



## News Release

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### **Atmos Energy Announces Agreement on Fort Necessity Storage Project**

DALLAS (March 19, 2010)--Atmos Energy Corporation (NYSE:ATO, "Atmos Energy") today announced that its subsidiaries, Atmos Pipeline and Storage, LLC ("APS") and Fort Necessity Gas Storage, LLC ("Ft. Necessity"), have entered into an option and acquisition agreement (the "Agreement") and related agreements with Delhi Gas Storage, LLC ("Delhi"), a subsidiary of Icon NGS, LLC, to provide Delhi the exclusive option to develop the proposed Fort Necessity salt-dome natural gas storage project in Franklin Parish, Louisiana (the "Project"). Atmos Energy had previously announced a development in connection with the Project in February 2008.

Under the Agreement, Delhi has been granted the right to drill a brine disposal well on the site of the Project and undertake certain tests in order to better define the characteristics of the brine disposal formation. If Delhi completes the well and wishes to proceed with the development of the Project, it has the right to exercise its option, contribute the brine well test results and acquire a controlling interest in Ft. Necessity, which will own all of the Project assets. APS will retain a capital position in Ft. Necessity and will share in a variable percentage of the profits, based on the amount of further investments by Delhi. Upon its exercise of the option, Delhi will have the sole responsibility and discretion for managing Ft. Necessity and will provide funding for all future development costs of the Project. Further, Delhi will have the option to purchase APS's interest in Ft. Necessity at varying stages of development at predetermined prices (which would be no less than Atmos Energy's capital position), depending on the stage of development at the time of purchase. In addition, should the Project be developed, Atmos Energy Marketing LLC, which is wholly-owned by Atmos Energy, has agreed to purchase firm storage service on commercially reasonable terms for a portion of the first cavern when it is placed into service.

#### **About Atmos Energy**

Atmos Energy Corporation, headquartered in Dallas, is the country's largest natural-gas-only distributor, serving more than 3 million natural gas distribution customers in more than 1,600 communities in 12 states from the Blue Ridge Mountains in the East to the Rocky Mountains in the West. Atmos Energy also provides natural gas marketing and procurement services to industrial, commercial and municipal customers primarily in the Midwest and Southeast and manages company-owned natural gas pipeline and storage assets, including one of the largest intrastate natural gas pipeline systems in Texas. Atmos Energy is a Fortune 500 company. For more information, visit [www.atmosenergy.com](http://www.atmosenergy.com).

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