Atlas Energy, Inc.

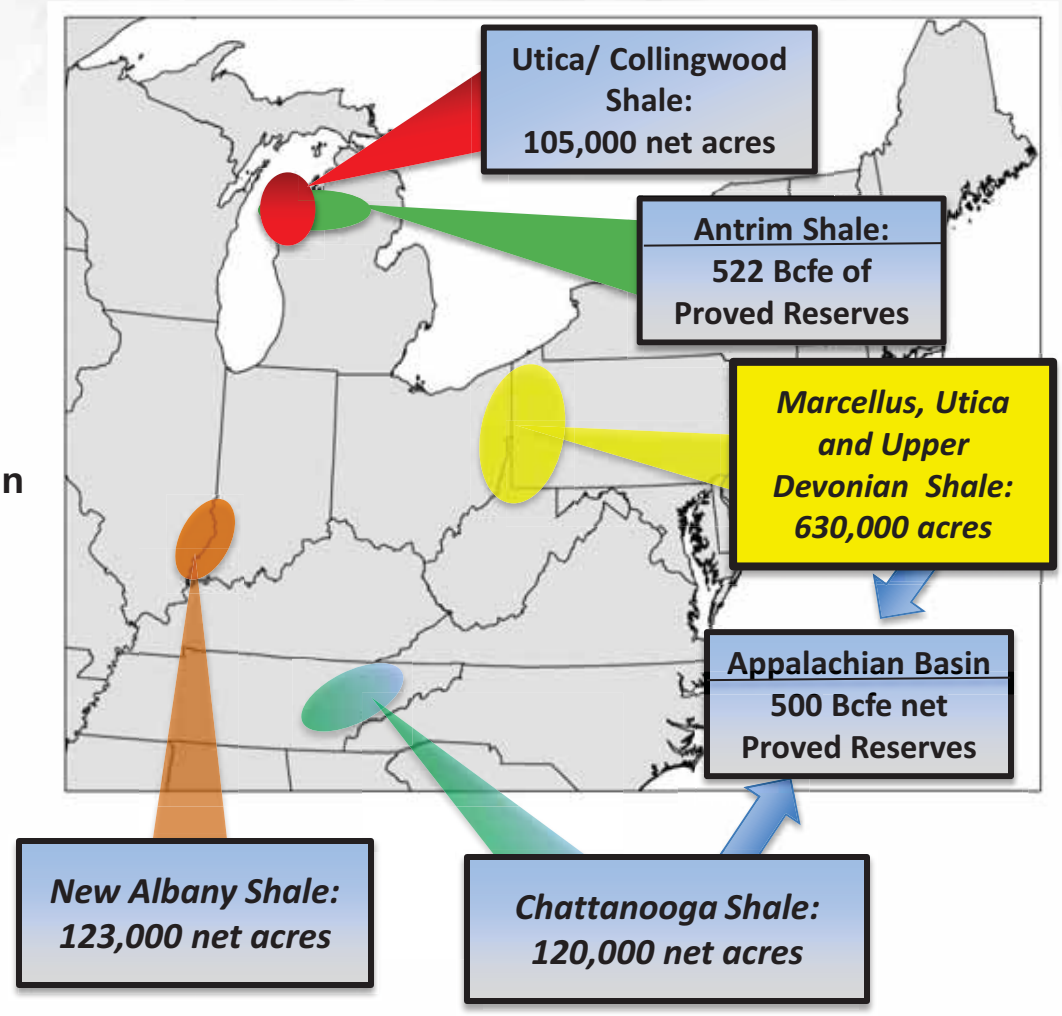
DUG East Conference

November 3, 2010

Atlas Energy, Inc.

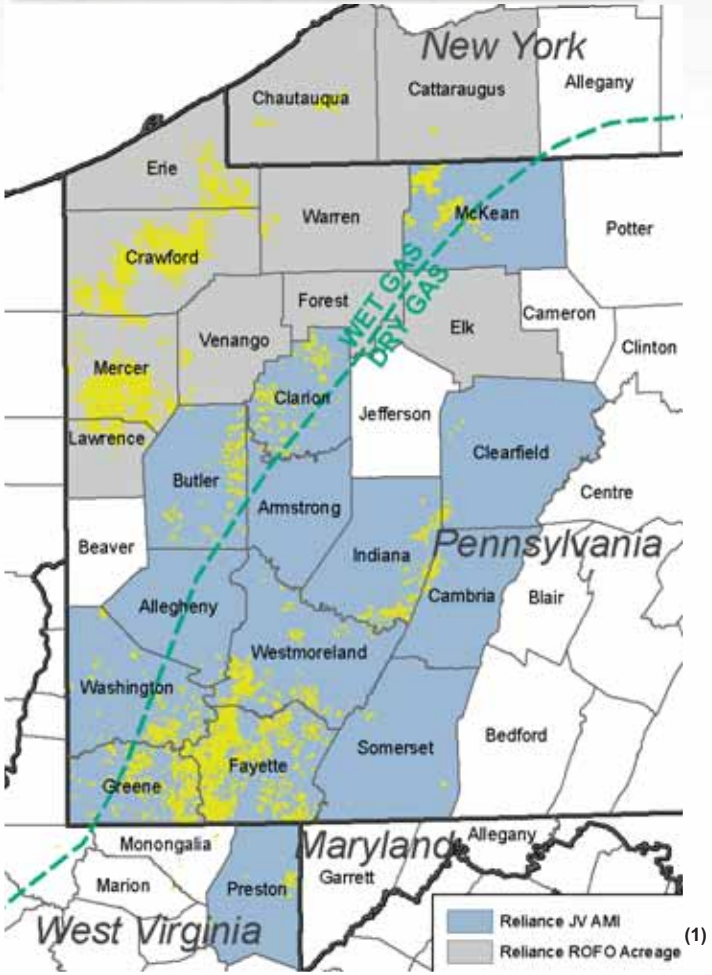
Quick Profile:

- **Stock Symbol:** Nasdaq: ATLS
- **Proved Reserves:** Over 1.0 Tcfe
- **Avg. Daily Production:** 118 Mmcfe/d
- **Gross Acres (1):** 1,260,000
- **Partnership Management:** $72 M fee margin
- **FMV of holding in AHD/APL:** $192 M
- **Total Debt (6/30/10):** $690 M
- **Market Capitalization:** $2.3 B
- **Total Enterprise Value:** $2.9 B
- **Debt to Capitalization:** 27%
- **$1.7 B Marcellus JV with Reliance Industries**



Marcellus Shale Profile

Atlas' Marcellus Acreage



- **Atlas Energy (ATLS) : A Leading Producer in the Marcellus Shale**
  - Over 630,000 gross acres prospective for Marcellus Shale
  - Approximately 320,000 dedicated to JV with Reliance Industries
    - Results suggest over 18 Tcfe of potential reserves from over 3,600 horizontal locations
  - 261 Marcellus wells completed; 39 are horizontal wells
- **In April 2010, Atlas sold 40% undivided working interest in approximately 300,000 net Marcellus Shale acres to Reliance (India) for $1.7 billion ($14,100 per acre)**
  - $340 million in cash upfront and $1.36 billion drilling carry; Reliance will fund 75% of Atlas' share of well costs until drilling carry has been fully utilized (ATLS pays 15% for 60% interest)
  - Over 1,000 horizontal Marcellus Shale wells in the next 5 years; 45 in 2010, 108 in 2011, 171 in 2012 and 300 + wells thereafter (total capital of approximately $4.5 billion)
- **In May 2009, Atlas formed a joint venture, known as Laurel Mountain Midstream Partners, LLC for the purpose of building out a large scale Marcellus Gathering System in southwestern Pennsylvania**

