



Annual General Meeting April 29, 2010

- Roy Dyce - President & CEO
- Greg Weeres - VP Operations & Engineering
- Kevin Teitge - VP Corporate Development & Treasurer



Forward Looking Statements

This presentation includes forward-looking statements. The forward-looking statements reflect management's current beliefs and assumptions with respect to such things as the outlook for general economic trends, industry trends, commodity prices, capital markets, and the governmental, legal and regulatory environment.

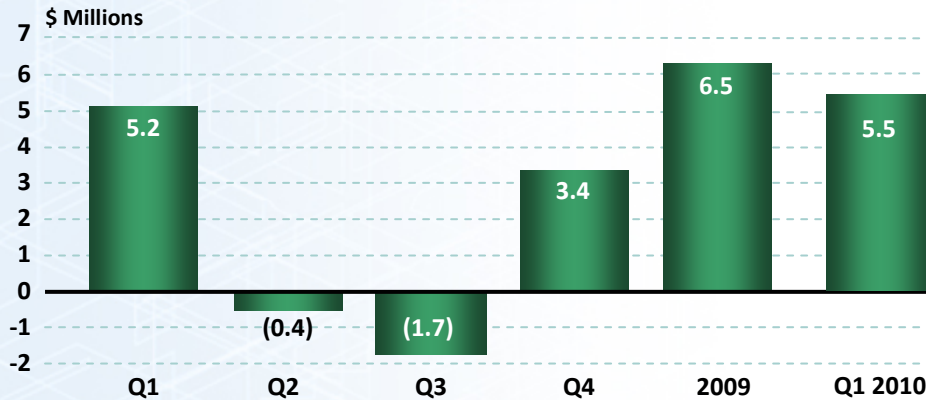
Forward-looking statements relate to, among other things, anticipated financial performance, business prospects, strategies, regulatory developments, new services, market forces, commitments and technological developments.

By its nature, such forward-looking information is subject to various risks and uncertainties, including those material risks discussed in Pacific Northern Gas Ltd.'s ("PNG") 2010 Annual Information Form under "Risk Factors" and in the Management's Discussion and Analysis for the 12 months ending 31 December 2009, which could cause actual results and experience to differ materially from the anticipated results or other expectations expressed. Undue reliance should not be placed on this forward-looking information, which is given as of the date of this presentation, and PNG undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise.

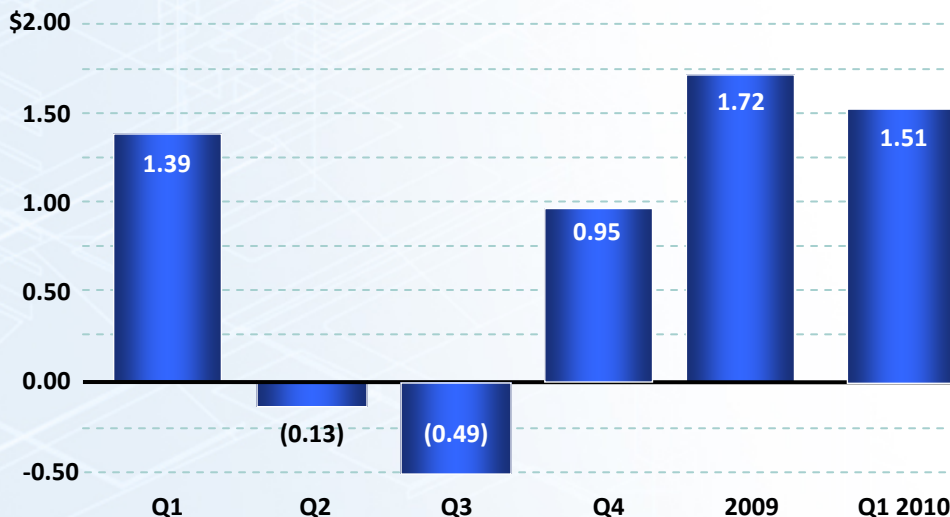
- Introduction
- Financial Highlights 2009 & Q1 2010
- Capital Structure and ROE
- Natural Gas Prices
- Strategic Initiatives
 - Renewable Energy
 - KSL Project
- Closing Remarks

