Conference Call to Review

Fiscal 2008 Second Quarter

Financial Results

May 2, 2008

10:00 a.m. EDT

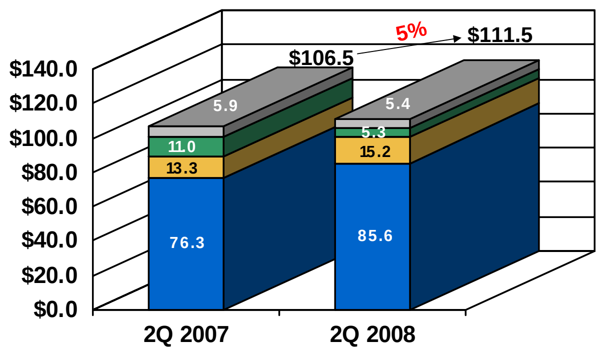
Forward Looking Statements

The matters discussed or incorporated by reference in this presentation may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical fact included in this presentation are forward-looking statements made in good faith by the company and are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. When used in this presentation or in any of our other documents or oral presentations, the words "anticipate," "believe," "estimate," "expect," "forecast," "goal," "intend," "objective," "plan," "projection," "seek," "strategy" or similar words are intended to identify forward-looking statements. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those discussed in this presentation, including the risks relating to regulatory trends and decisions, our ability to continue to access the capital markets, and the other factors discussed in our filings with the Securities and Exchange Commission. These factors include the risks and uncertainties discussed in our Annual Report on Form 10-K for the fiscal year ended September 30, 2007, and in our Quarterly Report on Form 10-Q for the three months ended December 31, 2007. Although we believe these forward-looking statements to be reasonable, there can be no assurance that they will approximate actual experience or that the expectations derived from them will be realized. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Further, we will only update our annual earnings guidance through our quarterly and annual earnings releases. All estimated financial metrics for fiscal year 2008 and beyond that appear in this presentation are current as of the date noted on each relevant slide.

Net Income by Segment

($ in millions)



■ Natural gas distribution
■ Regulated transmission & storage
■ Natural gas marketing
■ Pipeline, storage & other

Key Drivers

- Rate increase adjustments, primarily in Texas
- Decrease in nonregulated natural gas marketing margins, primarily due to decrease in storage and trading activities
- Increase in O&M expenses, primarily due to higher administrative costs

Drivers

- $5.7 million increase in gross profit
  - $11.3 million *increase* in natural gas distribution gross profit primarily from
    - $13.4 million net *increase* due to rate adjustments
      - $12.4 million *increase* in the Mid-Tex Division from Texas GRIP-related recovery of 2006 capital expenditures and the rate case concluded in March 2007
      - $1.0 million net *increase* due to rate adjustments in Louisiana, Tennessee, Kentucky and Missouri
  - $5.3 million *increase* in regulated transmission and storage gross profit primarily due to 24.1 Bcf increase in consolidated transportation volumes
    - $3.0 million *increase* due to rate adjustment resulting from the GRIP-related recovery for 2006 capital expenditures in Texas
    - $1.7 million *increase* due to increased transportation volumes from production in the Barnett Shale and Carthage regions of Texas

Consolidated Financial Results – Fiscal 2008 2Q

Drivers

- $5.7 million *increase* in gross profit *(continued)*
  - $ 6.8 million *decrease* in natural gas marketing gross profit primarily due to
    - $50.0 million *decrease* related to storage and trading activities primarily due to smaller gains realized from the settlement of financial positions, lower margins earned from cycling gas in a less volatile natural gas market and increased storage demand fees
    - $31.3 million *decrease* in unrealized losses primarily due to a smaller change in the spreads between the forward prices used to value the financial hedges and the market (spot) price used to value physical storage, coupled with a 1.1 Bcf increase in the net physical storage position quarter over quarter
    - $11.9 million *increase* in delivered gas margins primarily due to an increase in consolidated sales volumes of 18.6 Bcf, largely due to a successful marketing strategy, coupled with the realization of favorable location basis gains in certain market areas on certain contracts

