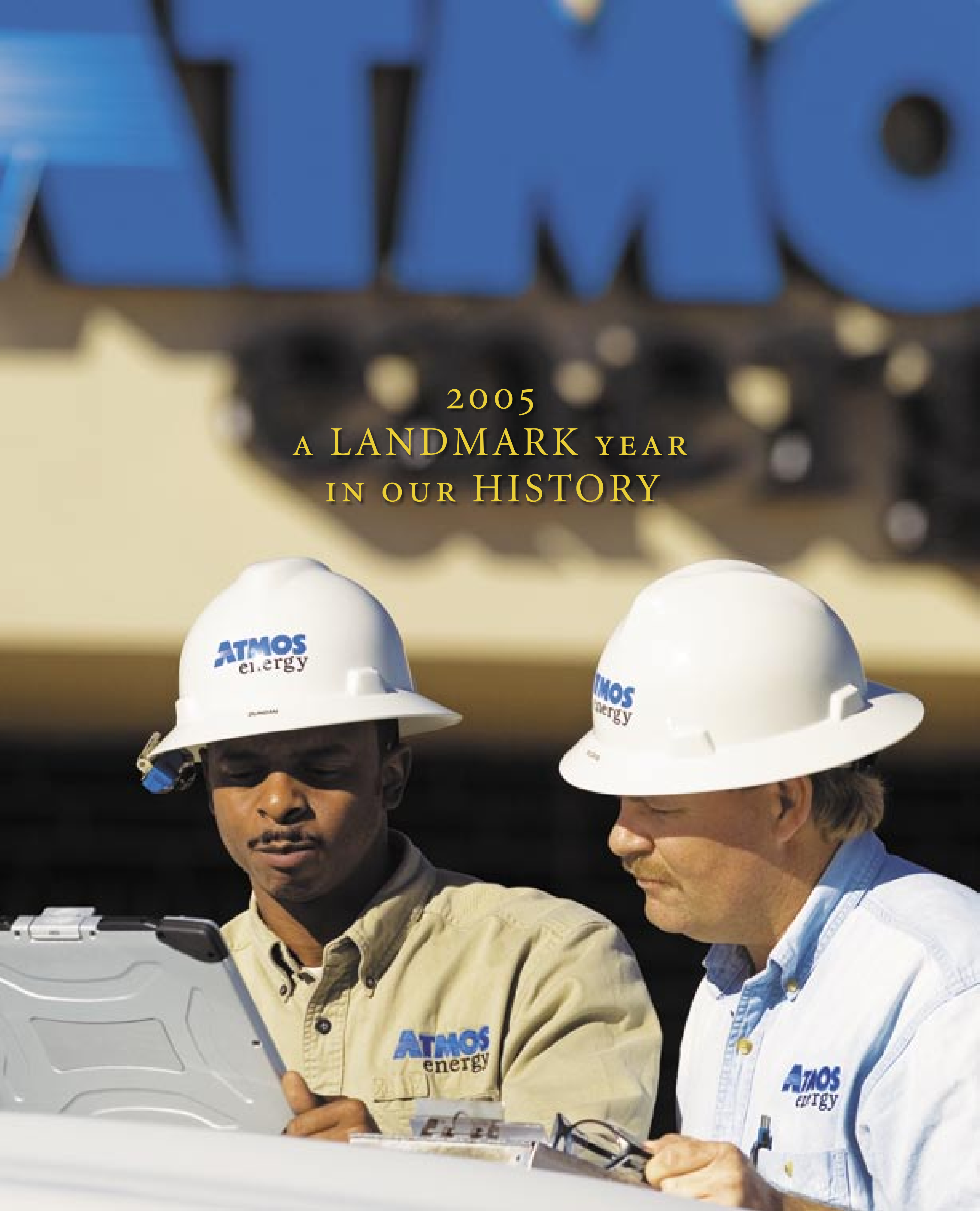
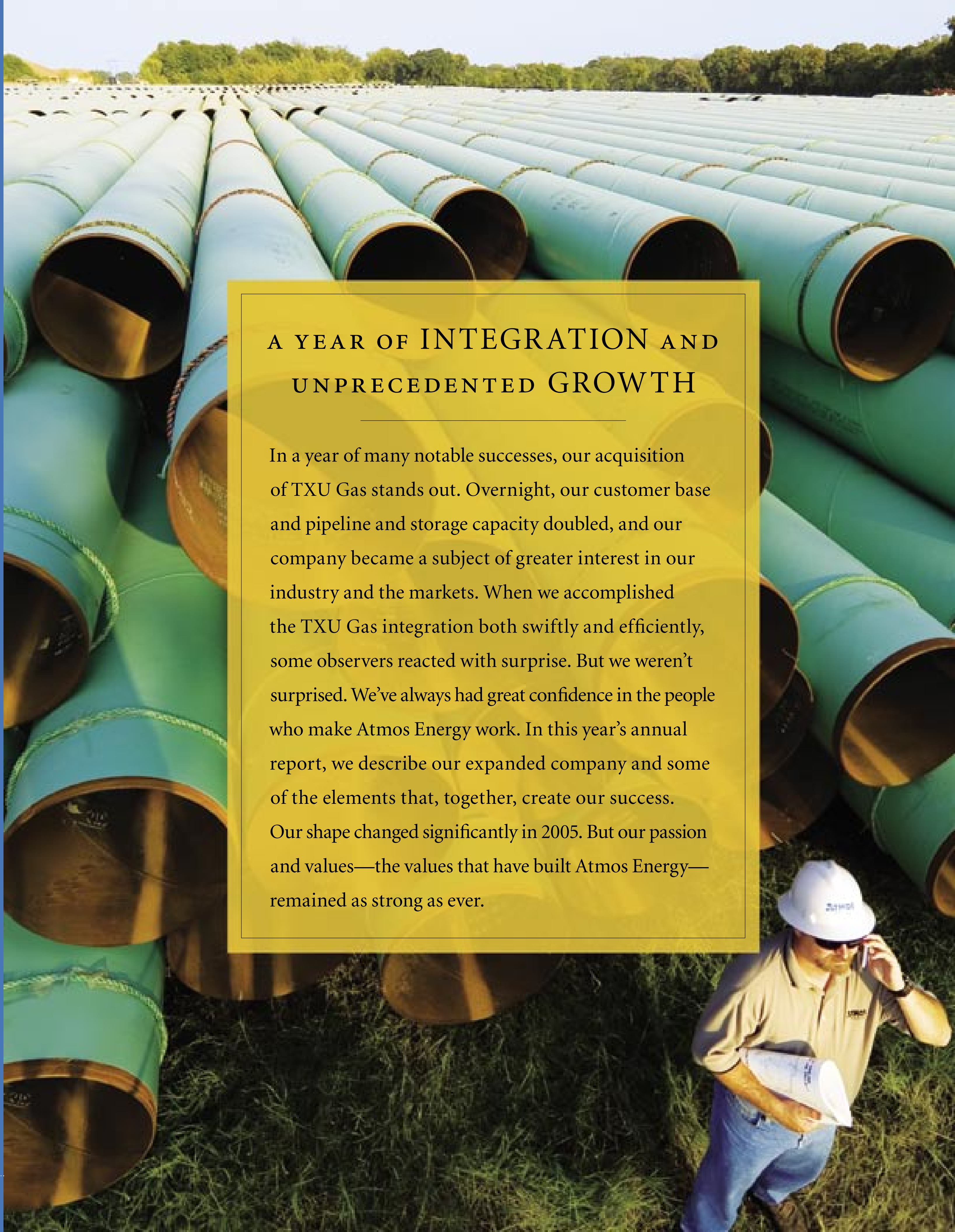


2005 A LANDMARK YEAR IN OUR HISTORY

ATMOS ENERGY CORPORATION 2005 SUMMARY ANNUAL REPORT

On the cover: Working together, Troy Duncan, Mike McCann and their fellow employees made fiscal 2005 a year of unprecedented growth and success for Atmos Energy.

At right: Overseen by Project Manager Mark Patterson, the North Side Loop project is stockpiled with 30-inch pipe on a 10-acre site in Denton County, Texas. The loop's initial capacity of 220,000 million Btu per day can be more than doubled to 500,000 million Btu per day.



A YEAR OF INTEGRATION AND UNPRECEDENTED GROWTH

In a year of many notable successes, our acquisition of TXU Gas stands out. Overnight, our customer base and pipeline and storage capacity doubled, and our company became a subject of greater interest in our industry and the markets. When we accomplished the TXU Gas integration both swiftly and efficiently, some observers reacted with surprise. But we weren't surprised. We've always had great confidence in the people who make Atmos Energy work. In this year's annual report, we describe our expanded company and some of the elements that, together, create our success. Our shape changed significantly in 2005. But our passion and values—the values that have built Atmos Energy—remained as strong as ever.

YEAR ENDED SEPTEMBER 30 (Dollars in thousands, except per share data)	**2005**	**2004**	**Change**
Operating revenues	**$ 4,973,326**	$ 2,920,037	70.3%
Gross profit	**$ 1,129,090**	$ 562,191	100.8%
Utility net income	**$ 81,117**	$ 63,096	28.6%
Natural gas marketing net income	**23,404**	16,633	40.7%
Pipeline and storage net income	**30,599**	2,767	1,005.9%
Other nonutility net income	**665**	3,731	-82.2%
Total	**$ 135,785**	$ 86,227	57.5%
Total assets	**$ 5,653,527**	$ 2,912,627	94.1%
Total capitalization*	**$ 3,785,526**	$ 1,994,770	89.8%
Net income per share – diluted	**$ 1.72**	$ 1.58	8.9%
Cash dividends per share	**$ 1.24**	$ 1.22	1.6%
Book value per share at end of year	**$ 19.90**	$ 18.05	10.2%
Consolidated utility segment throughput (MMcf)	**411,134**	246,033	67.1%
Consolidated natural gas marketing segment throughput (MMcf)	**238,097**	222,572	7.0%
Consolidated pipeline and storage segment transportation volumes (MMcf)	**375,604**	—	—
Heating degree days	**2,587**	3,271	-20.9%
Degree days as a percentage of normal	**89%**	96%	-7.3%
Meters in service at end of year	**3,157,840**	1,679,136	88.1%
Return on average shareholders' equity	**9.0%**	9.1%	-1.1%
Shareholders' equity as a percentage of total capitalization (including short-term debt) at end of year	**40.7%**	56.7%	-28.2%
Shareholders of record	**26,242**	27,555	-4.8%
Weighted average shares outstanding – diluted (000s)	**79,012**	54,416	45.2%

*Total capitalization represents the sum of shareholders' equity and long-term debt (excluding current maturities).