Financial Overview

2009 & Q1 2010 Net Income

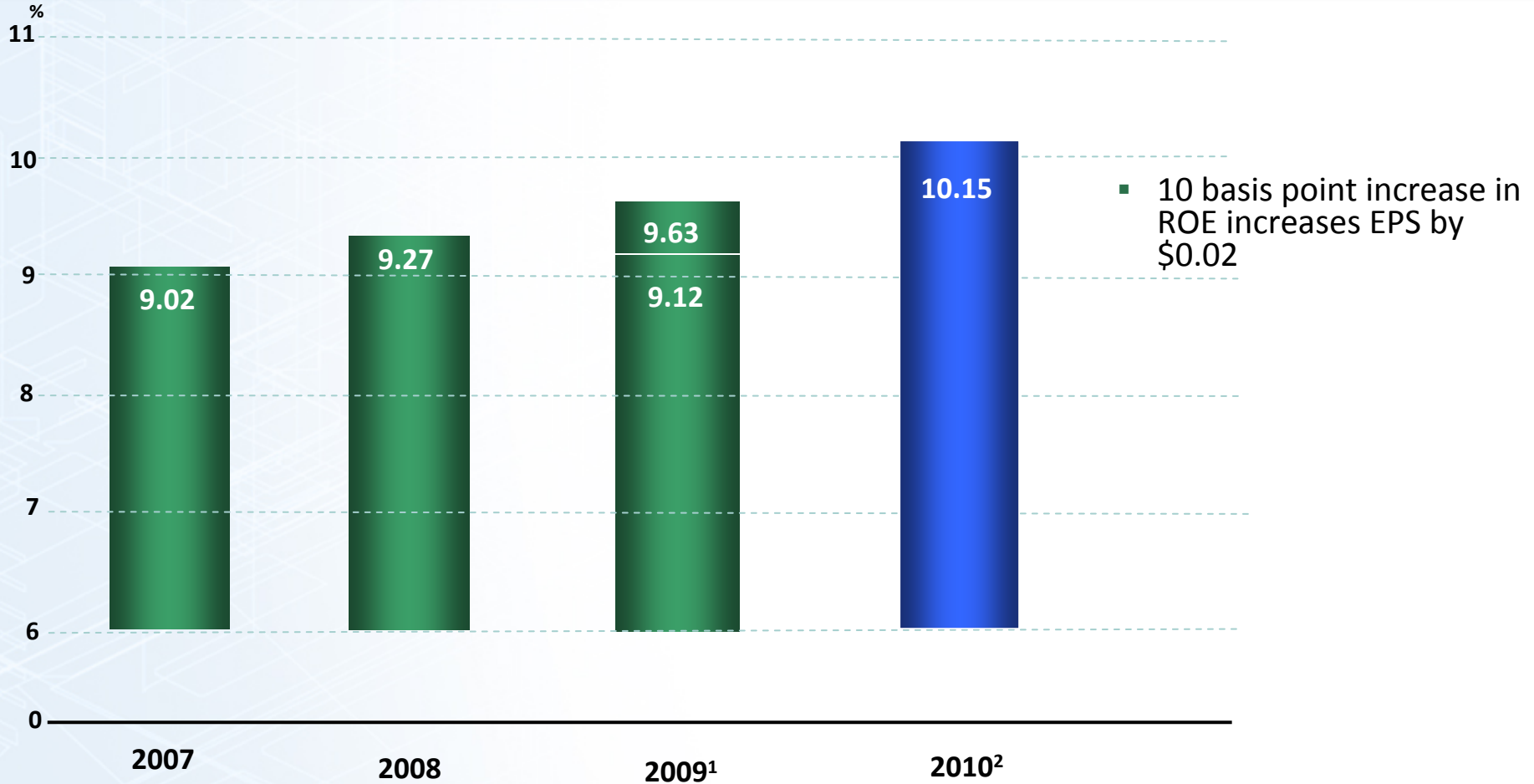


2009 & Q1 2010 EPS



- Seasonal but stable Net Annual Income
- Stability of underlying earnings achieved through use of deferral accounts
 - RSAM
 - Gas cost – pass through with no mark up
- Improved 2009 EPS
 - Higher allowed ROE
 - Lower expenditures on KSL Project
 - Normal Course Issuer Bid