Consolidated Financial Results – Fiscal 2008 2Q

Natural Gas Marketing Segment	**Three Months Ended March 31**		
	2008	**2007**	**Change**
	(In thousands, except physical position)		
Delivered gas	$26,195	$14,252	**$11,943**
Asset optimization	27,737	77,724	**(49,987)**
Unrealized margin	(37,600)	(68,923)	**31,323**
GROSS PROFIT	$16,332	$23,053	**($6,721)**
Net physical position (Bcf)	20.7	19.6	**1.1**

Drivers

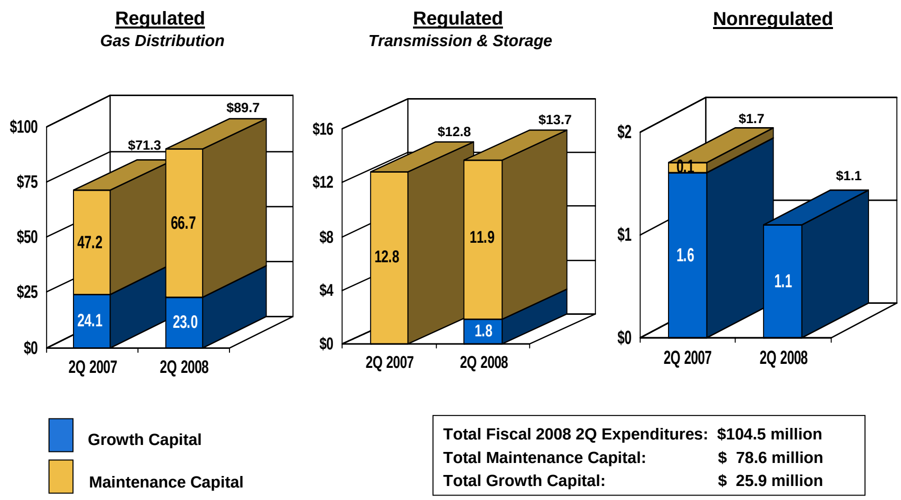
- $5.7 million *increase* in gross profit *(continued)*
  - $4.1 million *decrease* in nonregulated pipeline, storage and other gross profit primarily due to
    - $7.7 million *decrease* in asset optimization activities primarily a result of a less volatile natural gas market, offset in part by
    - $2.5 million *increase* in unrealized margins associated with storage and trading activities

Drivers

- *Increased* O&M expenses of $8.2 million primarily due to
  - $4.3 million *increase* due to the absence in the current-year quarter of deferral of Hurricane Katrina-related expenses allowed by Louisiana regulators in the prior-year quarter
  - $2.9 million *increase* in miscellaneous administrative costs
  - $2.3 million *decrease* in provision for doubtful accounts due to increased collection efforts
  - $1.7 million *increase* due to pipeline odorization and fuel costs
  - $1.6 million *increase* in higher labor and benefits costs associated with annual wage increases for employees and higher contract labor, offset in part by reduced incentive compensation at the nonregulated business segments as a result of lower earnings

Consolidated Financial Results – Fiscal 2008 2Q

Capital Expenditures

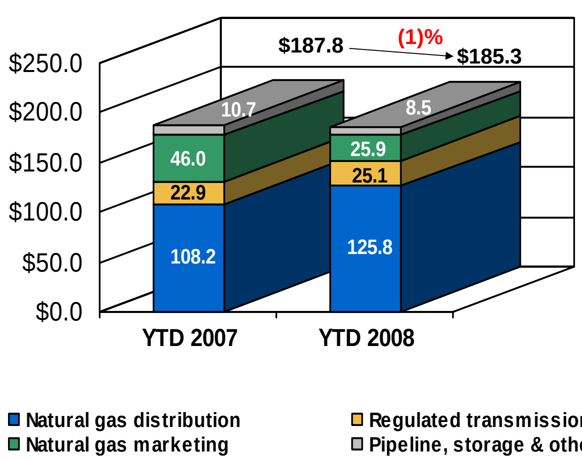


Total Fiscal 2008 2Q Expenditures:	$104.5 million
Total Maintenance Capital:	$ 78.6 million
Total Growth Capital:	$ 25.9 million

Consolidated Financial Results – Fiscal YTD

Net Income by Segment

($ in millions)



