



FOR IMMEDIATE RELEASE
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FOR MORE INFORMATION:
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**NICOR ENERCHANGE ANNOUNCES DEVELOPMENT OF
CALIFORNIA GAS STORAGE FIELD**

Naperville, IL – Today Central Valley Gas Storage, L.L.C., a wholly owned subsidiary of Nicor Inc. (NYSE:GAS) of Naperville, Illinois announced its intention to develop a new strategically located underground natural gas storage facility north of Sacramento, California. Nicor Enerchange, L.L.C., a subsidiary of Nicor Inc. will serve as marketing administrator for the Central Valley Gas Storage Project.

The Central Valley natural gas storage project is a high deliverability depleted reservoir that is expected to provide a three (3) turn firm service on 5.5 Bcf of working capacity. In addition, the storage field has the potential to support an expansion up to 8.0 Bcf in total working capacity if market demand warrants. While Central Valley expects to provide firm services beginning April 2011, it is anticipated that the storage field will begin offering partial services on an interim basis during 2010.

The facility will interconnect with lines 400/401 of the Pacific Gas and Electric Company (PG&E) gas transmission system. The interconnect point will be considered a PG&E city gate point similar to other independent storage facilities connected to the PG&E system and will provide access to west coast natural gas and power markets. “Central Valley’s geographic location lends itself to serving the growing demand for natural gas in residential/commercial and power generation markets throughout California and the northwest region,” said Steve Cittadine, President of Nicor Enerchange, L.L.C.

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“Given the volatile pricing environment with which energy companies and energy marketers must currently contend, storage plays a more vital role than ever in stabilizing shippers’ natural gas portfolios. Central Valley’s geographic location and service profile offer an excellent solution to the pricing and operational challenges facing the natural gas industry.”

Central Valley will hold a non-binding open season for firm storage services beginning April 16, 2008 and extending through May 30, 2008. The open season is seeking to obtain non-binding expressions of interest for the initial 5.5 Bcf of working capacity. Upon completion of the open season and receipt of acceptable expressions of interest, Central Valley intends to promptly file with the California Public Utilities Commission seeking authority to construct and operate the market-based storage facility.

For additional information on Central Valley Gas Storage, L.L.C., and the upcoming open season, parties are encouraged to contact John Fortman, Manager of Hub Administration Services for Nicor Enerchange L.L.C. at (630) 245-7845 or jfortma@nicor.com. Information can also be obtained by visiting the Web site www.cvgasstorage.com.

Nicor Inc. (NYSE: GAS) is a holding company and is a member of the Standard & Poor’s 500 Index. Its primary business is Nicor Gas, one of the nation’s largest natural gas distribution companies. Nicor owns Tropical Shipping, a containerized shipping business serving the Caribbean region and the Bahamas. In addition, the company owns and has an equity interest in several energy-related businesses. For more information, visit the Nicor Web site at www.nicor.com.

Nicor Enerchange, L.L.C. is a Lisle, Illinois based subsidiary of Nicor Inc. specializing in wholesale natural gas trading, commercial/industrial gas supply, hub marketing and administration, and evaluation and development of new natural gas storage facilities. For more information, visit the Nicor Enerchange Web site at http://www.nicor.com/en_us/nicor_enerchange/index.htm

Caution Concerning Forward-Looking Statements

This document includes certain forward-looking statements about the expectations of Nicor and its subsidiaries and affiliates. Although Nicor believes these statements are based on reasonable assumptions, actual results may vary materially from stated expectations. Such forward-looking statements may be identified by the use of forward-looking words or phrases such as “anticipate,” “believe,” “expect,” “intend,” “may,” “planned,” “potential,” “should,” “will,” “would,” “project,” “estimate,” “ultimate,” or similar phrases. Actual results may differ materially from those indicated in the company’s forward-looking statements due to the direct or indirect effects of legal contingencies (including litigation) and the resolution of those issues, including the effects of an ICC review, and undue reliance should not be placed on such statements.

Other factors that could cause materially different results include, but are not limited to, weather conditions; natural disasters; natural gas and other fuel prices; fair value accounting adjustments; inventory valuation; health care costs; insurance costs or recoveries; legal costs; borrowing needs; interest rates; credit conditions; economic and market conditions; accidents, leaks, equipment failures, service interruptions, environmental pollution, and other operating risks; tourism and construction in the Bahamas and Caribbean region; energy conservation; legislative and regulatory actions; tax rulings or audit results; asset sales; significant unplanned capital needs; future mercury-related charges or credits; changes in accounting principles, interpretations, methods, judgments or estimates; performance of major customers, transporters, suppliers and contractors; labor relations; and acts of terrorism.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. Nicor undertakes no obligation to publicly release any revision to these forward-looking statements to reflect events or circumstances after the date of this release.

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