Foundation for Success

- Pennsylvania based company -- active in the region for over 40 years
- Operate more than 9,000 wells, more than 5,000 in PA
- Hired almost 200 new employees since the beginning of 2010
- Currently employ 725 people, with the vast majority based in our Pennsylvania offices
- Plan to employ more than 1,000 people by 2015

Timothy Svarczkopf
Director or Water Management

- Sustainability Goals
- Patent Pending Water Reuse Program
- Logistics
- Cost Comparisons
- Improved Additive Package

Sustainability Goals

1. 100 percent reuse of flowback and production brine water

2. Develop and use hydraulic fracturing fluid additives that are below EPA Risk Based Concentrations for Residential Tap Water

3. Use orphaned mine water as hydraulic fracturing source water, thereby reducing freshwater consumption

Patent-Pending Water Reuse Process

- Catalytic Oxidation Treatment of Flowback and Production Brine
- Blend a Variety of Water Sources
- Formulate the hydraulic fracturing additive package to ensure compatibility with source water(s) and Marcellus shale formation geochemistry

Geochemical Conclusions

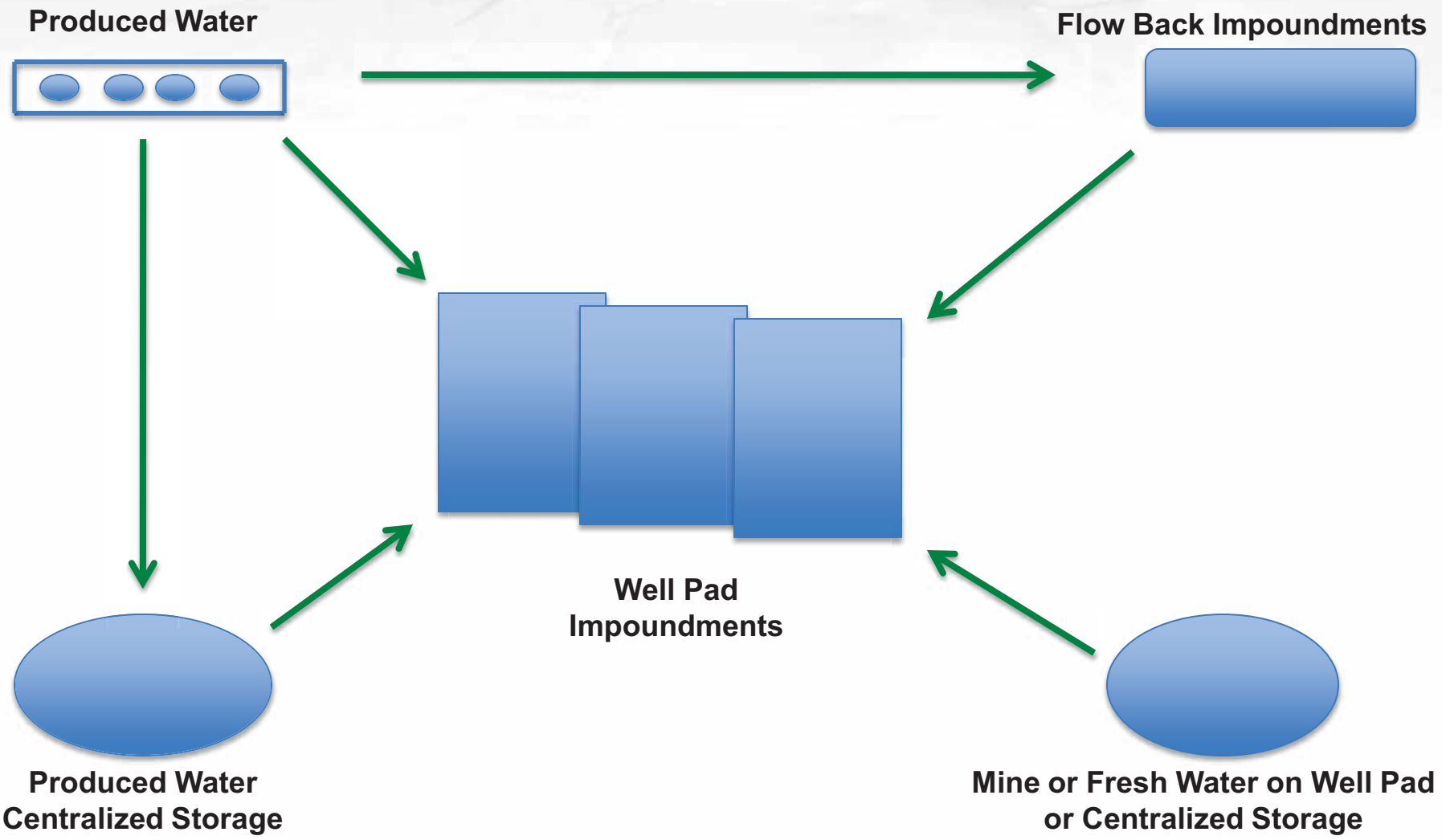
What the Formation Wants:

- High (Na, K) Chloride Salt Content = Same Osmotic Pressure
- Acid/Base Equilibrium with formation water
- All additives either non-ionic, amphoteric, or anionic in charge