Key Drivers

- Decrease in nonregulated natural gas marketing margins, primarily due to decrease in storage and trading activities
- Rate increase adjustments, primarily in Texas
- Increase in O&M expenses primarily due to higher employee and administrative costs

Consolidated Financial Results – Fiscal YTD

Drivers

- $0.3 million de*crease* in gross profit
  - $21.9 million *increase* in natural gas distribution gross profit primarily from
    - $22.8 million net *increase* due to rate adjustments
      - $19.1 million *increase* in the Mid-Tex Division from Texas GRIP-related recovery of 2006 capital expenditures and the rate case concluded in March 2007
      - $3.7 million net *increase* due to rate adjustments in Louisiana, Tennessee, Kentucky and Missouri
  - $10.6 million *increase* in regulated transmission and storage gross profit primarily due to 43.5 Bcf increase in consolidated transportation volumes
    - $5.7 million *increase* due to rate adjustment resulting from the GRIP-related recovery for 2006 capital expenditures in Texas
    - $3.7 million *increase* due to increased transportation volumes from production in the Barnett Shale and Carthage regions of Texas

Consolidated Financial Results – Fiscal YTD

Drivers

- $0.3 million *decrease* in gross profit (*continued*)
  - $23.9 million *decrease* in natural gas marketing gross profit primarily due to
    - $44.7 million *decrease* related to storage and trading activities primarily due to smaller gains realized from the settlement of financial positions, lower margins earned from cycling gas in a less volatile natural gas market and increased storage demand fees
    - $10.8 million *decrease* in unrealized losses primarily due to a smaller change in the spreads between the forward prices used to value the financial hedges and the market (spot) price used to value physical storage, coupled with a 1.1 Bcf increase in the net physical storage position year over year
    - $10.0 million *increase* in delivered gas margins primarily due to realizing lower unit margins in a less volatile market, partially offset by an increase in consolidated sales volumes of 37.3 Bcf largely due to a successful marketing strategy

Consolidated Financial Results – Fiscal YTD

Natural Gas Marketing Segment	Six Months Ended March 31		
	2008	**2007**	**Change**
	(In thousands, except physical position)		
Delivered gas	$44,368	$34,321	**$10,047**
Asset optimization	27,212	71,934	**(44,722)**
Unrealized margin	(9,285)	(20,068)	**10,783**
GROSS PROFIT	$62,295	$86,187	**($23,892)**
Net physical position (Bcf)	20.7	19.6	**1.1**

Consolidated Financial Results – Fiscal YTD

Drivers

- $0.3 million *decrease* in gross profit
  - $9.3 million *decrease* in nonregulated pipeline, storage and other gross profit primarily due to
    - $8.1 million *decrease* in asset optimization activities primarily a result of a less volatile natural gas market, offset in part by
    - $1.4 million *decrease* in unrealized margins associated with storage and trading activities

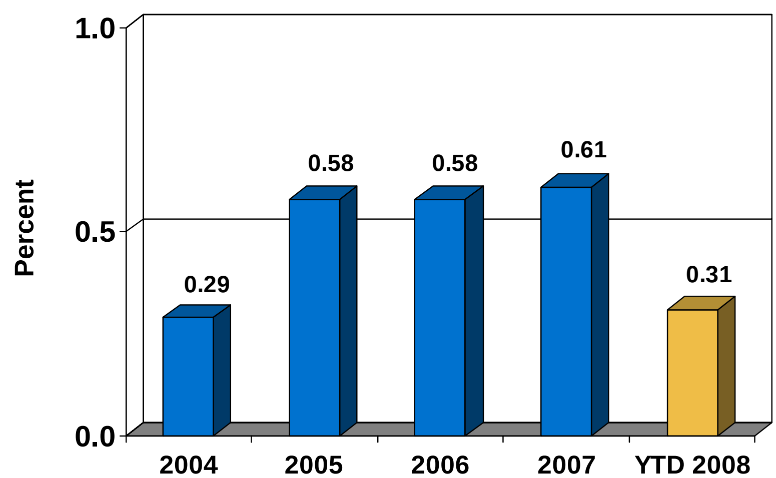
Consolidated Financial Results – Fiscal YTD