DEAR FELLOW SHAREHOLDER:

Our acquisition of the distribution and pipeline operations of TXU Gas has created a powerful union—which is the subject of much of this year's report.

The acquisition, which closed on October 1, 2004, has exceeded our best expectations, as measured on several dimensions. It contributed to Atmos Energy's extraordinary financial results in fiscal 2005. It transformed Atmos Energy into the largest all-natural-gas distribution company in the country, and it created major opportunities for future growth.

Atmos Energy's gross profit in fiscal 2005 doubled to exceed $1 billion for the first time in our company's history. Net income increased 58 percent to a record $135.8 million, and earnings per diluted share grew by 14 cents to $1.72.

Fiscal 2005 marked our fifth year of consistently improved performance. Our total return to shareholders was 17.2 percent, and our return on average shareholders' equity was 9.0 percent.

Recognizing these accomplishments, the Board of Directors raised the dividend by 2 cents to an indicated annual rate of $1.26 per share. This marked our 18th consecutive annual increase. Moreover, when adjusted for mergers and acquisitions, Atmos Energy's dividend has gone up every year since it was formed in 1983.

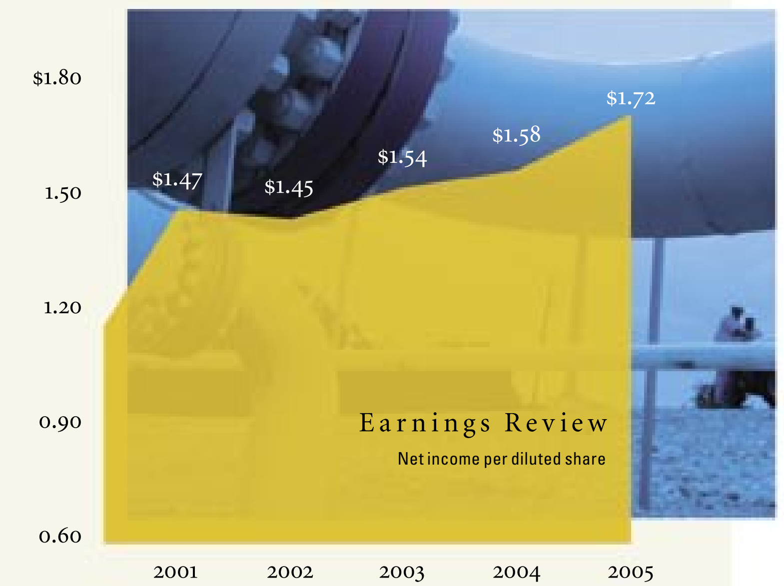
EXCEPTIONAL PERFORMANCE

Atmos Energy's employees did more than just deliver on the company's promise of $1.65 to $1.75 in earnings per diluted share for fiscal 2005. They overcame warmer-than-normal weather that reduced earnings by 29 cents per diluted share, dilution from a year-over-year increase of 24.6 million more shares outstanding and the ravages of two hurricanes that affected two-thirds of our Louisiana operations and a portion of our Mississippi territory.

The TXU Gas acquisition was a major contributor to earnings. It was accretive in the first year—adding 18 cents to earnings per diluted share. That result far surpassed our original estimate of a contribution from 5 cents to 10 cents per diluted share.

The acquisition has nearly doubled the size of our utility operations by adding 1.5 million gas utility customers in Texas. Overall, the additional territory exceeds national averages for customer growth. In particular, the Dallas and Fort Worth metropolitan areas as well as the northern suburbs of Austin are experiencing strong residential and commercial development.

Integrating the former TXU Gas employees and operations has gone exceptionally well. Our integration teams have exceeded goals and completed work well ahead of deadlines. In particular, we are proud of the conversion of all the former back-office and information technology systems. We no longer are using any outsourced services for meter reading, customer billing or telephone call centers. We expect that using our own state-of-the-art systems will lead to improved customer satisfaction and lower long-term operating costs.



HURRICANES PROVE THE METTLE OF THE ATMOS ENERGY TEAM

Across Louisiana to the Mississippi Delta, Atmos Energy employees responded courageously to Hurricanes Katrina and Rita. After Katrina devastated southern Louisiana on August 29, Atmos Energy was the first utility back into hard-hit Jefferson Parish. There and elsewhere, employees—many of whom had lost their own homes—worked tirelessly, some living for weeks at company service centers in order to respond to customers' needs. Atmos Energy mobilized supplies and manpower to aid its crews, displaced employees, customers and neighbors. The second storm, Rita, delivered a lesser blow to Atmos Energy's operations in western Louisiana. Disruption was further minimized thanks to wise preparedness and fast response.

PIPELINE AND STORAGE

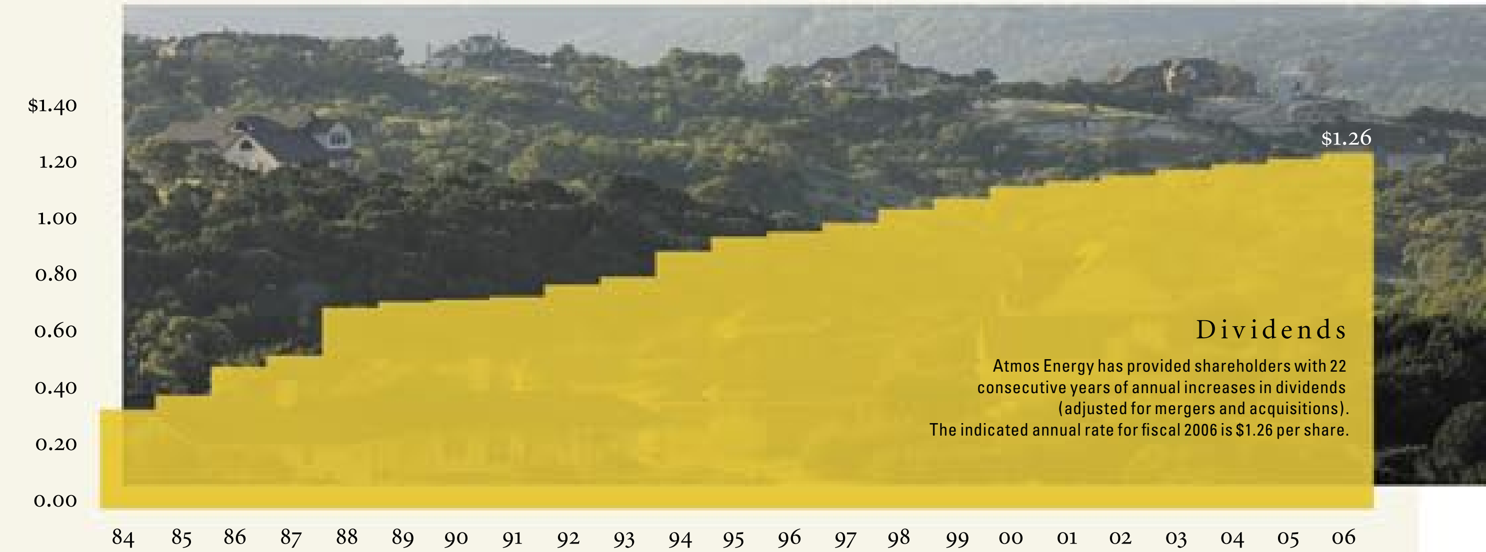
An especially noteworthy part of the acquisition was our addition of one of the largest intrastate natural gas pipelines in Texas, which became the Atmos Pipeline–Texas Division. This expansive pipeline system, shown on page 9, supports our regulated utility operations by carrying natural gas from producers and storage fields to our local distribution system. It crisscrosses the state, with terminals at three major gas transportation hubs where we can buy gas from other intrastate lines and major interstate pipelines. It also transports volumes from the state's nine major gas-producing basins, which hold a substantial portion of our country's onshore natural gas reserves.

Atmos Pipeline–Texas gives us new opportunities to transport gas for producers to wider markets. In fiscal 2005, the pipeline added transportation volumes of 375.6 billion cubic feet (Bcf). It contributed $149.5 million, or 95 percent, of the $157.9 million in gross profit from our pipeline and storage segment. By comparison, the segment's gross profit last year before the acquisition was just $10.4 million.

We are continuing to unlock added value from the Texas pipeline. We currently have four pipeline projects under way that we expect will add to earnings starting in fiscal 2006. The largest of these is a joint-venture project to install 45 miles of 30-inch pipeline to serve the northern suburbs of the Dallas-Fort Worth Metroplex. This new pipeline will help Atmos Energy deliver reliable natural gas supplies to one of the fastest-growing consumer markets in the country. It also will provide needed gas transmission capacity to serve natural gas producers and shippers in the Texas intrastate wholesale gas market.

NATURAL GAS MARKETING

Our natural gas marketing segment produced exceptional results in fiscal 2005, contributing 30 cents per diluted share. The improvement largely was due to achieving more favorable arbitrage spreads using our underground natural gas storage facilities. It also came from our marketing efforts that added customers in new areas.



The TXU Gas acquisition opened up a large gas marketing area in Texas with hundreds of prospective customers, providing further confirmation that the acquisition is a good fit with all segments of our business.

During fiscal 2005, our nonutility operations contracted for 9.0 Bcf of additional working gas storage capacity and expanded our marketing efforts into four more states. Altogether, our natural gas marketing operations now serve more than 800 industrial, municipal and other customers in 22 states.

RATE STRATEGY

We continue to be successful in maintaining our rates, with $15 million to $25 million in average annual additions to our utility revenues. Part of the increase in fiscal 2005 came from our GRIP filings in Texas. GRIP, the Gas Reliability Infrastructure Program, is a Texas law that permits natural gas utilities to earn a timely return of and on their basic investments. Without filing a lengthy rate case, a utility can raise rates annually to pay for investments in pipelines and other facilities to maintain reliability and safety and to meet customer growth. The utility must file a complete rate case at least every five years to justify its GRIP expenditures.

Higher natural gas costs have intensified public scrutiny of all utilities' rates. As a result, regulatory bodies in three of our states have been asked to review our rate structures. We are cooperating fully in these inquiries and believe our rates in all jurisdictions remain fair and reasonable.

