The Natural Future of Transportation

LNG

Liquefied Natural Gas

Pivotal LNG™
An AGL Resources Company

Forward Looking Statements and Supplemental Information

Forward-Looking Statements

Certain expectations and projections regarding our future performance referenced in this presentation, in other reports or statements we file with the SEC or otherwise release to the public, and on our website, are forward-looking statements. Senior officers and other employees may also make verbal statements to analysts, investors, regulators, the media and others that are forward-looking. Forward-looking statements involve matters that are not historical facts, such as statements regarding our future operations, prospects, strategies, financial condition, economic performance (including growth and earnings), industry conditions and demand for our products and services. 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," "potential," "predict," "project," "seek," "should," "target," "would," or similar expressions. Forward-looking statements contained in this presentation include, without limitation, statements regarding future earnings per share, dividend growth and EBIT contribution, our priorities for 2011 and the proposed merger with Nicor Inc. Our expectations are not guarantees and are based on currently available competitive, financial and economic data along with our operating plans. While we believe 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; the impact of changes in state and federal legislation and regulation including changes related to climate change; actions taken by government agencies on rates and other matters; concentration of credit risk; utility and energy industry consolidation; the impact on cost and timeliness of construction projects by government and other approvals, development project delays, adequacy of supply of diversified vendors, unexpected change in project costs, including the cost of funds to finance these projects; the impact of acquisitions and divestitures including the proposed Nicor merger; limits on natural gas pipeline capacity; direct or indirect effects on our business, financial condition or liquidity resulting from a change in our credit ratings or the credit ratings of our counterparties or competitors; interest rate fluctuations; financial market conditions, including recent disruptions in the capital markets and lending environment and the current economic downturn; general economic conditions; uncertainties about environmental issues and the related impact of such issues; the impact of changes in weather, including climate change, on the temperature-sensitive portions of our business; the impact of natural disasters such as hurricanes on the supply and price of natural gas; acts of war or terrorism; and other factors which are provided in detail 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 to update these statements to reflect subsequent changes.

Supplemental Information

Company management evaluates segment financial performance based on earnings before interest and taxes (EBIT), which includes the effects of corporate expense allocations and on operating margin. EBIT is a non-GAAP (accounting principles generally accepted in the United States of America) financial measure that includes operating income, other income and expenses. 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. Operating margin is a non-GAAP measure calculated as operating 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. In addition, in this presentation, the company has presented its earnings per share excluding expenses incurred with respect to the proposed Nicor merger. As the company does not routinely engage in transactions of the magnitude of the proposed Nicor merger, and consequently does not regularly incur transaction related expenses with correlative size, the company believes presenting EPS excluding Nicor merger expenses provides investors with an additional measure of the company's core operating performance. EBIT, operating margin and EPS excluding merger expenses should not be considered as alternatives to, or more meaningful indicators of, the company's operating performance than operating income, net income attributable to AGL Resources Inc. or EPS as determined in accordance with GAAP. In addition, the company's EBIT, operating margin and non-GAAP EPS may not be comparable to similarly titled measures of another company. We also present certain non-GAAP financial measures excluding the effects of our proposed merger with Nicor. Because we complete material mergers and acquisitions only occasionally, we believe excluding these effects from certain measures is useful because they allow investors to more easily evaluate and compare the performance of the Company's core businesses from period to period. Reconciliations of non-GAAP financial measures referenced in this presentation are available on the company's Web site at www.aglresources.com

