Atlas Energy Reports 3rd Quarter 2011 Results *(continued from page 2)*

On a GAAP basis, consolidated income from continuing operations of $50.9 million for the third quarter 2011 compared with a loss of $3.2 million for the prior year comparable period and total net production of 34.8 million cubic feet equivalents per day ("mmcfed").

See related article, "Atlas Energy Announces Formation of Atlas Resource Partners, L.P." on page 1. ▲

NOTE: The above information contains forward-looking statements that involve a number of assumptions, risks and uncertainties that could cause actual results to differ materially from those noted and is not a guarantee of future performance. Such forward-looking statements include, but are not limited to, statements about future financial and operating results, resource potential, the company's plans, objectives, expectations and intentions and other statements that are not historical facts. Risks, assumptions and uncertainties could cause actual results to materially differ. Please refer to the Atlas Energy website as well as the posting of the Atlas Pipeline second quarter 2011 earnings release for additional details on the company's financial results.

Atlas Energy Supports Community Organizations

Atlas Energy often contributes to community organizations and charitable fundraisers in the areas in which the company operates, and recent months have been no exception.

One recent example is that Atlas Energy Tennessee became a corporate sponsor of the Clinton Football Program in Clinton, Tennessee, as they did last year.

Another is as a sponsor of the Northern Appalachian Landman's Association (NALA) Annual Golf Outing at Corning County Club in Corning, New York. ▲

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This newsletter does not constitute an offer to sell or a solicitation of an offer to buy securities in Atlas Energy, Inc.

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Wishing you a happy holiday season and a healthy and prosperous new year!

Atlas Resources, LLC

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ENERGY NEWSLINE

THE QUARTERLY NEWSLETTER FOR THE ATLAS RESOURCES, LLC INVESTMENT COMMUNITY

IN THIS ISSUE:

Atlas Energy Announces Formation of Atlas Resource Partners, L.P.

Atlas Energy, L.P. (NYSE: ATLS) recently announced that the board of directors of its general partner has approved a plan to create a newly formed exploration and production master limited partnership named Atlas Resource Partners, L.P. ("Atlas Resource Partners"). This new entity will hold substantially all of ATLS' current natural gas and oil development and production assets and the partnership management business.

ATLS intends to take Atlas Resource Partners public by distributing to ATLS unitholders common units representing an approximate 19.6% limited partner interest in Atlas Resource Partners. Atlas Resource Partners intends to apply to list its common units on the New York Stock Exchange.

ATLS management believes that this transaction will substantially enhance unitholder value by separating the company's current E&P assets and partnership management business from ATLS' general partner interests and incentive distribution rights in Atlas Pipeline Partners, L.P. (NYSE: APL). The distribution of limited partner interests in Atlas Resource Partners will also create a separate currency denominated in units of Atlas Resource Partners, which will enable Atlas Resource Partners to expand cash flows from its natural gas and oil production assets through strategic acquisitions and organic development, without diluting ATLS' ownership in its other assets, including its interest in APL.

ATLS expects the transaction to be completed during the first quarter of 2012. ▲

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Landmark NPC Study Underscores America's Ongoing Need for Natural Gas

A long-awaited, landmark report recently released by the National Petroleum Council (NPC), titled "Prudent Development: Realizing the Potential of North America's Abundant Natural Gas and Oil Resources," concludes that Americans will need natural gas and oil for much of their energy requirements for the foreseeable future and confirms that the natural gas and oil industry is vital to the U.S. economy.

Conducted at the request of U.S. Secretary of Energy Dr. Steven Chu, the 18-month study of North American natural gas and oil resources issued on September 15, 2011 involved more than 400 experts from diverse backgrounds and organizations, the majority of them from outside the oil and gas industry.

"This landmark study represents a comprehensive and candid view of our nation's energy future that we hope will serve as an important tool in creating an informed energy policy for America," said Jim Hackett, Chairman and CEO of Anadarko Petroleum Corporation and Chairman of the NPC's Resource Development Committee, which conducted the study.

A federal advisory committee, the NPC conducted this comprehensive study to reassess the character and potential of North American natural gas and oil resources and the contribution that natural gas can make in a transition to a lower carbon energy mix while achieving objectives of environmental protection, economic growth and energy security. The study assessed environmental, operational, technology, supply, demand, and infrastructure considerations.