In our rate filings, we are seeking to decouple the recovery of our approved margins from customer usage patterns that are affected by weather, declining use and conservation. Because gas volumes fluctuate, our earnings depend on consumption factors over which we have little control. We are seeking to put more of our costs into our basic monthly customer charge and to add adjustments that help moderate the effects of the rise and fall in our gas sales volumes.

Our most recent rate agreement in Mississippi, for example, reflects our decoupling goals. The state's Public Service Commission allowed us to shift $10 million in annual margins from volume-based charges to fixed customer charges. We also were granted an improved weather normalization adjustment (WNA), which adjusts our rates when winter weather turns either unseasonably warm or cool, and we obtained a GRIP-like mechanism in Mississippi to reduce the regulatory lag for the investments we make on behalf of our customers.

We have been successful in obtaining weather normalization adjustments for about one-third of our customer base. In our two largest jurisdictions, our Mid-Tex and Louisiana Divisions, we do not have WNA. In those areas, other rate-design features help offset the lack of weather protection—up to a point. In fiscal 2005, our Mid-Tex Division had weather that was 20 percent warmer than normal, and our Louisiana Division had weather that was 22 percent warmer than normal. Overall, weather was 11 percent warmer than normal in fiscal 2005, reducing our net income by $22.8 million, or 29 cents per diluted share.

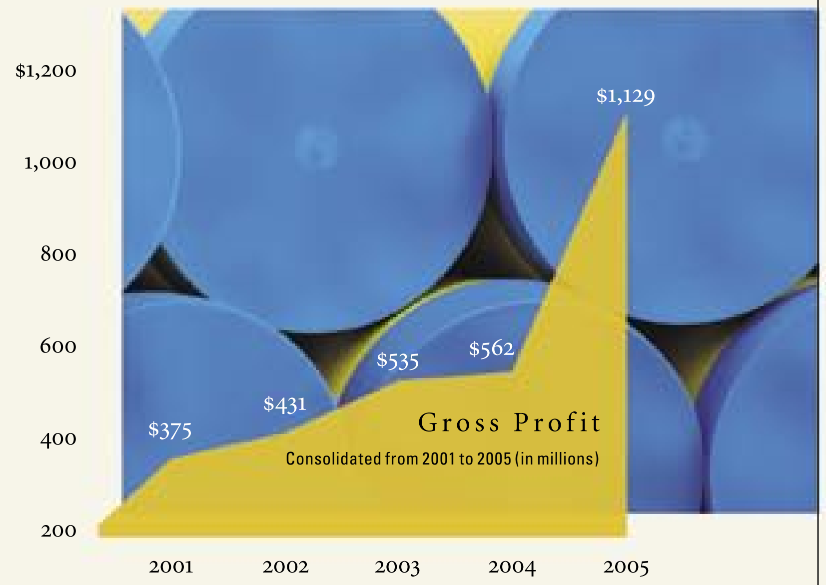
In our rate filings, we also are seeking to recover the gas-cost portion of bad debt expense. As a public utility that is obligated to serve everyone in the community, we work to help the less-fortunate and other customers who have difficulty paying their energy bills. In return for supporting the community's social needs by not disconnecting those who do not pay during the winter, we are asking regulators to let us recover the sizable costs we incur for gas supplies used by our indigent customers.

PAYING DOWN DEBT

We financed our TXU Gas acquisition with two successful equity offerings, which raised about $618 million in net proceeds, and with a sale of $1.39 billion of senior notes. Not unexpectedly, our debt level went up, which has occurred in the past to finance earlier transactions, yet we maintained investment-grade ratings with all of the major rating agencies.

We issued approximately 26 million new common shares in connection with the acquisition. Our weighted average number of common shares outstanding increased, year over year, by 24.6 million shares, causing dilution in our per-share earnings.

Our total debt as a percentage of total capitalization, including short-term debt, was 59.3 percent at year-end. We are committed to paying down debt to return to the range of 50 percent to 55 percent during the next three to five years. We are confident we can do so to continue our reliable record of reducing our debt-to-equity ratio after major acquisitions.



In fiscal 2005, we generated operating cash flow of $386.9 million, compared with $270.7 million in fiscal 2004. Our capital expenditures increased to $333.2 million from $190.3 million in fiscal 2004, with virtually all the increase being spent on our Mid-Tex and Atmos Pipeline–Texas Divisions.

OUTLOOK FOR 2006

For fiscal 2006, we see more opportunities than ever before, largely because of the size and growth of our added operations in Texas. Our goal is to continue to grow our earnings at 4 percent to 6 percent a year on average. We estimate that earnings per diluted share in fiscal 2006 will reach $1.80 to $1.90, assuming normal weather and no material effect from marking to market our storage and related financial hedges.

We are especially mindful of the effects that volatile, high natural gas prices are having on our customers everywhere. More of our customers could have difficulty paying their bills this winter, and our bad debt expense could go up.

We have stepped up a broad range of programs to help our customers as well as to seek increased natural gas supplies. Actions by Congress are sorely needed—to permit more gas exploration in coastal waters and on Western public lands, to build a pipeline from the abundant gas fields in Alaska and to permit liquefied natural gas terminals on domestic shores. These actions would help provide more natural gas and, in turn, would help lower gas prices.

In 2006, we also must deal with the lingering aftermath of Hurricanes Katrina and Rita. The hurricanes affected up to 230,000 of our customers and reduced our fiscal 2005 net income by $3.8 million, or 5 cents per diluted share. To aid in the recovery, Atmos Energy and its employees donated nearly $1.5 million to the hurricane relief efforts.

Today we estimate a semi-permanent loss of about 40,000 meters in the four hardest hit parishes where we serve. Our lost margins in fiscal 2006 will be between $10 million and $12 million. Nevertheless, in surveying the region just days after the destruction, I became convinced that the resilient spirit of Louisiana residents and business owners will triumph over the storms' fury. Their desire to rebuild is evident everywhere. It will just take time.

We estimate our capital expenditures in fiscal 2006 will total $400 million to $415 million. Of that total, about 60 percent will be spent on our growing Mid-Tex and Atmos Pipeline–Texas Divisions. Our spending reinforces our goal of investing growth capital to seek the best returns. Although one of our key strategies is to continue to grow through sound acquisitions, our immediate goal is to reduce our debt with longer-term plans for future acquisitions.

LEADERSHIP CHANGES

It was my pleasure this year to announce the addition to the Board of Directors of Stephen R. Springer. I have known Steve for nearly three decades and have worked closely with him in the past. He brings an extensive background in the natural gas industry and a steadfast commitment to integrity and honesty. We are pleased he agreed to join our board.

On April 1, 2006, JD Woodward will retire as senior vice president, nonutility operations. He will be succeeded by Mark H. Johnson, who recently was named vice president, nonutility operations, and who also serves as president of our natural gas marketing subsidiary. JD founded Woodward Marketing, which became the core of our natural gas marketing segment. He has led all our nonutility operations since joining Atmos Energy in 2001. I deeply thank him for his friendship, his leadership and all he has done to serve our customers and employees and to produce results that have rewarded our shareholders.

We expect 2006 to be another prosperous year for Atmos Energy. All of us appreciate your continuing support as investors. We pledge to protect your investment and to use it wisely to provide exceptional service to our 3.2 million customers and 1,500 communities. That is the best way we can ensure future financial success.

Robert W. Best

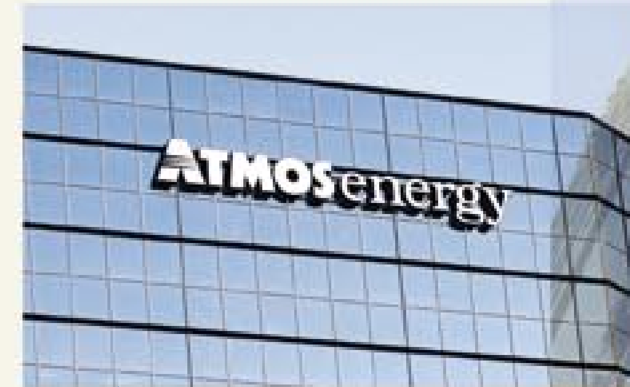
Robert W. Best
CHAIRMAN, PRESIDENT AND CEO
NOVEMBER 18, 2005

Seamless integration creates the nation's largest all-natural-gas utility

The October 1, 2004, completion of our TXU Gas acquisition doubled the size of Atmos Energy and made it the nation's largest all-natural-gas utility. It also marked one of the swiftest major utility acquisitions in recent history. An innovative transition agreement helped to cement the rapid integration and secure regulatory approvals from utility commissions in five states. Financial markets were enthusiastic, with investors subscribing to Atmos Energy's two offerings of common stock and a $1.39 billion debt offering at highly competitive rates. Analysts also applauded the company's higher proportion of regulated customers, delivering greater stability of earnings.

As part of the successful rebranding, TV commercials assured the 1.5 million former TXU Gas customers they would have the same great gas service they've always counted on.

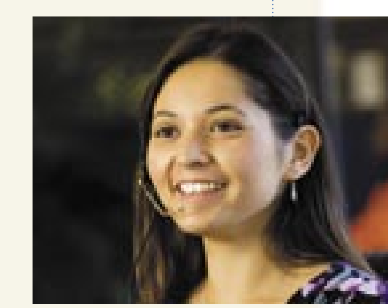
The historic Lone Star Gas Building, redundant after the acquisition, became one of five downtown buildings Atmos Energy donated to the City of Dallas.

