



NEWS RELEASE

CN, TSI Terminal Systems Inc. sign comprehensive Service Level Agreement to improve customer service and container throughput at Port Metro Vancouver

VANCOUVER, B.C. and MONTREAL, July 28, 2010 — CN (TSX: CNR) (NYSE:CNI) and TSI Terminal Systems Inc. (TSI) announced today the signing of a comprehensive Service Level Agreement (SLA). The agreement, which establishes specific performance targets and measurement tools, flows from the CN-TSI Supply Chain Collaboration Agreement announced last month that commits the parties to drive greater efficiencies and improve customer service at the Vancouver gateway.

The CN-TSI SLA is designed to help improve a range of Key Performance Indicators for the benefit of mutual customers, including the on-time departure and arrival of trains, the utilization of train capacity, and the average dwell time of containers at TSI terminals, among other key measures. Both companies believe that TSI's container terminals and CN's rail infrastructure are well positioned to ensure that Vancouver is a preferred North American west coast intermodal logistics centre.

Claude Mongeau, president and chief executive officer of CN, said: "TSI is an important, strategic partner of CN and this Service Level Agreement is designed to drive continuous improvement in CN and TSI performance at the Vancouver Gateway, which is critical to better customer service and increased throughput at Port Metro Vancouver."

Michael Moore, president and chief executive officer of GCT Global Container Terminals Inc. (GCT), TSI's parent company, said: "Our relationship with CN continues to improve significantly and we are pleased to collaborate on delivering high-level service to our mutual customers."

CN – Canadian National Railway Company and its operating railway subsidiaries – spans Canada and mid-America, from the Atlantic and Pacific oceans to the Gulf of Mexico, serving the ports of Vancouver, Prince Rupert, B.C., Montreal, Halifax, New Orleans, and Mobile, Ala., and the key metropolitan areas of Toronto, Buffalo, Chicago, Detroit, Duluth, Minn./Superior, Wis., Green Bay, Wis., Minneapolis/St. Paul, Memphis, St. Louis, and Jackson, Miss., with connections to all points in North America. For more information on CN, visit the company's website at www.cn.ca.

GCT Global Container Terminals Inc. is a wholly-owned subsidiary of the Ontario Teachers' Pension Plan, one of the largest financial institutions in Canada. The Company operates four container terminals through three principal businesses in North America: TSI Terminal Systems Inc. in Vancouver and Delta, British Columbia; New York Container Terminal on Staten Island, New York; and Global Terminal & Container Services in Bayonne, New Jersey. TSI is the largest container terminal operator in Canada, handling more than 75 per cent of the containerized cargo moving through its two terminals which it operates under long-term lease at Port Metro Vancouver. For more information on Global Container Terminals, visit the company's website at www.globalterminals.com

Forward-Looking Statements

Certain information included in this news release constitutes "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and under Canadian securities laws. CN cautions that, by their nature, these forward-looking statements involve risks, uncertainties and assumptions. The Company cautions that its assumptions may not materialize and that current economic conditions render such assumptions, although reasonable at the time they were made, subject to greater uncertainty. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of the Company or the rail industry to be materially different from the outlook or any future results or performance implied by such statements. Important factors that could affect the above forward-looking statements include, but are not limited to, the effects of general economic and business conditions, industry competition, inflation, currency and interest rate fluctuations, changes in fuel prices, legislative and/or regulatory developments, compliance with environmental laws and regulations, actions by regulators, various events which could disrupt operations, including natural events such as severe weather, droughts, floods and earthquakes, labor negotiations and disruptions, environmental claims, uncertainties of investigations, proceedings or other types of claims and litigation, risks and liabilities arising from derailments, and other risks detailed from time to time in reports filed by CN with securities regulators in Canada and the United States. Reference should be made to "Management's Discussion and Analysis" in CN's annual and interim reports, Annual Information Form and Form 40-F filed with Canadian and U.S. securities regulators, available on CN's website, for a summary of major risks.

CN assumes no obligation to update or revise forward-looking statements to reflect future events, changes in circumstances, or changes in beliefs, unless required by applicable Canadian securities laws. In the event CN does update any forward-looking statement, no inference should be made that CN will make additional updates with respect to that statement, related matters, or any other forward-looking statement.

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