

**STRONG
FUNDAMENTALS,
SUSTAINABLE
FUTURE**

Financial Update

**AGL Resources
2009 Analyst Meeting**

**Andrew W. Evans
Executive Vice President and
Chief Financial Officer**

2009

Forward-Looking Statements

Statements in this presentation that are not historical facts, including statements regarding our estimates, beliefs, expectations, intentions, strategies or projections, may be “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve matters that are not historical facts and because these statements involve anticipated events or conditions, forward-looking statements often include words such as “anticipate,” “assume,” “believe,” “can,” “could,” “estimate,” “expect,” “forecast,” “future,” “goal,” “indicate,” “intend,” “may,” “outlook,” “plan,” “predict,” “project,” “seek,” “should,” “target,” “will,” “would,” or similar expressions. Our expectations are not guarantees and are based on currently available competitive, financial and economic data along with our operating plans. While we believe that our expectations are reasonable in view of the currently available information, our expectations are subject to future events, risks and uncertainties, and there are several factors - many beyond our control - that could cause results to differ significantly from our expectations. Such events, risks and uncertainties include, but are not limited to, changes in price, supply and demand for natural gas and related products, impact of changes in state and federal legislation and regulation, including any changes related to climate change, actions taken by government agencies on rates and other matters, concentration of credit risk, utility and energy industry consolidation, impact of acquisitions and divestitures, direct or indirect effects on AGL Resources' business, financial condition or liquidity resulting from a change in our credit ratings, the credit ratings of our counterparties or competitors, or the continued disruption in the credit markets, interest rate fluctuations, financial market conditions and general economic conditions, uncertainties about environmental issues and the related impact of such issues, impacts of changes in weather upon the temperature-sensitive portions of the business, impacts of natural disaster such as hurricanes upon the supply or price of gas, acts of war or terrorism, and other factors which can be found in our filings with the Securities and Exchange Commission. Forward-looking statements are only as of the date they are made, and we do not undertake any obligation to update these statements to reflect subsequent changes.

Management does not affirm or update earnings guidance during private and one-on-one meetings with investors, but only updates or confirms earnings guidance through public disclosure and filing with the commission. Earnings guidance is only effective as of the date it is given. The company further disclaims any duty to update its guidance.

Non-GAAP Measures

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Company management evaluates segment financial performance based on earnings before interest and taxes (EBIT), which includes the effects of corporate expense allocations. EBIT is a non-GAAP (accounting principles generally accepted in the United States of America) financial measure. Items that are not included in EBIT are financing costs, including debt and interest expense and income taxes. The company evaluates each of these items on a consolidated level and believes EBIT is a useful measurement of our performance because it provides information that can be used to evaluate the effectiveness of our businesses from an operational perspective, exclusive of the costs to finance those activities and exclusive of income taxes, neither of which is directly relevant to the efficiency of those operations.

We also use EBIT internally to measure performance against budget and in reports for management and the Board of Directors. Projections of forward-looking EBIT are used in our internal budgeting process, and those projections are used in providing forward-looking business segment EBIT projections to investors. We are unable to reconcile our forward-looking EBIT business segment guidance to GAAP earnings per share because we do not predict the future impact of unusual items and mark-to-market gains or losses on energy contracts. The impact of these items could be material to our operating results reported in accordance with GAAP.

Operating margin is a non-GAAP measure calculated as revenues minus cost of gas, excluding operation and maintenance expense, depreciation and amortization, and taxes other than income taxes. These items are included in the company's calculation of operating income. The company believes operating margin is a better indicator than operating revenues of the contribution resulting from customer growth, since cost of gas is generally passed directly through to customers.

EBIT and operating margin should not be considered as alternatives to, or more meaningful indicators of, the company's operating performance than operating income or net income as determined in accordance with GAAP. In addition, the company's EBIT or operating margin may not be comparable to similarly titled measures of another company.

Reconciliation of non-GAAP financial measures referenced in this presentation are available on the company's website at www.aglresources.com under the Investor Relations section.

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5-Year Financial Focus

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- Execute plan for long-term earnings and dividend growth
 - Successful execution of regulatory strategy
 - Deliver on current capital project commitments
 - Achieve consistent, modest growth in unregulated business units
 - Prudent capital investment, with a bias toward regulated projects
 - Continued aggressive focus on cost control
- Maintain ample liquidity and strong investment grade credit ratings

