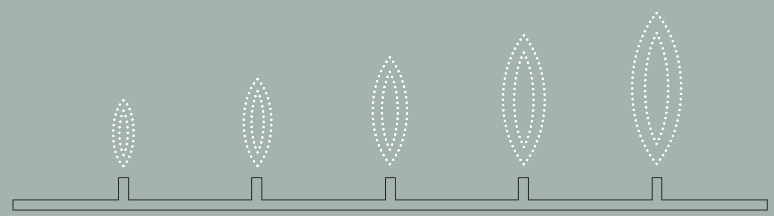
CELEBRATING THE PAST | BRIDGING THE FUTURE

Drawing upon our rich history, Atmos Energy is preparing for the future by tapping new opportunities in both the regulated and nonregulated markets.

ATMOS ENERGY CORPORATION | 2007 SUMMARY ANNUAL REPORT



A decade ago, an expanding Atmos Energy Corporation merged with United Cities Gas. That transaction was what analysts call a company-maker because it increased our size in every key measure: customer count, service area and earnings growth. In 2004, after completing four more major acquisitions, the company acquired TXU Gas, virtually doubling in size. Today, Atmos Energy is the largest all-natural-gas distribution company in the United States. It's a new century for natural gas, but it's our old-fashioned hard work and commitment to customers that continue to define Atmos Energy. As our company bridges from its past to its future, three key developments are shaping our success: 1. the rise of natural gas as America's most valuable energy resource, 2. improvements in rates and rate design for our regulated distribution operations and 3. new contributions from our complementary nonregulated operations.

Year Ended September 30

Dollars in thousands, except per share data	2007	2006	Change
Operating revenues	$ 5,898,431	$ 6,152,363	(4.1)%
Gross profit	$ 1,250,082	$ 1,216,570	2.8%
Natural gas distribution net income	$ 73,283	$ 53,002	38.3%
Regulated transmission and storage net income	34,590	26,547	30.3%
Natural gas marketing net income	45,769	58,566	(21.9)%
Pipeline, storage and other net income	14,850	9,622	54.3%
Total	$ 168,492	$ 147,737	14.0%
Total assets	$ 5,896,917	$ 5,719,547	3.1%
Total capitalization*	$ 4,092,069	$ 3,828,460	6.9%
Net income per share — diluted	$ 1.92	$ 1.82	5.5%
Cash dividends per share	$ 1.28	$ 1.26	1.6%
Book value per share at end of year	$ 22.01	$ 20.16	9.2%
Consolidated natural gas distribution throughput (MMcf)	427,869	393,995	8.6%
Consolidated regulated transmission and storage transportation volumes (MMcf)	505,493	410,505	23.1%
Consolidated natural gas marketing throughput (MMcf)	370,668	283,962	30.5%
Heating degree days	2,879	2,527	13.9%
Degree days as a percentage of normal	100%	87%	14.9%
Meters in service at end of year	3,187,127	3,181,199	0.2%
Return on average shareholders' equity	8.8%	8.9%	(1.1)%
Shareholders' equity as a percentage of total capitalization (including short-term debt) at end of year	46.3%	39.1%	18.4%
Shareholders of record	22,829	24,690	(7.5)%
Weighted average shares outstanding — diluted (000s)	87,745	81,390	7.8%

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

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, 2007, by calling Investor Relations at 972-855-3729 between 8 a.m. and 5 p.m. Central time. Our *Annual Report on Form 10-K* also is available on Atmos Energy's Web site at www.atmosenergy.com. Additional investor information is presented on pages 31 and 32 of this report.

A 3,550-horsepower compressor, one of two, at our new Ponder, Texas, compressor station helps ensure reliable natural gas deliveries for our customers in North Texas.

United by Our Vision

Dear Fellow Shareholder:

Senior Management Team

Robert W. Best (seated)
Chairman, President and Chief Executive Officer

Left to right:
Wynn D. McGregor
Senior Vice President, Human Resources

J. Patrick Reddy
Senior Vice President and Chief Financial Officer

Kim R. Cocklin
Senior Vice President, Regulated Operations

Louis P. Gregory
Senior Vice President and General Counsel

Mark H. Johnson
Senior Vice President, Nonregulated Operations

Atmos Energy was founded by visionaries who saw limitless possibilities in providing energy to homes and businesses. As the natural gas industry has evolved, Atmos Energy has grown and prospered. Today, our commitment to our customers and shareholders is apparent in everything we do—from innovative ratemaking to technologies that improve performance to investments for future growth.

As we begin a second century, Atmos Energy is prepared to play an expanded role as the nation's largest all-natural-gas distribution company. We are delivering, transporting, marketing, gathering and storing America's most valuable fuel to create a better way of life for all.

We are dedicated to producing stable, sustained and successful operating and financial results. For the past seven years, we have achieved our stated goal of increasing earnings per share, on average, by 4 percent to 6 percent. Earnings per diluted share in fiscal 2007 went up 5.5 percent, or 10 cents, to $1.92.

The company paid cash dividends in fiscal 2007 of $1.28 per share. In November 2007, our board of directors again raised the annual dividend by 2 cents to an indicated rate of $1.30 per share. Taking into account our mergers and acquisitions, Atmos Energy has paid higher consecutive annual dividends every year since becoming a separate company in 1983.

STRATEGIC STRENGTH

Our business strategy combines three goals: to expand by making prudent acquisitions, to maximize earnings from our core regulated operations and to grow our complementary nonregulated operations. Besides yielding more stable earnings, our strategy is providing more opportunities for growth.

AS WE BEGIN A SECOND CENTURY, ATMOS ENERGY IS PREPARED TO PLAY AN EXPANDED ROLE AS THE NATION'S LARGEST ALL–NATURAL–GAS DISTRIBUTION COMPANY.

In fiscal 2007, our regulated operations—which comprise our six natural gas distribution divisions and our Texas intrastate pipeline and storage division—contributed 64 percent of consolidated net income. Results were boosted by normal weather, increased revenues from rate filings and enhanced rate design, and higher pipeline throughput.

Atmos Energy was founded by visionaries who saw limitless possibilities in delivering natural gas. As the natural gas distribution business has evolved, Atmos Energy has become a national leader as a result of its commitment to its shareholders, customers and employees.

FISCAL 2007
NET INCOME BY SEGMENT

Contributions from regulated and nonregulated operations

To better reflect how Atmos Energy operates, we realigned our organization and began reporting our results of operations under the following segments, effective September 1, 2007.

- **Natural gas distribution segment,** formerly the utility segment, includes our regulated natural gas distribution and related sales operations.
- **Regulated transmission and storage segment** includes the regulated natural gas pipeline and storage operations of our Atmos Pipeline–Texas Division; these operations previously were included in the former pipeline and storage segment.
- **Natural gas marketing segment** remains unchanged and includes our nonregulated natural gas marketing and gas management services.
- **Pipeline, storage and other segment** comprises primarily our nonregulated natural gas transmission and storage services, which formerly were in the pipeline and storage segment.

Our nonregulated natural gas marketing, pipeline and storage operations contributed 36 percent of fiscal 2007 net income. Earnings from our gas marketing operations went down, year over year, because of lower unit margins, but earnings from our nonregulated pipeline and storage operations increased significantly.

This strategic symmetry is increasingly important to our success. Most of our growth for the past 20 years has come from our disciplined approach to acquiring and integrating utility properties. Although we remain interested in future acquisition opportunities, we are now focusing on opportunities to invest in our existing regulated and nonregulated operations.

ABOVE ALL, WE ARE DEDICATED TO ENSURING THE CONTINUED SAFETY, RELIABILITY AND EFFICIENCY OF OUR OPERATIONS.