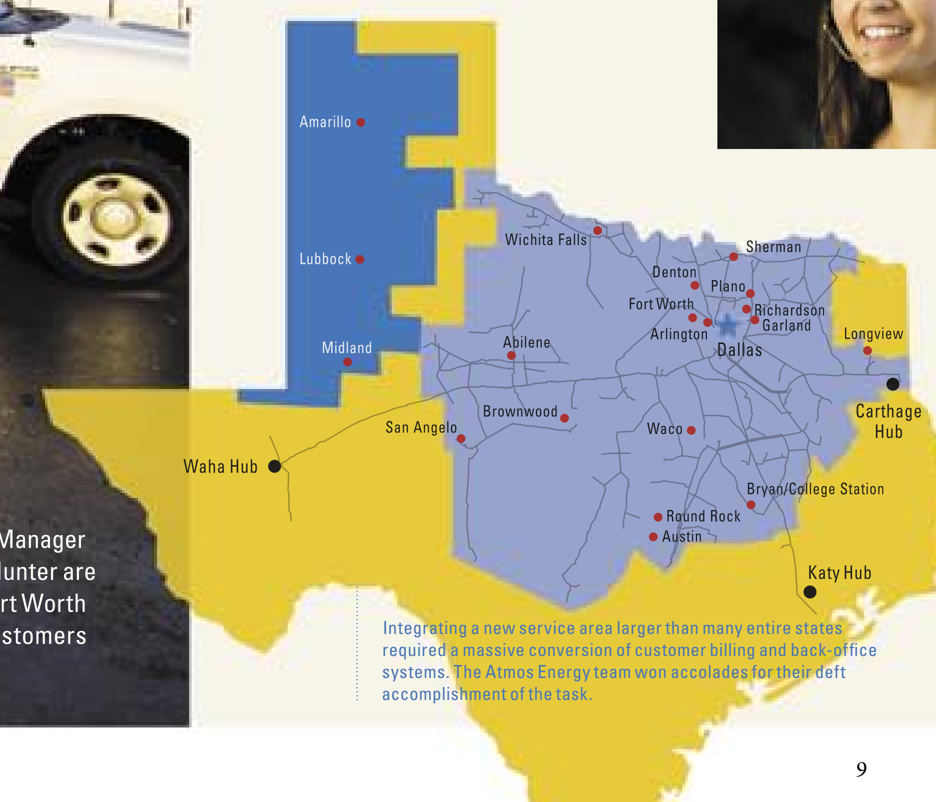


Former TXU Gas operations moved from downtown to the North Dallas headquarters. The company's new, higher profile includes building signage.

Sunrise in Dallas, and Senior Construction Manager Andre Brown and Crew Foreman Clayton Hunter are already lining out the day's work. Dallas-Fort Worth alone added more than one million new customers to the Atmos Energy system.

Maria Chavez serves customers from the new Atmos Energy call center in Waco, Texas. The center added 240 new jobs to the local economy. Keeping service personnel close to the customers being served is a crucial ingredient in the company's success.





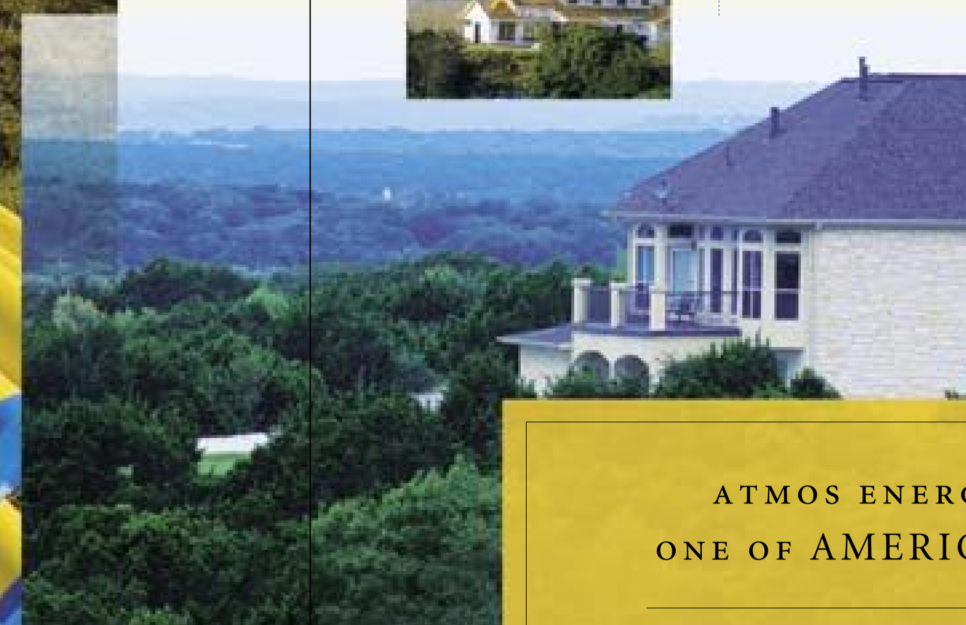
Integrating a new service area larger than many entire states required a massive conversion of customer billing and back-office systems. The Atmos Energy team won accolades for their deft accomplishment of the task.

Keith Prewitt, an Atmos Energy manager of new construction in Round Rock, Texas, inventories 8-inch distribution pipe that will expand service to new communities growing in Central Texas.

Atmos Energy has earned national attention – and customer kudos – for its investment in service. East Texas customers benefit from the new Palestine service center, one of nine new facilities the company has opened across the state.

Innovative thinking solved a rocky problem for Central Texas developers. Atmos Energy engineers found ways to run pipeline through the area's terrain of hills, cliffs and solid rock to serve homebuyers' demand for natural gas.

Technician Doyce Wilson exemplifies the long tenure of much of the workforce. He joined Lone Star Gas in 1972 and stayed through the transitions to TXU Gas and to Atmos Energy. Such continuity helped make the change from TXU Gas to Atmos Energy worry-free for customers.



ATMOS ENERGY FUELS THE GROWTH OF ONE OF AMERICA'S MOST VIBRANT REGIONS

Along with 1.5 million new customers for Atmos Energy, the TXU Gas acquisition added momentum to the growth of a region that includes the nation's eighth largest metropolitan area, Dallas-Fort Worth, as well as Austin suburbs that rank among the country's fastest-growing communities in housing and commercial expansion. To support its highly experienced workforce, Atmos Energy has added nine new service centers to better serve its customers, who already register high satisfaction in surveys. As Atmos Energy invested in the region's growth, the company made the first filing under Texas' Gas Reliability Infrastructure Program (GRIP), which reduces the lag time on recovery of basic service investments.

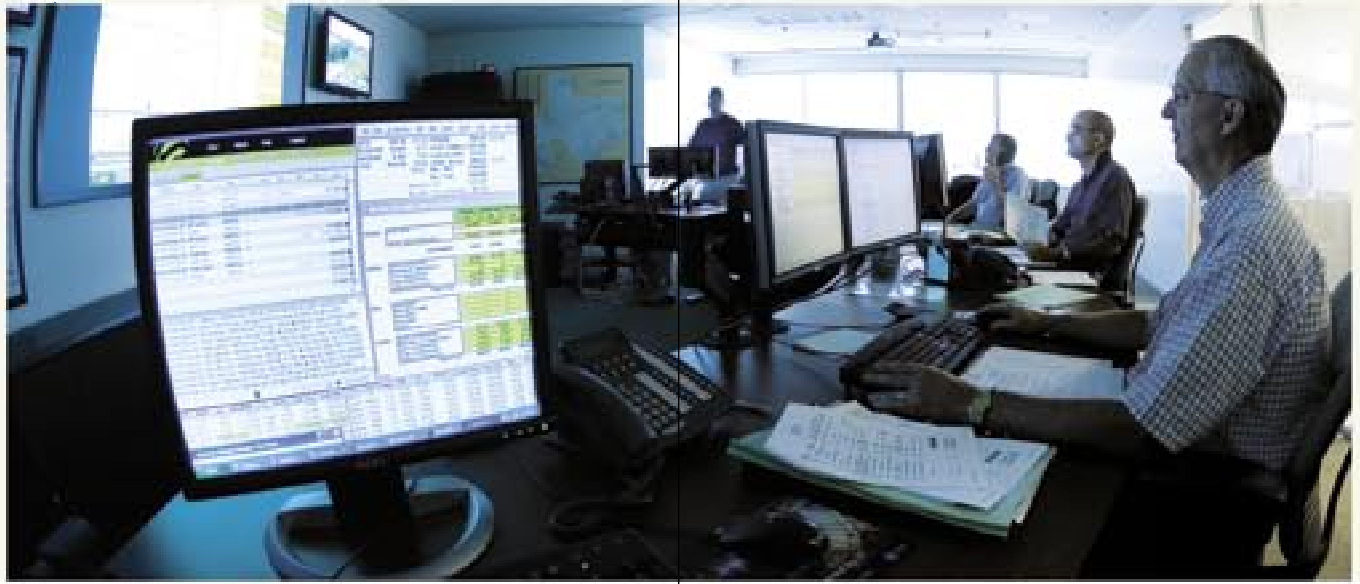
Eddie Ortowski supervises compression and storage of natural gas at the company's Lake Dallas storage facility. Such facilities, strategically placed, help stabilize supply during peak periods.

