



Southwest Gas[™] HOLDINGS

Southwest Gas Receives Final Court Approval of Its Settlement in Shareholder Class Action Lawsuit

September 24, 2001

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

LAS VEGAS, Sept. 24 /PRNewswire/ -- Southwest Gas Corporation (NYSE: SWX) announced today that the United States District Court for the Southern District of California gave its final approval of a settlement with the lead shareholder representatives in the California shareholder class action lawsuit. The settlement covers those who purchased or held Southwest stock at any time during the period from December 14, 1998 through January 21, 2000.

(Photo: <http://www.newscom.com/cgi-bin/prnh/20010823/SWXLOGO>)

Among the settlement terms, Southwest shareholders will receive \$22.0 million if Southwest enters into a business combination with a third party within 36 months; 50% of the first \$54.0 million of any recovery from either Southern Union Company (NYSE: SUG) or ONEOK, Inc. (NYSE: OKE) in litigation currently pending in Phoenix, Arizona Federal District Court ("Arizona litigation"); or \$9.5 million if neither of first two happens within 36 months.

Also among the terms, Southwest's shareholders have agreed to support the company in the Arizona Litigation against Southern Union and ONEOK. In the Arizona Litigation, Southwest seeks recovery of damages suffered as a result of the failure of the ONEOK merger, which Southwest alleges was caused by the wrongful conduct of Southern Union and ONEOK.

Noting that the Company received no objections to the settlement after sending over 62,000 shareholder notices, Southwest Chairman Thomas Hartley said, "We are pleased to have the shareholder class action lawsuit behind us, and, together with our shareholders, look forward to aggressively pursuing a favorable resolution of the pending Arizona litigation. We firmly believe that of the three companies involved in this litigation, Southwest is the only one that has ascertainable damages, as the actions of Southern Union and ONEOK caused the cancellation of the purchase of Southwest by ONEOK at a price of \$30 per share."

The federal judge overseeing the Arizona litigation has dismissed all racketeering claims against Southwest, its officers, and directors, and many additional claims against individual officers and directors of the company. On August 17, 2001, the judge vacated the previously scheduled trial date of November 13, 2001, and has set a new trial date of May 28, 2002.

Southwest Gas Corporation provides natural gas to about 1,337,000 customers in Arizona, Nevada, and California. Its service territories are centered in the fastest-growing region of the country.

FORWARD-LOOKING STATEMENTS

This report contains 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, resolution of the pending litigation, acquisitions, and competition.

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