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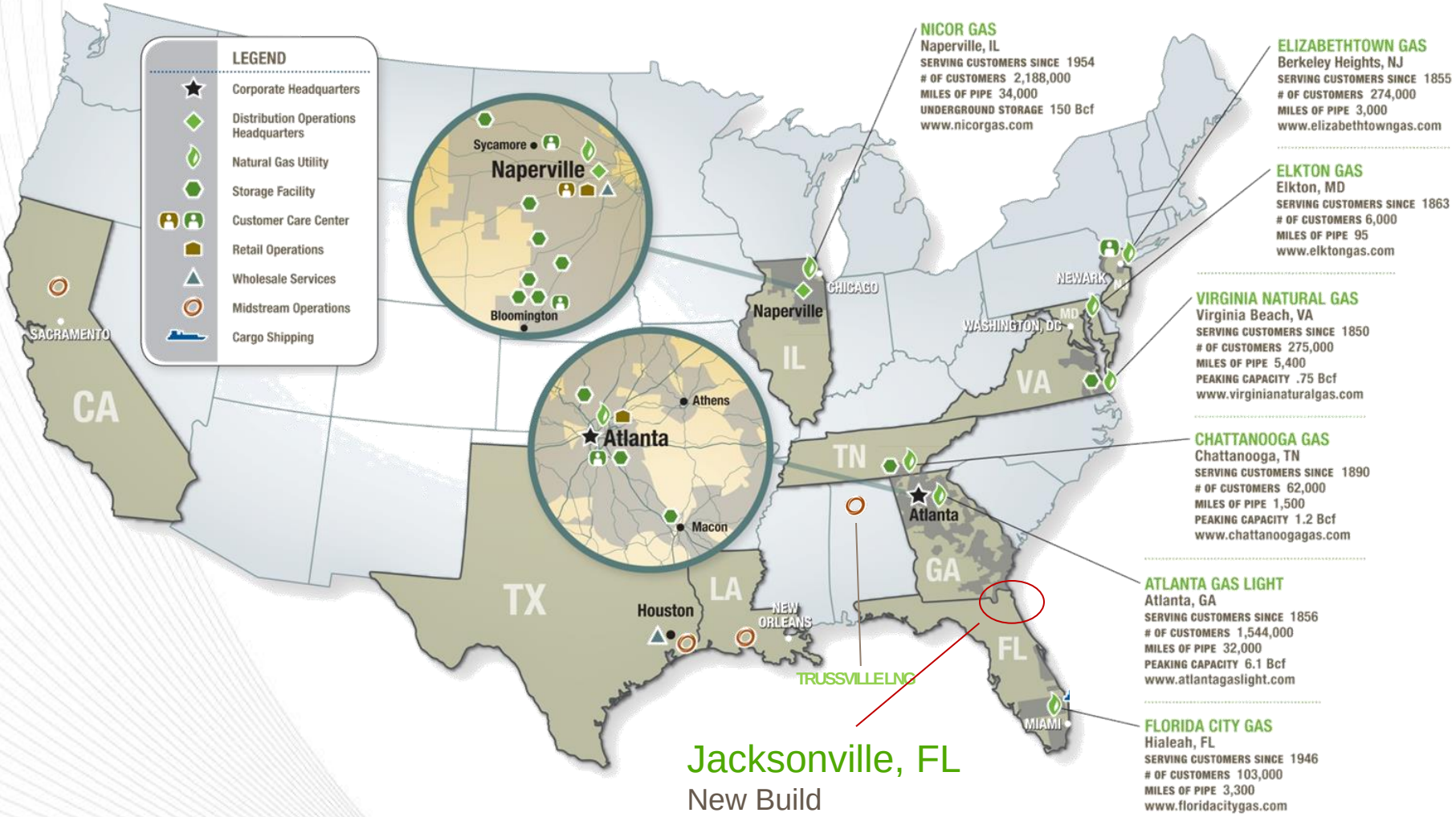
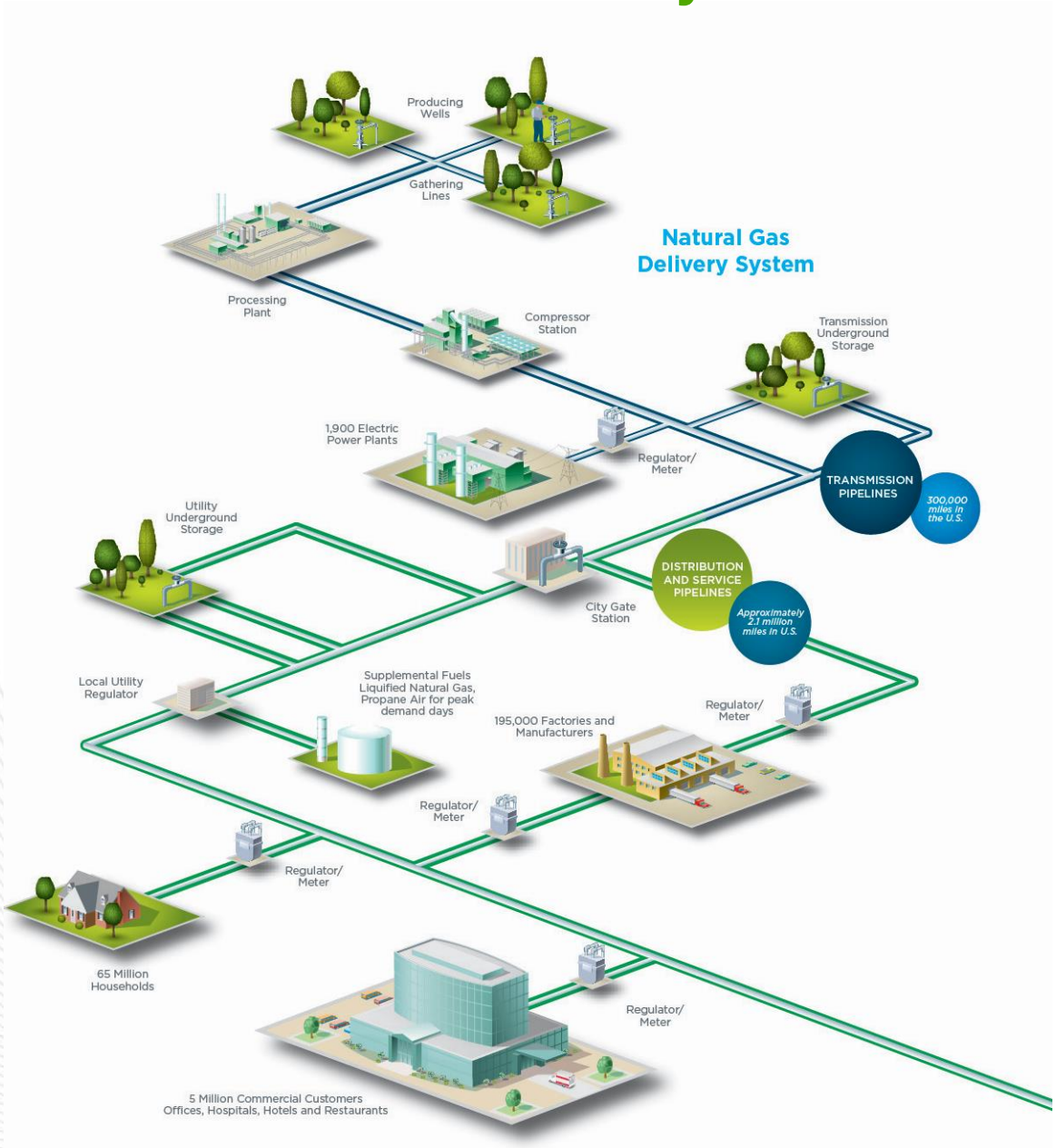