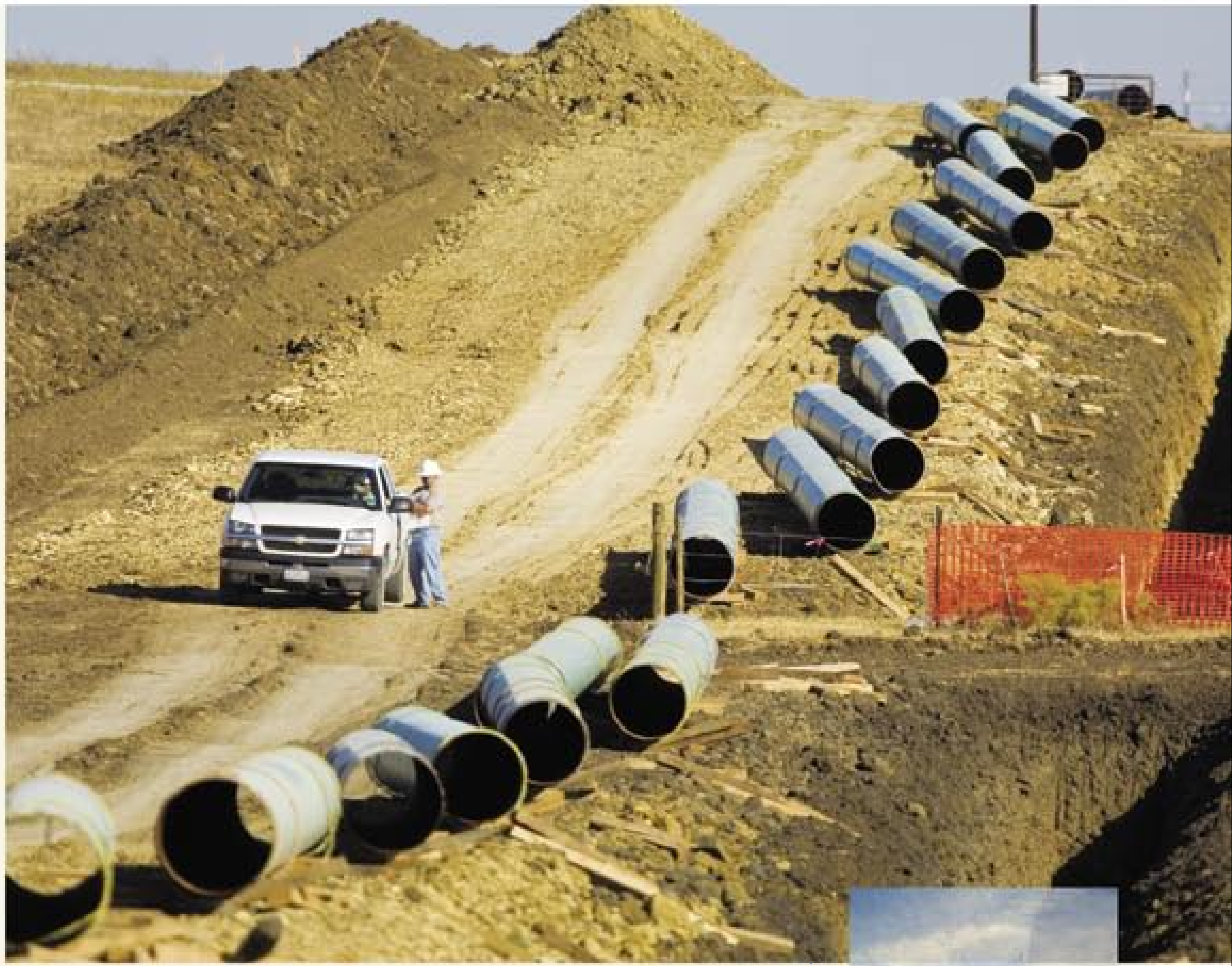
At City Gate Distribution Center in Mesquite, Texas, Danny Bowman and Gerald Armstrong help supply customers from Sherman, near the Red River, to Katy, near Houston. A major hub, City Gate provides energy to six power plants. Soon it will tie in to the company's new North Side Loop.

GOING TO EXTRAORDINARY LENGTHS TO BRING GAS WHERE IT'S NEEDED

Atmos Energy operates one of the largest intrastate gas pipeline systems in Texas. This system is growing significantly with construction of the 45-mile North Side Loop and related compressor stations in the D-FW Metroplex. Jointly owned with Energy Transfer Partners, L.P., the new pipeline will ensure ample natural gas supplies for the rapid residential and commercial growth of Collin, Denton and northern Tarrant Counties. It also will add transmission capacity to help natural gas producers and shippers bring more Texas natural gas to market, particularly gas from the expanding production in the Fort Worth Basin. In May, Atmos Energy entered an agreement with Enbridge Energy Partners to transport up to 100,000 million Btu per day through the Atmos Energy system.

Staff members at this Atmos Energy gas control center in Dallas monitor weather, news events, next-day prices and gas futures, advising buyers who trade gas to serve 1.5 million Texas customers.

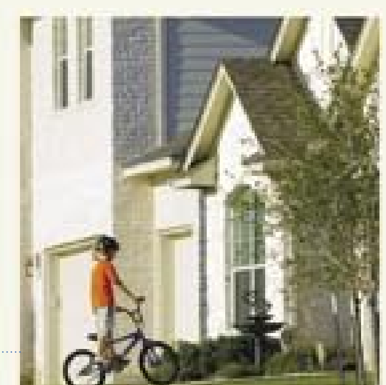




Pipe for the new North Side Loop awaits welding outside Krum, Texas. Pipeline crews took advantage of unusually dry fall weather to build at a faster-than-expected pace.

Atmos Energy fuels production at GM's 3 million-square-foot Arlington assembly plant. Other major customers in North Texas include Texas Instruments, Coca-Cola, Pepsi and two Frito-Lay plants.

Louis Moya takes measurements at the company's Katy distribution hub, part of Atmos Pipeline–Texas, one of the largest intrastate gas pipeline networks in Texas.



As new neighborhoods expand across Atmos Energy's territory, the company markets to homebuilders and developers, promoting the benefits of natural gas for builder and homebuyer alike.

ATMOS ENERGY MARKETING FINDS LARGE-SCALE OPPORTUNITIES

The new territory added with the TXU Gas acquisition represents a vast field of opportunity for Atmos Energy Marketing, which develops relationships with industrial and municipal customers, such as manufacturing facilities, hospitals and electric generation plants. Developers of new residential communities in fast-growing Central and North Texas represent another significant opportunity for growth. Atmos Energy has ample capacity for projected customer needs. Large gas hubs in three major market centers—Waha in West Texas, Carthage in East Texas and Katy, near Houston—connect with Texas intrastate pipelines and interstate pipelines at more than 100 points.

Among the new industrial customers Atmos Energy has gained are high-tech companies such as Dell and Samsung in the Austin area.

The humble patio has evolved into a full outdoor room. Outdoor kitchens, living areas and sleeping rooms are among the new features most requested by homeowners. How do you fuel and heat an outdoor room? Natural gas, of course.

RESULTS OF OPERATIONS

In fiscal 2005, consolidated net income increased 58 percent to $135.8 million from $86.2 million in fiscal 2004. Earnings per diluted share were $1.72, compared with $1.58 in the previous year. Gross profit was $1.1 billion on operating revenues of $5.0 billion. Return on average shareholders' equity was 9.0 percent. The company paid total cash dividends of $1.24 per share and provided a total return to shareholders of 17.2 percent.

Utility operations contributed 60 percent of consolidated net income in fiscal 2005. Natural gas marketing operations contributed 17 percent, and pipeline and storage operations contributed 23 percent.

TXU GAS ACQUISITION

A major factor supporting Atmos Energy's record-setting results in fiscal 2005 was the full year of contributions from the acquired distribution and pipeline operations of TXU Gas Company. As we forecast, the acquisition proved accretive to earnings in its first year, contributing $52.7 million to consolidated net income, or 18 cents per diluted share. We paid approximately $1.9 billion in cash and financed the acquisition with two public offerings of common stock, yielding net proceeds of approximately $618 million, and a $1.39 billion public offering of senior debt.

The acquisition added 1.5 million gas utility customers in the north-central, eastern and western regions of Texas to nearly double our size. The acquired operations also included one of the largest intrastate natural gas pipelines in Texas and five connected gas storage fields. As part of the new Atmos Pipeline–Texas Division, the 6,162-mile pipeline system delivers natural gas to more than 550 cities served by our new Mid-Tex Division. It also transports natural gas from nine producing basins across Texas and interconnects with several intrastate and interstate gas pipelines at three major transportation hubs in West Texas, East Texas and the Houston area.

To better serve our Mid-Tex Division's customers, Atmos Energy took over the operation of a large customer call center in Waco, Texas, and hired about 240 employees to staff the center. We also assumed responsibility for other services that had been outsourced by TXU Gas, such as information technology, customer billing and meter reading. By the beginning of the 2006 fiscal year, we had completed the conversion of the former systems to our own systems—nearly a year in advance of the time typically needed for such conversions. We believe these changes will provide long-term savings and help us be more responsive to our customers' needs.

WEATHER AND THROUGHPUT

Weather, overall, during fiscal 2005 was 11 percent warmer than the 30-year normal averages, as adjusted for our operations that have weather-normalized rates. The warm winter heating season reduced our net income by $22.8 million, or 29 cents per diluted share.

Consolidated utility throughput increased to 411.1 billion cubic feet (Bcf) in fiscal 2005 from 246.0 Bcf in fiscal 2004. The increase was largely due to operations of the Mid-Tex Division, which added 174.3 Bcf in throughput for the year. Natural gas marketing sales volumes increased about 15.5 Bcf to 238.1 Bcf, and pipeline transportation volumes were 375.6 Bcf during fiscal 2005.

NATURAL GAS PRICES

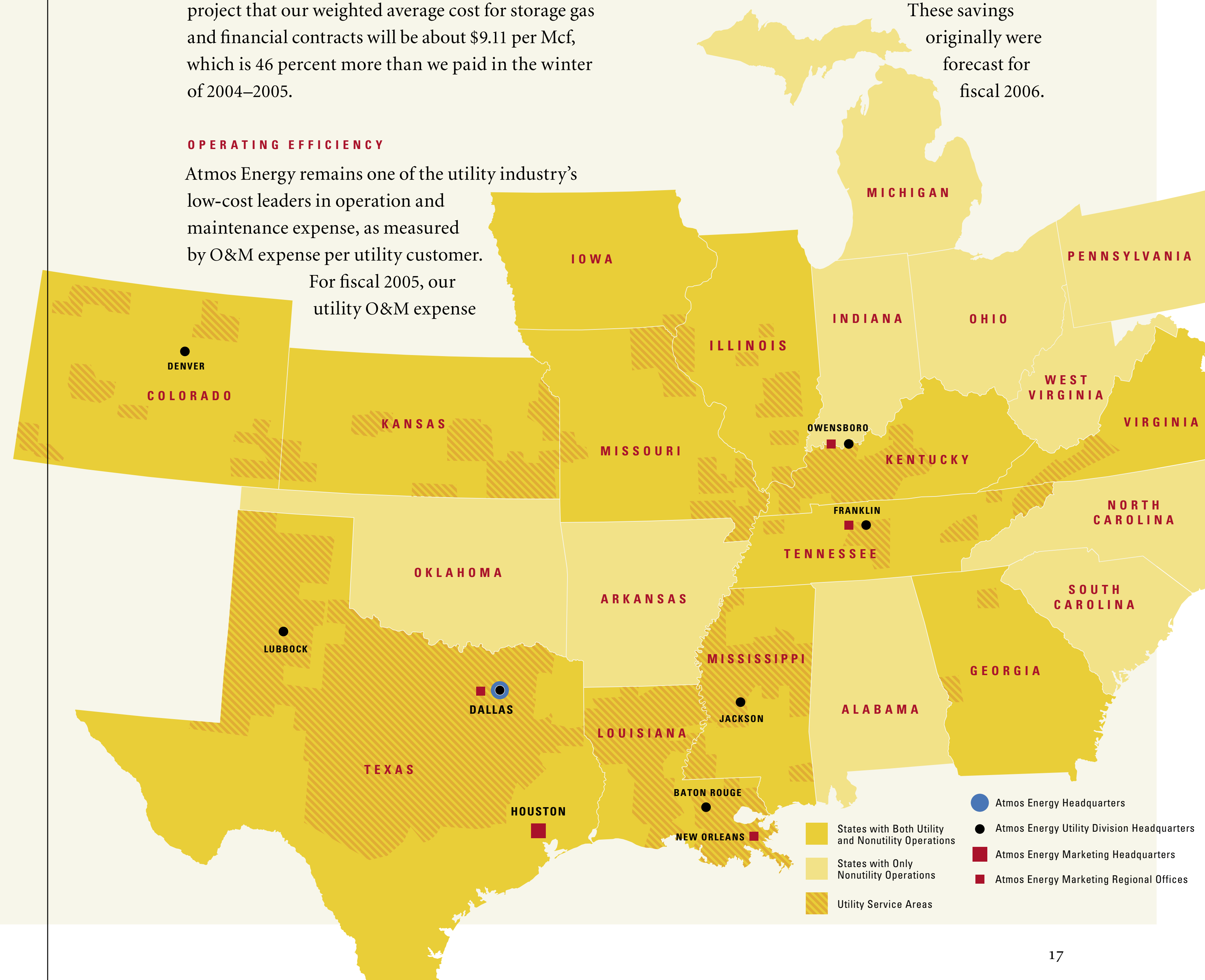
Wholesale natural gas prices continued rising during fiscal 2005, following a five-year trend. Domestic natural gas production barely kept pace with the growing demand largely because clean-burning natural gas is being used to fuel most new electric power plants. In addition, Hurricanes Katrina and Rita damaged more than 15 percent of the natural gas production capacity in the Gulf of Mexico. Damage to offshore drilling and producing platforms and the pipelines and processing facilities needed to transport the gas to shore caused natural gas prices to reach record levels during the summer, when we typically inject large gas volumes into storage to withdraw during the winter heating season.

