



June 4, 2010

Transition to Harmonized Sales Tax “HST” and revised Place of Supply Rules

Effective July 1st, 2010, Natural Gas Exchange “NGX” will start charging HST for delivery of Tangible Personal Property “TPP” in the provinces of Ontario, at a rate of 13% and British Columbia at a rate of 12%. All delivery of physical natural gas at locations in those provinces will now attract HST.

NGX will also be adopting the revised Place of Supply rules in draft regulation Draft Regulations in Respect of the Place of Supply of Property and Services released by Finance Canada on April 30, 2010. The applicable rate of GST/HST will be applied on the transaction fees in relation to the delivery point of the natural gas. Transaction fees relating to trades at delivery points in the Province of Ontario will attract HST at a rate of 13% and transaction fees relating to trades at delivery points in British Columbia will attract 12% HST. GST/HST on transaction fees in the remaining provinces will be unchanged.