Drivers

- *Increased* O&M expenses of $14.0 million primarily due to
  - $4.7 million *increase* primarily in higher contract labor and employee costs
  - $4.4 million *decrease* in provision for doubtful accounts due to stronger collection efforts
  - $4.3 million *increase* due to the absence in the current year of deferral of Hurricane Katrina-related expenses allowed by Louisiana regulators last year
  - $3.6 million *increase* due to pipeline odorization and fuel costs
  - $3.4 million *increase* in outside legal fees
  - $2.3 million *increase* in miscellaneous administrative costs

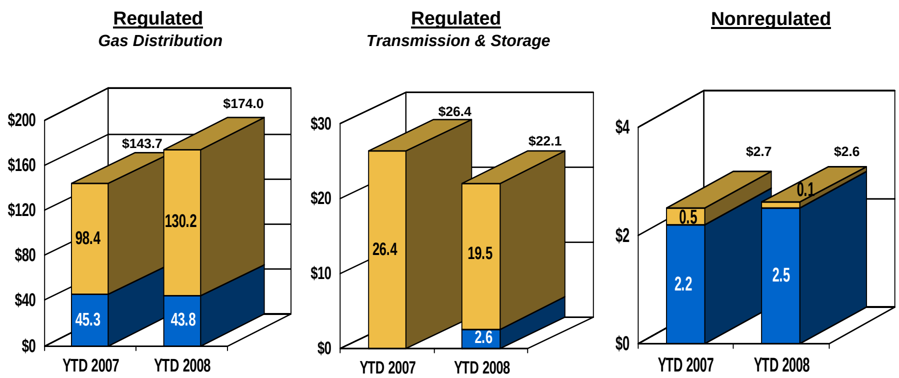
Consolidated Financial Results – Fiscal YTD

Gas Distribution Bad Debt Expense as a Percent of Revenues



Consolidated Financial Results – Fiscal YTD

Capital Expenditures



Growth Capital

Maintenance Capital

Total Fiscal 2008 YTD Expenditures:	$198.7 million
Total Maintenance Capital:	$149.8 million
Total Growth Capital:	$ 48.9 million

Highlights – Fiscal YTD

Park City Gathering System in Kentucky

- 23-mile low-pressure, natural gas gathering system northeast of Bowling Green, Kentucky, with delivery into Texas Gas Transmission's Slaughter/Bowling Green lateral
- Initially, 47 of 60 wells connected via polyethylene pipe with expected capacity of over 10,000 Mcf/d
- Gas contains about 16% nitrogen and will be treated by a facility jointly owned by Atmos and HNNG
- Total cost of about $10 million
  - $3 million of capital spent in fiscal 2007
  - $7 million expected in fiscal 2008
- Testing under way and expect system to become operational in May 2008

Highlights – Fiscal YTD

Ft. Necessity Storage Project

- Submitted pre-filing request with the Federal Energy Regulatory Commission (FERC) to construct and operate a salt-cavern gas storage project in Franklin Parish, LA (Docket No. PF08-10-000), expect approval in 2Q of fiscal 2009
  - Project initially includes development of three 5 Bcf caverns of working gas storage for a total of 15 Bcf, with six-turn injection and withdrawal capabilities of the entire capacity
  - Pending FERC approval, the first cavern is projected to go into operation by 2011, with the other two caverns in operation by 2012 and 2014
  - Depending on market demand, four additional storage caverns could potentially be developed
- Non-binding open season expected in 3Q 2008

Highlights – Fiscal YTD

Rate Case Settlement in Mid-Tex Division

- Settlement agreement reached with all cities, except City of Dallas
- Includes initial increase of $10 million on a systemwide basis, implemented in the consumption charge and effective April 1, 2008
- Implements Rate Review Mechanism (RRM) effective for a three-year trial period
  - Reflects annual changes in cost of service and rate base, replaces GRIP filings at Mid-Tex Division
  - Lowers base customer charge to $7.00 for residential customers
  - Adjusts billing determinants and consumption to the previous year actual customers and consumption
  - April 14, 2008, made initial RRM filing with the settling cities for $33.5 million on a systemwide basis, with October 1st implementation
  - Subsequent RRM adjustments filed March 1st, effective July 15th
- Authorized ROE of 9.6%; capital structure of 52% debt / 48% equity
- Establishes a conservation program effective October 1, 2008
  - Funded annually with $1 million contributions each by the company and customers through a new customer charge