Our average utility cost of natural gas for the 2005 fiscal year was $7.41 per thousand cubic feet (Mcf), compared with $6.55 per Mcf for the 2004 fiscal year. To help protect our customers from the volatility in wholesale natural gas markets, we continue to hedge gas prices for our customers in jurisdictions that allow hedging programs. For the 2005–2006 heating season, we have hedged approximately 46 percent of our expected winter supply, using a combination of underground storage and financial contracts. We project that our weighted average cost for storage gas and financial contracts will be about $9.11 per Mcf, which is 46 percent more than we paid in the winter of 2004–2005.

OPERATING EFFICIENCY

Atmos Energy remains one of the utility industry's low-cost leaders in operation and maintenance expense, as measured by O&M expense per utility customer. For fiscal 2005, our utility O&M expense was $110 per customer, compared to our peer-group average of $209 per customer. Another indicator, customers per employee, also demonstrates Atmos Energy's leadership in productivity. In fiscal 2005, we served 730 utility customers per utility employee, compared with our peer-group average of 511 customers per employee.

A significant achievement during fiscal 2005 was our ability to accelerate $12.4 million (net of tax) of cost savings from the TXU Gas acquisition. These savings originally were forecast for fiscal 2006.



Our consolidated operation and maintenance expense for fiscal 2005 totaled $427.7 million, nearly double our O&M expense for fiscal 2004 of $214.5 million. The increase was largely due to $206.6 million in added O&M expense for the Mid-Tex and Atmos Pipeline–Texas Divisions.

The provision for doubtful accounts also increased by $14.9 million over the previous year's amount to $20.3 million in fiscal 2005. The large increase was due to the added operations of the Mid-Tex Division and to our decision to raise our provision to cover collection risks caused by higher natural gas costs. Our utility collection efforts have produced exceptional results, keeping our actual bad-debt write-offs below our target rate of 0.75 percent of utility revenues. Our actual rate in fiscal 2005 was 0.58 percent.

Excluding increases in O&M expense due to the acquired TXU Gas operations and the provision for doubtful accounts, our O&M expense went up about $2.0 million over the same period in fiscal 2004. The increase resulted mainly from $2.3 million of expenses from Hurricanes Katrina and Rita, partially offset by cost-control efforts in our utility operations.

Hurricanes Katrina and Rita affected about 230,000 of our customers in Louisiana and Mississippi. Service in Mississippi was restored promptly, but restoration has been delayed in areas of Louisiana that were under water or that sustained severe damage. We estimate that the damages to our system are between $13 million and $15 million. After discussions with the Louisiana Public Service Commission and our insurance carriers, we expect that we will recoup most of our losses although the timing is uncertain.

The financial effect of the hurricanes in fiscal 2005 was about $3.9 million in lost margin. We estimate a semi-permanent loss of some 40,000 customers in four Louisiana parishes that suffered the worst damages. We expect our lost margin in fiscal 2006 will be approximately $10 million to $12 million, or about 8 cents to 10 cents per diluted share.

RATE ADJUSTMENTS

Our utility rate strategy is to minimize regulatory lag and to provide stable, predictable margins by eliminating the effects of weather and consumption on the recovery of our margins. We also are seeking to recover the gas-cost portion of our bad debt expense.

To reduce the sensitivity of our earnings to weather, we have obtained weather-normalized rates in nine jurisdictions, covering approximately one million customers. Rates in our two largest jurisdictions, the Mid-Tex and Louisiana Divisions, provide limited protection from unseasonably warm winter weather, which occurred in both jurisdictions in fiscal 2005. We are pursuing rate-design alternatives in both divisions to better safeguard margins.

During the 2004–2005 winter heating season, approximately 48 percent of our margins were not sensitive to weather or consumption fluctuations; 35 percent were weather-normalized; and 17 percent were weather-sensitive. We expect similar margin percentages during the winter heating season of 2005–2006.

We benefited in fiscal 2005 from rate increases that had been approved in West Texas and in Mississippi in the latter half of 2004. We also completed filings for 2003 made under Texas' Gas Reliability Infrastructure Program and initiated our 2004 GRIP filings. GRIP reduces regulatory lag by allowing Texas natural gas utilities to earn a timely return on, and return of, their basic investments needed to serve utility customers.

We forecast that rate requests will add, on average, $15 million to $25 million annually to our utility revenues. We project that most of our rate increases in fiscal 2006 will result from our Texas GRIP filings.

NONUTILITY OPERATIONS

Our natural gas marketing segment set a new company record by contributing 30 cents per diluted share to earnings. We benefited from additional storage capacity and greater market volatility. We also added new customers in a number of areas and expanded into four new states—Michigan, North Carolina, Pennsylvania and West Virginia—all states close to our existing operations with good prospects for new business. In addition, we expanded our gas marketing activities in Texas as a result of the TXU Gas acquisition.

Our new pipeline and storage segment combines the regulated utility operations of our Atmos Pipeline–Texas Division with those of our nonregulated pipeline and storage operations. For fiscal 2005, Atmos Pipeline–Texas contributed $149.5 million of the segment's gross profit of $157.9 million. Our pipeline and storage segment contributed 39 cents per diluted share to earnings, due primarily to the operations of Atmos Pipeline–Texas.

In a 50-50 joint venture with Energy Transfer Partners, L.P., we began constructing a new pipeline to better serve the northern counties of the Dallas-Fort Worth Metroplex. We are building 45 miles of 30-inch pipeline that will improve utility distribution reliability and will transport more natural gas from Texas gas fields to market. Called the North Side Loop, the first phase of this project should begin operations in December 2005, and the second phase should be completed by March 2006.

We also entered into three other major pipeline and storage projects in fiscal 2005. They include

- an agreement to transport up to 100,000 million British thermal units (Btu) per day of natural gas from the Fort Worth Basin producing area to a major interstate pipeline company's system using new compression equipment that Atmos Energy is installing;
- an agreement leveraging this added compression to transport an additional 50,000 million Btu per day of natural gas under a contract with another third-party shipper;
- an agreement with three other shippers to transport an additional 50,000 million Btu per day to the Katy hub near Houston.

FISCAL 2006 FORECAST

We forecast that our earnings in fiscal 2006 will continue to grow at our stated goal of 4 percent to 6 percent a year, on average. We expect that earnings per diluted share will be between $1.80 and $1.90, assuming normal weather and no material effect from marking to market our storage and related financial hedges.

We project that our capital expenditures in fiscal 2006 will range between $400 million and $415 million, compared with $333 million expended in fiscal 2005. About 60 percent of our capital spending in fiscal 2006 will be invested in our Mid-Tex and Atmos Pipeline–Texas Divisions, reflecting our goal to invest in higher-growth prospects.

A key goal is to lower the proportion of debt in our capital structure to between 50 percent and 55 percent within three to five years.

Atmos Energy's Board of Directors approved an increase in the annual dividend rate in November 2005 for the 18th consecutive year. The new indicated annual rate is $1.26 per share, providing shareholders a yield of approximately 5 percent. Adjusted for mergers and acquisitions, our dividend has increased every year since Atmos Energy's founding.

SUMMARY ANNUAL REPORT

The financial information presented in this report about Atmos Energy Corporation is condensed. Our complete financial statements, including notes as well as management's discussion and analysis of financial condition and results of operations, are presented in our *Annual Report on Form 10-K*. Atmos Energy's chief executive officer and its chief financial officer have executed all certifications with respect to the financial statements contained therein and have completed management's report on internal control over financial reporting, which are required under the Sarbanes-Oxley Act of 2002 and all related rules and regulations of the Securities and Exchange Commission. Investors may request, without charge, our *Annual Report on Form 10-K* for the fiscal year ended September 30, 2005, by calling Shareholder Relations at (972) 855-3729 between 8 a.m. and 5 p.m. Central time. Our Form 10-K also is available on Atmos Energy's Web site at www.atmosenergy.com. Additional investor information is presented inside the back cover of this report.