ALTHOUGH WE REMAIN INTERESTED IN FUTURE ACQUISITION OPPORTUNITIES, WE ARE NOW FOCUSING ON OPPORTUNITIES TO INVEST IN OUR EXISTING REGULATED AND NONREGULATED OPERATIONS.

ACHIEVEMENTS IN REGULATED OPERATIONS

We achieved many improvements in our regulated operations during 2007. Net income from natural gas distribution grew approximately $20 million from a year ago to about $73 million, and total distribution throughput increased by 9 percent.

Rate-design changes for our two largest distribution divisions in Texas and Louisiana helped stabilize and improve our recovery of authorized margins. We estimate we now have weather normalization adjustments or similar rate designs to stabilize margin recovery in about 97 percent of our markets.

In Missouri, we received approval to stabilize our revenues from the effects of weather, conservation and declining use by implementing "revenue decoupling." This rate design raises our monthly service charge to pay operating expenses and decouples our revenues from volumetric charges assessed on customers' usage. We are asking for full decoupling in all our rate filings and, in return, are offering to fund energy-efficiency programs and to educate our customers about conservation measures.

We are proud of our efforts to minimize our bad-debt expense. Since 2004, we have kept our expense for uncollectible customer bills at about 0.6 percent of distribution revenues or less, compared to an industry average of 1.9 percent.

Above all, we are dedicated to ensuring the continued safety, reliability and efficiency of our operations. In fiscal 2007, we continued to invest in pipeline and other capital improvements for our distribution system. We also launched an Advanced Metering Infrastructure pilot project. It will help determine the feasibility of installing automated metering devices to read our meters as well as to provide customers with real-time consumption information.

Earnings of our regulated transmission and storage operations went up $8 million above those of fiscal 2006 to $35 million; the segment contributed 21 percent of consolidated net income. Our regulated pipeline operations benefited from a 23 percent increase in throughput due to cooler weather and incremental capacity added by several expansion projects, including our North Side Loop project completed in 2006. The unique location of our Texas pipeline system, which virtually overlays the Barnett Shale development, is providing more opportunity to transport increasing volumes of gas production to market.

GROWTH IN NONREGULATED OPERATIONS

Our nonregulated operations made impressive gains in natural gas marketing volumes and in attracting new customers. Gas sales volumes by Atmos Energy Marketing went up 31 percent to 371 billion cubic feet. However, its contribution to 2007 net income went down 22 percent, year over year, to about $46 million. Declining natural gas price volatility, compared with the extreme price volatility in 2006, reduced unit margins in these operations.

Contributions to net income from our nonregulated pipeline, storage and other segment increased by 54 percent to about $15 million. Results benefited from asset-optimization activities involving gas storage and from increased pipeline transportation revenues.

Our nonregulated operations are evaluating a number of attractive growth projects, such as natural gas gathering systems, gas storage facilities and additional producer services. Our Atmos Pipeline and Storage subsidiary expects to invest up to $33 million during fiscal 2008 in these projects through a combination of acquisitions, partnerships and "greenfield" developments.

One of these projects now under construction is our Park City low-pressure gas gathering system in Edmonson County, Kentucky. It will encompass 23 miles of gathering lines to move production from 47 gas wells to a joint-venture nitrogen treatment plant. When completed in early 2008, the project is expected to increase the natural gas output from this area where production historically has been constrained.

At year-end, we wrote off about $3 million of capitalized costs for an eastern Kentucky natural gas gathering project that we had discussed in last year's report. Although initial indications about this project were highly favorable, natural gas producers in the region were indecisive about dedicating volumes to this system. Even after we reduced the project's scale, the economics remained insufficient for us to proceed.

OUR FUTURE LOOKS BRIGHT; HOWEVER, IT RESTS NOT ON OUR CURRENT ASSETS OR FUTURE PROJECTS. OUR FUTURE IS IN THE PEOPLE WHO KEEP ATMOS ENERGY FINANCIALLY STRONG AND EFFICIENT.

FINANCIAL IMPROVEMENTS

Our overall financial condition improved significantly in fiscal 2007. We took advantage of a robust stock market to sell 6.3 million shares of common stock in December 2006 in a public offering and then used the net proceeds to reduce our short-term debt. That sale diluted earnings by approximately 5 cents per share but significantly strengthened our balance sheet.

In June 2007, we made a public offering of $250 million of senior notes. We used the net proceeds plus available cash to redeem $300 million of floating-rate senior notes in July to further strengthen our balance sheet.

At September 30, 2007, our debt-to-capitalization ratio stood at 53.7 percent—a 7.2 percentage-point improvement over a year ago. We have solid investment-grade credit ratings and ample liquidity from about $1.5 billion in commercial paper and bank credit facilities.

OUTLOOK FOR 2008

We expect 2008 to be a challenging year. One of our highest priorities is to obtain adequate rate levels for all our distribution divisions, particularly our Mid-Tex Division in Texas. It is our largest division and serves almost half of our regulated distribution customers.

The division received a $4.8 million revenue increase in fiscal 2007. However, with a current rate of return that is less than 6 percent a year, it is significantly underearning on its assets. Therefore, we have filed another request for $52 million in additional annual revenues. Because of the statutory length of time to resolve rate proceedings in Texas, we expect the outcome of this case will not materially affect our 2008 results.

We do, however, expect improved results in our distribution operations as a result of $35 million of other revenue increases approved in 2007 and those we will seek in 2008. We also expect continued strong results from our regulated intrastate pipeline, Atmos Pipeline–Texas, due to the drilling boom in the Barnett Shale and other gas basins in Texas.

In our nonregulated gas marketing business, we expect earnings in 2008 to be lower than in 2007. Volatile gas prices after Hurricanes Katrina and Rita helped our gas marketing operations maximize margins and increase sales volumes in fiscal 2006 and into 2007. With natural gas production in the Gulf of Mexico now back to normal, spreads between what we pay for gas and what we sell it for are less. Therefore, the margins in our gas marketing business are likely to return to more historical levels.

Our nonregulated operations are continuing to add major new customers. Our dedication to serving our customers over the years is helping us retain a high proportion of them year after year in a business based on competitive commodity pricing.

In addition, we are offering customers numerous services for asset optimization using our nonregulated pipeline and storage operations. In these ways, we provide added value in our relationships with our nonregulated customers.

For fiscal 2008, we estimate earnings per diluted share will range from $1.95 to $2.05*. We expect our dividend to continue increasing annually, with a dividend payout ratio at about 65 percent, which is consistent with our peers in the natural gas utility industry.

Our capital investments in fiscal 2007 totaled $392 million. For fiscal 2008, we expect to invest between $445 million and $465 million. About 70 percent of our invested capital will go for maintenance projects and the other 30 percent for growth projects, such as new pipeline expansion, gas gathering systems, marketing operations or storage facilities.

BRIDGING TO OUR FUTURE

Fiscal 2007 was a pivotal year for Atmos Energy. Not only did we maintain our pace of earnings growth in the face of some strong headwinds, but we also adjusted our course toward new opportunities. We're now pursuing a number of ventures that could deliver significant long-term benefits.

Many of these ventures are extensions into closely related operating areas, such as gas gathering systems, which have common characteristics with our pipeline operations. These ventures can take advantage of our existing management and technical skills and financial strength. In addition, they can add new services to expand our customer base.

We have strengthened our balance sheet by reducing our debt-to-capitalization ratio to below 55 percent. This has been our consistent practice after making acquisitions. Today we are in an excellent position to acquire properties or invest in internal projects, regulated and nonregulated.