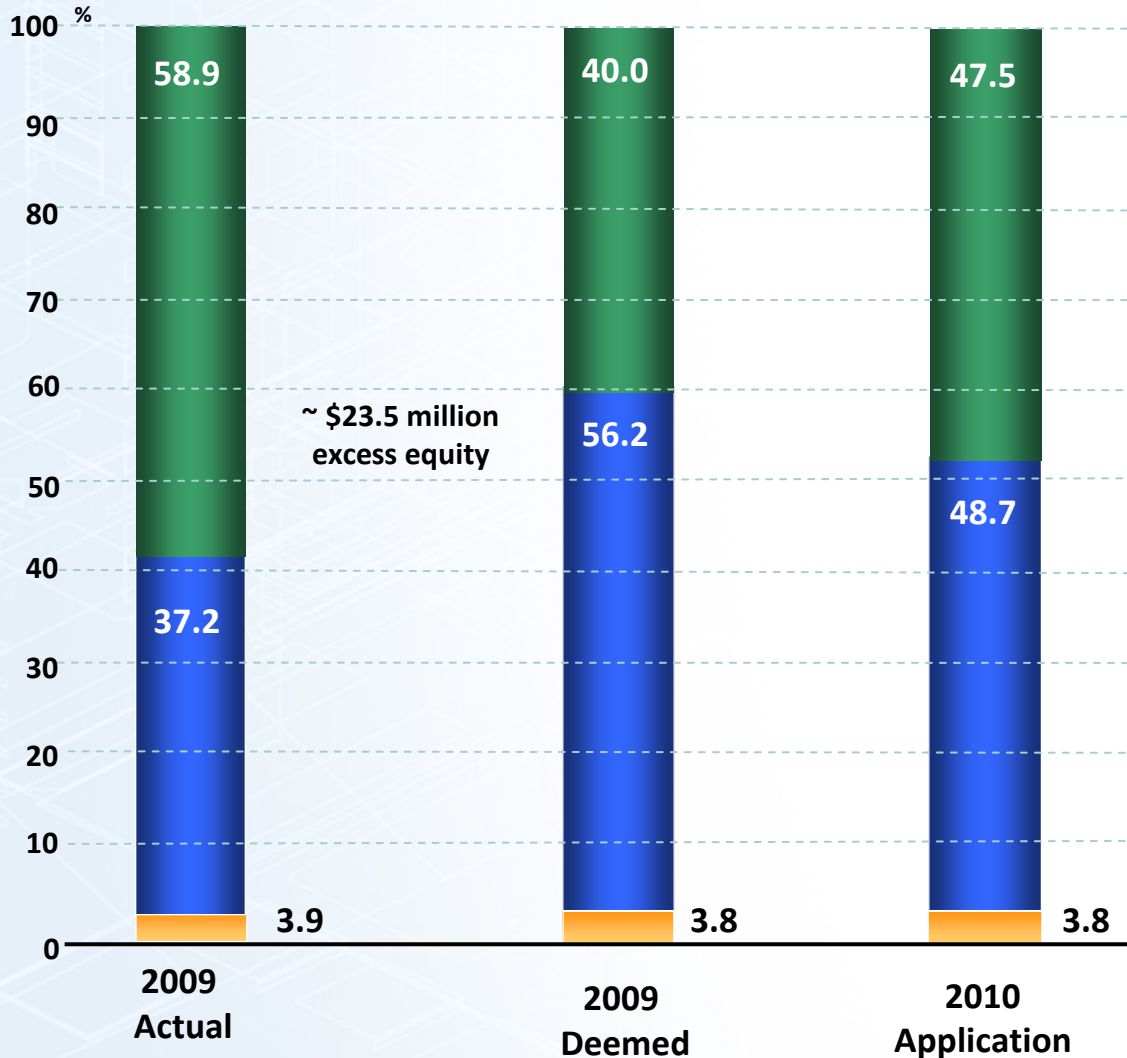
Return on Common Equity – PNG West



1. 9.63% represents PNG's average annual ROE resulting from a 103 bps increase to benchmark ROE effective 1 July 2009