Mid-Tex Division Rate Case – Procedural Schedule

Event	March	April	May	June
Intervener Testimony	7			
Settlement Conference	11			
Staff Testimony	12			
Rebuttal Testimony & Technical Conference	18-19			
Hearings Begin/End	26	1		
Initial Briefs Due		11		
Reply Briefs Due		18		
Proposal for Decision (PFD) Issued			*16*	
Exceptions Due			27	
Replies to Exceptions				3
Statutory Deadline for Decision				27

GRIP Filing - Texas

- February 15, 2008, **Atmos Pipeline-Texas** 2007 GRIP filing of about $7.0 million revenue increase related to return, depreciation and changes in taxes on approximately $46.6 million in net investment during calendar 2007; effective April 15, 2008

Highlights – Fiscal YTD

Georgia Rate Filing

- March 30, 2008, filed request for a revenue increase of about $6.2 million
  - Includes an increase in depreciation expense of approximately $1.1 million due to a change in depreciation rates
  - Affects about 64,000 customers
  - Request to study the merits of rate decoupling mechanism through cooperative efforts involving Commission Staff and the company
- Requested ROE: 11.3 percent
- Requested Capital Structure: 55 percent debt / 45 percent equity
- Rate Base: $67.9 Million
- Forward-looking filing with test year ending March 30, 2009
- Hearing begins June 30th
- Decision on the case expected in mid-September 2008

Highlights – Fiscal YTD

Louisiana Stable Rate Filings

- April 2, 2008, made annual rate stabilization filing for LGS jurisdiction, requesting an increase of about $2.6 million
  - Filing is for test year ended December 31, 2007
  - Rate change expected to be effective July 1, 2008
  - Proposed ROE of 10.4 percent; overall return of 8.21 percent
  - Capital structure: 52 percent debt / 48 percent equity
  - Rate Base of $222 million and affects about 265,000 customers

- March 31, 2008, approved $2.1 million increase for TransLa jurisdiction annual rate stabilization filing made December 2007
  - Included an increase in rates of about $1.7 million and an increase to depreciation rates of approximately $0.4 million
  - Test year ended September 30, 2007

Highlights – Fiscal YTD

Credit Facilities

- March 31, 2008, Atmos Energy Marketing amended and extended its $580 million uncommitted demand working capital credit facility to March 31, 2009, on essentially the same terms except:
  - Includes provision allowing facility banks to engage in purchases, sales or exchange transactions of physical commodities with Atmos Energy Marketing

Highlights – Fiscal 2008 YTD

Investment Grade Credit Ratings

	Rating
Moody's	
Senior Unsecured Debt:	Baa3
Commercial Paper:	P-3
Outlook:	stable
Standard & Poor's	
Senior Unsecured Debt:	BBB
Commercial Paper:	A-2
Outlook:	positive
Fitch	
Senior Unsecured Debt:	BBB+
Commercial Paper:	F-2
Outlook:	stable

Highlights – Fiscal 2008 2Q

Quarterly Dividend

- On April 30, 2008, the Atmos Board of Directors declared a quarterly dividend of $0.325 per share
- 98th consecutive dividend declared
- To be paid on June 10, 2008, to shareholders of record on May 27, 2008
- Indicated annual dividend of $1.30 per share

Consolidated Financial Results – Fiscal 2008E

Earnings Guidance – Fiscal 2008E

- Atmos Energy continues to anticipate earnings to be in the range of $1.95 - $2.05 per diluted share for the 2008 fiscal year
- Assumptions include:
  - Contribution from natural gas marketing segment reflecting less volatility in gas prices
    - Total expected gross margin contribution from the marketing segment in the range of $90 million to $100 million, excluding any material mark-to-market impact
  - Continued successful execution of rate strategy and collection efforts
  - Bad debt expense of no more than $15 million
  - Average annual short-term interest rate of 6.5%
  - No material acquisitions

Note: Changes in these events or other circumstances that the company cannot currently anticipate could materially impact earnings, and could result in earnings for fiscal 2008 significantly above or below this outlook.