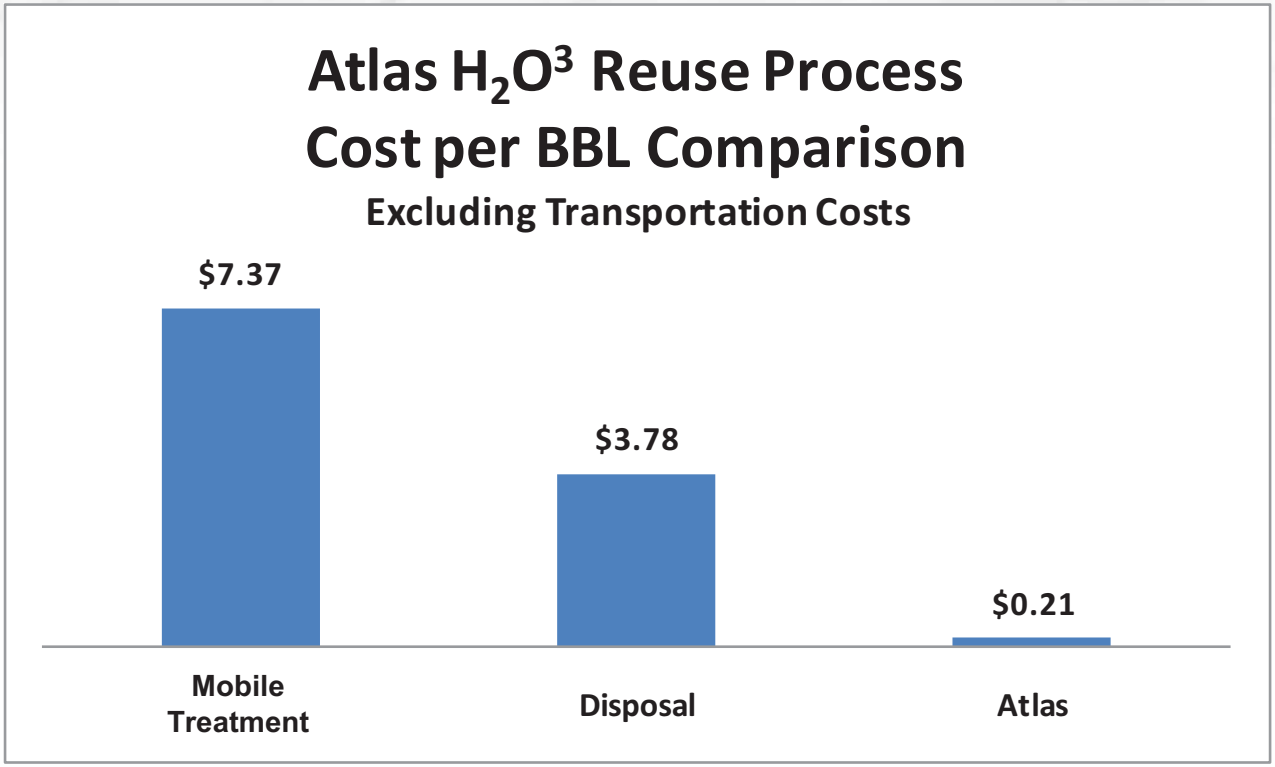
What the Formation Does Not Want:

- Sulfates
- Carbonates
- Bacteria
- Surfactants that form polymeric suspensions

Water Reuse Logistics



Cost Comparisons



Opportunities to Reduce Development Costs and Increase Revenue:

- Significantly reduced disposal costs
- Reduced transportation costs
- Potential for improved well productivity
- "Greening" of fracturing fluid chemistry at no additional cost

Current Composition of Hydraulic Fracturing Fluid

Additive	Purpose	Use and Dilution	Volume	Overall %	Common Uses
Water	Creates fracture network in shale and carries propant to the formation	Primary constituent, consisting of about 5 million gallons per well	5,390,000	94.985%	Water is the most abundant molecule on earth
Sand	Allows fractures to remain open so gas can escape	Second most common constituent	269,500	4.749%	Drinking water filtration, sandboxes
Friction Reducer	Reduces friction between fluid and pipe	Diluted at 1 gallon per 1000 gallons of water	5,390	0.030%	Water treatment, soil conditioner, children's toys
Iron Dispersant	Iron control in produced water	Diluted at 0.2 gallon per 1000 gallons of water	1,078	0.019%	Water treatment
Antimicrobial Agent	Biocide - Mitigate bacteria in water that produce H2S and system fouling	Diluted at 0.4 gallon per 1000 gallons of water	2,156	0.040%	Water treatment, disinfectant, sterilize medical equipment and surfaces
Scale Inhibitor	Prevents scale in pipe	Diluted at 0.2 gallon per 1000 gallons of water	1,079	0.020%	Water treatment, household cleaners, de-icing agent, anti-freeze
Acid Corrosion Inhibitor	Prevents corrosion of pipe	2 Gallons per 1000 gallons of acid	20	0.0000000741%	Paint Solvent and Pickling Agent
Hydrochloric Acid	Dissolve minerals to initiate fractures	1.7 Gallons of acid (conc) per 1000 gallons of water	9,000	0.170%	Swimming Pool and Household Cleaner

Current Composition of Hydraulic Fracturing Fluid

Additive	MSDS Hazardous Component	Max Concentration of MSDS Hazardous Component of Total Stage Fluid (ppm)	EPA Risk Based Concentration - Residential Tapwater (ppm)
Water	NONE	NONE	
Sand	NONE	NONE	
Friction Reducer	Hydrotreated Light Distillate	300	Not Listed
Iron Dispersant	NONE	NONE	
Antimicrobial Agent	Dibromoacetonitrile	4	0.02
	2,2-Dibromo-3-Nitrilopropionamide	80	Not Listed
	Polyethylene Glycol	200	Not Listed
Scale Inhibitor	Ethylene Glycol	5 (Below Risk Based Concentration)	74
Acid Corrosion Inhibitor	Glycol Ether	0.0007 (Below Risk Based Concentration)	2.6
Hydrochloric Acid	NONE	1700	Not listed

Henry Jacot
Vice President of Completion Technology

- Lateral Placement
  - Influences on Production
- Fracture Spacing
  - Economic Optimization
    - Discounted Return On Investment (DROI)
    - Net Present Value (NPV)
- Estimated Ultimate Recovery (EUR) vs Lateral Length