2. Subject to BC Utilities Commission final approval

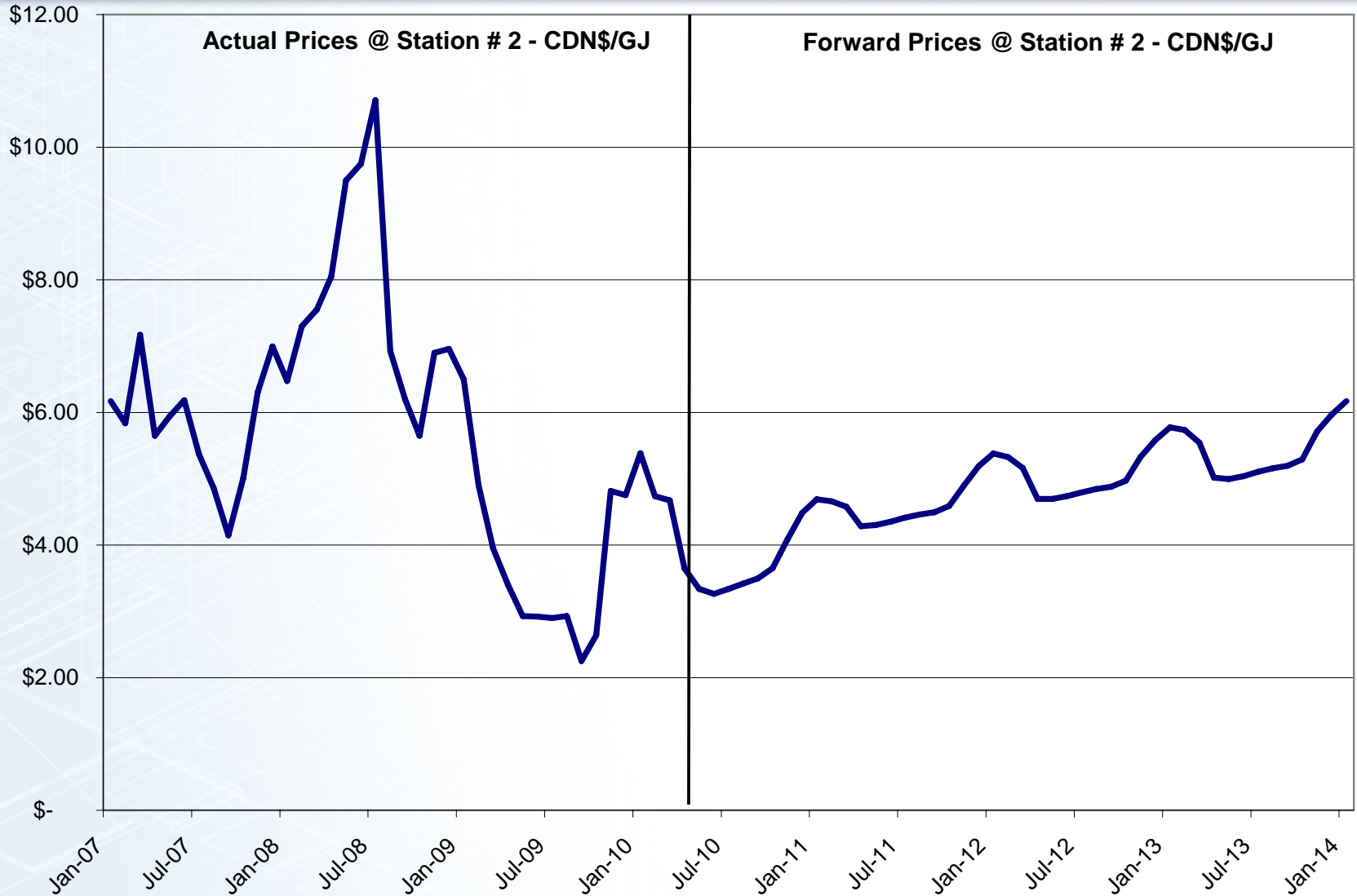
Capital Structure – PNG West



- Deemed capital structure for regulatory purposes
- Actual equity is higher than deemed resulting in inefficient capital structure with “excess equity”
- 1% increase in the common equity thickness results in an increase of \$0.03 to EPS