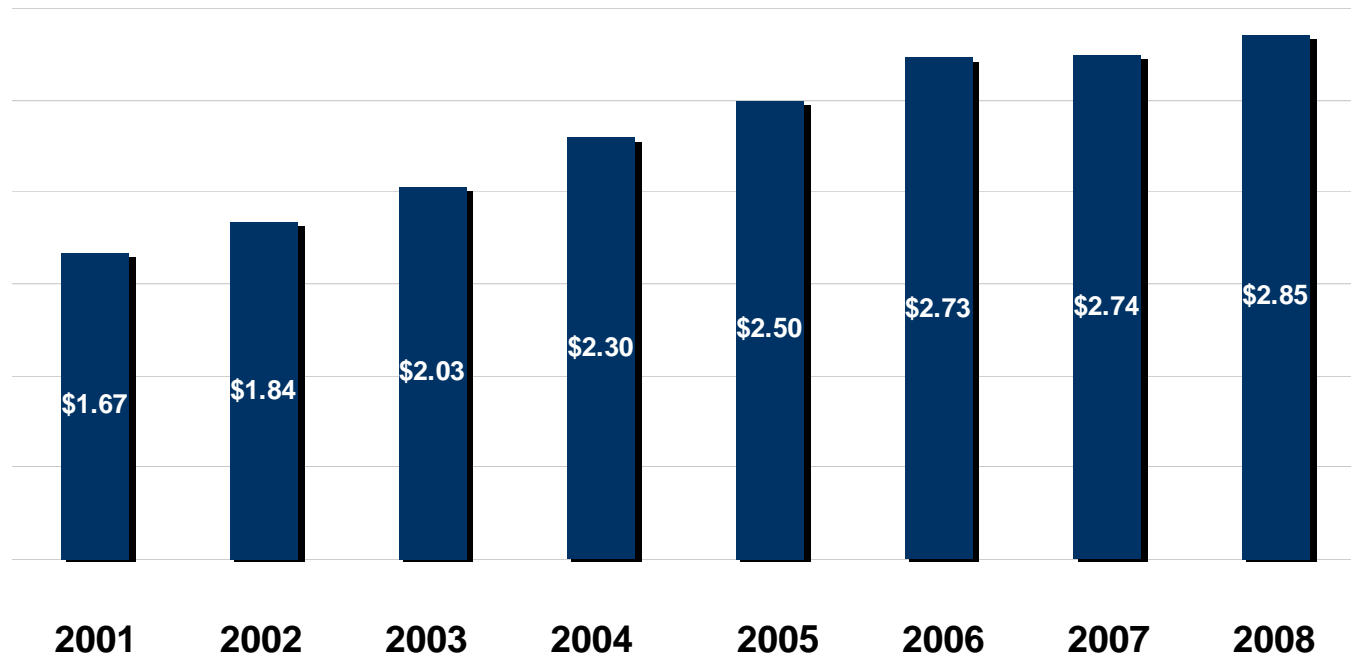
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Earnings Track Record

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2001 – 2008 Basic EPS CAGR = 7.9%



2009 guidance of \$2.65 to \$2.75 per share

Note: 2009 EPS guidance is based on projected diluted weighted average shares for 2009. 2001 basic EPS above reflects earnings for calendar year 2001; the company changed its fiscal year end from Sept. 30 to Dec. 31 during that year.

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FY 2009 Earnings Guidance

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EBIT by Segment

\$ millions

	2005	2006	2007	2008	2009P
Distribution Operations	\$299	\$310	\$338	\$329	\$323 - 327
Retail Energy Operations⁽¹⁾	\$63	\$63	\$83	\$57	\$72 - 78
Wholesale Services	\$49	\$90	\$34	\$60	\$42 - 48
Energy Investments	\$19	\$10	\$15	\$19	\$9 - 11
Corporate	\$(11)	\$(9)	\$(7)	\$(1)	\$(4) - (6)
Total	\$419	\$464	\$463	\$464	\$442 - 458
Earnings Per Basic Share	\$2.50	\$2.73	\$2.74	\$2.85	\$2.65 - \$2.75