Consolidated Financial Results – Fiscal 2008E

Projected Net Income by Segment

($ millions, except EPS)

	2005	2006	2007	2008E
Natural Gas Distribution	$ 81	$ 53	$ 73	**$ 86 - 90**
Regulated Trans & Storage	28	27	34	**40 - 42**
Natural Gas Marketing	23	58	46	**38 - 40**
Pipeline, Storage & Other	4	10	15	**12 - 13**
Total	136	148	168	**176 - 185**
Avg. Diluted Shares	79.0	81.4	87.7	**90.1**
Earnings Per Share	$ 1.72	$ 1.82	$ 1.92	**$1.95 - $2.05**

Consolidated Financial Results – Fiscal 2008E

Atmos Energy Marketing – Gross Profit Margin Composition

2008E

Delivered Gas

(Bundled gas deliveries & peaking sales)

- Impacted by customer volume demand
- Sales prices are:
  - Cost plus profit margin
  - Cost plus demand charges

Margins: More predictable

$60 - $65 Million

+

Asset Optimization

(Storage & transportation management)

- Impacted by gas price spread values in the market (arbitrage opportunity)
- Physical storage capabilities
- Available storage and transport capacity
  - 12.9 Bcf proprietary contracted capacity
  - 28.5 Bcf customer-owned / AEM- managed storage

Margins: More variable

$30 - $35 Million

=

Total AEM Margins

Total margins reflect:

- Stability from delivered gas margins
- Upside from optimizing our storage and transportation assets to capture arbitrage value

Margins: Stable with potential upside

$90 - $100 Million

Projected Cash Flow

($ millions)

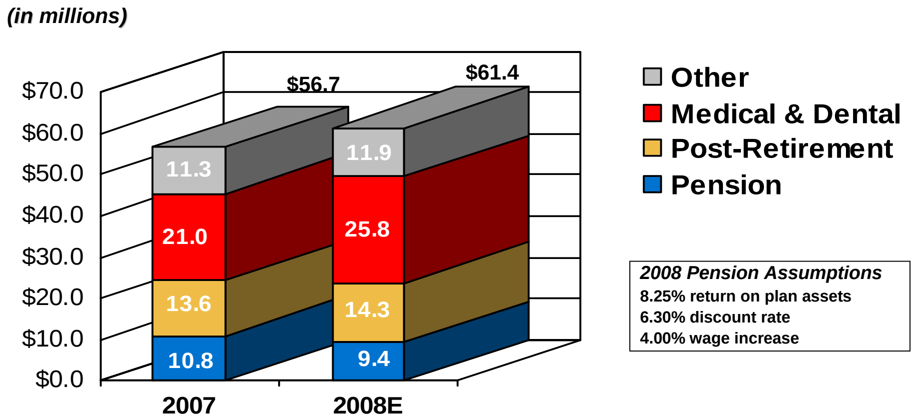
	2005	2006	2007	2008E
Cash flows from operations	$ 387	$ 311	$ 547	**$ 520-540**
Maintenance/Non-growth capital	(243)	(287)	(287)	**(325-335)**
Dividends	(99)	(102)	(112)	**(117)**
Available cash	$ 45	$ (78)	$ 148	**$ 78 - 88**

Capital Expenditures

- For fiscal 2008, we project between $450-$465 million in capital expenditures
  - Approximately $325 - $335 million maintenance
    - Natural Gas Distribution: $265 million - $270 million
    - Regulated Transmission & Storage: $58 million - $61 million
    - Natural Gas Marketing: $2 million - $4 million
  - Approximately $125 - $130 million growth
    - Natural Gas Distribution: $82 million - $84 million
    - Regulated Transmission & Storage: $10 million - $12 million
    - Pipeline, Storage & Other: $33 million - $34 million