■ Common Equity
■ Debt
■ Preferred Equity

Natural Gas Prices

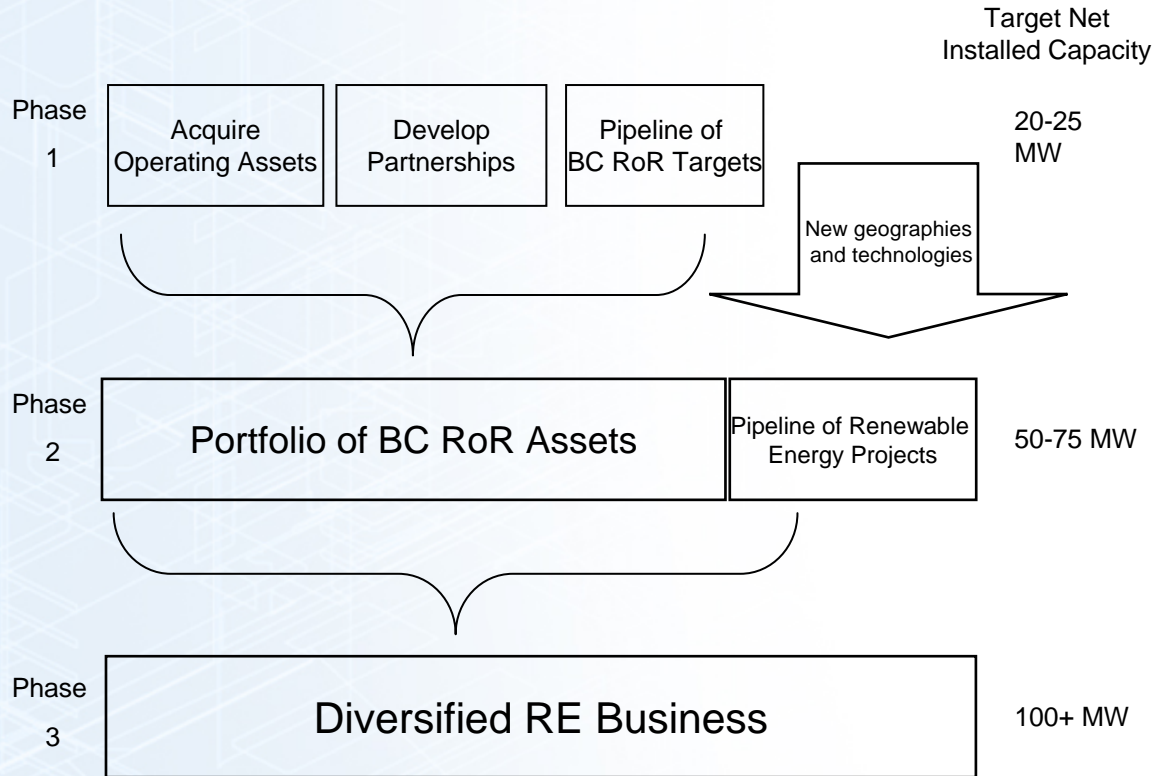


Strategic Initiatives

Renewable Energy Sector Overview

- Rationale underpinning PNG's move into renewable energy include
 - Utilize its operating skills, permitting expertise, project management capabilities, financing acumen and energy market and regulatory expertise
 - Existence of both operating projects and development projects that are available in sizes which fit PNG's access to capital
- BC Energy Plan 2007
 - All electricity generation: zero net emissions by 2016
 - Provincial self-sufficiency by 2016 (20,000 GWh)
 - 90% of BC Energy from clean renewable resources
- Clean Power Call announcements occurred in March 2010
- Recommendations from Green Energy Advisory Task Force
- Introduction of the BC Clean Energy Act