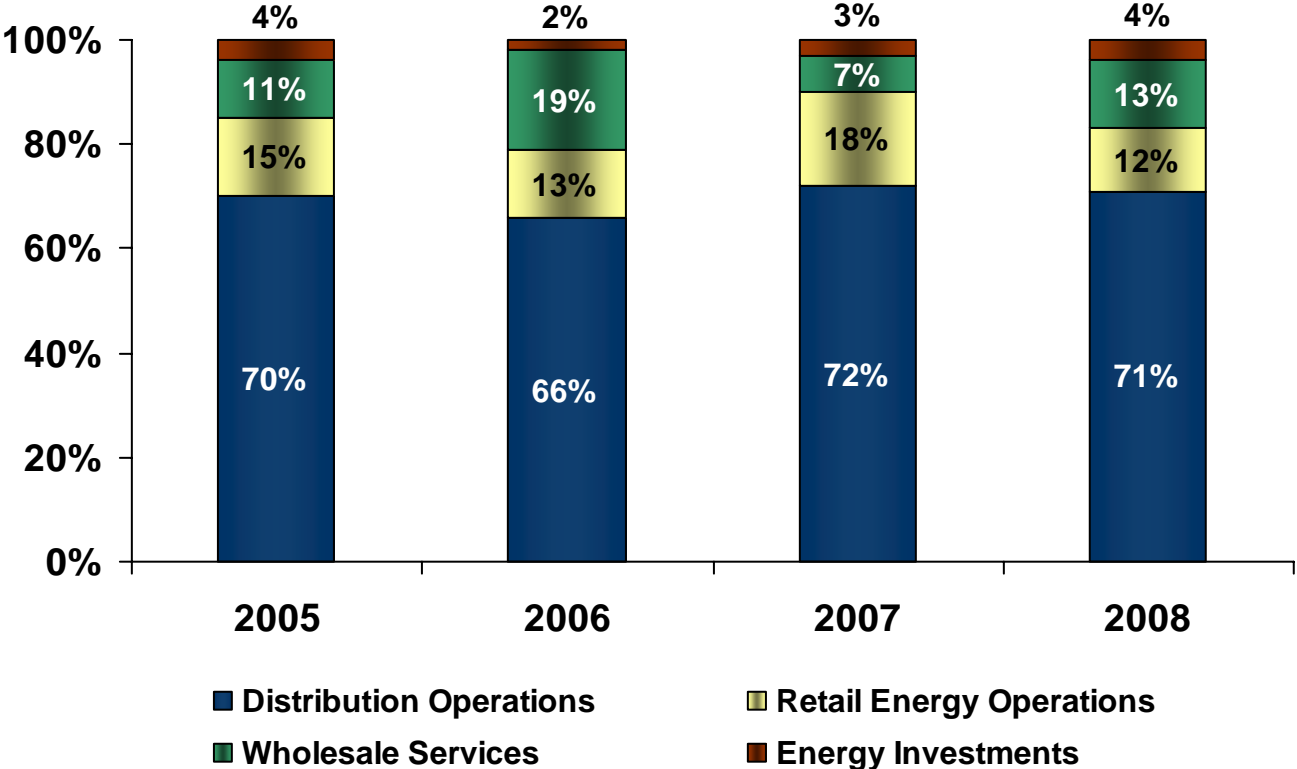
(1) Does not incorporate our adoption of SFAS 160, "Noncontrolling Interests in Consolidated Financial Statements," on January 1, 2009, which excludes noncontrolling interest amounts of \$22 million in 2005, \$23 million in 2006, \$30 million in 2007, \$20 million in 2008 and \$23 - \$29 million in 2009.

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Primarily Regulated Earnings Composition

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EBIT Contribution by Business Segment



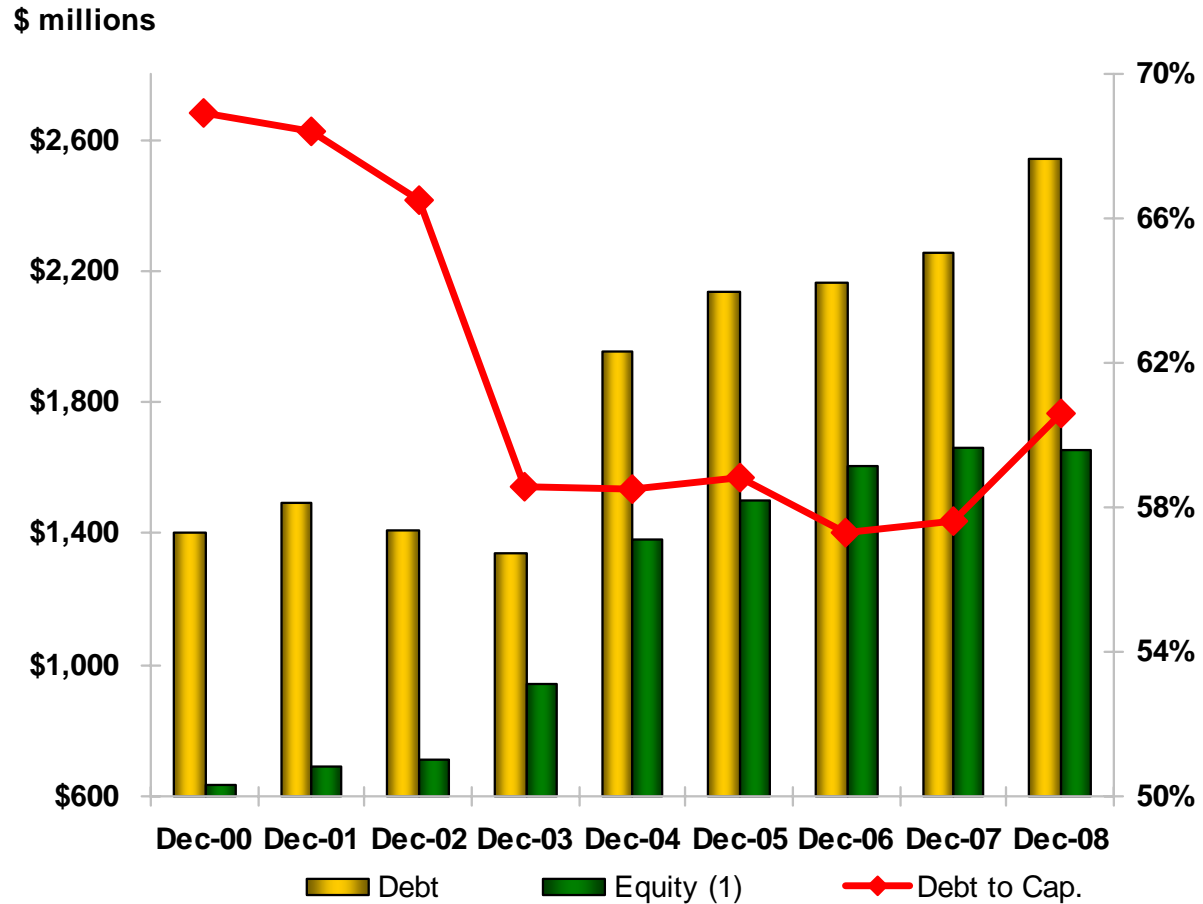
Note: Corporate EBIT excluded from calculations. Excludes effects of SFAS 160.

