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UGI Energy Services to build an LNG plant in heart of the Marcellus Shale

*Expansion will help meet the growing demand for affordable, cleaner fuel
with locally sourced Marcellus Shale natural gas*

WYOMISSING, Pa., May 14 – UGI Energy Services, LLC, a wholly-owned subsidiary of UGI Corporation (NYSE:UGI), today announced plans to build a liquefied natural gas (LNG) production facility in northern Pennsylvania that will utilize Marcellus Shale gas.

The proposed facility will be adjacent to UGI Energy Services' Manning natural gas compression station located in Wyoming County, Pennsylvania. Natural gas will be supplied by its Auburn gathering system, which transports Marcellus Shale gas produced from local wells to major interstate pipelines serving markets in the Mid-Atlantic region. The LNG plant, which will include both liquefaction and local storage, is expected to be in full commercial operation by early 2017 and have the capability of producing 120,000 gallons (or 10,000 Dekatherms) of LNG per day. The total capital investment will be approximately \$60 million.

UGI Energy Services, through its wholly owned subsidiary UGI LNG, Inc., currently owns and operates the Temple LNG facility located near Reading, Pennsylvania. This facility includes 15 million gallons of LNG storage capacity and a liquefaction plant that has been recently expanded to produce up to 120,000 gallons of LNG per day. The proposed new facility in Wyoming County will effectively double UGI's liquefaction capability and increase its LNG supply diversity. "Our existing LNG plant at Temple has been a highly reliable and valuable asset enabling us to provide critical natural gas supply during periods of extreme natural gas demand, as well as provide firm LNG supply to large truck fleets, such as UPS," said John Walsh, President and CEO of UGI. "The new plant will allow us to expand the availability of LNG to serve growing natural gas utility peak shaving demands and emerging LNG markets."

Brad Hall, President of UGI Energy Services, commented, "The market for liquefied natural gas continues to grow thanks to its affordable cost and environmental benefits when compared to other petroleum products. As a result, truck fleets, oil and gas drilling rigs and remote industrial users not tied to the natural gas grid continue to switch to LNG. In the coming years, we also expect the use of LNG to increase in marine, rail, and mining applications."

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Mr. Hall added, “We have managed our investment risk by expanding LNG capacity in stages in order to keep pace with the growing LNG market. Each stage is backed by a significant level of long-term commitments from current and new customers, while still allowing for future growth. In addition to its long history of operating LNG assets, UGI Energy Services has one of the largest fleets of peak shaving assets in the region and one of the largest retail natural gas marketing businesses, providing it with a uniquely strong position to serve the market.”

About UGI Energy Services, LLC

UGI Energy Services is a subsidiary of UGI Corporation. UGI Energy Services markets natural gas, electricity and liquid fuels to approximately 19,000 residential, commercial, industrial, institutional and government customers at approximately 43,000 locations in nine states and Washington, D.C. In addition, it stores and delivers natural gas and generates electricity.

To learn more about UGIES, visit www.ugienergyservices.com.

About UGI LNG, Inc.

UGI LNG operates over 15 million gallons of LNG storage, associated with peak shaving services, and an LNG tanker truck-loading terminal at the Temple LNG Plant, which is strategically located in southeastern Pennsylvania. UGI LNG and its affiliates have safely and reliably operated this facility since 1972. UGI LNG is a wholly-owned subsidiary of UGI Energy Services, LLC.

About UGI Corporation

UGI is a distributor and marketer of energy products and services. Through subsidiaries, UGI operates natural gas and electric utilities in Pennsylvania, distributes propane both domestically and internationally, manages midstream energy and electric generation assets in Pennsylvania, and engages in energy marketing in the Mid-Atlantic region. UGI, through subsidiaries, is the sole General Partner and owns 26% of AmeriGas Partners, L.P. (NYSE:APU), the nation's largest retail propane distributor.

To learn more about UGI Corporation, visit www.ugicorp.com.