The Natural Gas Distribution System



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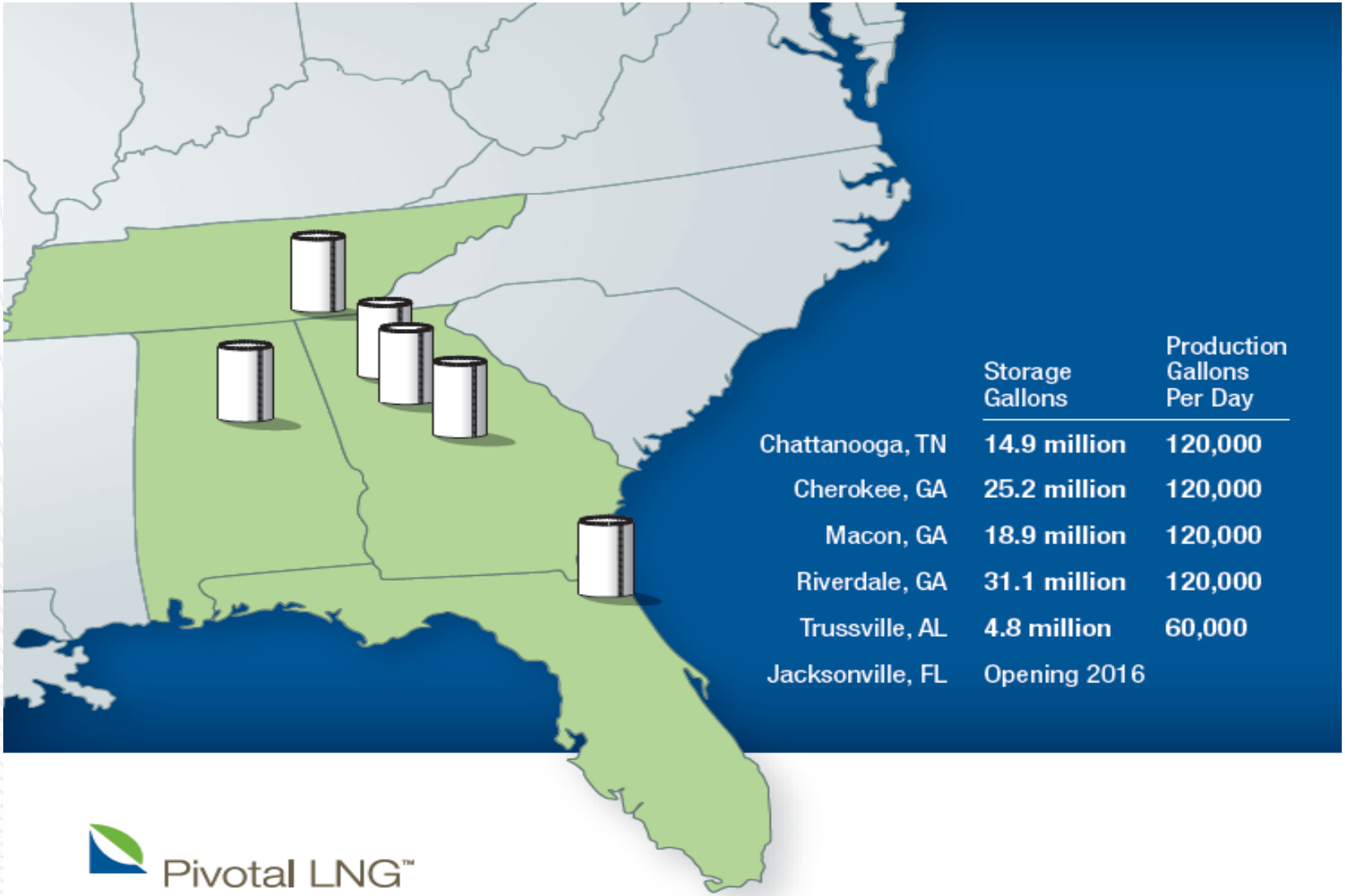
Liquefier Locations



	Storage Gallons	Production Gallons Per Day
Chattanooga, TN	14.9 million	120,000
Cherokee, GA	25.2 million	120,000
Macon, GA	18.9 million	120,000
Riverdale, GA	31.1 million	120,000
Trussville, AL	4.8 million	60,000
Jacksonville, FL	Opening 2016	

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What is LNG?

