



Southwest Gas[™]

HOLDINGS

Southwest Gas Corporation Announces Cash Tender Offer for Debt Securities

December 3, 2008

LAS VEGAS, Dec. 3 /PRNewswire-FirstCall/ -- Southwest Gas Corporation (NYSE: SWX) today announced the commencement of a tender offer (the "Offer") to purchase for cash up to \$75 million aggregate principal amount of the Industrial Development Revenue Bonds (Southwest Gas Corporation Project) and the Industrial Development Refunding Revenue Bonds (Southwest Gas Corporation Project) listed in the table below (collectively, the "Bonds") originally issued by Clark County, Nevada, a political subdivision of the State of Nevada.

The table below shows each issue of Bonds included in the Offer as well as the applicable tender offer consideration for each issue. The Offer is subject to a minimum of \$25,000,000 aggregate principal amount of Bonds being validly tendered (and not validly withdrawn).

Title of Security	CUSIP Number	Principal Amount Outstanding	Acceptance Priority Level	Tender Offer Consideration (c)(d)
5.00% Series 2004B(a)	181004CZ3	\$75,000,000	1	\$3,900.00
4.75% Series 2006A(b)	181004DM1	\$56,000,000	2	\$3,700.00
5.25% Series 2003D(b)	181004CT7	\$20,000,000	3	\$3,950.00

(a) Industrial Development Refunding Revenue Bonds (Southwest Gas Corporation Project) originally issued by Clark County, Nevada, a political subdivision of the State of Nevada.

(b) Industrial Development Revenue Bonds (Southwest Gas Corporation Project) originally issued by Clark County, Nevada, a political subdivision of the State of Nevada.

(c) Per \$5,000 principal amount of Bonds accepted for purchase.

(d) The tender offer consideration is payable only in respect of Bonds which are validly tendered (and not validly withdrawn) prior to the Expiration Date and which are accepted for payment.

The Offer will expire at 5:00 P.M., New York City time, on December 16, 2008, unless extended (such date and time, as the same may be extended, the "Expiration Date"). Bonds tendered cannot be validly withdrawn, except in certain limited circumstances, as provided in the Offer to Purchase.

Accrued and unpaid interest from the last interest payment date applicable to the Bonds to, but not including, the settlement date will be paid in cash on all validly tendered and accepted Bonds. The settlement date is expected to be promptly after the Expiration Date.

If the principal amount of Bonds tendered exceeds \$75,000,000, only a portion of the tendered Bonds will be accepted for purchase. The Bonds will be purchased in accordance with, and in the order of, the Acceptance Priority Levels set forth in the table above. All Bonds having a higher Acceptance Priority Level will be accepted for purchase before any tendered Bonds having a lower Acceptance Priority Level are accepted. For example, all tendered Bonds having Acceptance Priority Level "1" will be accepted before any tendered Bonds having Acceptance Priority Level "2" will be accepted. Where some, but not all, of the Bonds tendered for a particular issue are purchased, the amount of Bonds accepted from each holder tendering that issue of Bonds will be prorated based on the aggregate principal amount tendered with respect to that issue.

The complete terms and conditions of the Offer are set forth in the Offer to Purchase dated December 3, 2008, which is being sent to holders of Bonds. Holders are urged to read the Offer to Purchase carefully.

The Offer is subject to the satisfaction or waiver of certain conditions which are set forth in the Offer to Purchase, including a minimum of \$25,000,000 aggregate principal amount of Bonds being validly tendered (and not validly withdrawn), as more fully described in the Offer to Purchase.

Southwest has engaged Banc of America Securities LLC as the exclusive dealer manager for the Offer. Questions regarding the Offer may be directed to Banc of America Securities LLC, Debt Advisory Services, at 888-292-0070 (U.S. toll-free) and 704-388-4603 (collect). Copies of the Offer to Purchase may be obtained from the Information Agent for the Offer, Morrow & Co., LLC, at 800-267-0201 (U.S. toll-free).

This press release is neither an offer to purchase, nor a solicitation for acceptance of the Offer. Southwest is making the Offer only by, and pursuant to the terms of, the Offer to Purchase.

This press release contains "forward-looking statements" that involve a number of risks and uncertainties. Forward-looking statements, which are based on management's current expectations, are generally identifiable by the use of terms such as "may," "will," "expects," "believes," "intends" and similar expressions. Forward-looking statements involve certain risks and uncertainties, many of which are beyond Southwest's control. A number of important factors affecting Southwest's business and financial results 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, customer growth rates, conditions in the housing market, the effects of a U.S. economic recession, interest rates, Southwest's ability to recover costs through its PGA mechanisms, the effects of regulation/deregulation, the timing and amount of rate relief, changes in rate design, changes in gas procurement practices, changes in capital requirements and funding, the impact of conditions in the capital markets on the availability of financing and financing costs, the impact of stock market volatility, rating agency actions, changes in construction expenditures and financing, renewal of franchises, easements and rights-of-way, changes in operations and maintenance expenses, effects of accounting changes, future liability claims, changes in pipeline capacity for the transportation of gas and related costs, acquisitions and management's plans related thereto, competition, and our ability to raise capital in external financings. If any of those risks and uncertainties materialize, actual results could differ materially from those discussed in any such forward-looking statement. Additional factors that could cause actual results to differ are discussed under the heading "Risk Factors" and in other sections of Southwest's filings with the SEC, and in Southwest's other current and periodic reports filed from time to time with the SEC. All forward-looking statements in this press release are made only as of the date hereof, based on information available to management as of the date hereof, and Southwest cautions you not to place undue reliance on forward-looking statements in light of the risks and uncertainties associated with them. Southwest assumes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

SOURCE Southwest Gas Corporation

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/CONTACT: Media, Cynthia Messina, +1-702-876-7132, or Shareholders, Ken
Kenny, +1-702-876-7117, both of Southwest Gas Corporation/
/Web site: <http://www.swgas.com> /
(SWX)

CO: Southwest Gas Corporation
ST: Nevada
IN: OIL
SU: OFR

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