YEAR ENDED SEPTEMBER 30	2005	2004
Meters in service		
Residential	2,862,822	1,506,777
Commercial	274,536	151,381
Industrial	2,715	2,436
Agricultural	9,639	8,397
Public authority and other	8,128	10,145
Total meters	3,157,840	1,679,136
Heating degree days		
Actual (weighted average)	2,587	3,271
Percent of normal	89%	96%
Utility sales volumes (MMcf)		
Residential	162,016	92,208
Commercial	92,401	44,226
Industrial	29,434	22,330
Agricultural	3,348	4,642
Public authority and other	9,084	9,813
Total	296,283	173,219
Utility transportation volumes (MMcf)	122,098	87,746
Total utility throughput (MMcf)	418,381	260,965
Intersegment activity (MMcf)	(7,247)	(14,932)
Consolidated utility throughput (MMcf)	411,134	246,033
Consolidated natural gas marketing throughput (MMcf)	238,097	222,572
Consolidated pipeline transportation volumes (MMcf)	375,604	—
Operating revenues (000s)		
Gas utility sales revenues		
Residential	$ 1,791,172	$ 923,773
Commercial	869,722	400,704
Industrial	229,649	155,336
Agricultural	27,889	31,851
Public authority and other	86,853	77,178
Total gas sales revenues	3,005,285	1,588,842
Transportation revenues	58,897	30,622
Other gas revenues	37,859	17,172
Total utility revenues	3,102,041	1,636,636
Natural gas marketing revenues	1,783,926	1,279,424
Pipeline and storage revenues	85,333	1,617
Other nonutility revenues	2,026	2,360
Total operating revenues (000s)	**$ 4,973,326**	**$ 2,920,037**
Other statistics		
Gross plant (000s)	$ 4,765,610	$ 2,633,651
Net plant (000s)	$ 3,374,367	$ 1,722,521
Miles of pipe	81,604	47,616
Employees	4,543	2,864

SEPTEMBER 30 (Dollars in thousands, except share data)	2005	2004
Assets		
Property, plant and equipment	$ 4,631,684	$ 2,595,374
Construction in progress	133,926	38,277
	4,765,610	2,633,651
Less accumulated depreciation and amortization	1,391,243	911,130
Net property, plant and equipment	3,374,367	1,722,521
Current assets		
Cash and cash equivalents	40,116	201,932
Cash held on deposit in margin account	80,956	—
Accounts receivable, less allowance for doubtful accounts of $15,613 in 2005 and $7,214 in 2004	454,313	211,810
Gas stored underground	450,807	200,134
Other current assets	238,238	99,319
Total current assets	1,264,430	713,195
Goodwill and intangible assets	737,787	245,528
Deferred charges and other assets	276,943	231,383
	$ 5,653,527	$ 2,912,627
Capitalization and Liabilities		
Shareholders' equity		
Common stock, no par value (stated at $.005 per share); 200,000,000 shares authorized, issued and outstanding: 2005 – 80,539,401 shares, 2004 – 62,799,710 shares	$ 403	$ 314
Additional paid-in capital	1,426,523	1,005,644
Accumulated other comprehensive loss	(3,341)	(14,529)
Retained earnings	178,837	142,030
Shareholders' equity	1,602,422	1,133,459
Long-term debt	2,183,104	861,311
Total capitalization	3,785,526	1,994,770
Current liabilities		
Accounts payable and accrued liabilities	461,314	185,295
Other current liabilities	503,368	238,682
Short-term debt	144,809	—
Current maturities of long-term debt	3,264	5,908
Total current liabilities	1,112,755	429,885
Deferred income taxes	292,207	241,257
Regulatory cost of removal obligation	263,424	103,579
Deferred credits and other liabilities	199,615	143,136
	$ 5,653,527	$ 2,912,627

YEAR ENDED SEPTEMBER 30 (Dollars in thousands, except per share data)	2005	2004	2003
Operating revenues			
Utility segment	$ 3,103,140	$ 1,637,728	$ 1,554,082
Natural gas marketing segment	2,106,278	1,618,602	1,668,493
Pipeline and storage segment	164,742	19,758	20,298
Other nonutility segment	5,302	3,393	2,853
Intersegment eliminations	(406,136)	(359,444)	(445,810)
	4,973,326	2,920,037	2,799,916
Purchased gas cost			
Utility segment	2,195,774	1,134,594	1,062,679
Natural gas marketing segment	2,044,305	1,571,971	1,644,328
Pipeline and storage segment	6,811	9,383	3,061
Other nonutility segment	—	—	—
Intersegment eliminations	(402,654)	(358,102)	(445,128)
	3,844,236	2,357,846	2,264,940
Gross profit	1,129,090	562,191	534,976
Operating expenses			
Operation and maintenance	427,734	214,470	205,090
Depreciation and amortization	178,005	96,647	87,001
Taxes, other than income	174,696	57,379	55,045
Total operating expenses	780,435	368,496	347,136
Operating income	348,655	193,695	187,840
Miscellaneous income	2,021	9,507	2,191
Interest charges	132,658	65,437	63,660
Income before income taxes and cumulative effect of accounting change	218,018	137,765	126,371
Income tax expense	82,233	51,538	46,910
Income before cumulative effect of accounting change	135,785	86,227	79,461
Cumulative effect of accounting change, net of income tax benefit	—	—	(7,773)
Net income	$ 135,785	$ 86,227	$ 71,688
Per share data			
Basic income per share:			
Income before cumulative effect of accounting change	$ 1.73	$ 1.60	$ 1.72
Cumulative effect of accounting change, net of income tax benefit	—	—	(.17)
Net income	$ 1.73	$ 1.60	$ 1.55
Diluted income per share:			
Income before cumulative effect of accounting change	$ 1.72	$ 1.58	$ 1.71
Cumulative effect of accounting change, net of income tax benefit	—	—	(.17)
Net income	$ 1.72	$ 1.58	$ 1.54
Weighted average shares outstanding:			
Basic	78,508	54,021	46,319
Diluted	79,012	54,416	46,496

YEAR ENDED SEPTEMBER 30 (Dollars in thousands)	2005	2004	2003
Cash Flows from Operating Activities			
Net income	$ 135,785	$ 86,227	$ 71,688
Adjustments to reconcile net income to net cash provided by operating activities:			
Cumulative effect of accounting change, net of income tax benefit	—	—	7,773
Gain on sales of assets	—	(6,700)	—
Depreciation and amortization:			
Charged to depreciation and amortization	178,005	96,647	87,001
Charged to other accounts	791	1,465	2,193
Deferred income taxes	12,669	36,997	53,867
Other	11,522	(1,772)	(5,885)
Changes in assets and liabilities	48,172	57,870	(167,186)
Net cash provided by operating activities	386,944	270,734	49,451
Cash Flows Used in Investing Activities			
Capital expenditures	(333,183)	(190,285)	(159,439)
Acquisitions, net of cash received	(1,916,696)	(1,957)	(74,650)
Other, net	(2,131)	(570)	704
Proceeds from sale of assets	—	27,919	—
Net cash used in investing activities	(2,252,010)	(164,893)	(233,385)
Cash Flows from Financing Activities			
Net increase (decrease) in short-term debt	144,809	(118,595)	(27,196)
Net proceeds from issuance of long-term debt	1,385,847	5,000	253,267
Settlement of Treasury lock agreements	(43,770)	—	—
Proceeds from bridge loan	—	—	147,000
Repayment of bridge loan	—	—	(147,000)
Repayment of long-term debt	(103,425)	(9,713)	(73,165)
Repayment of Mississippi Valley Gas debt	—	—	(70,938)
Cash dividends paid	(98,978)	(66,736)	(55,291)
Issuance of common stock	37,183	34,715	25,720
Net proceeds from equity offering	381,584	235,737	99,229
Net cash provided by financing activities	1,703,250	80,408	151,626
Net increase (decrease) in cash and cash equivalents	(161,816)	186,249	(32,308)
Cash and cash equivalents at beginning of year	201,932	15,683	47,991
Cash and cash equivalents at end of year	**$ 40,116**	**$ 201,932**	**$ 15,683**

THE BOARD OF DIRECTORS
ATMOS ENERGY CORPORATION

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Atmos Energy Corporation at September 30, 2005 and 2004, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended September 30, 2005 (not presented herein); and in our report dated November 16, 2005, we expressed an unqualified opinion on those consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated financial statements is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

Ernst & Young LLP

Dallas, Texas
November 16, 2005

YEAR ENDED SEPTEMBER 30	2005	2004	2003	2002	2001
Balance Sheet Data at September 30 (000s)					
Capital expenditures	$ 333,183	$ 190,285	$ 159,439	$ 132,252	$ 113,109
Net property, plant and equipment	3,374,367	1,722,521	1,624,394	1,380,070	1,409,432
Working capital	151,675	283,310	16,248	(139,150)	(90,968)
Total assets	5,653,527	2,912,627	2,625,495	2,059,631	2,108,841
Shareholders' equity	1,602,422	1,133,459	857,517	573,235	583,864
Long-term debt, excluding current maturities	2,183,104	861,311	862,500	668,959	691,026
Total capitalization	3,785,526	1,994,770	1,720,017	1,242,194	1,274,890
Income Statement Data					
Operating revenues* (000s)	$ 4,973,326	$ 2,920,037	$ 2,799,916	$ 1,650,964	$ 1,725,481
Gross profit* (000s)	1,129,090	562,191	534,976	431,140	375,208
Net income (000s)	135,785	86,227	71,688	59,656	56,090
Net income per diluted share	1.72	1.58	1.54	1.45	1.47
Common Stock Data					
Shares outstanding (000s)					
End of year	80,539	62,800	51,476	41,676	40,792
Weighted average	79,012	54,416	46,496	41,250	38,247
Cash dividends per share	$ 1.24	$ 1.22	$ 1.20	$ 1.18	$ 1.16
Shareholders of record	26,242	27,555	28,510	28,829	30,524
Market price – High	$ 29.76	$ 26.86	$ 25.45	$ 24.46	$ 26.25
Low	$ 24.85	$ 23.68	$ 20.70	$ 18.37	$ 19.31
End of year	$ 28.25	$ 25.19	$ 23.94	$ 21.50	$ 21.60
Book value per share at end of year	$ 19.90	$ 18.05	$ 16.66	$ 13.75	$ 14.31
Price/Earnings ratio at end of year	16.42	15.94	15.55	14.83	14.69
Market/Book ratio at end of year	1.42	1.40	1.44	1.56	1.51
Annualized dividend yield at end of year	4.4%	4.8%	5.0%	5.5%	5.4%
Customers and Volumes (As metered)					
Consolidated utility gas sales volumes (MMcf)	296,283	173,219	184,512	145,488	156,544
Consolidated utility gas transportation volumes (MMcf)	114,851	72,814	63,453	63,053	61,230
Consolidated utility throughput (MMcf)	411,134	246,033	247,965	208,541	217,774
Consolidated natural gas marketing throughput (MMcf)	238,097	222,572	225,961	204,027	55,469
Consolidated pipeline transportation volumes (MMcf)	375,604	—	—	—	—
Meters in service at end of year	3,157,840	1,679,136	1,672,798	1,389,341	1,386,323
Heating degree days#	2,587	3,271	3,473	3,368	4,124
Degree days as a percentage of normal	89%	96%	101%	94%	115%
Utility average cost of gas per Mcf sold	$ 7.41	$ 6.55	$ 5.76	$ 3.87	$ 6.82
Utility average transportation fee per Mcf	$ .49	$ .36	$ .43	$ .41	$ .41
Statistics					
Return on average shareholders' equity	9.0%	9.1%	9.9%	9.9%	10.4%
Number of employees	4,543	2,864	2,905	2,338	2,361
Net utility plant per meter	$ 927	$ 994	$ 930	$ 939	$ 977
Utility operation, maintenance and administrative expense per meter	$ 110	$ 116	$ 115	$ 101	$ 130+
Meters per employee – utility	730	612	594	616	603
Times interest earned before income taxes	2.59	3.05	2.75	2.55	2.83

*In conjunction with the adoption of EITF 02-03 in fiscal 2003, energy trading contracts resulting in delivery of a commodity where we are the principal in the transaction are included as operating revenues or purchased gas cost. Fiscal years 2001-2002 have been reclassified to conform with this new presentation.