LNG is Liquefied Natural Gas

LNG is the same natural gas safely used in homes, schools and businesses for more than 100 years

Natural gas becomes LNG when cooled to -260F. At this point, the natural gas condenses into a clear, non-flammable, non-corrosive liquid occupying 1/600 of the space of natural gas at atmospheric pressure

LNG when warmed above -260F at atmospheric pressure returns to a gas

LNG is stored at very low pressure (0 – 200 psi)

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What does an LNG facility look like?

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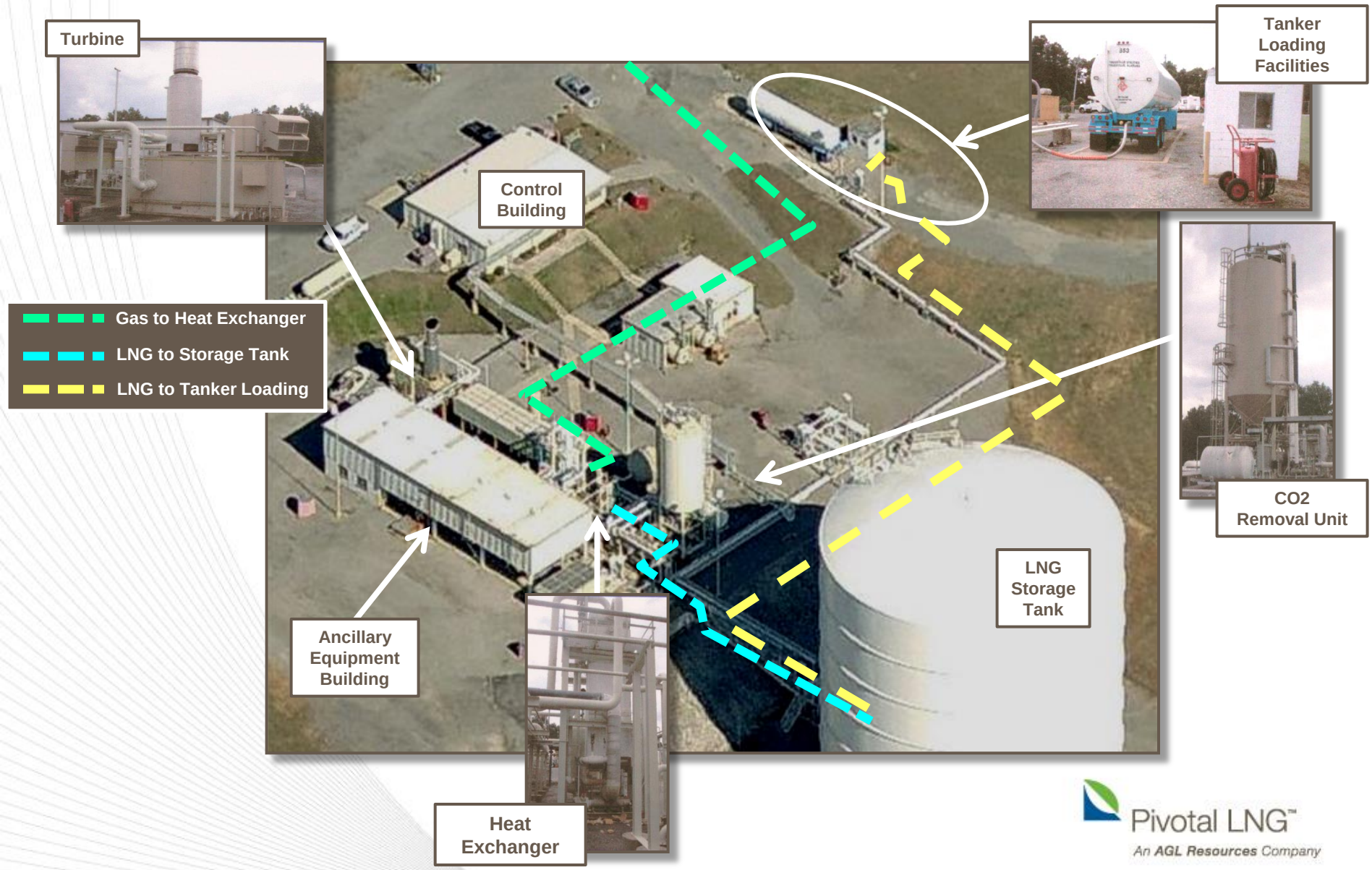
Key Elements of an LNG Facility