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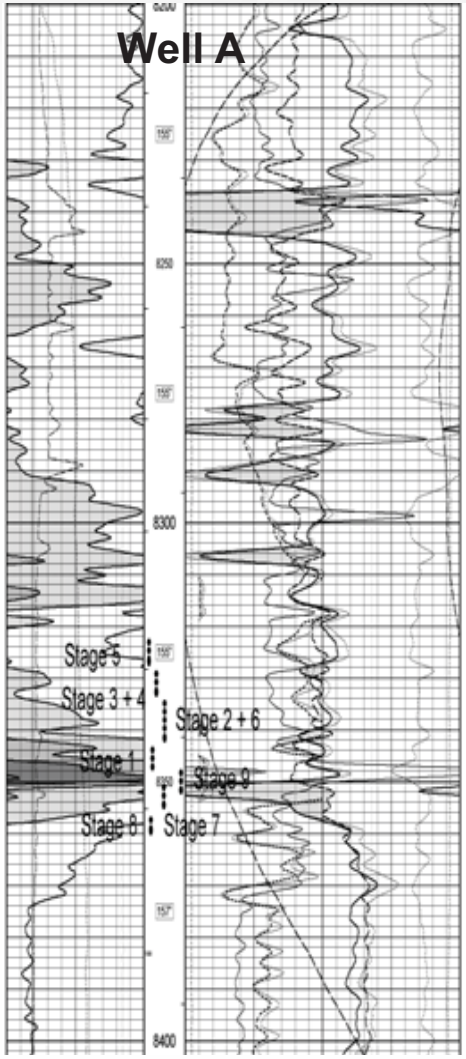
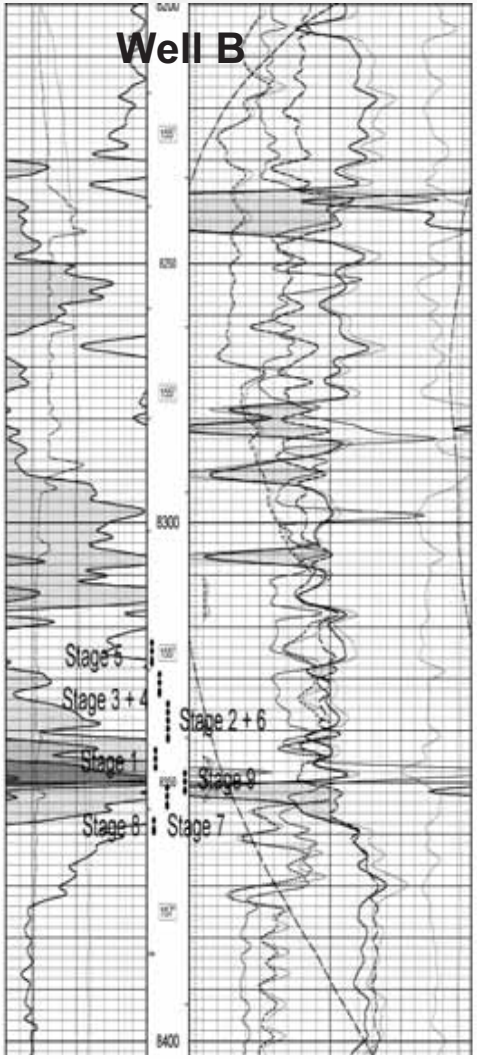
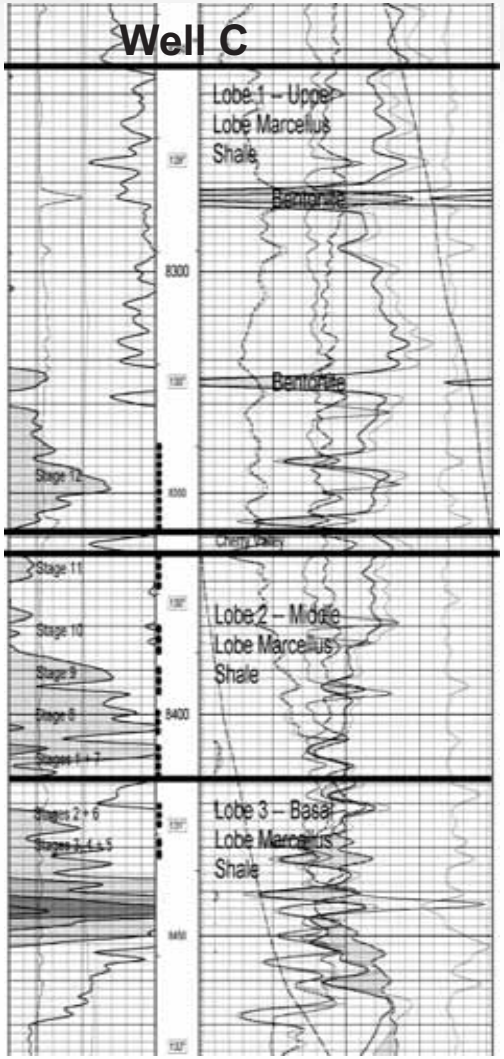
Lateral Placement

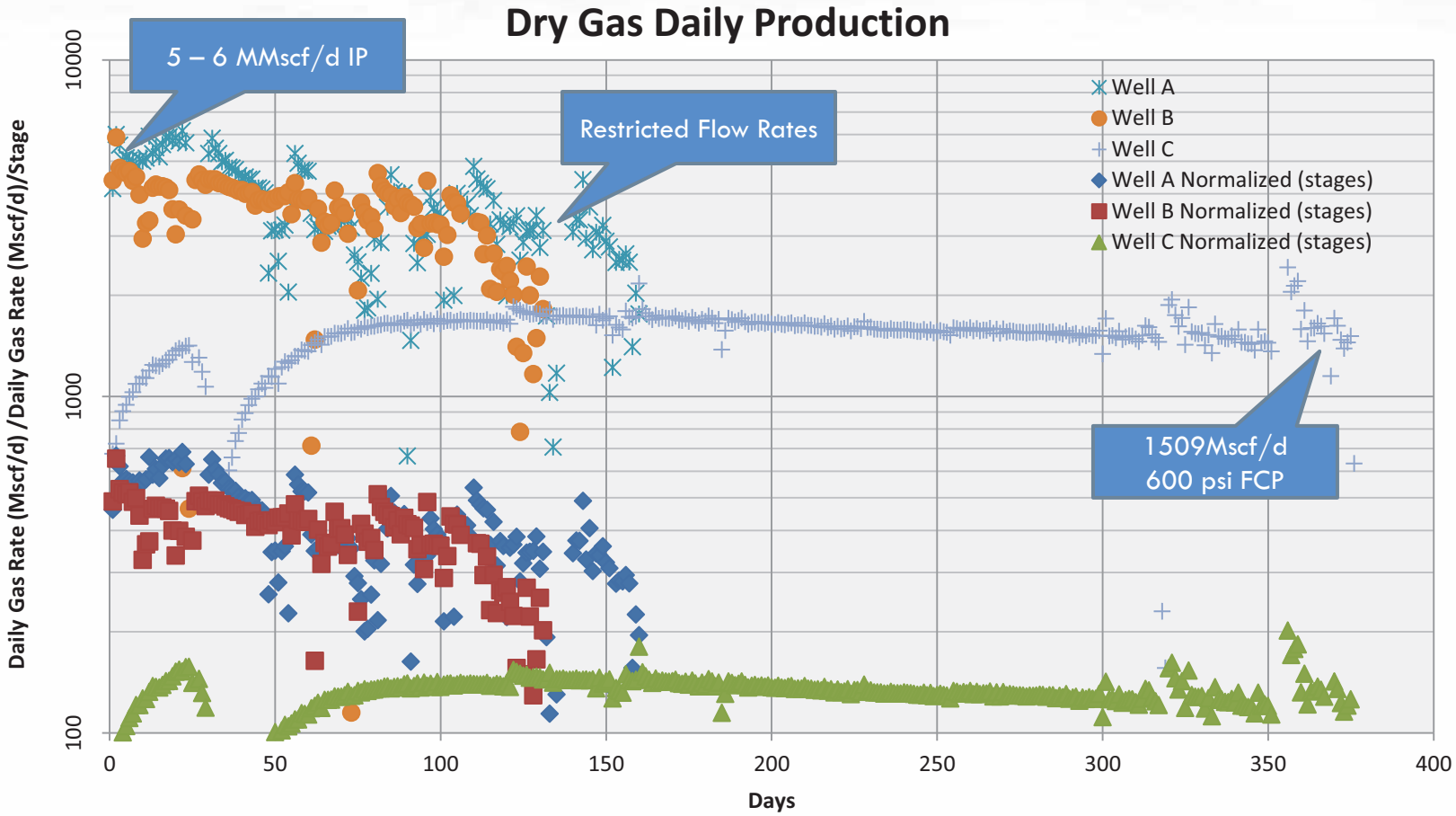
Relative Perforation Position
Well A, B, and C