In only a decade's time, we have grown to become a $6 billion company in both revenues and assets. Our board of directors has carefully guided our growth through the years and has prepared us for future opportunities. I thank them for their constant support and wise counsel that have brought us to this point.

In November 2007, Richard W. Douglas joined our board of directors. Mr. Douglas is executive vice president and a member of the executive committee of The Staubach Company, a global real estate advisory firm. He brings a wealth of expertise in commercial real estate, business investments, economic development and municipal government.

Our future looks bright; however, it rests not on our current assets or future projects. Our future is in the people who keep Atmos Energy financially strong and efficient. From our founding a century ago, we have benefited from the loyalty of our shareholders and investors. Equally, our employees have exhibited a deep sense of responsibility to serve the needs of both our customers and investors. Together, this immutable bond between capital and labor has created our success and it provides the bridge to our future.

Robert W. Best

Robert W. Best
Chairman, President and Chief Executive Officer

November 27, 2007

* Our estimated earnings per share for fiscal 2008 are based on assumptions that include: less volatility in natural gas prices affecting our natural gas marketing segment, successful rate cases and collection efforts, normal weather, bad-debt expense not exceeding $20 million, average annual short-term interest at 6.5%, average cost of natural gas ranging from $7.95 to $10.00 per thousand cubic feet (Mcf), and no material acquisitions.

The Century of Natural Gas

Changing Times. In the latter years of the 20th century, people began to think of natural gas as a holdover from the past. For decades, from turn-of-the-century gaslights to 1960s home appliances, natural gas had been widely used. But by the 1970s, the energy of the future seemed to be electricity, with home builders touting the all-electric home. Today, all that has changed. With escalating prices of electricity, a renewed desire to reduce dependence on foreign oil and America's search for cleaner energy, natural gas has taken on new importance as a smart, responsible energy source.

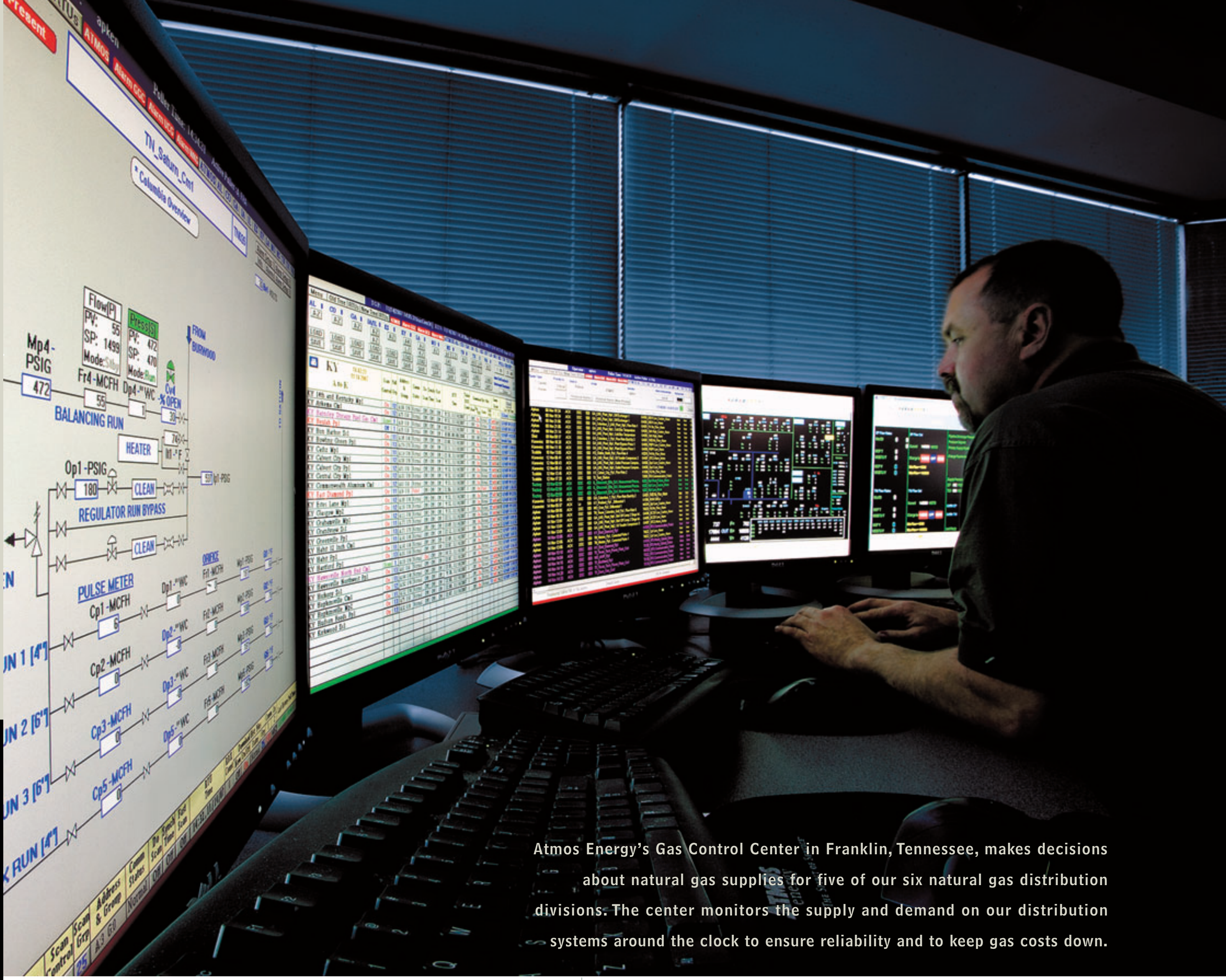
Natural gas for new housing developments helps lower consumers' energy bills as well as carbon dioxide emissions that contribute to global warming.

AN AMERICAN ENERGY SOURCE

82-year supply

The United States today has an estimated 82-year supply of natural gas, based on current exploration technologies, known gas reserves and present rates of production. Natural gas is America's most valuable fuel, yielding more energy per unit than other fuels—with far less effect on the environment. For all practical purposes, natural gas comes ready to use, requiring little processing. It's also readily available, thanks to the gas industry's highly reliable underground pipeline network. More than 2.2 million miles of pipelines deliver natural gas to 68 million American homes and businesses.

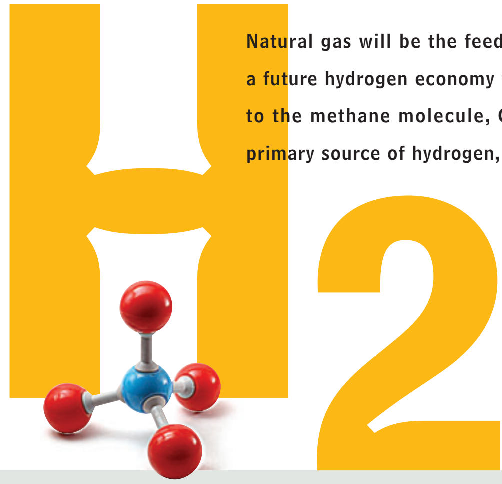
Energy-efficient natural gas appliances, such as these Rinnai tankless gas water heaters, net an energy savings of 35 percent and assure that this family will never run out of hot water.