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Recent Success

On-Highway

- UPS Nashville and Knoxville, TN
  - LNG deliveries began September 2013 from our Chattanooga LNG facility
- UPS Jacksonville, FL
  - LNG deliveries began Q2 2014 to fuel more than 100 trucks

Marine industry

- Pivotal and WesPac have entered into a partnership to build a new facility in Jacksonville to serve TOTE's two new state-of-the-art container ships and other LNG markets - JAX LNG -

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Applications for LNG ?- Wherever petroleum use needs to be reduced

- On Highway Heavy Duty Trucks
- Marine
- Rail
- Oil and Gas Production
- Mining and Aggregates
- Asphalt Production

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On Highway Applications

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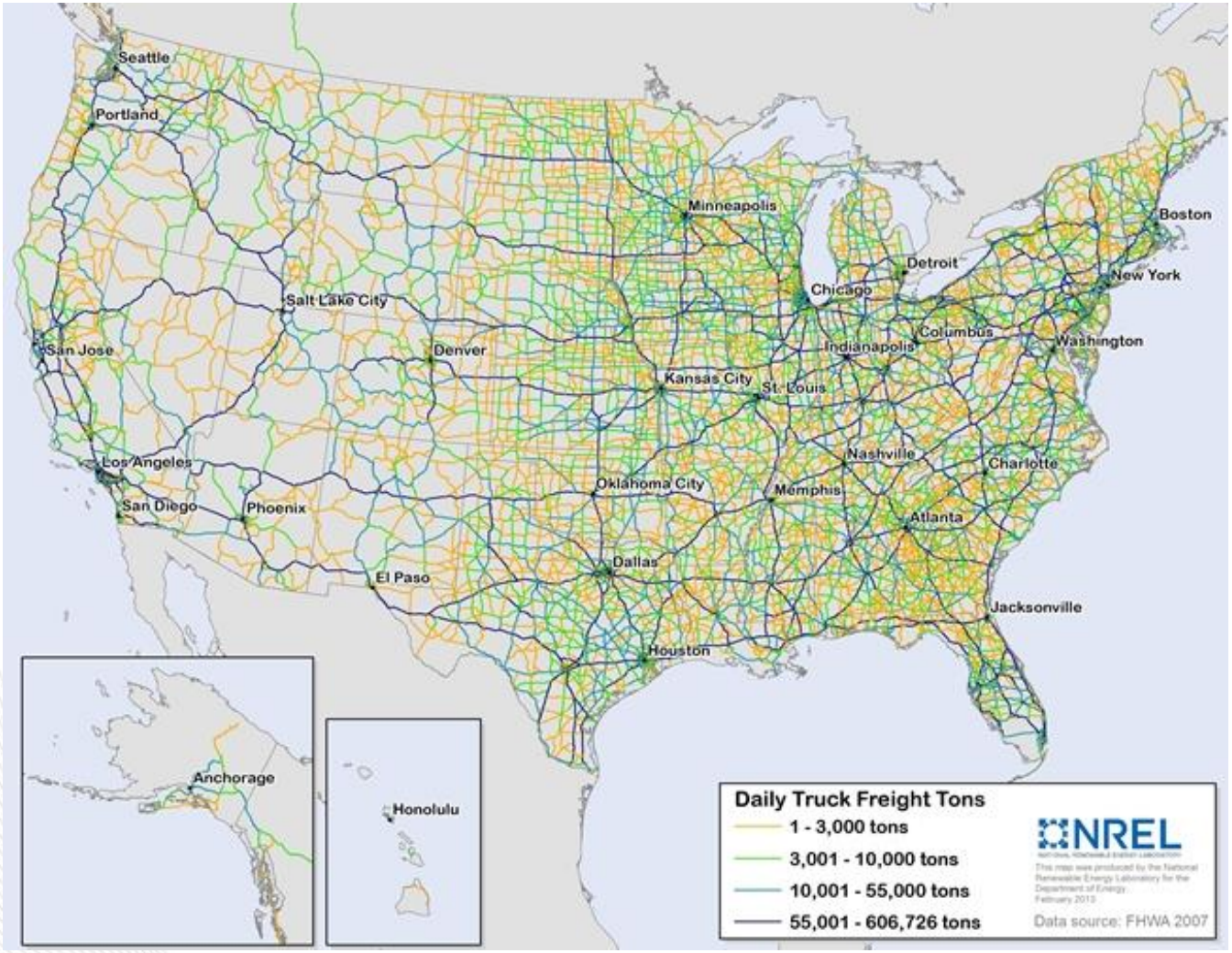
Daily Truck Freight Tons



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Class 7 – 8 On-Highway Market

Class 7-8 combination trucks include all trucks designed to be used in combination with one or more trailers with a gross vehicle weight rating over 26,000 lbs. The average vehicle travel of these trucks (on a per truck basis) far surpasses the travel of other trucks due to long-haul freight movement. The data series was recently changed by the FHWA back to 2007.

