



Southwest Gas[™] HOLDINGS

Southwest Gas Receives Preliminary Court Approval of Its Settlement In Shareholder Class Action Lawsuit

July 26, 2001

Shareholders Agree to Support Company in Litigation Against
Southern Union and ONEOK

LAS VEGAS, July 26 /PRNewswire/ -- Southwest Gas Corporation (NYSE: SWX) announced today that the United States District Court for the Southern District of California gave its preliminary approval of a settlement with the lead shareholder representatives in the California shareholder class action lawsuit. The settlement, which is subject to final court approval, covers those who purchased or held Southwest stock at any time during the period from December 14, 1998, through January 21, 2000.

Among the terms of the settlement, Southwest's shareholders will support the company in its claims against Southern Union Company (NYSE: SUG) and ONEOK, Inc. (NYSE: OKE) in litigation pending in Federal District Court in Phoenix, Arizona ("Arizona litigation").

"We are gratified to have reached this settlement with our shareholders. We believe that their support will strengthen the company's position in the Arizona litigation," said Thomas Y. Hartley, Chairman of the Board of Southwest Gas. The lead attorney for the shareholders, William Lerach of Milberg Weiss Bershad Hynes & Lerach, LLP, stated: "On behalf of Southwest's shareholders, we are extremely pleased to have resolved the California litigation in this manner and that Southwest has agreed to share a substantial portion of its potential recovery in the Arizona litigation with its shareholders."

Trial of the Arizona cases is currently scheduled to commence on November 13, 2001, in Phoenix. The federal judge overseeing these cases has dismissed all racketeering claims against Southwest, its officers, and directors, and many additional claims against individual officers and directors of the company. Southwest has filed motions asking the Court to render judgment in its favor on the remaining claims by Southern Union and ONEOK. In the Arizona litigation, Southwest seeks recovery of the substantial damages it suffered as a result of the failure of the ONEOK merger, which Southwest's complaint alleges were caused by the wrongful conduct of Southern Union and ONEOK.

Southwest Gas Corporation provides natural gas service to approximately 1,352,000 customers in Arizona, Nevada and California. Its service territory is centered in the fastest-growing region of the country.

This press release may contain statements which constitute "forward- looking statements" within the meaning of the Securities Litigation Reform Act of 1995 (Reform Act). All such forward-looking statements are intended to be subject to the safe harbor protection provided by the Reform Act. A number of important factors affecting the business and financial results of the Company could cause actual results to differ materially from those stated in the forward-looking statements. These factors include, but are not limited to, the impact of weather variations on customer usage, natural gas prices, the effects of regulation/deregulation, the timing and amount of rate relief, changes in capital requirements and funding, acquisitions, and competition.

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