



FOR IMMEDIATE RELEASE – May 18, 2010

EOG RESOURCES JOINS PARTNERSHIP WITH PACIFIC NORTHERN GAS AND APACHE CANADA AS LNG EXPORT TERMINAL DEVELOPMENT STRENGTHENS

VANCOUVER, BRITISH COLUMBIA – Today, EOG Resources Inc. announced that its Canadian subsidiary EOG Resources Canada Inc. (“EOG”) has agreed to acquire the shares of Galveston LNG Inc. Through this acquisition, EOG will secure a 24.5 percent partnership interest in Pacific Trail Pipelines Limited Partnership (“PTP”) and a 49 percent interest in the Kitimat LNG Inc. planned liquefied natural gas (“LNG”) export terminal in British Columbia (“Terminal”). PTP is developing the \$1.2 billion Kitimat to Summit Lake Pipeline Looping Project (“KSL Project”) to transport natural gas supply to the Terminal. In January this year Apache Canada Ltd. agreed to acquire 51 percent of the Terminal and a 25.5 percent interest in PTP. Pacific Northern Gas Ltd. holds the remaining 50 percent interest in PTP. With EOG’s investment, the Terminal and the KSL Project are fully sponsored by two large independent oil and gas companies.

“We are very pleased to have EOG become a key part of the LNG export project and to join the PTP partnership” said Roy Dyce, President and CEO of PNG. “Our focus is on completing commercial arrangements with EOG and Apache followed by the filing of an application for a Certificate of Public Convenience and Necessity with the British Columbia Utilities Commission in 2010.”

The KSL Project has successfully completed both the federal and provincial government environmental assessment processes and has created an innovative arrangement to partner with the First Nations along the pipeline route. In April 2009 the Province of British Columbia announced an agreement with 15 First Nations located along the pipeline route to assist them in securing a direct ownership interest in PTP.

Subject to a number of conditions, construction of the KSL Project by PTP is planned to commence in 2012 for completion in 2014 when the LNG export terminal is planned to begin operation. Conditions to construction include the securing of contracts for use of PTP’s transportation capacity, financing for construction of the KSL Project, and additional regulatory approvals for the KSL Project, such as a Certificate of Public Convenience and Necessity from the British Columbia Utilities Commission and other permits from the B.C. Oil and Gas Commission. PTP has not signed any agreements with respect to utilization of its planned gas transportation capacity and can give no assurances that this or other conditions will be satisfied or that construction of the KSL Project by PTP will proceed.

This press release contains forward-looking statements relating to the development and construction of the Terminal and the KSL Project. All forward-looking statements are based on management’s beliefs and assumptions based on information available at the time the assumption was made and on its experience and perception of historical trends, current conditions and expected further developments as well as other factors deemed appropriate in the circumstances. Management of PNG believe the expectations reflected in such statements

are reasonable but no assurance is given that such expectations will be correct as forward-looking information is subject to various risks and uncertainties that are known and unknown, including those material risks discussed in PNG's MD&A and in its 2010 annual information form.

The EOG Resources and Apache Corporation announcements noted above are posted at www.eogresources.com and www.apachecorp.com, respectively as well as at www.kitimatlng.com.

Headquartered in Vancouver, British Columbia, PNG (TSX: PNG/PNG.PR.A) owns and operates natural gas transmission and distribution systems. The Company's western transmission line extends from the Spectra Energy gas transmission system north of Prince George to tidewater at Kitimat and Prince Rupert, and provides service to 12 communities and a number of industrial facilities. In the northeast, PNG's subsidiary Pacific Northern Gas (N.E.) Ltd. provides gas distribution service in the Dawson Creek, Fort St. John and Tumbler Ridge areas. Further information is available on the Company's website at: www.png.ca.

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