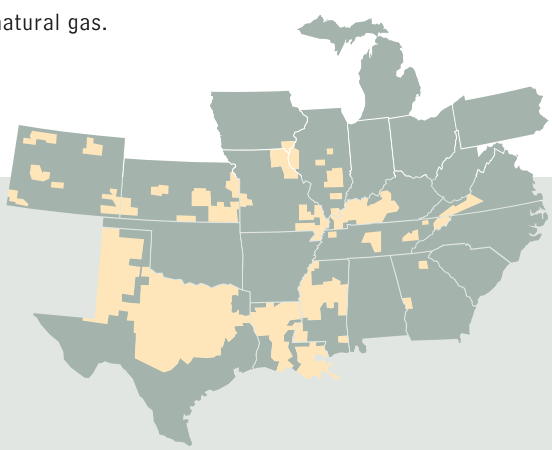
Atmos Energy's Gas Control Center in Franklin, Tennessee, makes decisions about natural gas supplies for five of our six natural gas distribution divisions. The center monitors the supply and demand on our distribution systems around the clock to ensure reliability and to keep gas costs down.

A GREENER FUTURE

Natural gas is essential for controlling the carbon dioxide emissions implicated in global warming. It's so beneficial that a new home with natural gas appliances, compared to an all-electric home, cuts a home's carbon footprint in half. World leaders are proposing to reduce CO_2 emissions back to 1990 levels by 2020. Yet, no combination of conservation and alternative energy sources can lower greenhouse gases without the increased use of natural gas.



Natural gas will be the feedstock of a future hydrogen economy thanks to the methane molecule, CH_4, the primary source of hydrogen, H_2.



Atmos Energy originated in Amarillo, Texas, at the turn of the last century. Today we are the largest all-natural-gas distribution company in the country, with regulated operations, shown in yellow, in 12 states and nonregulated operations in 22 states.

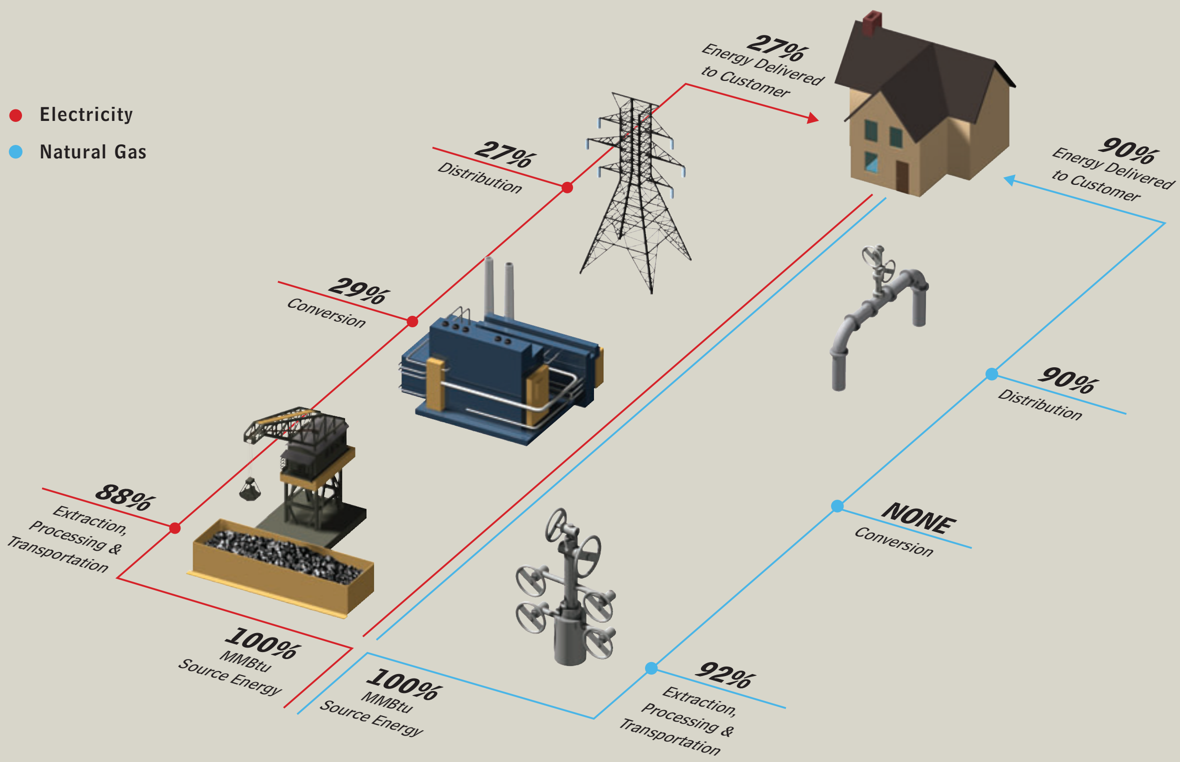
Natural gas homes are clean homes. Using efficient natural gas appliances produces about half as much carbon dioxide as a comparably sized home with all electrical appliances.

A MUCH MORE EFFICIENT FUEL

When you use natural gas, you receive more than 90 percent of the total energy that came from the source. But, when you use electricity, you get only 27 percent of the total energy. That's because generating electricity requires burning a fuel, often coal, and the conversion into electricity results in large energy losses at the power plant, along with losses in distribution lines and appliances. With natural gas, you get three times more energy.

3x=E

HOW MUCH ENERGY ACTUALLY REACHES THE CUSTOMER?



Source: American Gas Association

In this 6 million gallon double-walled tank, liquefied natural gas is stored at a company facility to provide up to 30 million cubic feet a day of fuel for our customers when demand rises. LNG is expected to provide a growing share of the U.S. natural gas supply.

Atmos Energy's gas marketing and nonregulated pipeline and storage operations are well positioned to support future LNG supplies for the United States. We will be ready to assist international producers to reach domestic markets and to help utilities, municipalities and industries procure natural gas efficiently.

GENERATING NEW DEMAND

Not only have smart consumers and companies caught on to natural gas, but big power producers have, too. The power industry is helping meet the needs for more electricity and cleaner air standards by installing new natural-gas-fueled generating units. Power generation is the second-largest consumer of natural gas in the United States today. Those needs tomorrow will create a 20 percent increase in demand for natural gas by 2030.

The world also is waking up to the benefits of natural gas. More supplies of natural gas are being shipped around the globe as liquefied natural gas (LNG) in special ocean-going tankers. New long-distance pipelines also are being built across North America, Europe and Asia to meet future demands.

Major international oil companies are investing billions of dollars to develop natural gas as a globally traded resource. Researchers are now seeking to develop hydrogen power for widespread use, and experts see natural gas potentially displacing oil in the 21st century as the world's primary fuel. The key component of natural gas—the methane molecule—would provide the source for a future hydrogen economy.

Regulated Operations

Distributing Natural Gas in 1,600 Communities. Our roots and our passion for customer service spring from our community involvement. Our distribution business delivers natural gas to 3.2 million customers in more than 1,600 cities, big and small, that we serve. To us, our customers are much more than just consumers; they're our neighbors. We share the same values, work for the same causes and raise our children together. At Atmos Energy, we are dedicated to being not only a responsible supplier, but also a valuable contributor to the communities we call home.

in 1,600 communities

We take pride in our reputation as a good citizen and good neighbor. At South Elementary School in Jackson, Missouri, Manager of Public Affairs Steve Green talks with fourth-grade students about saving energy in their homes. By educating these future consumers as part of our revenue decoupling plan in Missouri, we are encouraging long-term energy efficiency and conservation.

WE DON'T SET THE PRICE

Our natural gas distribution business seeks fairness for both our regulated customers and our shareholders. Because we don't set our own prices, we must file revenue requests to keep our prices current. Our rates must pay for needed expansion, cover operating expenses to ensure safe and reliable gas-delivery service and provide our investors adequate returns. Our ongoing goal is to deliver natural gas to customers as economically as possible. Yet, like any business, we must be allowed to earn sufficient profits to preserve our financial condition and to attract capital for future growth. Periodic rate reviews by regulators are necessary to keep our rates refreshed and our operations healthy.