"Prudent development of our domestic energy resources, particularly natural gas and oil, drives economic development, creates jobs, and enhances our nation's energy security," Committee Chairman Hackett added, "and this report recognizes those opportunities, as well as candidly addresses the challenges and potential solutions. It also suggests that natural gas is a good near-term answer for reducing America's carbon footprint."

Natural Gas, A Cornerstone Fuel

The report read, in part, "The great expansion of economically recoverable natural gas is central to meeting America's overall needs, as natural gas is one of the cornerstone fuels on which the nation's economy depends. Natural gas provides a quarter of America's overall energy and is used to generate a quarter of the nation's electricity. It provides the heat for 56 million homes and apartments and delivers 35% of the energy and feedstocks required by America's industries. What happens to natural gas supplies affects all Americans."

Four Major Conclusions

- First, the potential supply of North American natural gas is far bigger than previously thought. It is now understood that the natural gas resource base is enormous and that its development, if carried out in acceptable ways, is potentially transformative for the American economy, energy security, and the environment, including reduction of carbon and other emissions. These resources could meet high projections of demand.
- Second – and surprising to many – North America's oil resources are also much larger than previously thought. These oil resources offer substantial supply for decades and could help the United States reduce, though not eliminate, its reliance on imported oil.
- Third, natural gas and oil resources will be needed even as energy efficiency reduces demand and lower-carbon alternatives become more economically available on a large scale. Moreover, the natural gas and oil industry is vital to the U.S. economy, generating millions of jobs, widely stimulating economic activity, and providing tax revenues to governments.
- Fourth, realizing the benefits of natural gas and oil depends on environmentally responsible development. The nation can realize the benefits of these larger resources by ensuring they are developed and delivered in a safe, responsible, and environmentally acceptable manner in all circumstances. ▲

NOTE: The full report is available through NPC, 1625 K Street, NW, Suite 600 Washington, D.C. 20006 or online at http://www.npc.org.

Atlas Energy Reports 3rd Quarter 2011 Results

Atlas Energy, L.P. (NYSE: ATLS), formerly Atlas Pipeline Holdings, L.P., the parent of the general partner of Atlas Pipeline Partners, L.P. and its subsidiaries, recently reported operating and financial results for the third quarter 2011.

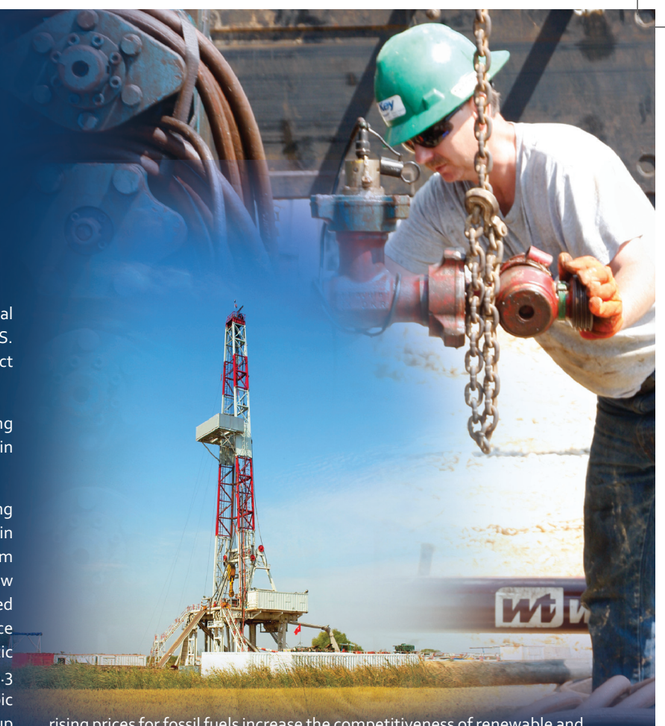
Highlights

ATLS reported adjusted earnings before interest, income taxes, depreciation and amortization ("EBITDA"), a non-GAAP measure, of $22.8 million and distributable cash flow, a non-GAAP measure, of $20.3 million, or $0.40 per common units.

The company declared a cash distribution of $0.24 per limited partner unit based on the financial results for the third quarter 2011, a $0.02 per unit, or 9%, increase from the preceding quarter.