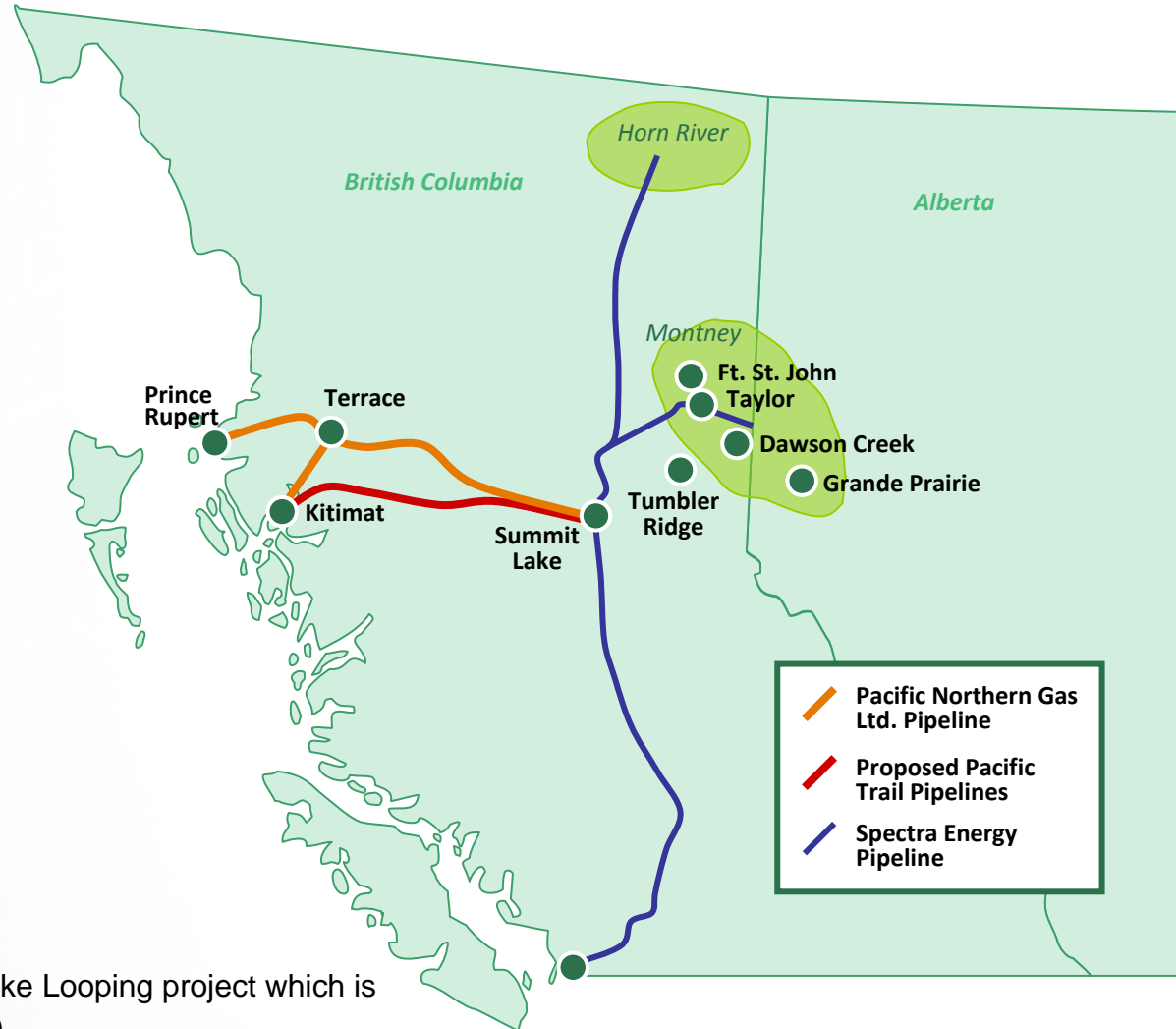
Renewable Energy Strategy



- Initial focus is on acquiring operating run of river facilities
 - Risk profile similar to existing business
 - Opportunity for PNG to participate in consolidation of B.C. operating assets
- Partnering with Skookum Power Corp
- PNG recently purchased the 9.8 MW McNair Creek facility located near Port Mellon, B.C.

KSL* - Transforming Event

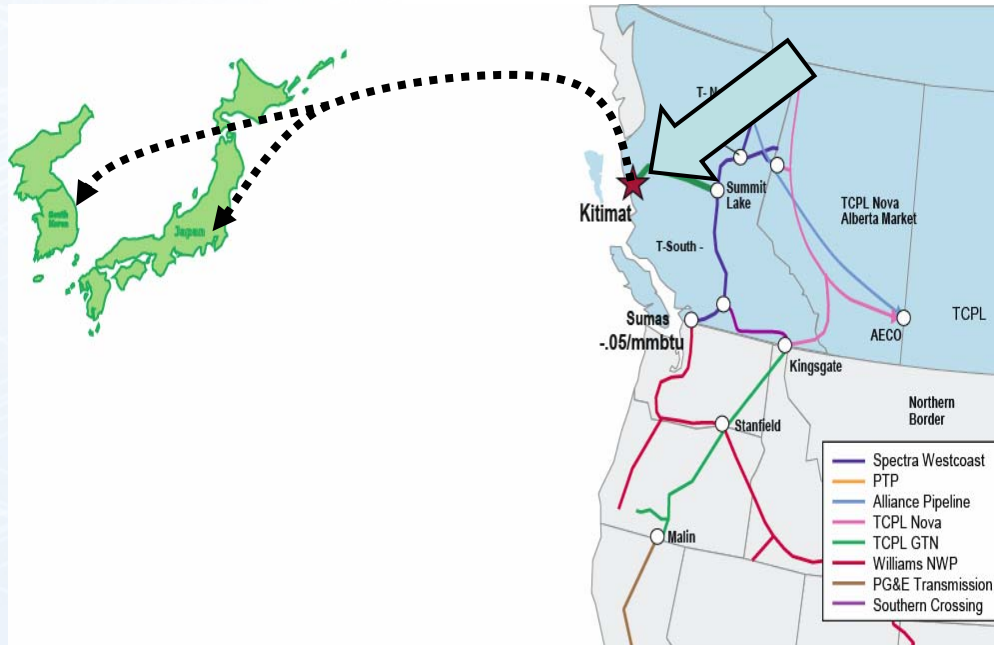
- \$1.2B (\$2006) 465 km of 36" pipe with 0.7 -1.4 bcf/d capacity
- PNG owns 50% of PTP subject to First Nations investment option
- If option is exercised, PNG's ownership remains greater than 40% after contributing its transmission assets at a value of ~ \$100m