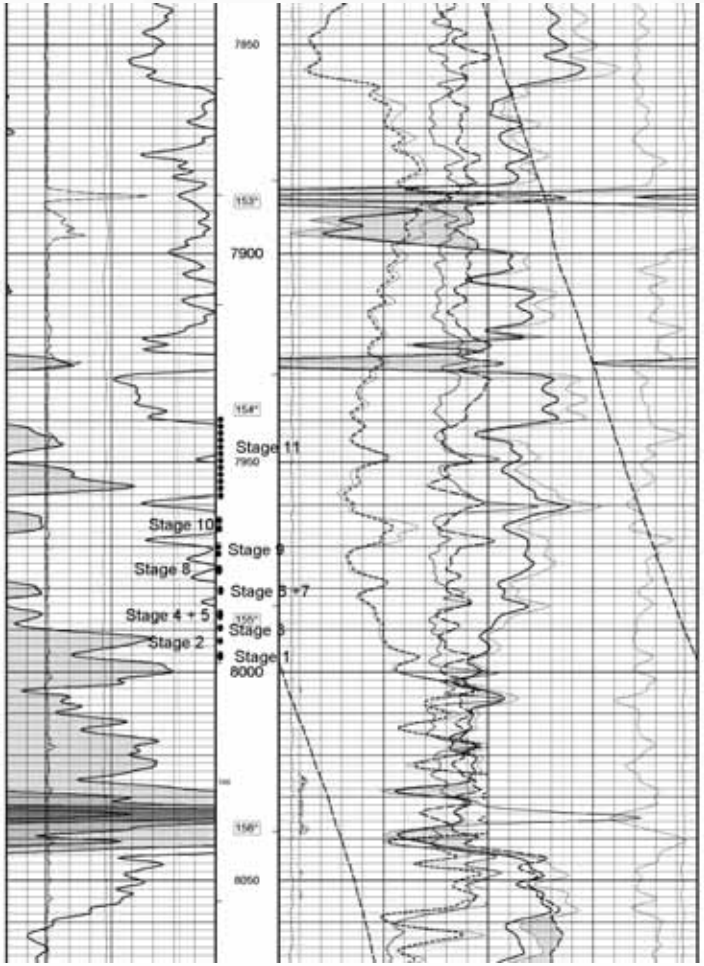


Daily Production
Well A, B, and C

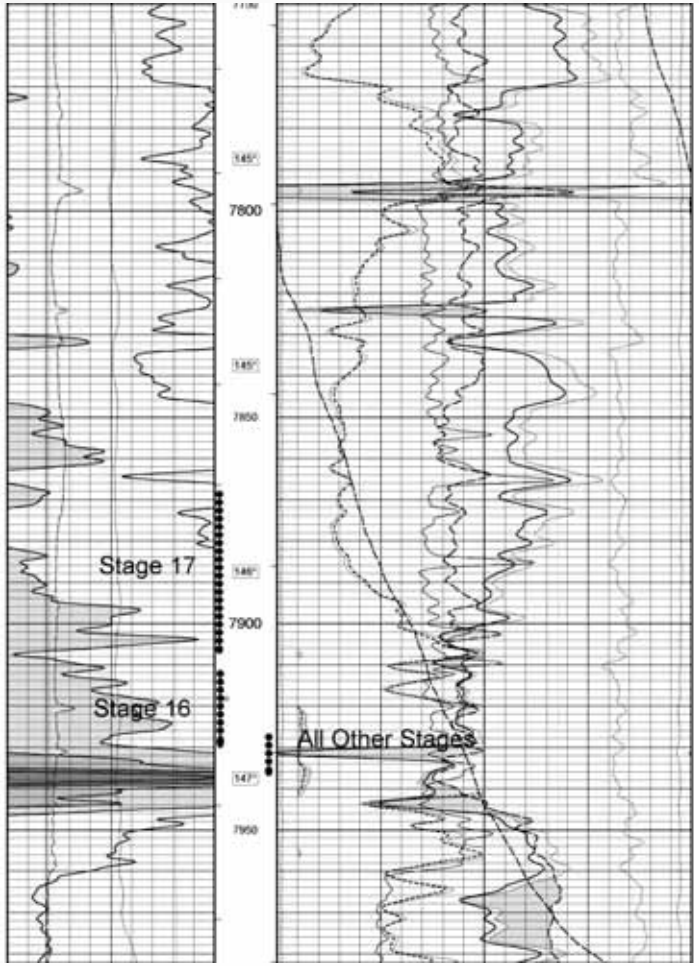


Relative Perforation Position
Well D and Well E

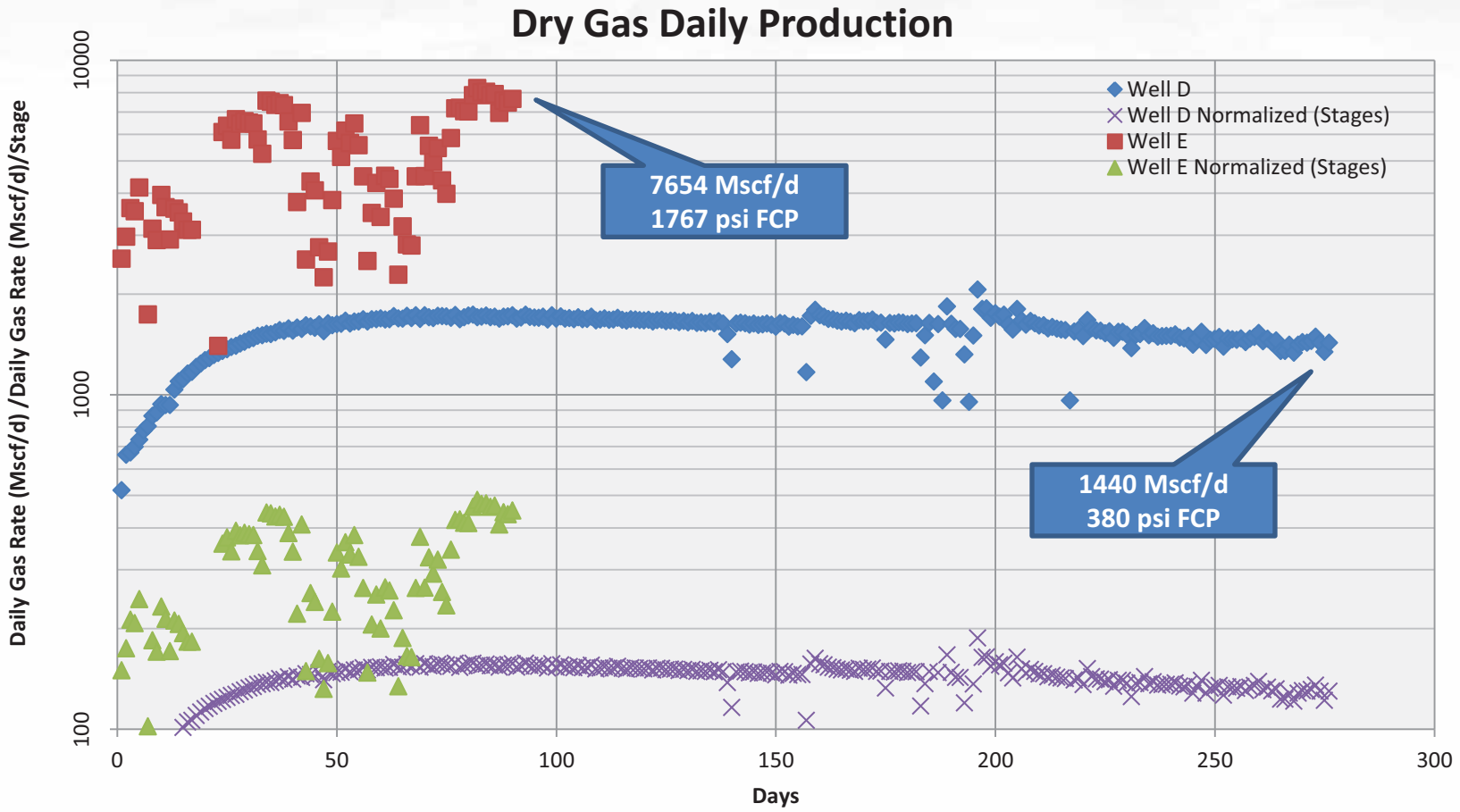
Well D



Well E



Daily Production
Well D and Well E



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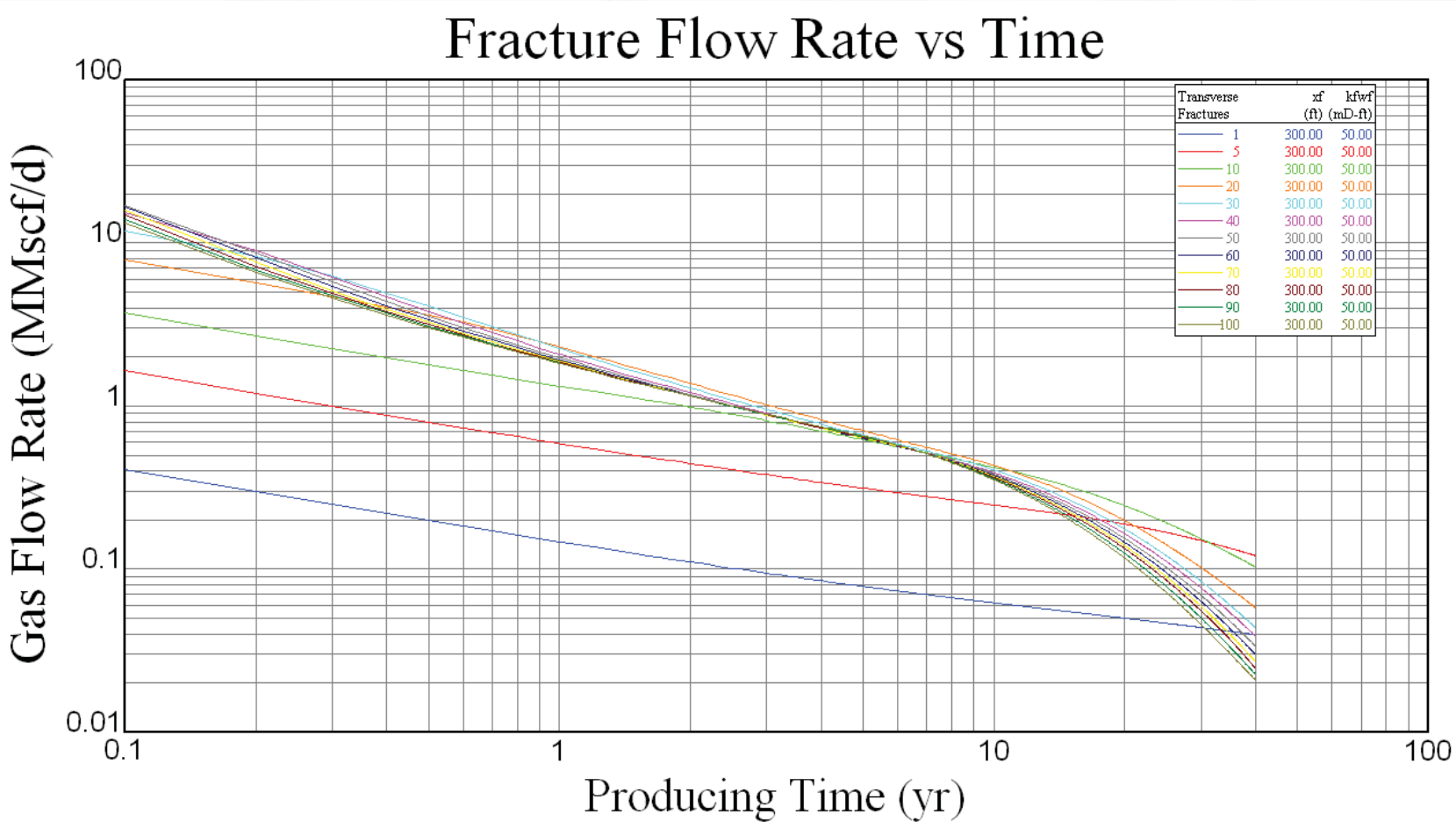
How Many Fractures?

