

NEWS ADVISORY

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Partners Vote to Create “K&L Gates”:

**Kirkpatrick & Lockhart Nicholson Graham LLP and Preston Gates
& Ellis LLP Announce Combination Effective January 1, 2007**

New York and Seattle—Kirkpatrick & Lockhart Nicholson Graham LLP (K&LNG) and Preston Gates & Ellis LLP (PG&E) today announced that their partners have voted overwhelmingly in favor of a proposed combination of the two firms effective January 1, 2007. The name of the combined firm will be Kirkpatrick & Lockhart Preston Gates Ellis LLP, and the firm will be branded as “K&L Gates.” K&L Gates will comprise approximately 1,400 lawyers and 21 offices located in North America, Europe and Asia. The combination will rank as one of the most substantial in the history of the legal profession, and it will create one of the world’s largest law firms. The firm will be expected to have revenue exceeding US\$750 Million in 2007, its first full year of existence.

Peter Kalis, K&LNG’s Chairman and Managing Partner, and Karen Glover, PG&E’s Managing Partner, said “When voting in favor of this combination, our partners were asked by their firm leaderships to endorse a specific vision of a law firm, and they have enthusiastically done so. As stated in the combination agreement,

‘The goal of the Combination is to achieve a focused alignment of the Combined Firm’s business with the business of clients and potential clients in an era characterized by intense consolidation and globalization and to create a Combined Firm that is committed to exemplary client service, to ethical probity, to best practices in all aspects of the enterprise, to reasonable and appropriate opportunities for work-balanced careers, to professional excellence, to workplace diversity, to the health and well-being of all of its stakeholders, to reasoned discourse and articulate communications, to professional development, to financial soundness, to community service and representations pro bono publico, and to effective management including practice group management as a key means to accomplishing its objectives.’”

K&L Gates will be governed by a firmwide Management Committee whose seven-person Executive Committee is believed to be one of the most diverse such governance bodies in the profession, as it will include two women, one Asian American man, and one African American man. Kalis will serve as Chairman and Global Managing Partner, and Glover will serve as Global Integration Partner.

K&L Gates will have offices in Anchorage, Beijing, Boston, Coeur d’Alene, Dallas, Harrisburg, Hong Kong, London, Los Angeles, Miami, Newark, New York, Orange County, Palo Alto, Pittsburgh, Portland, San Francisco, Seattle, Spokane, Taipei and Washington, D.C.

K&L Gates counts among its strategic advantages:

- Global Reach and Critical Mass. With 1,400 lawyers spread among 21 offices on three continents, K&L Gates will be aligned with the businesses of leading clients and potential clients and will be among the largest law firms in the world.
- Global Financial and Commercial Centers. With New York, London, China and California acknowledged as strategic intersections in the global economy, K&L Gates will be positioned in each market to serve clients at the highest levels of legal sophistication.
- U.S. National Coverage. K&L Gates will provide national coverage in the U.S. with 17 U.S. offices and leading practices from coast to coast.
- European Presence. With 150 lawyers in Europe’s largest legal market, London, K&L Gates will be able to meet clients’ legal challenges arising under the U.K. and E.U. legal regimes and will be poised for further growth in London and on the European Continent.
- Asian Presence. With 50 lawyers spread among Beijing, Hong Kong, and Taipei, and with a license application pending in Shanghai, K&L Gates will be able to advise clients in this increasingly strategic part of the world.
- World Capitals. With the growing importance of governmental interventions in the markets, K&L Gates will be able to address clients’ concerns in Washington, London (including the E.U.) and Beijing as well as various state capitals in the U.S.

- Substantial Offices in Leading Business Centers. K&L Gates will have from 100 to 250 lawyers in each of a number of leading commercial and financial centers, including Boston, London, New York, Pittsburgh, Seattle, and Washington, DC; 20 to 100 lawyers in Dallas, Harrisburg, Hong Kong, Los Angeles, Miami, Newark, Portland, San Francisco, and Taipei; and smaller offices in Anchorage, Beijing, Orange County, Palo Alto, and Spokane/Coeur d'Alene.
- Strong Commitment to Regional Practices and Local Communities. K&L Gates will continue to build upon its deep commitment to its regional practices and to the local communities in which it resides.
- Dynamic Practices. K&L Gates' practice will have the depth and breadth required by clients with the most sophisticated legal challenges, including the full range of practices in corporate and transactional, regulatory and policy, litigation and dispute resolution, intellectual property and financial services, and all supporting practices.
- Industry Identifications. K&L Gates will be strongly identified with a multiplicity of industries central to the global economy, including technology, financial services, manufacturing, energy, transportation, and life sciences, among others.
- An Unsurpassed Assemblage of Professional Leaders. Among the many distinguished members of the firm, K&L Gates will count a former Attorney General of the United States, a former United States Senator, one former President of the American Bar Association and one President-Elect of the American Bar Association, former Supreme Court Law Clerks, the Chairman of the Federal Reserve Bank of San Francisco, three recipients of *The American Lawyer's* Lifetime Achievement Award, present and former Editors-in-Chief of leading legal publications, former Rhodes Scholars and White House Fellows, prominent community leaders, authors of leading treatises, acclaimed trial lawyers and transactional lawyers, and two recipients of the SEC's award for most distinguished alumni.

K&LNG has approximately 1,000 lawyers and represents entrepreneurs, growth and middle market companies, capital markets participants, and leading FORTUNE 100 and FTSE 100 global corporations nationally and internationally. For more information, visit www.klng.com.

K&LNG is a combination of two limited liability partnerships, each named Kirkpatrick & Lockhart Nicholson Graham LLP, one qualified in Delaware, U.S.A. and practicing from offices in Boston, Dallas, Harrisburg, Los Angeles, Miami, Newark, New York, Palo Alto, Pittsburgh, San Francisco and Washington and one incorporated in England practicing from the London office.

Preston Gates & Ellis LLP has over 420 lawyers representing clients in complex transactions, strategic litigation, public law and policy, and intellectual property and technology law. The firm has 11 locations on the Pacific Coast, in Washington, D.C., and in Asia. For more information, visit www.prestongates.com.