Table 5.2
Summary Statistics for Combination Trucks, 2007–2011

Year	**Registrations (thousands)**	Vehicle travel[a] (million miles)	Average annual miles per vehicle	**Fuel use (million gallons)**	Fuel economy (miles per gallon)
2007	2,635	184,199	69,905	30,904	6.0
2008	2,585	183,826	71,113	30,561	6.0
2009	2,617	168,100	64,234	28,050	6.0
2010	2,553	175,789	68,856	29,927	5.9
2011	**2,452**	163,692	66,759	**28,193**	5.8
		Average annual percentage change			
1970–2011	2.5%	3.8%	1.3%	3.3%	0.5%
2001–2011	1.3%	1.8%	0.5%	1.0%	0.7%

Source – US DOE Transportation Energy Data Book

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Characteristics of Truck Fleets Likely To Convert to LNG

- Reasonable distance to an LNG production facility
- Regular route
- High fuel consumption – heavy loads, multiple shifts
- Long equipment trade cycles (5+ years)
- Shippers that desire the carrier to use alternative fuels

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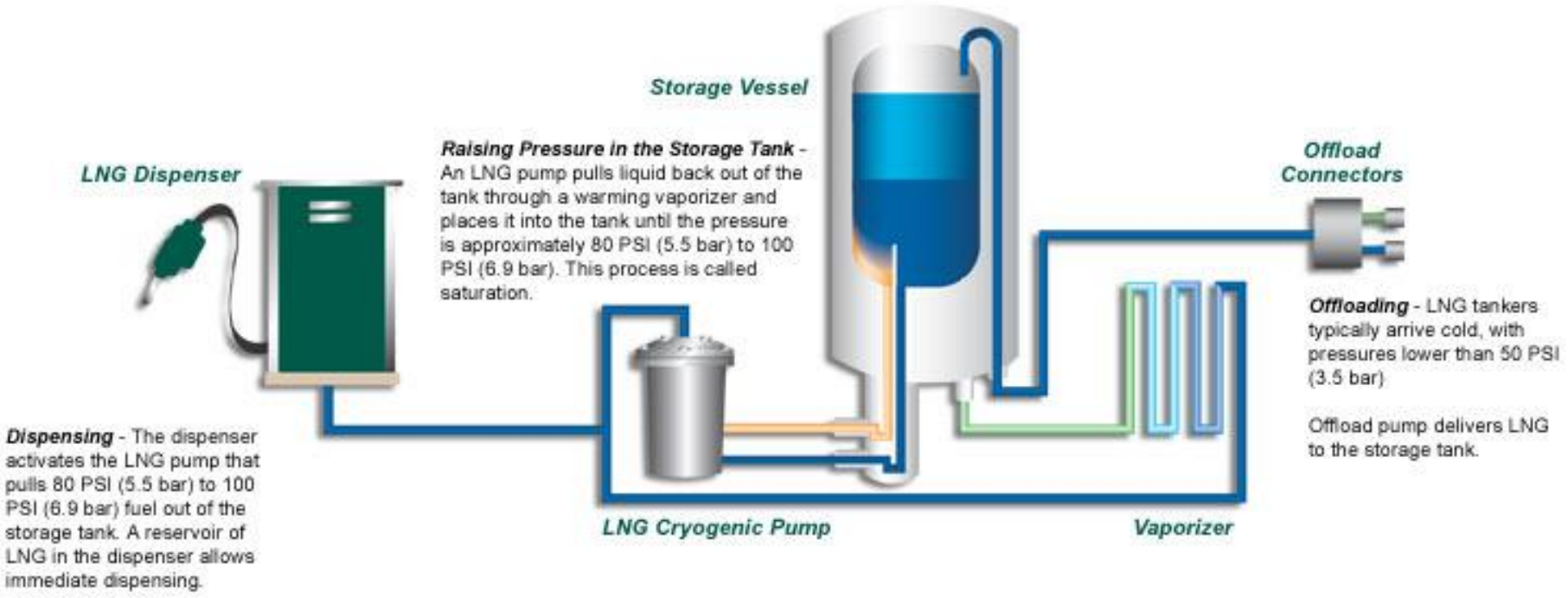
LNG or CNG – Freeze it or Squeeze it?

LNG – The right choice for on highway trucks when

- Distance to the LNG supply is reasonable
- Fuel consumption is high (65 DGE+ per day)
- Maximum range is needed
- Vehicle weight needs to be at a minimum
- The wheelbase needs to be kept as short as possible
- The time to refuel is an important consideration
- A “full fill” is important – known fuel quantity
- The fleet may have both LNG and CNG vehicles at one location

Class 8 tractor trailers are usually good candidates for LNG

The simplicity of an LNG station



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Where to start? Take the time to understand the current operation

LNG Fuel Cost Savings Model Input Data

This worksheet will allow us to start collecting data specific to your operation at a specific location. If you don't know the answer for a value, just leave it blank for now.