Reservoir and Well Data Assumptions

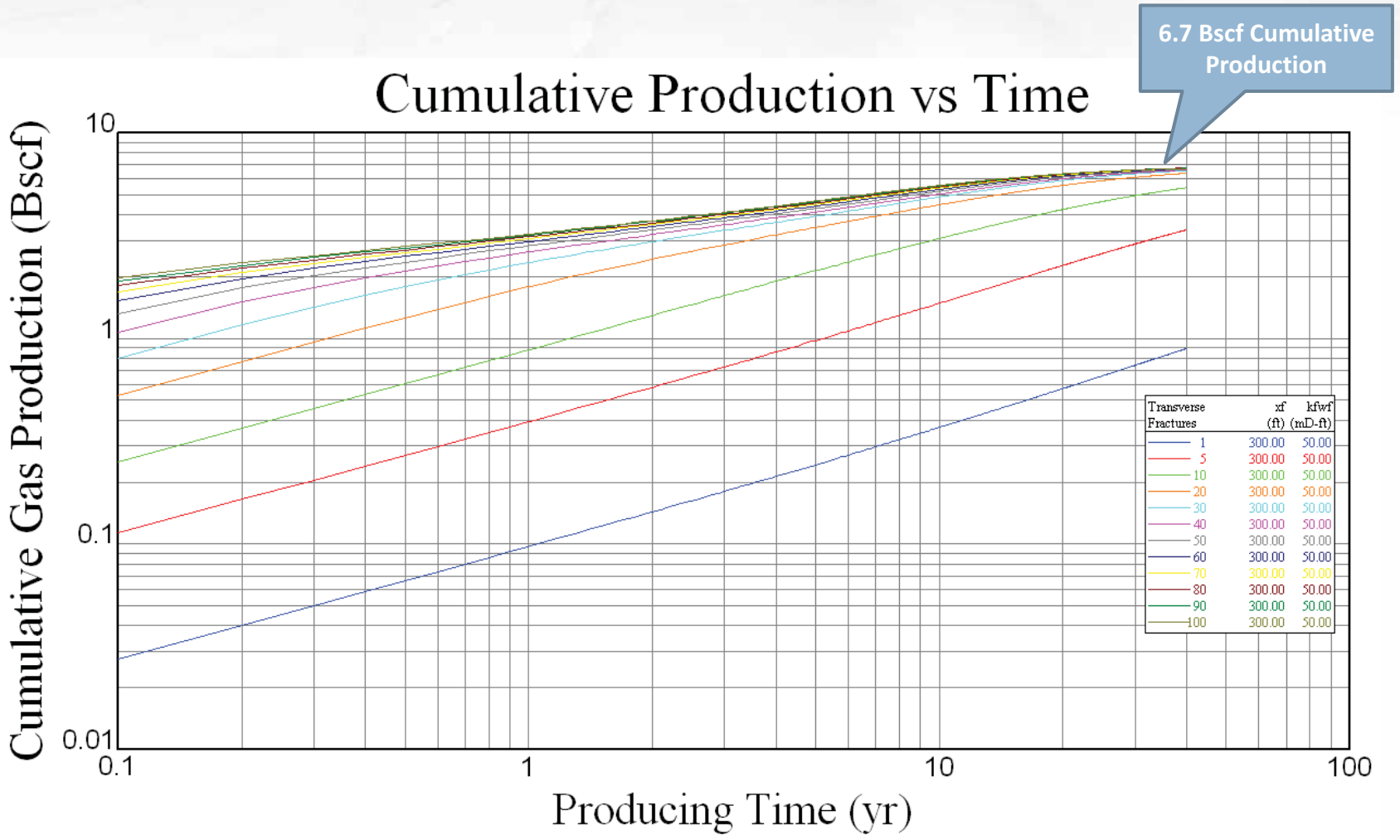
Wellbore Radius (ft)	0.3646
Lateral Length (ft)	3,300
Depth, TVD, (ft)	7,761
Thickness (ft)	162
HC Porosity (%)	4.8
Reservoir Permeability (nanodarcy)	300
Reservoir Pressure (psi)	5,200
Specific Gravity	0.56
Temperature (° F)	175
Drainage Area (acres)	80
Aspect Ratio	0.32
Bottomhole Flowing Pressure (psi)	500