Heating degree days are adjusted for service areas with weather-normalized operations.

+Adjusted for partial-year results of Louisiana Gas Service Company, which was acquired in July 2001.

The matters discussed or incorporated by reference in this Summary Annual Report 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 report 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 report or any other of the Company's 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 report. These risks and uncertainties are discussed in the Company's Form 10-K for the fiscal year ended September 30, 2005. Although the Company believes 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. Further, the Company undertakes no obligation to update or revise any of its forward-looking statements, whether as a result of new information, future events or otherwise.

SENIOR MANAGEMENT TEAM

Robert W. Best
Chairman, President and
Chief Executive Officer

J. Patrick Reddy
Senior Vice President and
Chief Financial Officer

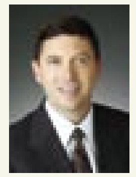
R. Earl Fischer
Senior Vice President,
Utility Operations

JD Woodward
Senior Vice President,
Nonutility Operations

Louis P. Gregory
Senior Vice President and
General Counsel

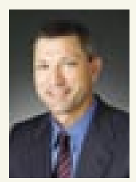
Wynn D. McGregor
Senior Vice President,
Human Resources

UTILITY DIVISIONS



J. Kevin Akers
President, Mississippi Division

Richard A. Erskine
President, Mid-Tex Division
President, Atmos Pipeline–Texas Division



Gary W. Gregory
President, West Texas Division

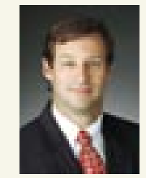
Tom S. Hawkins, Jr.
President, Louisiana Division

John A. Paris
President, Kentucky Division
President, Mid-States Division

Gary L. Schlessman
President, Colorado-Kansas Division

ATMOS ENERGY OFFICERS

NONUTILITY BUSINESS



Mark H. Johnson
Vice President, Nonutility Operations
President, Atmos Energy Marketing, LLC

Susan C. Kappes
Vice President, Investor Relations

Ron W. McDowell
Vice President, New Business Ventures

Dwala J. Kuhn
Corporate Secretary

SHARED SERVICES

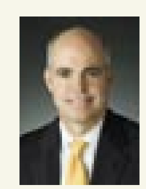
Verlon R. Aston, Jr.
Vice President, Governmental Affairs

Fred E. Meisenheimer
Vice President and Controller

Leslie H. Duncan
Vice President and Chief Information Officer

Laurie M. Sherwood
Vice President, Corporate Development,
and Treasurer

Cindy A. Foor
Vice President, Corporate Communications



Conrad E. Gruber
Vice President, Strategic Planning

Travis W. Bain II
Chairman, Texas Custom Pools, Inc.
Plano, Texas
Board member since 1988
Committees: Work Session/Annual Meeting (Chairman), Audit, Human Resources

Robert W. Best
Chairman, President and Chief Executive Officer
Atmos Energy Corporation
Dallas, Texas
Board member since 1997
Committee: Executive

Dan Busbee
Adjunct Professor, Dedman School of Law, Southern Methodist University; Senior Visiting Fellow, Centre for Commercial Law Studies, University of London
Dallas, Texas
Board member since 1988
Committees: Audit (Chairman), Human Resources

Richard W. Cardin
Retired partner of Arthur Andersen LLP
Nashville, Tennessee
Board member since 1997
Committees: Audit, Nominating and Corporate Governance

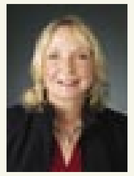
Thomas J. Garland
Chairman of the Tusculum Institute for Public Leadership and Policy
Greeneville, Tennessee
Board member since 1997
Committees: Human Resources, Work Session/Annual Meeting

Richard K. Gordon
General Partner
Juniper Capital LP and Juniper Advisory LP
Houston, Texas
Board member since 2001
Committees: Human Resources, Nominating and Corporate Governance

Gene C. Koonce
Retired Chairman of the Board, President and Chief Executive Officer, United Cities Gas Company
Nashville, Tennessee
Board member since 1997
Committees: Human Resources (Chairman), Executive, Work Session/Annual Meeting

Dr. Thomas C. Meredith
Commissioner of Mississippi Institutions of Higher Learning
Jackson, Mississippi
Board member since 1995
Committees: Audit, Nominating and Corporate Governance

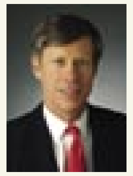
Phillip E. Nichol
Retired Senior Vice President of Central Division Staff
UBS PaineWebber Incorporated
Dallas, Texas
Board member since 1985
Committees: Nominating and Corporate Governance (Chairman), Human Resources, Work Session/Annual Meeting



Nancy K. Quinn
Principal, Hanover Capital, LLC
East Hampton, New York
Board member since 2004
Committees: Audit, Nominating and Corporate Governance

Stephen R. Springer
Retired Senior Vice President and General Manager, Mid-Stream Division
The Williams Companies, Inc.
Syracuse, Indiana
Board member since 2005
Committee: Work Session/Annual Meeting

Charles K. Vaughan
Retired Chairman of the Board
Atmos Energy Corporation
Dallas, Texas
Board member since 1983
Committee: Executive (Chairman)



Richard Ware II
President, Amarillo National Bank
Amarillo, Texas
Board member since 1994
Committees: Nominating and Corporate Governance, Work Session/Annual Meeting

Lee E. Schlessman
Honorary Director
President, Dolo Investment Company
Denver, Colorado
Retired from Board in 1998

COMMON STOCK LISTING

New York Stock Exchange. Trading symbol: ATO

STOCK TRANSFER AGENT AND REGISTRAR

American Stock Transfer and Trust Company
59 Maiden Lane
Plaza Level
New York, New York 10038
(800) 543-3038

To inquire about your Atmos Energy stock, please call AST at the telephone number above. You may use the agent's interactive voice response system 24 hours a day to learn about transferring stock or to check your recent account activity—all without the assistance of a customer service representative. Please have available your Atmos Energy shareholder account number and your Social Security or federal taxpayer ID number.

To speak to an AST customer service representative, please call the same number between 8 a.m. and 7 p.m. Eastern time, Monday through Thursday, or 8 a.m. to 5 p.m. Eastern time on Friday.

You also may send an e-mail message on our agent's Web site at http://www.amstock.com. Please refer to Atmos Energy in your e-mail and include your Atmos Energy shareholder account number and your Social Security or federal taxpayer ID number.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP
2100 Ross Avenue, Suite 1500
Dallas, Texas 75201
(214) 969-8000

FORM 10-K

Atmos Energy Corporation's *Annual Report on Form 10-K* is available upon request from Shareholder Relations, Atmos Energy Corporation, P.O. Box 650205, Dallas, Texas 75265-0205 or by calling (972) 855-3729 between 8 a.m. and 5 p.m. Central time. Atmos Energy's Form 10-K may also be viewed on Atmos Energy's Web site at http://www.atmosenergy.com.

ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders will be held in the Rio Grande Ballroom at the Ambassador Hotel, 3100 I-40 West, Amarillo, Texas 79102 on Wednesday, February 8, 2006, at 11 a.m. Central time.

DIRECT STOCK PURCHASE PLAN

Atmos Energy Corporation has a Direct Stock Purchase Plan that is available to all investors. For an Enrollment Application Form and a Plan Prospectus, please call AST at (800) 543-3038. The Prospectus is also available on the Internet at http://www.atmosenergy.com. You may also obtain information by writing to Shareholder Relations, Atmos Energy Corporation, P.O. Box 650205, Dallas, Texas 75265-0205.

This is not an offer to sell, or a solicitation to buy, any securities of Atmos Energy Corporation. Shares of Atmos Energy common stock purchased through the Direct Stock Purchase Plan will be offered only by Prospectus.

ATMOS ENERGY ON THE INTERNET

Information about Atmos Energy is available on the Internet at http://www.atmosenergy.com. Our Web site includes news releases, current and historical financial reports, other investor data, corporate governance documents, management biographies, customer information and facts about Atmos Energy's operations.

ATMOS ENERGY CORPORATION CONTACTS

To contact Atmos Energy's Shareholder Relations, call (972) 855-3729 between 8 a.m. and 5 p.m. Central time or send an e-mail message to InvestorRelations@atmosenergy.com.

Securities analysts and investment managers, please contact:
Susan C. Kappes
Vice President, Investor Relations
(972) 855-3729 (972) 855-3040 (fax)
InvestorRelations@atmosenergy.com

You can view this *Summary Annual Report*, our *Annual Report on Form 10-K* and other financial documents for fiscal 2005 and previous years on our Web site at www.atmosenergy.com.

If you are a shareholder who would like to receive our *Summary Annual Report* and other company documents in the future electronically, please sign up for electronic distribution. It's convenient and easy and will save costs in producing and distributing these materials.

To receive these documents over the Internet next year, please visit www.amstock.com and access your account to give your consent. Please remember that accessing the *Summary Annual Report* and other company documents over the Internet may result in charges to you from your Internet service provider or telephone company.

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