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Strong Balance Sheet and Liquidity

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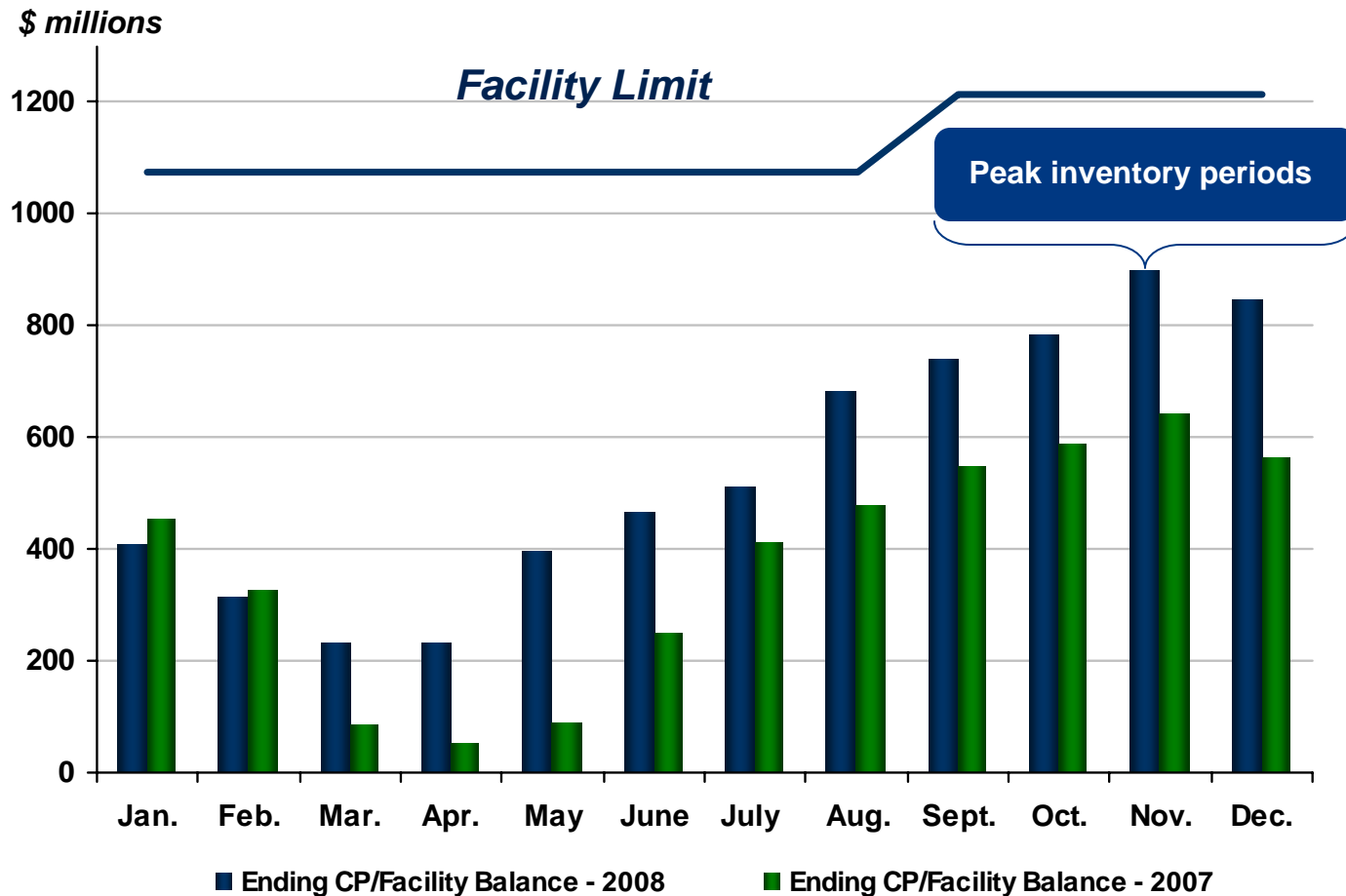


(1) Excludes effects of SFAS 160, which moved noncontrolling interest amounts to equity on our consolidated balance sheet.