Method based on SPE Paper 135262 presented at SPE Annual Technical Conference and Exhibition held in Florence, Italy, 19–22 September 2010.

Simulated Flow Rate



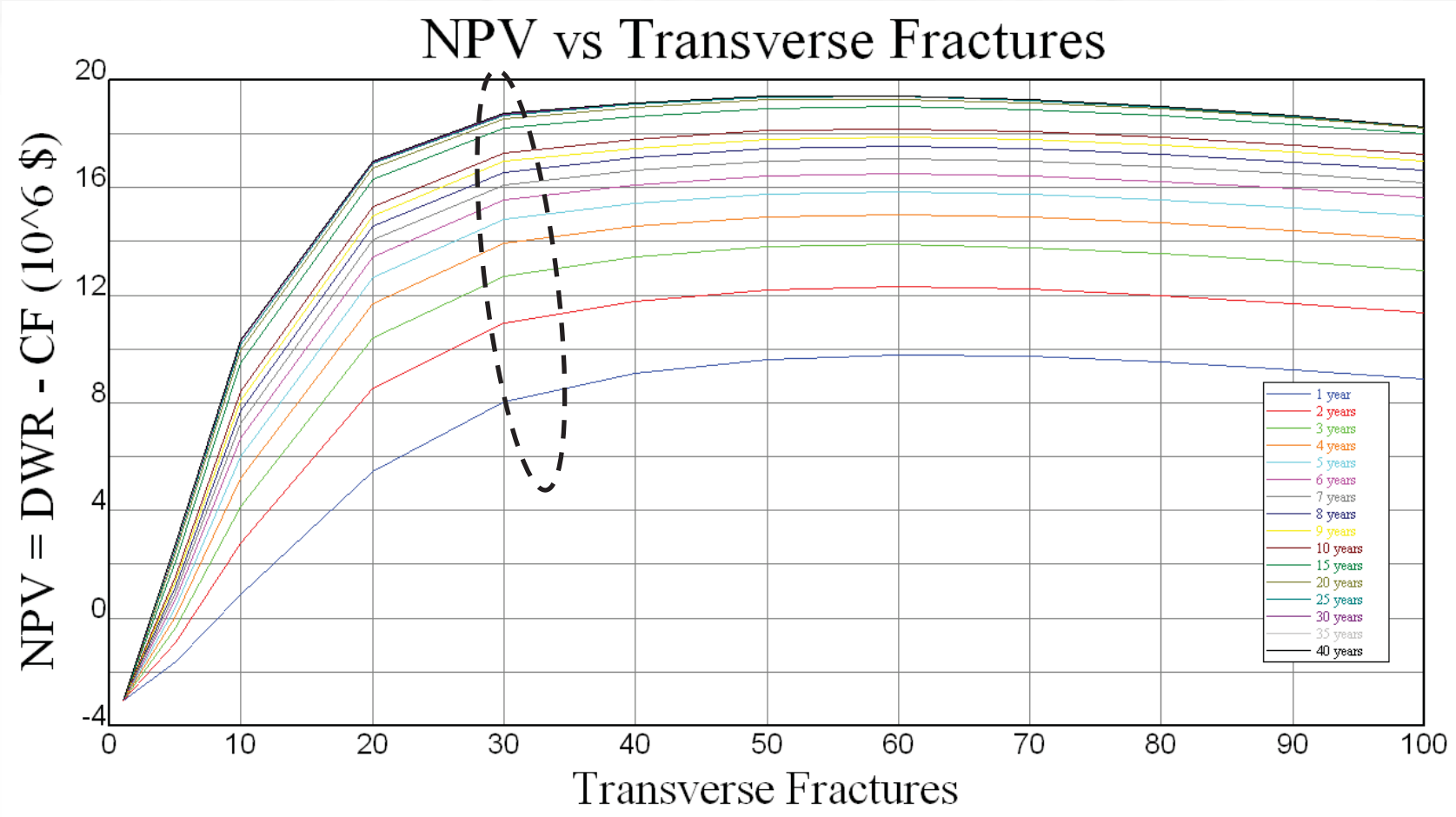
Simulated Cumulative Production



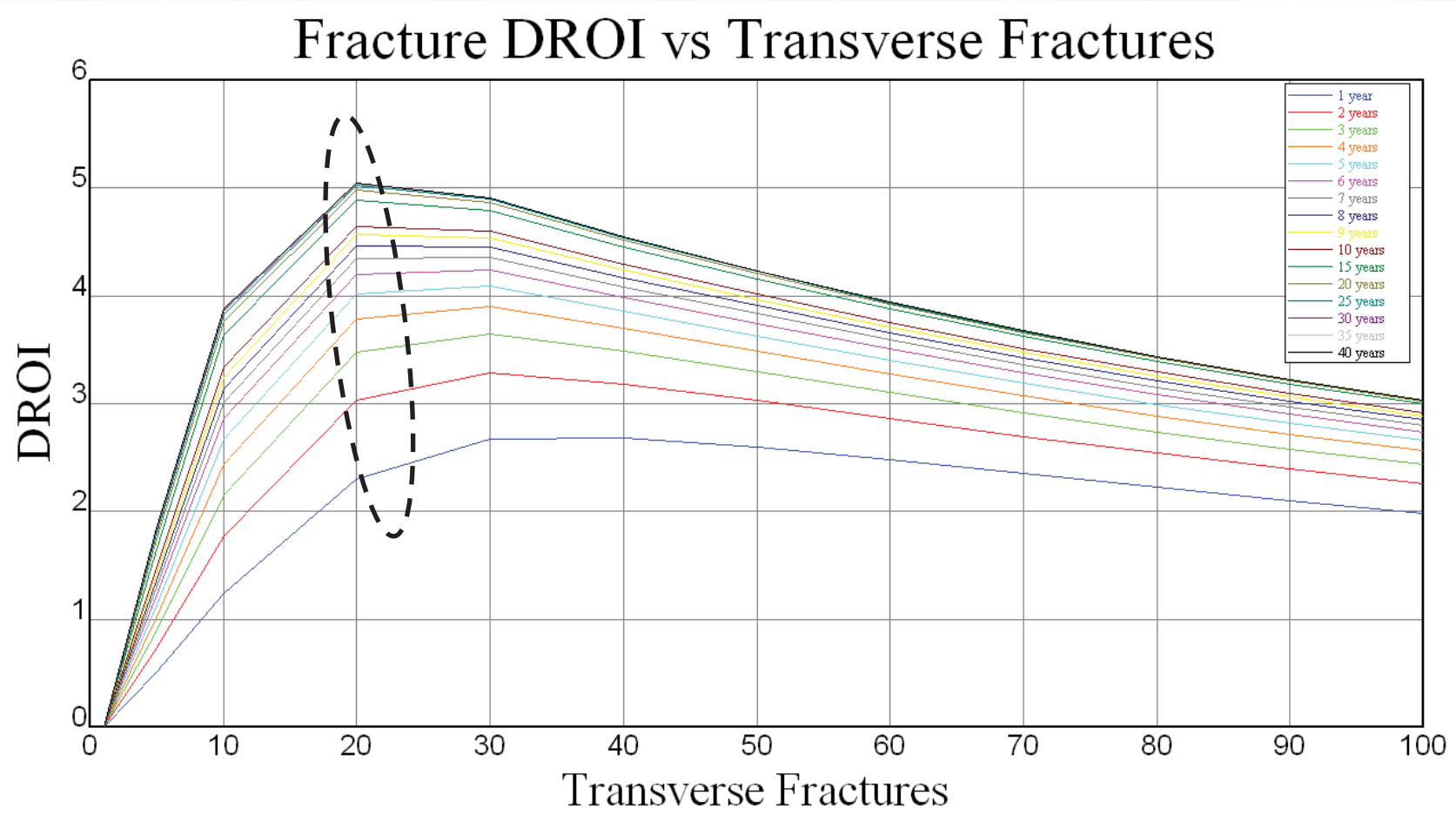
Economic Assumptions

Gas Unit Revenue ($/Mscf)	6.0
Inflation Rate (%)	10
Revenue Escalation Rate (%)	0
Share of Cost (%)	100
Share of Revenue (%)	87.5
Completion Cost/ Frac ($)	60,000
Well Cost ($) (excluding frac costs)	3,000,000

Net Present Value (NPV)



Discounted Return on Investment (DROI)



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EUR vs Lateral Length