FRANKLY SPEAKING

Atmos Energy has supported programs to help our customers in Louisiana rebuild their homes and lives after the disastrous Hurricanes Katrina and Rita in 2005.

WE DON'T MARK UP THE PRICE OF NATURAL GAS

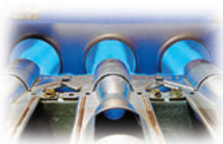
When natural gas prices are high, we feel it, too. We buy more than 400 billion cubic feet a year of natural gas for our regulated distribution operations. We charge customers the same amount we pay without any markup.

About two-thirds of our consolidated earnings come from delivering natural gas, not from selling it. Therefore, controlling the volatility of natural gas prices is vitally important to us and to our customers.

Our natural gas distribution divisions are seeking an improved rate design known as "margin decoupling." Under this rate structure, we make no profit from the volumes of natural gas that our customers use. However, we are allowed to charge a higher basic service fee that helps insulate our revenues from changes in customers' use caused by weather, conservation and more-efficient appliances. In return, we're able to provide more incentives for our customers to cut their natural gas consumption without hurting our business.

Adding insulation

Caulking windows



Replacing furnaces

FINDING BETTER WAYS TO SERVE

We are always seeking increased efficiencies, conservation opportunities and ways to improve community well-being. In Missouri, where we were one of the first natural gas distributors to adopt revenue decoupling, we're underwriting programs to promote energy conservation. We're offering our residential and commercial customers attractive rebates for replacing old gas furnaces and water heaters with new, high-efficiency equipment. We're also funding programs to weatherize homes of many of our low-income customers since heating costs require a much larger proportion of their household income.

Without compromising safety or lowering service, we're continually adding efficiencies in our own operations, as well. We have achieved an operation and maintenance expense per customer ratio that is half that of our industry peers. As an industry leader in adopting technologies, we've been able to achieve a ratio of customers served per employee that's more than 30 percent higher than our peers' average. With our new Advanced Metering Infrastructure project, for example, we're now testing the use of radio transmitters in gas meters to automate monthly meter reading and help keep our performance measures at industry-leading levels.

We are now testing new technologies to read our gas meters remotely using radio signals to increase efficiency and to serve our customers better.

In March 2007, after a deadly F3 tornado tore through Holly, Colorado, killing a young mother and destroying about a fifth of this farming community, Atmos Energy teams from our Colorado-Kansas Division immediately responded to restore gas distribution service. Other employees from our Amarillo Customer Support Center brought cooking equipment and food to feed hundreds of families, emergency workers and public safety officers over a three-day period. As our technicians worked, they gave out bottled water to citizens, and we contributed extra food and water for the Red Cross to distribute.

To safeguard the public, we conduct extensive pipeline integrity-management programs to help ensure the safety and reliability of our pipeline system. Near Decatur, Texas, an Atmos Energy specialist uses ultrasonic testing and magnetic-particle testing to check pipe conditions of an excavated 20-inch mainline.

WE ARE INVESTING IN NEW PIPELINE AND COMPRESSION EQUIPMENT FOR OUR ATMOS PIPELINE–TEXAS NETWORK TO SUPPORT THE GROWING NEEDS OF OUR REGULATED CUSTOMERS AND TO TRANSPORT NATURAL GAS TO MARKET FOR GAS PRODUCERS.

One of the most active natural gas exploratory areas in the country today is the Barnett Shale in Texas. Much of this new gas production will eventually flow to market through Atmos Pipeline–Texas' intrastate network.

As a regulated distribution business, we are responsible for serving the entire community under our franchise agreements. We realize that it's difficult for many people on limited or fixed incomes to pay the increasing costs of energy. That's why we support energy assistance programs in every state we serve. We make matching contributions to assistance programs, offer special payment plans and ask our customers to donate a little extra to their local assistance program to help the less-fortunate in their communities. As a good steward of our shareholders' assets, we also seek to recover the gas-cost portion of bills that are in arrears. We believe this is a fair bargain in order to meet critical social needs.

Along with our natural gas distribution operations, we own a regulated transmission and storage business in Texas. Our Atmos Pipeline–Texas Division transports natural gas for our Mid-Texas Division and ships gas from the major producing basins in the state.

Our intrastate pipeline is one of the largest in Texas, with connections to interstate pipelines at three strategic pipeline hubs in West Texas, East Texas and the Houston area. It also owns five natural gas storage facilities that, like the pipeline, ensure reliable deliveries in the winter to our regulated customers and help shippers when storage capacity is available at other times of the year.

Our intrastate pipeline is benefiting from the drilling boom in the Barnett Shale, one of the most active natural gas basins in the country. To enhance our distribution operations and increase our pipeline capacity, we have invested in major expansion projects since acquiring the system in late 2004. These include a 45-mile pipeline loop on the north side of the Dallas-Fort Worth Metroplex, two large compressor stations and other improvements.

Nonregulated Operations

Growing and Profitable. Complementing our regulated operations are our growing nonregulated operations. This sizable segment of our company markets natural gas to approximately 1,000 municipal gas systems and industrial customers, operates or manages natural gas pipelines and storage facilities outside Texas and is expanding into natural gas gathering systems and market services for natural gas producers.

in22states

This segment started through an equity investment by United Cities Gas, which Atmos Energy acquired in 1997. In 2001, we acquired the remaining 55 percent interest that we did not already own in Woodward Marketing, providing an excellent foundation on which to build. Since then, our nonregulated operations—which overlay many of the geographic regions of our regulated operations—have grown rapidly in scale and scope. Today they operate in 22 states and contribute about one-third of our consolidated net income.

Atmos Energy Marketing has been growing at more than 12 percent each year by helping industries and communities procure reliable, competitively priced supplies of natural gas. In a business defined mainly by low-cost commodity pricing, our natural gas marketing operations have built an industry-leading reputation for customer service. That has helped us retain customers year after year and attract new ones.

GAF Materials Corporation, which makes roofing and building products, receives a reliable supply of natural gas at its plant in Dallas, Texas, provided by Atmos Energy Marketing.

Twenty-three miles of natural gas gathering lines will be installed in trenches for a new gas gathering system we are building in a gas field near Bowling Green, Kentucky. Gas gathering systems are an area of expansion for our nonregulated operations.

WE EXPECT GAS STORAGE FACILITIES NEAR THE GULF OF MEXICO WILL BECOME INCREASINGLY VITAL TO AMERICA'S ENERGY NEEDS. AS LNG TANKERS TRANSPORT MORE SUPPLIES OF GAS TO OUR SHORES, LNG SUPPLIERS WILL NEED TO MOVE LARGE VOLUMES OF GAS TO INLAND MARKETS.