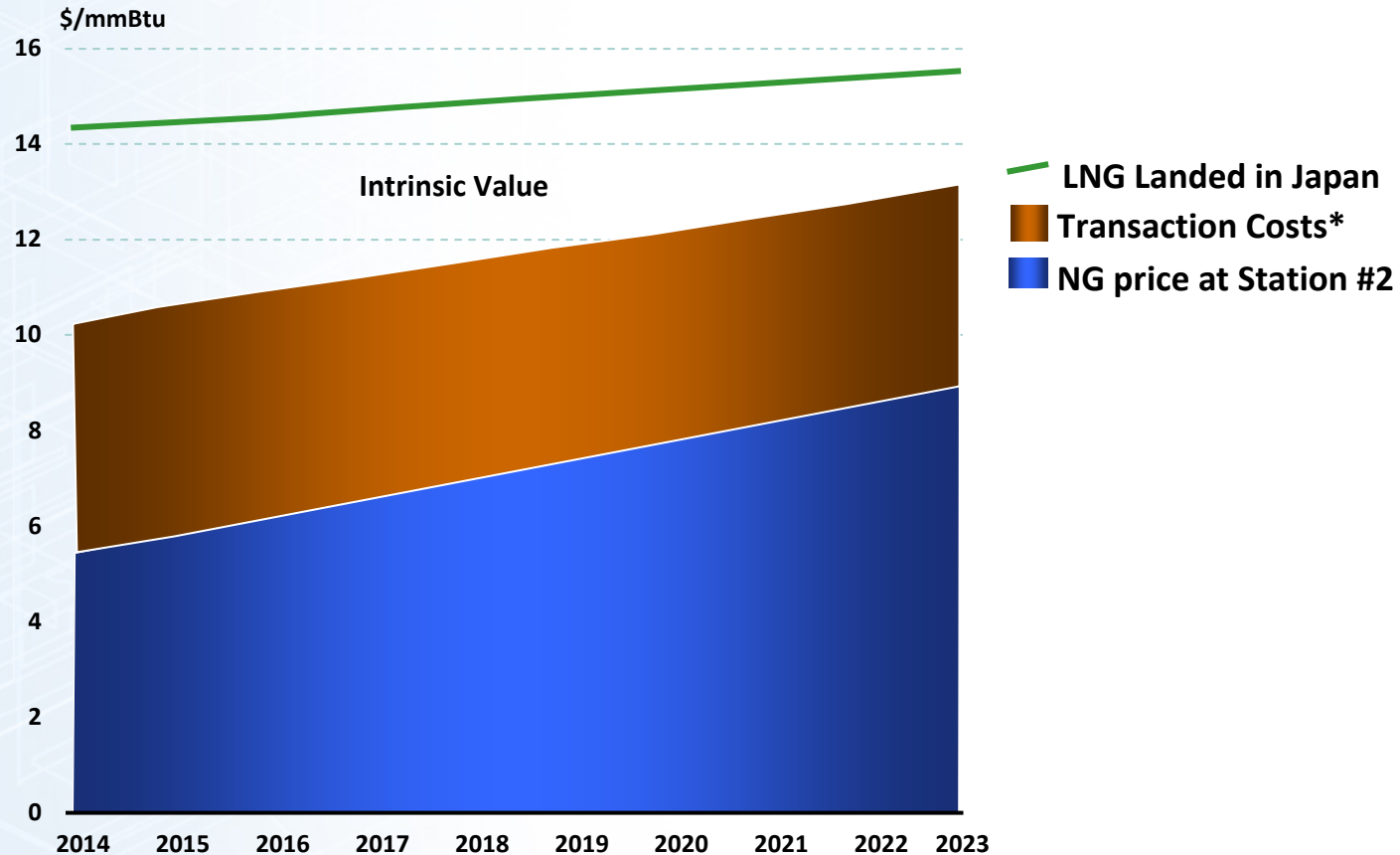
*KSL stands for the Kitimat to Summit Lake Looping project which is owned by Pacific Trail Pipelines LP (PTP).