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Ample Capacity Under Current Credit Facilities

We maintained significant liquidity even during periods of peak working capital requirements resulting from natural gas inventory builds

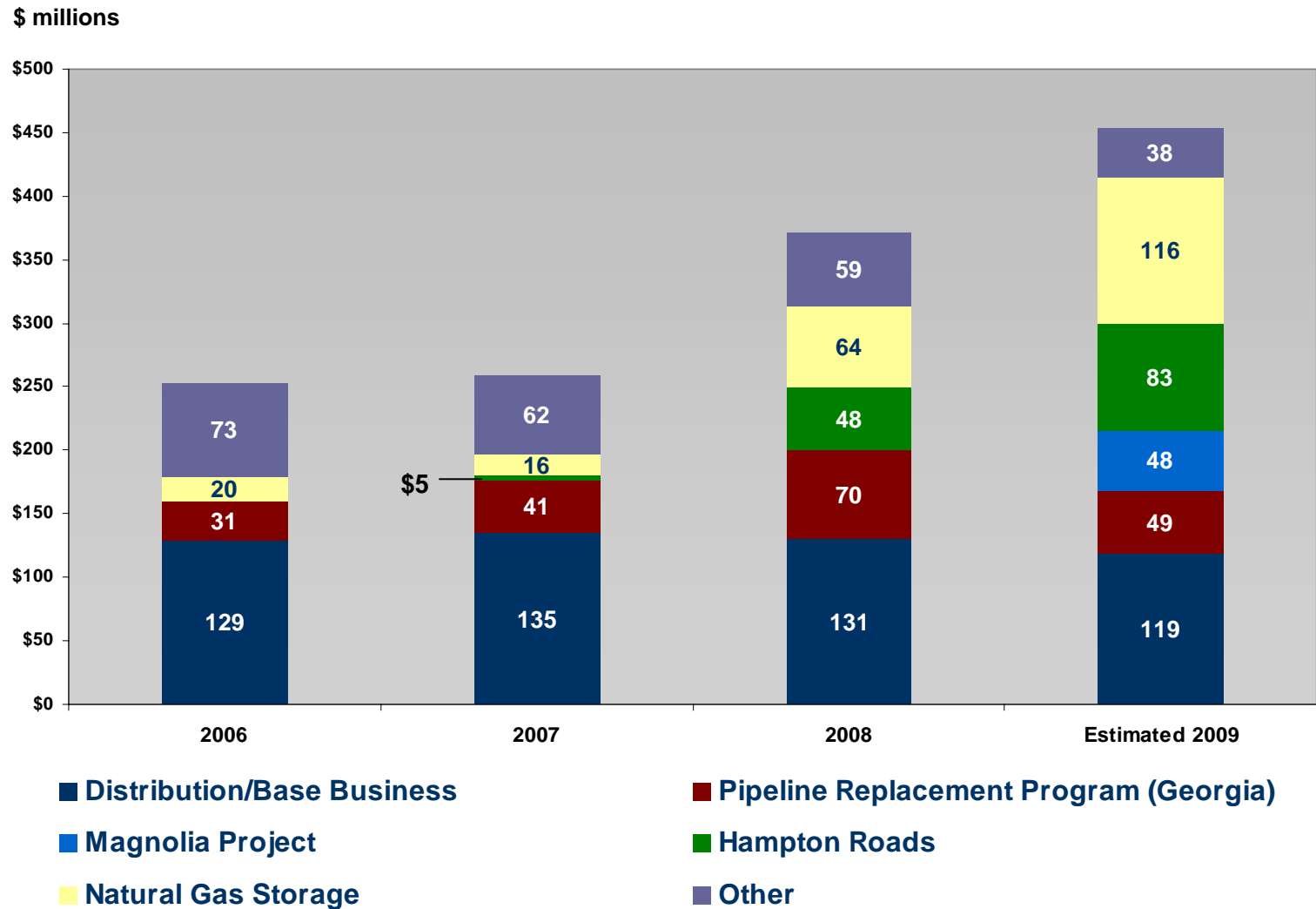


Note: Facility Limit consists of \$1.0 billion Credit Facility (expires Aug. 2011), including the commercial paper (CP) program; \$140 million 364-day revolver (expires Sept. 2009); and \$75 million SouthStar credit line.