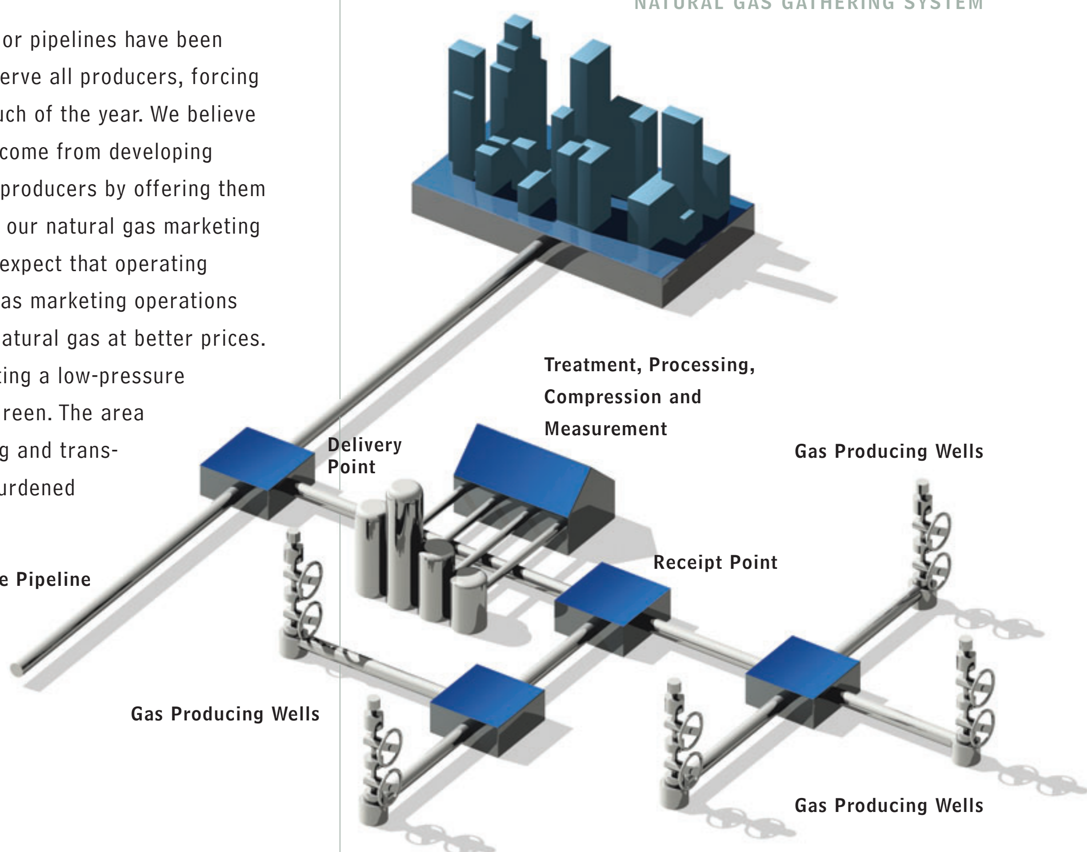
GAS GATHERING: A NEW AREA FOR EXPANSION

We recently entered the natural gas gathering business. Upstream gathering systems collect gas from wells in a producing field and move it to a processing and metering facility. There, the gas can be compressed and transported to customers. Gas gathering systems employ many of the same management and financial strengths that characterize our other lines of business.

In many producing areas, major pipelines have been unwilling to add the capacity to serve all producers, forcing them to shut in their wells for much of the year. We believe our success in this business can come from developing beneficial relationships with gas producers by offering them valuable additional services from our natural gas marketing and storage operations. We also expect that operating gathering systems will give our gas marketing operations options to buy large volumes of natural gas at better prices.

In Kentucky, we are constructing a low-pressure gathering system near Bowling Green. The area historically has had gas gathering and transportation constraints that have burdened gas producers in the area. When our gathering system is completed in 2008, producers, utilities and individual customers will have a more reliable, profitable flow of gas from the area. We expect this gathering project could spur more drilling and production in the region because future production will be more marketable.

NATURAL GAS GATHERING SYSTEM



Atmos Energy's new gas gathering system in Edmonson County, Kentucky, will soon bring more natural gas to consumers and will benefit the area with wellhead sales revenues, severance taxes, property taxes, royalty-owner revenues and potential new natural gas exploration and production.

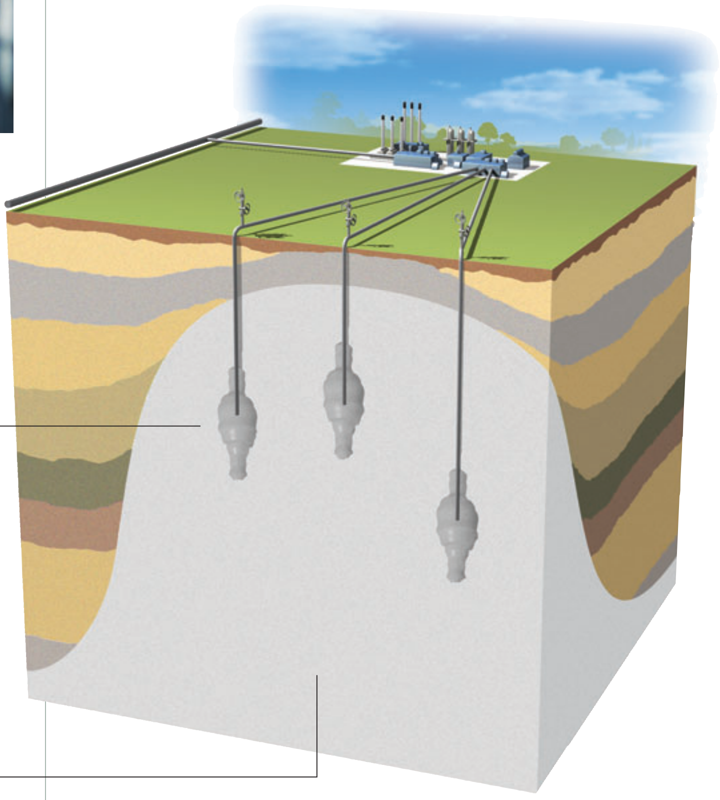
A FUTURE IN STORAGE: HELPING MEET AMERICA'S DEMAND FOR ENERGY

In another new area of our nonregulated business, we are evaluating projects to buy or build natural gas storage facilities. We're focusing mainly on salt-dome storage, which allows natural gas to be injected and withdrawn from giant underground caverns a number of times during the year. Traditional gas storage fields are limited in their number of "turns" in the injection-extraction cycle because of reservoir mechanics. Being able to buy and store natural gas when prices are lower and sell when demand goes up would allow us to meet the needs of many more large customers.

We expect gas storage facilities near the Gulf of Mexico will become increasingly vital to America's energy needs. As LNG tankers transport more supplies of gas to our shores, LNG suppliers will need to move large volumes of gas to inland markets. Atmos Energy Marketing already has a significant amount of gas-takeaway transportation capacity near the Gulf—giving us a major competitive advantage. Marketing LNG supplies from our own storage would further expand our nonregulated opportunities.

SALT-DOME NATURAL GAS STORAGE

Salt-dome natural gas storage is built by leaching salt deposits from deep under the ground to create giant storage caverns. Salt dome projects will be especially valuable as storage buffers for natural gas delivered at LNG tanker terminals.



