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For Immediate Release:
August 12, 2010

UGI To Invest \$300 Million In Marcellus Shale Development Projects

VALLEY FORGE, Pa., August 12 - UGI Corporation (NYSE: UGI) announced that it plans to invest approximately \$300 million over the next two years on midstream projects to support the development of natural gas infrastructure in the Marcellus Shale region.

Lon R. Greenberg, chairman and chief executive officer of UGI, said, "The natural gas in the Marcellus Shale region of Pennsylvania is in areas in which we have a significant amount of assets, including much of our utility and gas marketing service territories. We believe these and future projects will provide our utility and transportation service customers with cost effective and reliable gas supply. Our ultimate investment will depend on many factors, but given our strategic assets, supplier relationships, customer base and expertise in energy logistics, we are confident in our ability to invest wisely for the benefit of our stakeholders."

Among these investments are the recently announced agreement between UGI's midstream and energy marketing unit, UGI Energy Services, Inc., and NiSource Gas Transmission and Storage (NGT&S) to market and develop a major pipeline project to provide Marcellus Shale producers in Pennsylvania improved access to high-value markets. This project would be subject to approval by the Federal Energy Regulatory Commission (FERC) and is planned to be available for service in late 2012.

In addition, UGI plans to enhance the delivery options from its Meeker and Tioga storage fields located in north central Pennsylvania by drilling additional storage wells and adding dehydration and compression capacity. UGI's storage fields are ideally situated to enable Marcellus gas to efficiently serve temperature sensitive end-use markets. In addition, the fields are connected to UGI's gas utility distribution system, as well as to the Dominion Gas Transmission, Inc. and Tennessee Gas Pipeline Company interstate pipeline systems. The proposed pipeline by NGT&S and UGI also would connect to these storage fields. This storage enhancement project, which would be subject to regulatory approval, is planned to be available for service in 2013.

Additional projects to construct gathering facilities and purchase gas from Marcellus producers would bring locally produced gas to Pennsylvania and interstate markets during 2012. These projects would not be subject to FERC approval.

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UGI is a holding company with propane marketing, utility and energy marketing subsidiaries. Through subsidiaries, UGI owns 44% of AmeriGas Partners, L.P., the nation's largest retail propane marketer, and owns Antargaz, one of the largest LPG distributors in France.

Comprehensive information about UGI Corporation is available on the Internet at **<http://www.ugicorp.com>**.

This press release contains certain forward-looking statements which the management of UGI believes to be reasonable as of today's date only. Actual results may differ significantly because of risks and uncertainties that are difficult to predict and many of which are beyond management's control. Among them are the success and timeliness of commercial initiatives, including the Marcellus Shale-related projects described above, the cost volatility and availability of all energy products, including propane, natural gas, electricity and fuel oil, capital market conditions, including reduced access to capital markets and interest rate fluctuations, the outcome of future regulatory proceedings, and political, regulatory and economic conditions. You should read UGI's Annual Report on Form 10-K for a more extensive list of factors that could affect results. UGI undertakes no obligation to release revisions to its forward-looking statements to reflect events or circumstances occurring after today.