Kitimat LNG Project Fundamentals

- Asia has limited indigenous supply of natural gas
- LNG sourced from Canada has relatively low geopolitical risks
- The price of LNG delivered into Asia is normally based on the international price of crude oil, which is the substitute for gas
- Significant new shale based gas reserves being developed in both the US and Canada
- These new shale gas plays in the United States have the potential to back up Canadian exports
- Crude oil / North America natural gas price differential expected to exist into foreseeable future



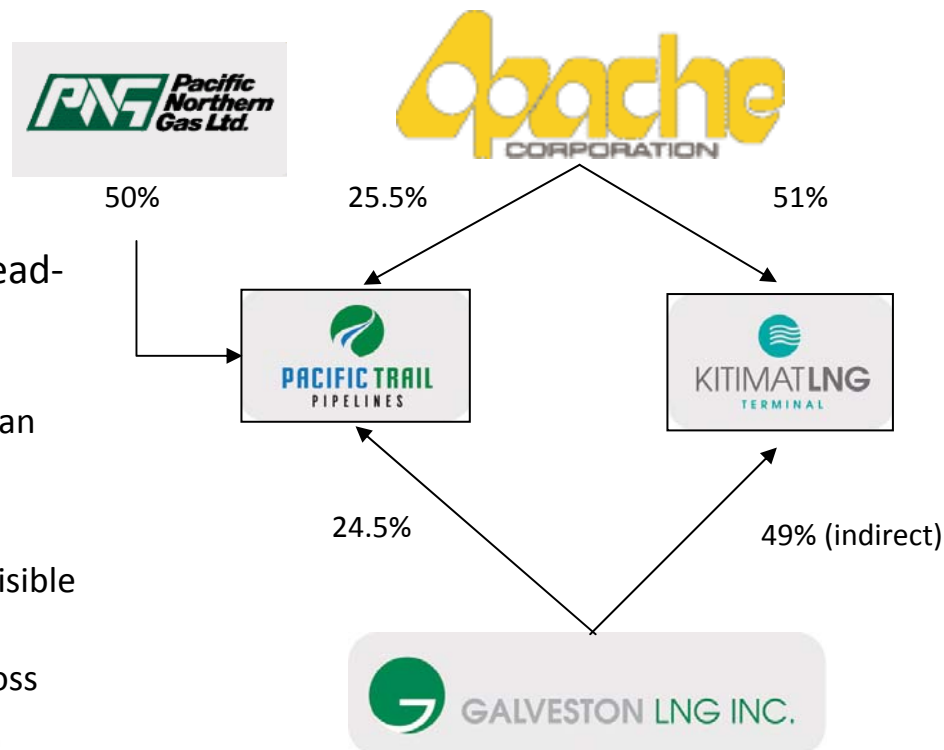
Kitimat LNG Project Economics



* Includes transportation, liquefaction and shipping costs
 Data based on forward NYMEX prices from 27 April 2010
 All prices in USD/MMBTU

On January 13, 2010 Apache Canada announced that it had acquired a 51% interest in the Kitimat LNG Terminal and a 25.5% interest in Pacific Trail Pipelines

- Apache is well-positioned to drive the wellhead-to-tanker development of the Kitimat LNG project:
 - 55 year track record and largest North American E&P company with a \$35 billion market cap
 - Financially strong with “A” credit rating
 - Leader in Horn River Basin with 30+ years of visible supply
 - Broad Canada and U.S upstream portfolio across basins: Ability to meet volume commitments without asset risk
 - A global gas developer already involved with Pacific basin LNG



KSL: Next Steps

	Pacific Trail Pipelines	LNG Terminal
To date	<ul style="list-style-type: none"> •Provincial/Federal environmental approvals •First Nations economic agreement with the BC government •Apache joins project 	<ul style="list-style-type: none"> •Provincial/Federal environmental approvals •Apache joins projects
2010	<ul style="list-style-type: none"> •Secure shipper commitments •File application with B.C. Utilities Commission •Preliminary engineering 	<ul style="list-style-type: none"> •Commence front end engineering and design (FEED Study)
2011	<ul style="list-style-type: none"> •BC Utilities Commission decision •Secure debt commitments •Final investment decision •Raise equity 	<ul style="list-style-type: none"> •Final investment decision •Award EPC contract •Commence construction
2012	<ul style="list-style-type: none"> •Commence construction 	<ul style="list-style-type: none"> •Continue construction
2013	<ul style="list-style-type: none"> •Continue construction 	<ul style="list-style-type: none"> •Continue construction
2014	<ul style="list-style-type: none"> •Targeted in service 	<ul style="list-style-type: none"> •Targeted in service

Closing Remarks

- Core natural gas delivery business is healthy
- ROE has increased over 100 basis points and expect a more efficient capital structure to be in place
- 40% increase in dividends since 2007
- Apache as new partner in the Kitimat LNG Project and Pacific Trail Pipelines
- Launching of our renewable energy business in partnership with Skookum Power
- Adequate liquidity for:
 - the core business;
 - PTP 2010 expenditures; and
 - renewable energy business
- Considerable additional shareholder value remains to be created through the continued execution of PNG's initiatives

Additional shareholder value remains to be created