Items in brown are related to diesel tractors

Items in blue are related to LNG tractors

Cells in yellow are for you to input information specific to your fleet at a particular location

Variable	Typical Fleet	Your Fleet	Desription of the data value
Location Name	Plant #1		Your plant or terminal name
Average Annual Tractor Mileage	100,000		How many miles per year do you average per tractor at this location?
Number of Tractors	10		How many tractors in total operate from this location?
Weeks of operation per year	52		How many weeks per year do the tractors usually operate? For instance do you have an annual plant maintenance shut down?
Days of operation per week	5		How many days per week do the trucks operate? 5,6,7 ?
Shifts per Day	1		On the average, how many shifts per day do the tractors operate? 1,2,3 ?
Acquisition Cost - Diesel Tractor	$ 100,000		Estimated cost of a new 2013 model year diesel tractor including FET and local taxes if applicable
Current Diesel Cost ($ per gallon)	$ 4.00		Your current cost per gallon for diesel fuel including federal and state taxes, include station maintenance costs if centrally fueled
Estimated Annual Diesel Cost Increase %	10%		Your estimate as a percent as to how much diesel fuel will increase in cost annually over the next ten years
Average Fuel Mileage (MPG) Diesel	6.5		Your fleets average MPG at that location
Current Diesel Exhaust Fluid Cost ($ per gallon)	$ 3.00		Your current cost of DEF (Diesel Exhaust Fluid - Applies to all EPA 2010 diesel engines except Navistar)
Estimated Diesel Exhaust Fluid Consumption %	2%		How much DEF are your trucks using as a percentange of diesel fuel consumed? For example 2 gallons of DEF per 100 gallons of diesel?
Estimated Annual Diesel Exhaust Fluid Cost Increase %	2%		Your estimate as a percent as to how much diesel exhaust fluid will increase in cost annually of the next ten years
Acquisition Cost - LNG Tractor	$ 150,000		Estimated cost of a new 2013 model year LNG tractor including FET and local taxes if applicable
Single Fuel or Dual Fuel	Single		Will the engines be single fuel (spark ignited) or dual fuel (compression ignition)
Current LNG Cost ($ per DGE)	$ 2.50		Cost per DGE (diesel gallon equivalent) of LNG fuel
Estimated Annual LNG Cost Increase %	2%		Your estimate as a percent as to how much LNG fuel will increase in cost annually over the next ten years
Average Fuel Mileage (MPG) LNG	6.2		Your estimate for fuel mileage with LNG fueled tractors

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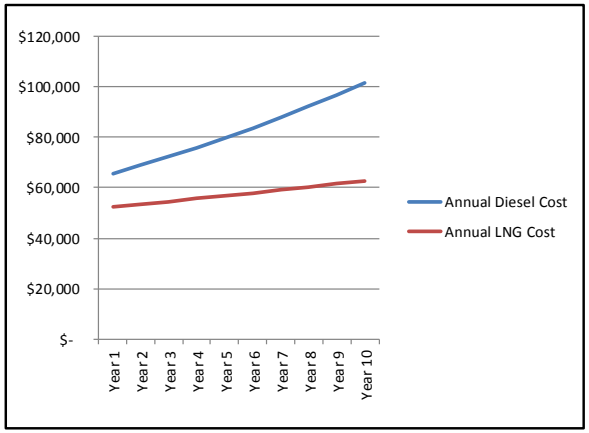
Next Step - Model the Business Case

Cells in yellow are for your input, other values are calculated

Input Variables	
Acquisition Cost - Diesel Tractor	$ 120,000
Current Diesel Cost ($ per gallon)	$ 3.00
Estimated Annual Diesel Cost Increase %	5%
Average Fuel Mileage (MPG) Diesel	6.5
Current Diesel Exhaust Fluid Cost ($ per gallon)	$ 2.50
Estimated Diesel Exhaust Fluid Consumption %	2%
Estimated Annual Diesel Exhaust Fluid Cost Increase %	2%
Acquisition Cost - LNG Tractor	$ 160,000
LNG Tractor Premium (calculated or insert a value)	$ 40,000
Current LNG Cost ($ per DGE)	$ 2.25
Estimated Annual LNG Cost Increase %	2%
Average Fuel Mileage (MPG) LNG	6.0
Annual Average Tractor Mileage	140,000
Number of Tractors	25
Weeks of operation per year	50
Days of operation per week	6