Capital Expenditures

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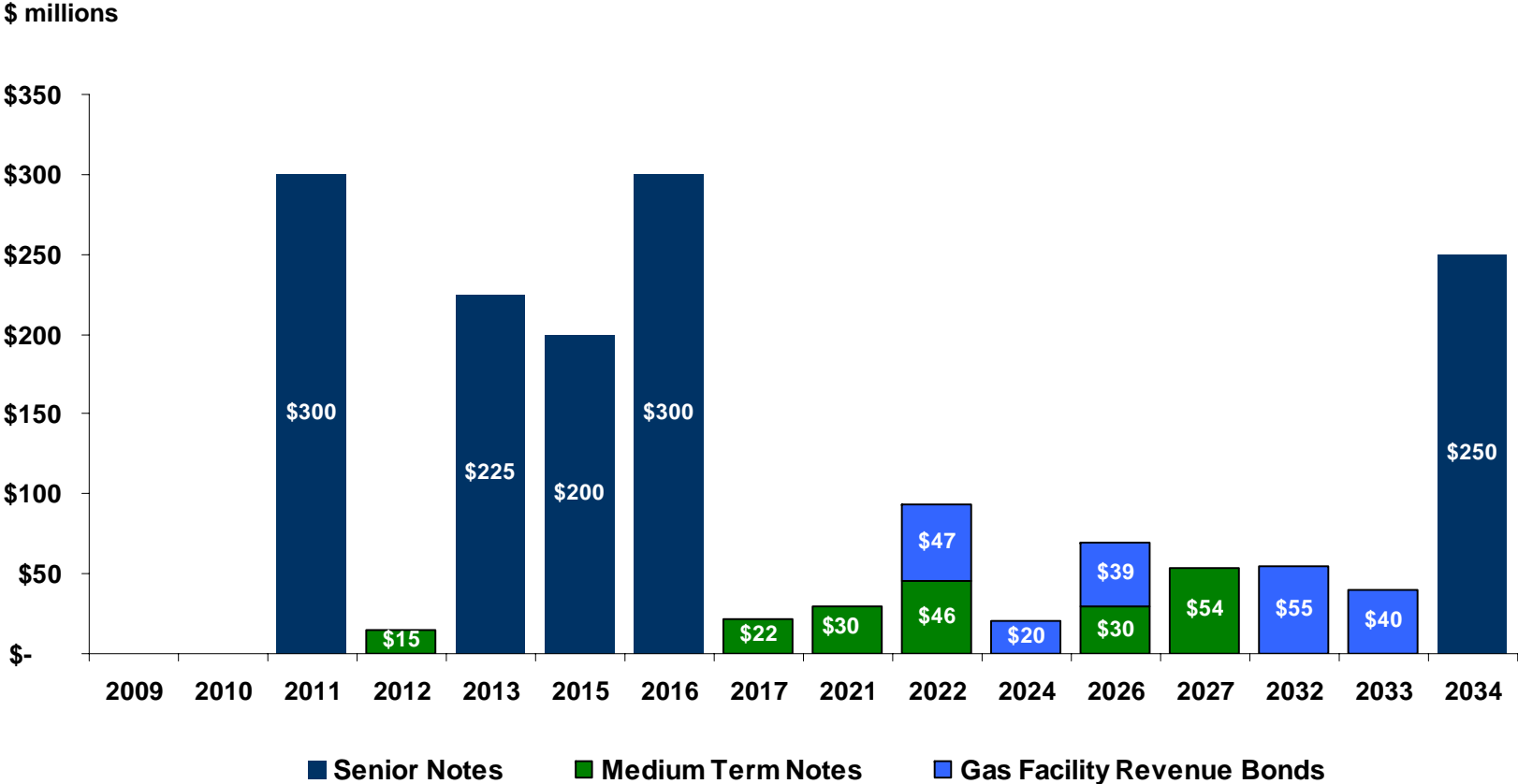
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No Mandatory Debt Maturities Until 2011

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Strong Investment-Grade Credit Profile

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We have strong investment-grade credit ratings and stable outlooks from each of the rating agencies.

	S&P	Moody's	Fitch
Corporate rating	A-		
Commercial paper	A-2	P-2	F-2
Senior unsecured	BBB+	Baa1	A-
Ratings outlook	Stable	Stable	Stable