(continued on page 4)

EIA's Annual Energy Outlook - Natural Gas

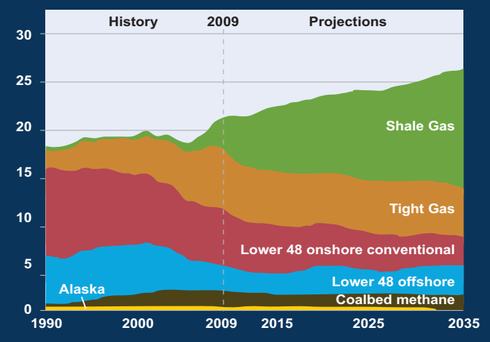


The projections in the Energy Information Administration's (EIA) Annual Energy Outlook 2011 (AEO2011) focus on the factors that shape the U.S. energy system over the long term in general, including those that impact natural gas.

Among key results highlighted in the AEO2011 are forecasted strong growth in shale gas production as well as a growing use of natural gas in electric power generation.

The combination of horizontal drilling and hydraulic fracturing technologies has made it possible to produce shale gas economically in recent years. According to the EIA report, production of natural gas from large underground shale formations (shale gas) in the United States grew by an average of 17 percent per year from 2000 to 2006, and is projected to continue to increase strongly through 2035 in the AEO2011 reference case, growing almost fourfold from 2009 to 2035. While total domestic natural gas production grows from 21.0 trillion cubic feet in 2009 to 26.3 trillion cubic feet in 2035, shale gas production grows to 12.2 trillion cubic feet in 2035, when it makes up 47 percent of total U.S. production—up considerably from the 16-percent share in 2009. Further increases in shale gas production are expected, with total production growing by almost threefold from 2009 to 2035 in the AEO2011 Reference case. See the U.S. Natural Gas Production chart.

U.S. Natural Gas Production, 1990-2035
(trillion cubic feet per year)



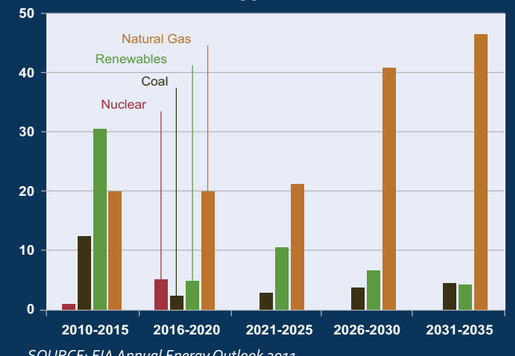
SOURCE: EIA Annual Energy Outlook 2011.

However, there is a high degree of uncertainty around the EIA's projections in the AEO2011 Reference case, starting with the estimated size of the technically recoverable shale gas resource. Estimates of technically recoverable shale gas are certain to change over time as new information is gained through drilling and production, and through development of shale gas recovery technology.

According to the report, natural-gas-fired plants account for 60 percent of capacity additions between 2010 and 2035 in the AEO2011 Reference case, compared with 25 percent for renewables, 11 percent for coal-fired plants, and 3 percent for nuclear. Escalating construction costs have the largest impact on capital-intensive technologies, including nuclear, coal, and renewables. However, federal tax incentives, state energy programs, and rising prices for fossil fuels increase the competitiveness of renewable and nuclear capacity. In contrast, uncertainty about future limits on greenhouse gas emissions and other possible environmental regulations reduces the competitiveness of coal-fired plants.

Capacity additions also are affected by demand growth and by fuel prices, which are uncertain. The projections in the report note that total capacity additions from 2010 to 2035 are to range from 172 gigawatts in the Low Economic Growth case to 290 gigawatts in the High Economic Growth case. In the Low Shale EUR case, with higher natural gas prices assumed, fewer natural-gas-fired plants are added than in the Reference case. In the High Shale EUR case, where delivered natural gas prices are 21 percent lower than in the Reference case by 2035, total gas-fired capacity additions increase to 154 gigawatts between 2009 and 2035 compared to 135 gigawatts in the Reference case. Total capacity additions range from 212 gigawatts in the Low Shale EUR case to 230 gigawatts in the High Shale EUR case. See also the Electric Generation Capacity Additions By Fuel Type chart. ▲

Electricity Generation Capacity Additions By Fuel Type, 2010-2035
(gigawatts)



SOURCE: EIA Annual Energy Outlook 2011.