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Annual Costs and Savings *Per Truck*	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Annual Diesel Cost		$ 64,615	$ 67,846	$ 71,238	$ 74,800	$ 78,540	$ 82,467	$ 86,591	$ 90,920	$ 95,466	$ 100,240
Annual Diesel Exhaust Fluid Cost		$ 1,077	$ 1,098	$ 1,120	$ 1,143	$ 1,166	$ 1,189	$ 1,213	$ 1,237	$ 1,262	$ 1,287
Total Cost for Diesel plus Diesel Exhaust Fluid		$ 65,692	$ 68,945	$ 72,359	$ 75,943	$ 79,706	$ 83,656	$ 87,804	$ 92,157	$ 96,728	$ 101,527
Annual LNG Cost		$ 52,500	$ 53,550	$ 54,621	$ 55,713	$ 56,828	$ 57,964	$ 59,124	$ 60,306	$ 61,512	$ 62,742
Annual Fuel Savings		**$ 13,192**	**$ 15,395**	**$ 17,738**	**$ 20,230**	**$ 22,878**	**$ 25,692**	**$ 28,680**	**$ 31,851**	**$ 35,216**	**$ 38,784**
Accumulated Fuel Savings		**$ 13,192**	**$ 28,587**	**$ 46,325**	**$ 66,555**	**$ 89,433**	**$ 115,125**	**$ 143,805**	**$ 175,657**	**$ 210,873**	**$ 249,657**
Net Accumulated Fuel Savings (- Tractor Premium)	**$ (40,000)**	**$ (26,808)**	**$ (11,413)**	**$ 6,325**	**$ 26,555**	**$ 49,433**	**$ 75,125**	**$ 103,805**	**$ 135,657**	**$ 170,873**	**$ 209,657**
Break Even - Years				**2.6**							

IRR (5 year)	**31%**
IRR (10 year)	**44%**

Consumption Calculations	Annual		Monthly		Weekly		Daily	
	Per Truck	For Fleet	Per Truck	For Fleet	Per Truck	For Fleet	Per Truck	For Fleet
Diesel Consumption in Gallons	21,538	538,462	1,795	44,872	431	10,769	72	1,795
Diesel Exhaust Fluid Consumption in Gallons	431	10,769	36	897	9	215	1	36
LNG Consumption in DGE	23,333	583,333	1,944	48,611	467	11,667	78	**1,944**
LNG Consumption in LNG Gallons	40,133	1,003,333	3,344	83,611	803	20,067	134	3,344

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Who are the likely early adopters for LNG?

Generally wherever you have a concentration of class 8 tractor-trailers running in regular route applications such as from distribution centers to retail points and drayage applications (port to the rail yards)

- Hub and spoke
- Node to node
- Regular route
- Centrally fueled

LNG applications are likely to be “hot seat” (multiple shift) operations that burn high volumes of fuel – well utilized power units

Marine Market

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LNG Marine Fuel

Trends

- Growing interest in Marine LNG
  - Emission Control Area compliance option
  - Cost savings due to natural gas abundance
- Experience to date primarily in Europe
- New and unique projects in the U.S.
  - 2 TOTE container ships to JAX FL - 2015

Images from Off Shore Energy Today and JOC.com

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LNG Marine Refueling

Bunkering Methods

- Dockside – Truck to Ship
- Dockside - Tank to Ship
- Dockside – ISO containers as portable fuel tanks
- Water side – Bunker barge (Tanks, ISOs or membrane)

Key Selection Criteria

- Bunker volume
- SimOps
- Physical space available
- Ease and speed of implementation

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Dockside – ISOs as portable fuel tanks

ISOs already approved for LNG service

Easily filled at remote location

Readily loaded at container terminal

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Waterside – Bunker Barge

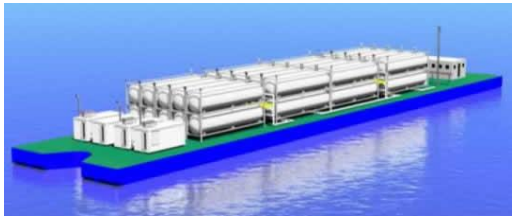
Storage options – pressurized tanks, ISOs and membrane

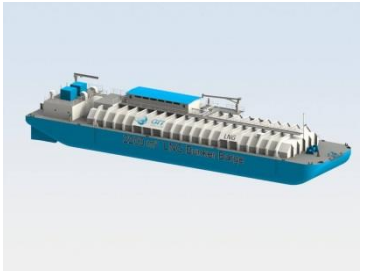
Capable of large volume bunkering

Conceptually similar to petroleum bunkering

- Practically very different- design, materials, procedures and training

New process and regulatory oversight is under development





Images from MarineLink.com and ArgentMarine.com

Keys to success in all LNG markets

Experience in safely operating commercial LNG plants

Network of supply for backup should the primary point be interrupted

Accurate truck weight scales at the plant

Reliable fuel transportation from the plant to the customer – able to quickly handle changes in volume or supply points

Scalable operations

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Telling our story – Some facts that may surprise you

- LNG is the same natural gas delivered to homes and businesses
- LNG is a very pure form of natural gas
- LNG is not explosive or flammable
- LNG is not corrosive
- LNG will not mix with water (it floats)
- If LNG is spilled, it quickly vaporizes and rises into the air
- There is no residue after a LNG spill on water or soil

Pivotal LNG
Natural Gas Fuel

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