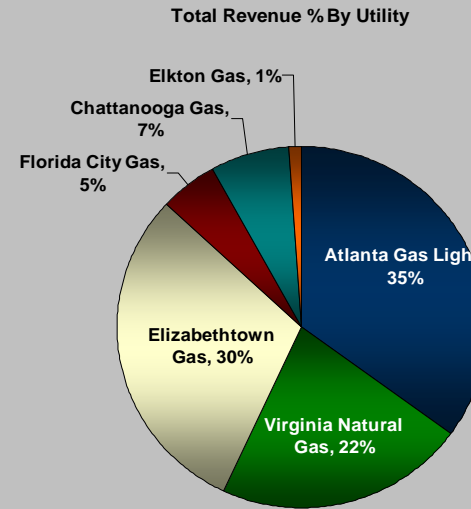
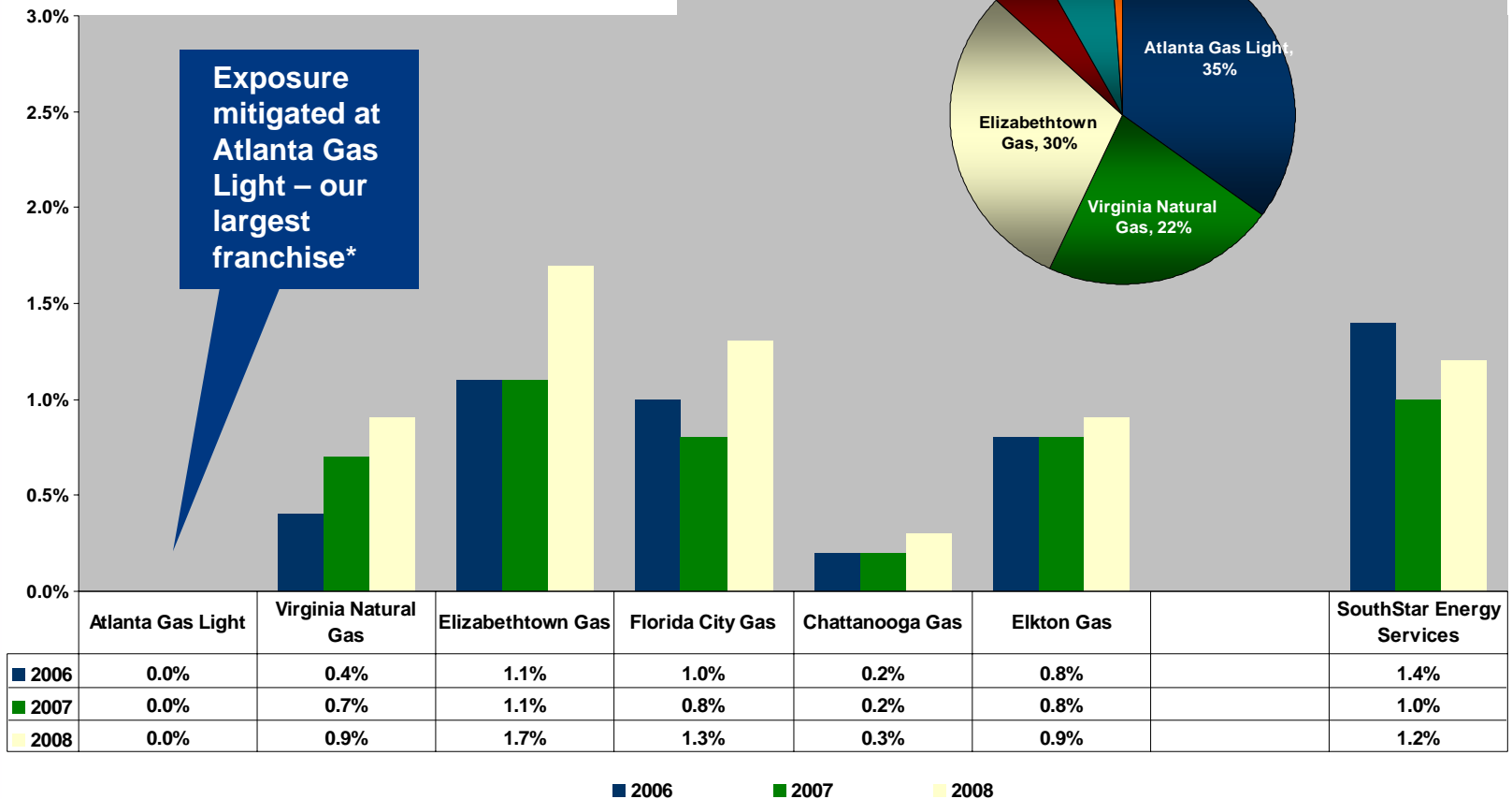
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Bad Debt Expense

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Bad debt expense as percentage of total revenues*



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* Excludes bad debt expense related to damage billing. Including damage billing-related bad debt expense, Atlanta Gas Light bad debt levels would be 0.2%, 0.2% and 0.1% for 2006, 2007 and 2008, respectively.

