



**FOR IMMEDIATE RELEASE – MARCH 4, 2009**

**PACIFIC NORTHERN GAS LTD. ANNOUNCES COMMENCEMENT  
OF NORMAL COURSE ISSUER BID**

**VANCOUVER, BRITISH COLUMBIA** – Pacific Northern Gas Ltd. (“PNG”) announced today that it has obtained the approval of the Toronto Stock Exchange (the “TSX”) to commence a normal course issuer bid. PNG will commence the bid on March 9, 2009 and, subject to renewal, terminate the bid on the earlier of March 8, 2010 and the date on which PNG has acquired the maximum number of shares permitted under the bid. PNG has not previously acquired any of its common shares pursuant to a normal course issuer bid.

As of the date hereof, 3,664,580 common shares of PNG are issued and outstanding. Under the rules of the TSX, from March 9, 2009 to March 8, 2010 PNG may acquire up to 300,000 of its common shares under the bid, such amount representing approximately 10% of the public float (as such term is defined in the rules and policies of the TSX) of PNG’s common shares issued and outstanding as of the date hereof. Subject to certain exemptions for block purchases, the maximum number of common shares that PNG may acquire on any one trading day is 1,627 common shares up to and including March 31, 2009, representing 50% of the average daily trading volume for the previous six months, and 1,000 common shares after March 31, 2009, representing the greater of (i) 25% of the average daily trading volume for the previous six months and (ii) 1,000 common shares, as a result of the expiry of the TSX temporary relief in respect of normal course issuer bids on March 31, 2009.

Under the bid, PNG will from time to time acquire its common shares at the then current market price through the facilities of the TSX. All shares purchased under the bid will be cancelled. The actual number of shares purchased, the time of the purchases and the prices at which the shares will be bought will depend on future market conditions. PNG’s board of directors has determined that at current market prices the repurchase of its common shares is a desirable use of funds for PNG and is in the best interests of PNG and its shareholders.

Headquartered in Vancouver, British Columbia, Pacific Northern Gas Ltd. (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](http://www.png.ca).

## FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements. Forward-looking statements relate to, among other things, PNG's future purchase and cancellation of shares under its normal course issuer bid, the duration of PNG's normal course issuer bid, other matters relating to PNG's normal course issuer bid, and general market and business conditions. Many of these statements can be identified by words such as "believe", "expects", "expected", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words. PNG believes the expectations reflected in such statements are reasonable but no assurance is given that such expectations will be correct. 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. The forward-looking statements made in this press release are also based on certain assumptions in respect of PNG's normal course issuer bid.

By its nature, such forward-looking information is subject to various risks and uncertainties that are known and unknown, including those material risks discussed in this press release and in the Company's Annual Information Form for the year ended December 31, 2007 under "Risk Factors" which could cause the Company's actual results and experience to differ materially from the anticipated results or other expectations expressed. Such risks and uncertainties include but are not limited to: general economic conditions and markets; gas supply and availability; gas commodity price volatility; competition; decisions by regulators; seasonal weather patterns; federal and provincial climate change initiatives; financing of investments as well as the value of such investments; the cost and availability of capital; and the ability of the Company to attract and retain quality employees. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date it is expressed in this press release or otherwise, and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

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