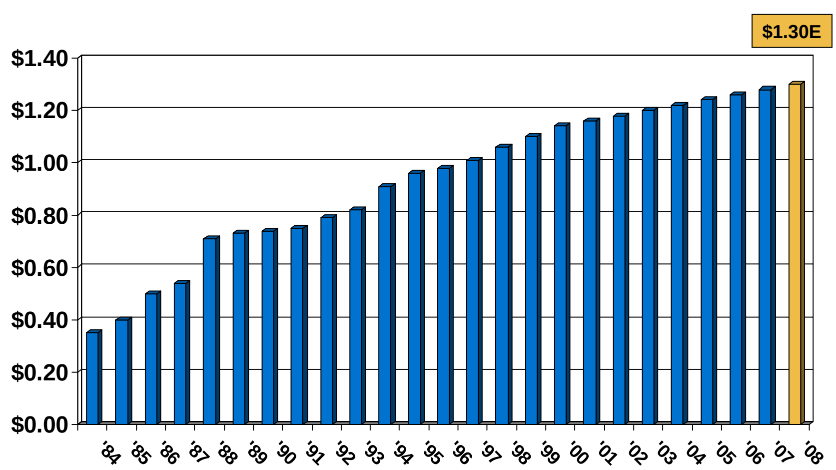
Consolidated Financial Results – Fiscal 2008E

Pension, Post-Retirement & Other Benefits Expense



Consolidated Financial Results – Fiscal 2008E

Annual Dividend Growth



Note: Amounts are adjusted for mergers and acquisitions. For fiscal 2008, $1.30 is the indicated annual dividend.

Appendix

Natural Gas Distribution Segment

Summary of Gas Distribution Revenue – Related Tax Information

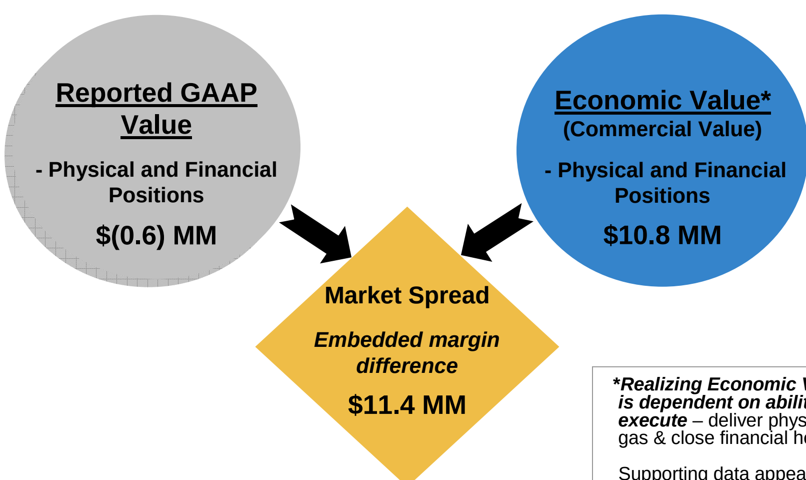
- Gross profit margins, primarily in our Mid-Tex division, include franchise fees and gross receipts taxes, which are calculated as a percentage of revenue (inclusive of gas costs). We record the expense for these taxes as a component of taxes, other than income.
- Timing differences exist between the recognition of revenue for franchise fees recovered from our customers and the recognition of expense of franchise taxes, which may favorably or unfavorably affect net income; however; they should offset over time with no permanent impact on net income.

	As of March 31 Three Months			As of March 31 Six Months		
	2008	2007	**Change**	2008	2007	**Change**
	(Amounts in Thousands)					
Amounts included in margin	46,396	42,346	**4,050**	77,882	71,822	**6,060**
Amounts included in taxes, other	(37,232)	(35,902)	**(1,330)**	(55,465)	(55,839)	**374**
Difference / Impact	$ 9,164	$ 6,444	**$ 2,720**	$ 22,417	$ 15,983	**$ 6,434**

