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UGI subsidiary announces commencement of pipeline operations from Citrus Energy gathering system to Tennessee Pipeline

Wyomissing, Pa., October 11 – UGI Energy Services Inc. (“UGIES”), the midstream and energy marketing subsidiary of UGI Corporation (NYSE:UGI), announced today that locally produced natural gas is now flowing from its previously-announced gathering project with Citrus Appalachian Energy LLC (“Citrus”) to Tennessee Gas Pipeline Company's interstate pipeline in Susquehanna County, Pennsylvania.

Peter Terranova, UGIES vice president of midstream assets and services, said, “Last year we signed an agreement with Citrus to install facilities to move gas to the Tennessee gas pipeline via the UGIES Auburn pipeline. On October 10th, we began to flow gas along this pipeline. Volumes transported are approximately 60,000 dekatherms per day and are expected to double to 120,000 dekatherms per day over the next several months as additional facilities are installed by UGIES.” According to Terranova, “The project clearly demonstrates the significance of the gas supplies being produced from the Marcellus Shale. A pipeline that was previously supplying industrial users with natural gas produced over a thousand miles away is now serving as a gathering line and transporting locally produced gas back into the interstate pipeline network.”

UGIES owns 14.7 BCF of underground natural gas storage in north-central Pennsylvania, operates LNG and propane/air peaking plants in Pennsylvania and is in the process of developing midstream projects in the Marcellus Shale region. UGIES also markets natural gas, electricity and liquid fuels to approximately 9,000 commercial and industrial customers at approximately 30,000 locations in eight eastern states and Washington, D.C. and owns electric generation assets in Pennsylvania. UGIES is a wholly-owned subsidiary of UGI Corporation (NYSE: UGI), a distributor and marketer of energy products and services that, in addition to UGIES, operates natural gas and electric utilities in Pennsylvania and distributes propane both domestically and internationally.

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