Gulf of Mexico to Florida's intracoastal waterway. Additionally, Eastern's Port St. Joe facility has access to nearly 80 miles of St. Joe Company-owned railway that links Port St. Joe to other railway systems, connecting to numerous other U.S. cities, including Atlanta, New York and Chicago.

"We are pleased to welcome Eastern Shipbuilding Group to Port St. Joe and Gulf County and see this as a first step to maximizing this region's potential for port-related industrial and commercial activities," says Park Brady, Chief Executive Officer for The St. Joe Company. "With the Governor's commitment to job creation, the expansion of the Panama Canal in 2014 and this area's assets, we will continue working to attract more port-related businesses."

Last month, The St. Joe Company and the Port St. Joe Port Authority executed a Memorandum of Understanding to partner and collaborate on port-related economic development initiatives.

"The day has finally arrived where jobs, good jobs have returned to Gulf County and the alliance between the Port Authority and The St. Joe Company is bearing fruit - it's a win, win for everyone," commented Johanna White, Chairman of the Port St. Joe Port Authority. "We are fortunate that our available facilities in Port St Joe were a perfect fit for a company of the magnitude and stature of Eastern Shipbuilding Group."

About St. Joe

The St. Joe Company is a Florida-based real estate developer and manager. The Company owns approximately 573,000 acres of land concentrated primarily in Northwest Florida and has significant residential and commercial land-use entitlements in hand or in process. The majority of land not under development is used for the growing and selling of timber or is available for sale. The Company also owns various commercial, resort and club properties. More information about the Company can be found on its website at www.joe.com.

About Eastern Shipbuilding Group

Eastern Shipbuilding Group is a shipbuilding and marine repair company specializing in commercial steel and aluminum vessel construction and repair. Eastern also engages in industrial steel fabrication. Eastern Shipbuilding Group has become one of today's leading innovators in marine construction and repair, with three modern shipbuilding yards located in Bay County, Florida.

Over the years, Eastern Shipbuilding Group has positioned itself for longevity in the shipbuilding industry and marketplace by constructing a wide variety of vessels. This diversity continues to bolster Eastern Shipbuilding Group's market share and facilitates its reputation of building a varied collection of top-quality vessels. More information about the ESG can be found on its website at www.easternshipbuilding.com.

Forward-Looking Statements

This press release includes forward-looking statements, including statements regarding (i) St. Joe's expectations regarding the land that Eastern Shipbuilding Group will lease in Port St. Joe and (ii) St. Joe's expectations regarding future expansion of port operations. This information is qualified in its entirety by cautionary statements and risk factor disclosures contained in St. Joe's Securities and Exchange Commission filings, including St. Joe's annual report on Form 10-K filed with the Commission on March 3, 2011. St. Joe wishes to caution readers that certain important factors could cause St. Joe's actual results to differ materially from those expressed in any forward-looking statement made by or on behalf of St. Joe, including, but not limited to, the performance of Eastern Shipbuilding Group's operations or economic or other business conditions that affect the desire or ability of companies to relocate or expand business operations into Port St. Joe, including reductions in the availability of mortgage financing or property insurance, increases in interest rates, the cost of property insurance, inflation, or unemployment rates or declines in consumer confidence or the general economic environment.

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