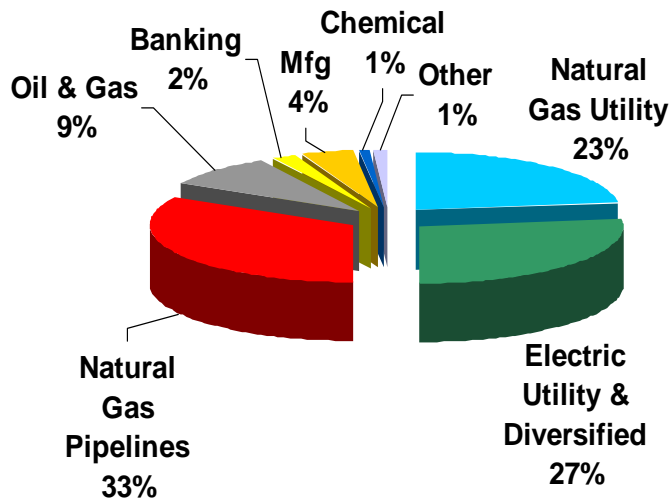
Sequent Credit Exposure

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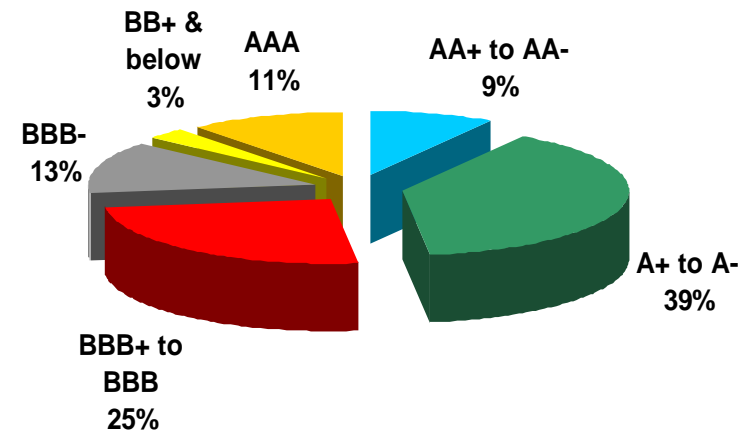
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Sequent maintains a diverse portfolio of customers and continues to focus on counterparty credit quality

Credit Exposure by Industry



Credit Exposure Rating Tiers



Weighted average portfolio credit rating of A-

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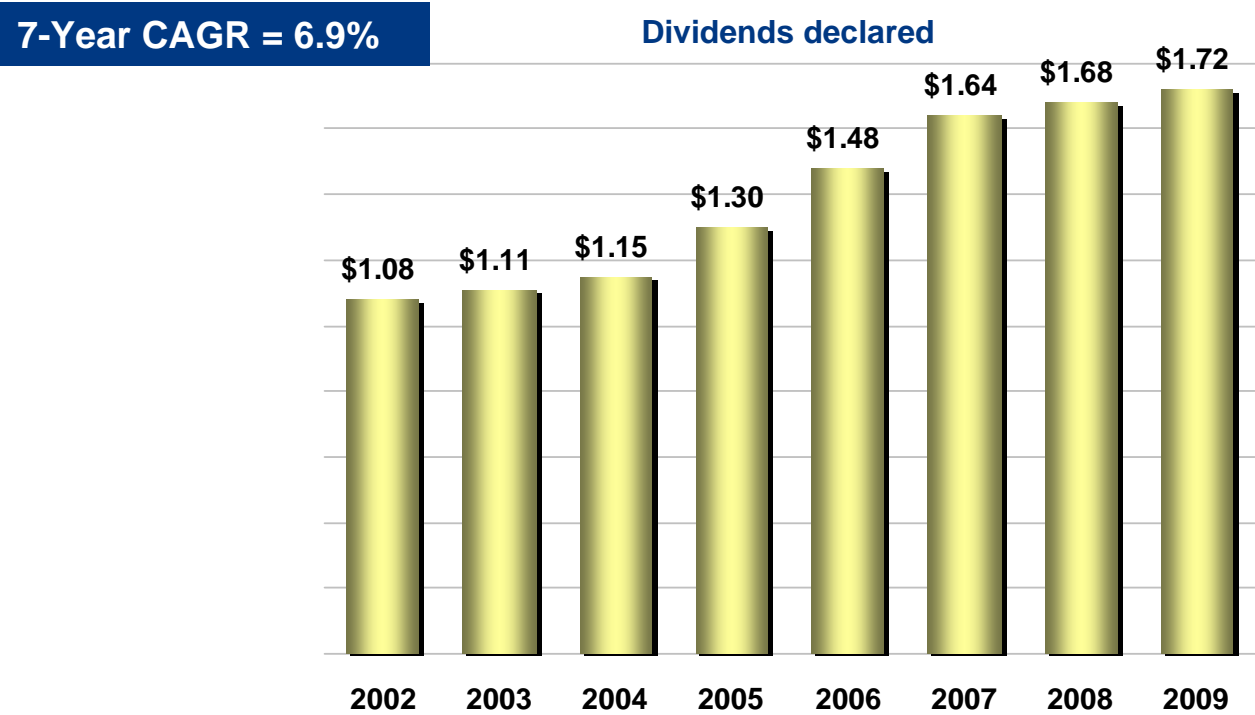
Pension Funding Requirements

- No contribution was required in 2008 or 2007
- \$7 million minimum contribution required in 2009
- Expect to fund additional amounts to preserve current plan benefits in accordance with Pension Protection Act requirements
- 2009 earnings guidance reflects approximately \$0.10 per share impact related to 2009 pension expense

Commitment to Dividend Growth

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Management and the Board of Directors have demonstrated a commitment to dividend growth and established a strong track record of regular dividend increases



Payout Ratio	2002	2003	2004	2005	2006	2007	2008	2009*
	59%	55%	50%	52%	54%	60%	59%	64%*

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* Based on midpoint of 2009 earnings guidance range.
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Key Takeaways – Why Invest in AGL?

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- Primarily regulated asset base provides stable earnings growth
- Non-regulated investments provide complementary upside potential
- Strong investment-grade balance sheet and stable cash flows
- Track record of delivering value
- Well-positioned for long-term growth
- Attractive dividend yield and payout ratio
- Low-risk investment in natural gas/energy space

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