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TRANSCANADA WINS AUCTION FOR GAS TRANSMISSION NORTHWEST PIPELINES

FOR IMMEDIATE RELEASE

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BETHESDA, Md. – National Energy & Gas Transmission, Inc. (NEGT) today announced that it has accepted TransCanada Corporation's bid to acquire NEGТ's subsidiary, Gas Transmission Northwest Corporation. The purchase price is \$1.703 billion, which includes \$500 million of assumed debt. The period established by the bankruptcy court for the submission of competing bids has recently terminated.

A hearing before the bankruptcy court to approve the sale will be held on May 12. Pending an affirmative order by the bankruptcy court, NEGТ anticipates the sale will be completed during this quarter or early next quarter.

GTN is a natural gas pipeline company that owns and operates two pipeline systems – the Gas Transmission Northwest pipeline and North Baja pipeline. The sale of the North Baja pipeline is subject to a right of first refusal.

The Gas Transmission Northwest pipeline system consists of more than 1,350 miles of pipeline extending from a point near Kingsgate, British Columbia, on the British Columbia-Idaho border, to a point near Malin, Oregon on the Oregon-California border. The natural gas transported on this pipeline originates primarily from supplies in Canada for customers located in the Pacific Northwest, Nevada and California.

The North Baja pipeline is an 80-mile system. It extends from a point near Ehrenberg, Arizona to a point near Ogilby, California on the California-Baja California, Mexico border. The natural gas transported on this system comes primarily from supplies in the southwestern United States for markets in Northern Baja California, Mexico.

On Wednesday, a bankruptcy court hearing was held on NEGТ's Plan of Reorganization. The company anticipates that an order will be signed shortly approving the plan. NEGТ expects that it will satisfy the other conditions to its emergence from bankruptcy in late May or early June.

Headquartered in Bethesda, Md., NEGТ's other subsidiaries own more than 4,700 megawatts of electric generating facilities across the country and a 5.2 percent ownership in the Iroquois Gas Transmission System.

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