Year Ended September 30

	2007	2006
Meters in service		
Residential	2,893,543	2,886,042
Commercial	272,081	275,577
Industrial	2,339	2,661
Agricultural	10,991	8,714
Public authority and other	8,173	8,205
Total meters	3,187,127	3,181,199
Heating degree days		
Actual (weighted average)	2,879	2,527
Percent of normal	100%	87%
Natural gas distribution sales volumes (MMcf)		
Residential	166,612	144,780
Commercial	95,514	87,006
Industrial	22,914	26,161
Agricultural	3,691	5,629
Public authority and other	8,596	8,457
Total	297,327	272,033
Natural gas distribution transportation volumes (MMcf)	135,109	126,960
Total natural gas distribution throughput (MMcf)	432,436	398,993
Intersegment activity (MMcf)	(4,567)	(4,998)
Consolidated natural gas distribution throughput (MMcf)	427,869	393,995
Consolidated regulated transmission and storage transportation volumes (MMcf)	505,493	410,505
Consolidated natural gas marketing throughput (MMcf)	370,668	283,962
Operating revenues (000s)		
Natural gas distribution sales revenues		
Residential	$ 1,982,801	$ 2,068,736
Commercial	970,949	1,061,783
Industrial	195,060	276,186
Agricultural	28,023	40,664
Public authority and other	86,275	103,936
Total gas distribution sales revenues	3,263,108	3,551,305
Transportation revenues	59,195	61,475
Other gas revenues	35,844	37,071
Total natural gas distribution revenues	3,358,147	3,649,851
Regulated transmission and storage revenues	84,344	69,582
Natural gas marketing revenues	2,432,280	2,418,856
Pipeline, storage and other revenues	23,660	14,074
Total operating revenues (000s)	$ 5,898,431	$ 6,152,363
Other statistics		
Gross plant (000s)	$ 5,396,070	$ 5,101,308
Net plant (000s)	$ 3,836,836	$ 3,629,156
Miles of pipe	82,725	81,996
Employees	4,653	4,632

September 30

Dollars in thousands, except share data	2007	2006
Assets		
Property, plant and equipment	$ 5,326,621	$ 5,026,478
Construction in progress	69,449	74,830
	5,396,070	5,101,308
Less accumulated depreciation and amortization	1,559,234	1,472,152
Net property, plant and equipment	3,836,836	3,629,156
Current assets		
Cash and cash equivalents	60,725	75,815
Cash held on deposit in margin account	—	35,647
Accounts receivable, less allowance for doubtful accounts of $16,160 in 2007 and $13,686 in 2006	380,133	374,629
Gas stored underground	515,128	461,502
Other current assets	112,909	169,952
Total current assets	1,068,895	1,117,545
Goodwill and intangible assets	737,692	738,521
Deferred charges and other assets	253,494	234,325
	$ 5,896,917	$ 5,719,547
Capitalization and Liabilities		
Shareholders' equity		
Common stock, no par value (stated at $.005 per share); 200,000,000 shares authorized; issued and outstanding: 2007 – 89,326,537 shares, 2006 – 81,739,516 shares	$ 447	$ 409
Additional paid-in capital	1,700,378	1,467,240
Accumulated other comprehensive loss	(16,198)	(43,850)
Retained earnings	281,127	224,299
Shareholders' equity	1,965,754	1,648,098
Long-term debt	2,126,315	2,180,362
Total capitalization	4,092,069	3,828,460
Current liabilities		
Accounts payable and accrued liabilities	355,255	345,108
Other current liabilities	409,993	388,451
Short-term debt	150,599	382,416
Current maturities of long-term debt	3,831	3,186
Total current liabilities	919,678	1,119,161
Deferred income taxes	370,569	306,172
Regulatory cost of removal obligation	271,059	261,376
Deferred credits and other liabilities	243,542	204,378
	$ 5,896,917	$ 5,719,547

Year Ended September 30

Dollars in thousands, except per share data	2007	2006	2005
Operating revenues			
Natural gas distribution segment	$ 3,358,765	$ 3,650,591	$ 3,103,140
Regulated transmission and storage segment	163,229	141,133	142,952
Natural gas marketing segment	3,151,330	3,156,524	2,106,278
Pipeline, storage and other segment	33,400	25,574	15,639
Intersegment eliminations	(808,293)	(821,459)	(406,136)
	5,898,431	6,152,363	4,961,873
Purchased gas cost			
Natural gas distribution segment	2,406,081	2,725,534	2,195,774
Regulated transmission and storage segment	—	—	4,918
Natural gas marketing segment	3,047,019	3,025,897	2,044,305
Pipeline, storage and other segment	792	1,080	1,893
Intersegment eliminations	(805,543)	(816,718)	(402,654)
	4,648,349	4,935,793	3,844,236
Gross profit	1,250,082	1,216,570	1,117,637
Operating expenses			
Operation and maintenance	463,373	433,418	416,281
Depreciation and amortization	198,863	185,596	178,005
Taxes, other than income	182,866	191,993	174,696
Impairment of long-lived assets	6,344	22,947	—
Total operating expenses	851,446	833,954	768,982
Operating income	398,636	382,616	348,655
Miscellaneous income, net	9,184	881	2,021
Interest charges	145,236	146,607	132,658
Income before income taxes	262,584	236,890	218,018
Income tax expense	94,092	89,153	82,233
Net income	$ 168,492	$ 147,737	$ 135,785
Per share data			
Basic net income per share	$ 1.94	$ 1.83	$ 1.73
Diluted net income per share	$ 1.92	$ 1.82	$ 1.72
Weighted average shares outstanding:			
Basic	86,975	80,731	78,508
Diluted	87,745	81,390	79,012

Year Ended September 30

Dollars in thousands	2007	2006	2005
Cash Flows from Operating Activities			
Net income	$ 168,492	$ 147,737	$ 135,785
Adjustments to reconcile net income to net cash provided by operating activities:			
Impairment of long-lived assets	6,344	22,947	—
Depreciation and amortization:			
Charged to depreciation and amortization	198,863	185,596	178,005
Charged to other accounts	192	371	791
Deferred income taxes	62,121	86,178	12,669
Stock-based compensation	11,934	10,234	3,901
Debt financing costs	10,852	11,117	9,258
Other	(1,516)	(2,871)	(1,637)
Changes in assets and liabilities	89,813	(149,860)	48,172
Net cash provided by operating activities	547,095	311,449	386,944
Cash Flows Used in Investing Activities			
Capital expenditures	(392,435)	(425,324)	(333,183)
Acquisitions, net of cash received	—	—	(1,916,696)
Other, net	(10,436)	(5,767)	(2,131)
Net cash used in investing activities	(402,871)	(431,091)	(2,252,010)
Cash Flows from Financing Activities			
Net increase (decrease) in short-term debt	(213,242)	237,607	144,809
Net proceeds from issuance of long-term debt	247,217	—	1,385,847
Settlement of Treasury lock agreements	4,750	—	(43,770)
Repayment of long-term debt	(303,185)	(3,264)	(103,425)
Cash dividends paid	(111,664)	(102,275)	(98,978)
Issuance of common stock	24,897	23,273	37,183
Net proceeds from equity offering	191,913	—	381,584
Net cash provided by (used in) financing activities	(159,314)	155,341	1,703,250
Net increase (decrease) in cash and cash equivalents	(15,090)	35,699	(161,816)
Cash and cash equivalents at beginning of year	75,815	40,116	201,932
Cash and cash equivalents at end of year	$ 60,725	$ 75,815	$ 40,116

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, 2007 and 2006, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended September 30, 2007 (not presented herein); and in our report dated November 27, 2007, 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.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Atmos Energy Corporation's internal control over financial reporting as of September 30, 2007, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated November 27, 2007 (not presented separately herein) expressed an unqualified opinion thereon.