Economic Value vs. GAAP Reported Results

- We commercially manage our storage assets by capturing arbitrage value through optimization strategies that create embedded (forward) value in the portfolio. We financially report the transactions for external reporting purposes in accordance with generally accepted accounting principles ("GAAP").
- **GAAP Reported Value** is the period to period net change in fair value of the portfolio reported in the income statement that results from the process of marking to market the physical storage volumes and corresponding financial instruments in an interim period.
- **Economic Value** is the period to period forward margin of our storage portfolio that results from the process of calculating our weighted average cost of inventory (WACOG), and our weighted average sales price of our forward financials (WASP), then multiplying the difference times inventory volumes. This margin will be realized in cash when the hedged transaction is executed or when financials are settled and then reset to stay hedged against physical volumes.
  - **Economic Value** represents the "forward" economic margin of the transactions, while GAAP reported results reflect that portion of our "forward" margin that has been recorded in the income statement.
  - **Volatility** in earnings includes the impact of the accounting treatment of our storage portfolio in accordance with GAAP and is reflective of relatively high price volatility of the prompt month, and the relatively low volatility of the offsetting forward months.

Economic Value vs. GAAP Reported Results



***Realizing Economic Value is dependent on ability to execute** – deliver physical gas & close financial hedges

Supporting data appears on the following slide

At March 31, 2008

Atmos Energy Marketing

Economic Value vs. GAAP Reported Results Three Months Ended

Period Ending	Physical Volume (Bcf)	Economic Value (EV) ($ per mcf) WASP	WACOG	EV	Total ($ in millions)	GAAP Reported Value - MTM ($ per mcf)	Total ($ in millions)	Market Spread ($ per mcf)	Total ($ in millions)
12/31/2006	21.0	10.6691	7.7802	2.8889	**60.6**	1.5636	**32.8**	1.3253	**27.8**
3/31/2007	19.6	8.2196	7.6701	0.5495	**10.8**	(1.2347)	**(24.2)**	1.7842	**35.0**
2007 Variance	(1.4)	$ (2.4495)	$ (0.1101)	$ (2.3394)	**$ (49.8)**	(2.7983)	**$ (57.0)**	$ 0.4589	**$ 7.2**
12/31/2007	17.7	9.8199	7.3266	2.4933	**44.2**	1.8561	**32.9**	0.6372	**11.3**
3/31/2008	20.7	8.6763	8.1555	0.5208	**10.8**	(0.0296)	**(0.6)**	0.5504	**11.4**
2008 Variance	3.0	$ (1.1436)	$ 0.8289	$ (1.9725)	**$ (33.4)**	(1.8857)	**$ (33.5)**	$ (0.0868)	**$ 0.1**

WASP: Weighted average sales price for gas held in storage

WACOG: Weighted average cost of AEM's gas in storage

EV: "Economic Value" which equals gas sales price (WASP) minus cost of gas (WACOG) on a per unit basis

Atmos Energy Marketing

Economic Value vs. GAAP Reported Results Six Months Ended

Period Ending	Physical Volume (Bcf)	Economic Value (EV) ($ per mcf) WASP	WACOG	EV	Total ($ in millions)	GAAP Reported Value - MTM ($ per mcf)	Total ($ in millions)	Market Spread ($ per mcf)	Total ($ in millions)
9/30/2006	14.5	11.9716	7.8329	4.1387	**60.0**	(1.1076)	**(16.0)**	5.2463	**76.0**
3/31/2007	19.6	8.2196	7.6701	0.5495	**10.8**	(1.2347)	**(24.2)**	1.7842	**35.0**
2007 Variance	5.1	$ (3.7520)	$ (0.1628)	$ (3.5892)	**$ (49.2)**	(0.1271)	**$ (8.2)**	$ (3.4621)	**$ (41.0)**
9/30/2007	12.3	11.1547	7.8297	3.3250	**40.8**	0.8819	**10.8**	2.4431	**30.0**
3/31/2008	20.7	8.6763	8.1555	0.5208	**10.8**	(0.0296)	**(0.6)**	0.5504	**11.4**
2008 Variance	8.4	$ (2.4784)	$ 0.3258	$ (2.8042)	**$ (30.0)**	(0.9115)	**$ (11.4)**	$ (1.8927)	**$ (18.6)**

WASP: Weighted average sales price for gas held in storage

WACOG: Weighted average cost of AEM's gas in storage

EV: "Economic Value" which equals gas sales price (WASP) minus cost of gas (WACOG) on a per unit basis