



Southwest Gas Settles Lawsuits With ONEOK; Resolves All Legal Claims Between the Two Parties

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Concludes All Litigation From Southern Union's and ONEOK's
Attempts to Acquire Southwest Gas

LAS VEGAS, Aug. 9 /PRNewswire-FirstCall/ -- Southwest Gas Corporation (NYSE: SWX) announced today that the Company has reached a definitive settlement agreement with ONEOK, Inc. (NYSE: OKE), resolving the lawsuit between the parties in the United States District Court for the District of Arizona. The litigation related to the terminated acquisition of Southwest by ONEOK, Inc. in early 2000.

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Pursuant to the settlement agreement, ONEOK will pay Southwest Gas \$3 million. Both companies will be released from all legal claims brought against each other. ONEOK and Southwest will further release each other from any right of contribution and indemnity which may result from Southern Union Company's (NYSE: SUG) legal action against either party.

"We are pleased to resolve our legal disputes with ONEOK," said Thomas Hartley, Southwest's Chairman of the Board. "This settlement, along with the litigation settlement we reached earlier this week with Southern Union, brings to a close a particularly challenging period in our corporate history. All of the claims involving Southwest in this complex web of litigation have now been resolved. Like the settlement with Southern Union, reasonable business judgment guided Southwest in resolving its differences with ONEOK. Our management team can now turn its full attention to enhancing Southwest Gas' strong market position as the nation's fastest growing natural gas distribution company. We view this as a very positive development for the Company, our shareholders, our employees and our customers."

All litigation regarding Southern Union's and ONEOK's attempts to acquire Southwest Gas is now resolved.

Southwest will recognize \$3 million, or \$.05 per share, in the second quarter of 2002 to reflect this settlement with ONEOK. Combined with the \$17.5 million payable as a result of Southwest's recent settlement with Southern Union, the one-time, net non-recurring charge to Southwest is \$14.5 million, or \$.28 per share, which will be included in the Company's second quarter 2002 financial results.

Southwest Gas provides natural gas service to nearly 1.4 million homes and businesses in Arizona, California and Nevada. 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, acquisitions and competition.

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