Ernst & Young LLP

Dallas, Texas
November 27, 2007

Year Ended September 30

	2007	2006	2005	2004	2003
Balance Sheet Data at September 30 (000s)					
Capital expenditures	$ 392,435	$ 425,324	$ 333,183	$ 190,285	$ 159,439
Net property, plant and equipment	3,836,836	3,629,156	3,374,367	1,722,521	1,624,394
Working capital	149,217	(1,616)	151,675	283,310	16,248
Total assets	5,896,917	5,719,547	5,653,527	2,912,627	2,625,495
Shareholders' equity	1,965,754	1,648,098	1,602,422	1,133,459	857,517
Long-term debt, excluding current maturities	2,126,315	2,180,362	2,183,104	861,311	862,500
Total capitalization	4,092,069	3,828,460	3,785,526	1,994,770	1,720,017
Income Statement Data					
Operating revenues (000s)	$ 5,898,431	$ 6,152,363	$ 4,961,873	$ 2,920,037	$ 2,799,916
Gross profit (000s)	1,250,082	1,216,570	1,117,637	562,191	534,976
Net income (000s)	168,492	147,737	135,785	86,227	71,688
Net income per diluted share	1.92	1.82	1.72	1.58	1.54
Common Stock Data					
Shares outstanding (000s)					
End of year	89,327	81,740	80,539	62,800	51,476
Weighted average	87,745	81,390	79,012	54,416	46,496
Cash dividends per share	$ 1.28	$ 1.26	$ 1.24	$ 1.22	$ 1.20
Shareholders of record	22,829	24,690	26,242	27,555	28,510
Market price – High	$ 33.11	$ 29.11	$ 29.76	$ 26.86	$ 25.45
Low	$ 26.47	$ 25.79	$ 24.85	$ 23.68	$ 20.70
End of year	$ 28.32	$ 28.55	$ 28.25	$ 25.19	$ 23.94
Book value per share at end of year	$ 22.01	$ 20.16	$ 19.90	$ 18.05	$ 16.66
Price/Earnings ratio at end of year	14.75	15.69	16.42	15.94	15.55
Market/Book ratio at end of year	1.29	1.42	1.42	1.40	1.44
Annualized dividend yield at end of year	4.5%	4.4%	4.4%	4.8%	5.0%
Customers and Volumes (as metered)					
Consolidated distribution gas sales volumes (MMcf)	297,327	272,033	296,283	173,219	184,512
Consolidated distribution gas transportation volumes (MMcf)	130,542	121,962	114,851	72,814	63,453
Consolidated distribution throughput (MMcf)	427,869	393,995	411,134	246,033	247,965
Consolidated transmission and storage transportation volumes (MMcf)	505,493	410,505	373,879	—	—
Consolidated natural gas marketing throughput (MMcf)	370,668	283,962	238,097	222,572	225,961
Meters in service at end of year	3,187,127	3,181,199	3,157,840	1,679,136	1,672,798
Heating degree days*	2,879	2,527	2,587	3,271	3,473
Degree days as a percentage of normal	100%	87%	89%	96%	101%
Gas distribution average cost of gas per Mcf sold	$ 8.09	$ 10.02	$ 7.41	$ 6.55	$ 5.76
Gas distribution average transportation fee per Mcf	$ .44	$ .49	$ .49	$ .36	$ .43
Statistics					
Return on average shareholders' equity	8.8%	8.9%	9.0%	9.1%	9.9%
Number of employees	4,653	4,632	4,543	2,864	2,905
Net gas distribution plant per meter	$ 1,020	$ 969	$ 927	$ 994	$ 930
Gas distribution operation and maintenance expense per meter	$ 119	$ 112	$ 110	$ 116	$ 115
Meters per employee – gas distribution	713	723	730	612	594
Times interest earned before income taxes	2.75	2.55	2.59	3.05	2.75

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

Senior Management Team

Robert W. Best
Chairman, President and
Chief Executive Officer

J. Patrick Reddy
Senior Vice President and
Chief Financial Officer

Kim R. Cocklin
Senior Vice President,
Regulated Operations

Mark H. Johnson
Senior Vice President,
Nonregulated Operations

Louis P. Gregory
Senior Vice President and
General Counsel

Wynn D. McGregor
Senior Vice President,
Human Resources

Regulated Divisions

J. Kevin Akers
President,
Kentucky/Mid-States Division

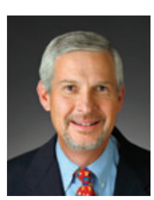
Richard A. Erskine
President,
Atmos Pipeline–Texas Division

David E. Gates
President,
Mississippi Division

Gary W. Gregory
President,
West Texas Division

Tom S. Hawkins, Jr.
President,
Louisiana Division

John A. Paris
President,
Mid-Tex Division



Gary L. Schlessman
President,
Colorado-Kansas Division

Nonregulated Operations

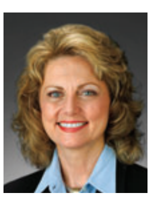
Mark H. Johnson
President,
Atmos Energy Marketing, LLC

Ronald W. McDowell
Vice President,
New Business Ventures

Shared Services

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

Mark S. Bergeron
Vice President,
Gas Supply and Services



Susan K. Giles
Vice President,
Investor Relations

Richard J. Gius
Vice President and
Chief Information Officer

Shared Services (continued)

Conrad E. Gruber
Vice President,
Strategic Planning

John J. Hardgrave
Vice President,
Customer Service

Dwala J. Kuhn
Corporate Secretary

Fred E. Meisenheimer
Vice President and Controller

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

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

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

Dan Busbee
Adjunct Professor, Dedman School of Law, Southern Methodist University
Dallas, Texas
Board member since 1988
Committees: Audit (Chairman), Executive, Human Resources

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

Richard W. Douglas
Executive Vice President, The Staubach Company
Dallas, Texas
Board member since 2007
Committees: Human Resources, Work Session/Annual Meeting

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 Energy LP, Juniper Capital LP and Juniper Advisory LP
Houston, Texas
Board member since 2001
Committees: Human Resources (Chairman), Executive, Nominating and Corporate Governance

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), Executive, 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, Midstream 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 at no charge from Investor 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 also may be viewed on Atmos Energy's Web site at http://www.atmosenergy.com.

ANNUAL MEETING OF SHAREHOLDERS
The 2008 Annual Meeting of Shareholders will be held in the Crystal Ballroom C at the Hilton Fort Worth Hotel, 815 Main Street, Fort Worth, Texas 76102 on Wednesday, February 6, 2008, 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 Investor 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 Investor 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 K. Giles
Vice President, Investor Relations
972-855-3729 972-855-3040 (fax)
InvestorRelations@atmosenergy.com

Forward-Looking Statements

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, 2007. 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.

Other Information

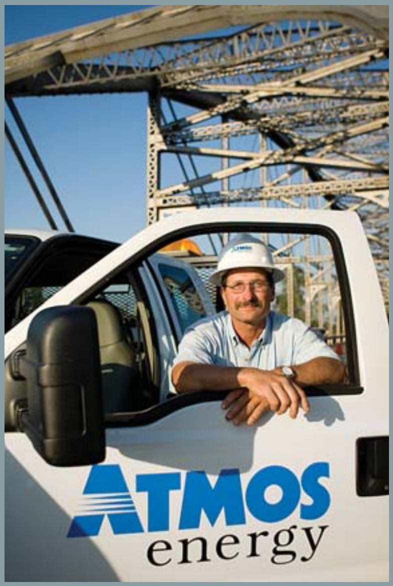
You can view this *Summary Annual Report*, our *Annual Report on Form 10-K* and other financial documents for fiscal 2007 and previous years on our Web site at http://www.atmosenergy.com.

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 saves costs to produce and distribute these materials.

If you are a shareholder of record, to receive these documents over the Internet next year, please visit http://www.amstock.com and access your account to give your consent. However, if you hold your shares through a broker, please contact your broker 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.

Inside front cover: **New distribution pipeline will bring natural gas to a growing residential area of Southaven, Mississippi, one of the more than 1,600 American communities served by Atmos Energy.**

On the back cover: **Atmos Energy Survey and Corrosion Specialist Rick Sulak is one of more than 4,600 Atmos Energy employees who are essential links in our bridge to the future.**



ATMOS ENERGY CORPORATION

P.O. BOX 650205

DALLAS, TEXAS 75265-0205

ATMOSENERGY.COM