EUR vs Lateral Length

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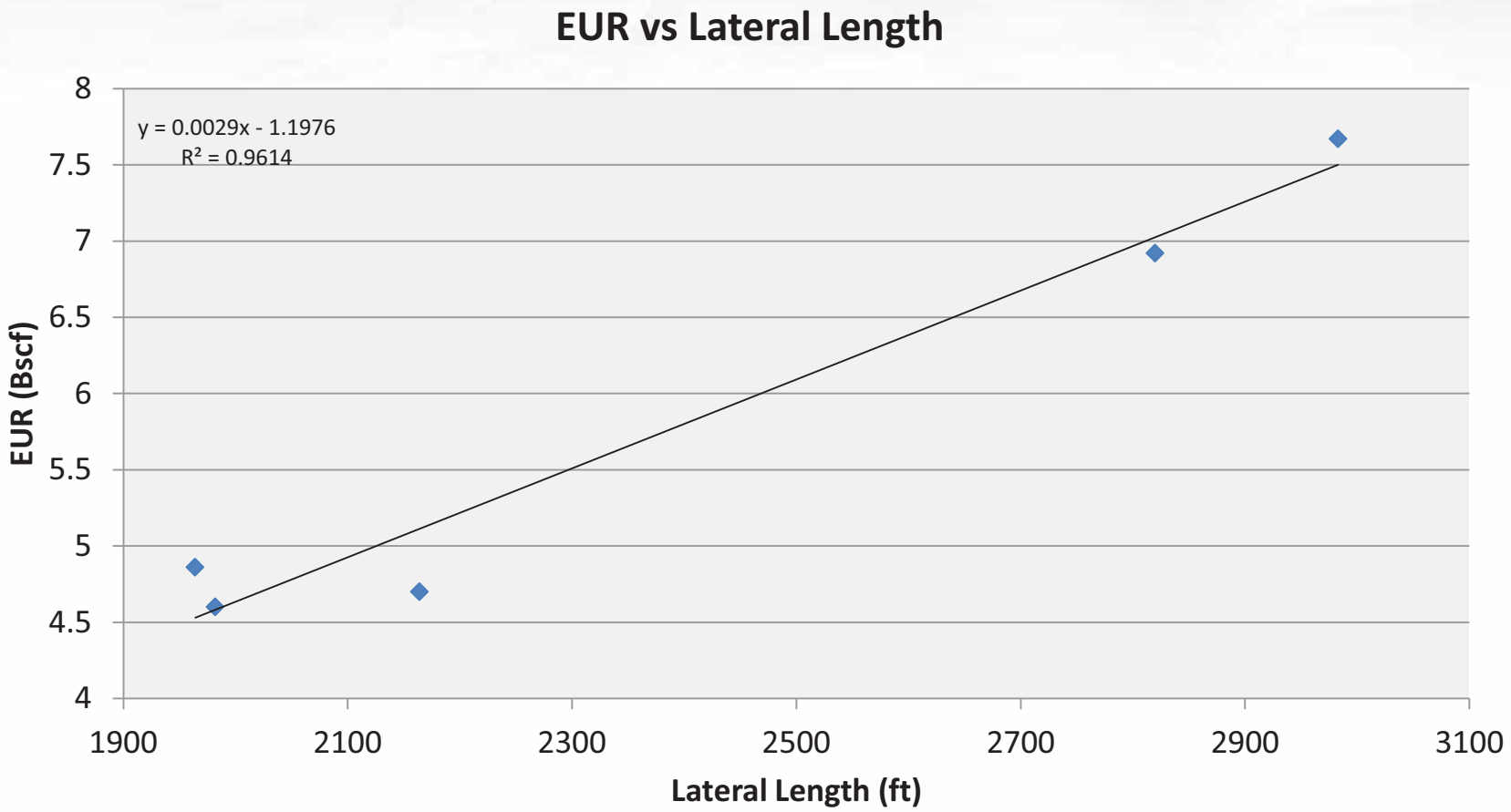

Conclusions

- Lateral placement in the Marcellus has significant impact on well productivity. Better well production has resulted from placing the lateral low in the Marcellus
- Simulation results show the maximum DROI and NPV for 80 acre spacing and 3,300 ft lateral occur between 20 and 30 transverse fractures for a reservoir with 300 nanodarcy permeability
- Limited data show strong correlation between EUR and lateral length. Additional production data needed to determine EUR with longer laterals