National Fuel Gas Company

Financial News

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NATIONAL FUEL REPORTS FIRST QUARTER EARNINGS

Williamsville, New York: National Fuel Gas Company ("National Fuel" or the "Company") (NYSE:NFG) today announced consolidated earnings for the first quarter of its 2006 fiscal year (the quarter ended December 31, 2005) of $57.4 million or $0.67 per share, an increase of $7.0 million or $0.07 per share when compared to the first quarter of the previous fiscal year (note: all references to earnings per share are to diluted earnings per share and all amounts are stated in U.S. dollars).

As a result of the sale of United Energy, its former operations in the Czech Republic, during the fourth quarter of fiscal 2005, National Fuel has reclassified certain historical information in its financial statements related to its former International segment into the category "Income from Discontinued Operations." Earnings from continuing operations for the quarter ended December 31, 2005, were $57.4 million or $0.67 per share, an increase of $12.6 million from the prior year's first quarter earnings from continuing operations of $44.8 million or $0.53 per share. The Company had no income from discontinued operations in the first quarter of fiscal 2006. This is a decrease of $5.6 million from the prior year first quarter. In all of fiscal 2005, recurring earnings from discontinued operations were $10.2 million.

DISCUSSION OF FIRST QUARTER EARNINGS

Earnings in each of the Company's five continuing reportable segments increased this quarter compared to last year's first quarter results.

Utility Segment

The Utility segment operations are carried out by National Fuel Gas Distribution Corporation ("Distribution") which sells or transports natural gas to approximately 731,000 customers located in western New York and northwestern Pennsylvania. The Utility segment's earnings of $21.7 million for the quarter ended December 31, 2005, were $3.7 million higher than the earnings in the same period last fiscal year.

In Distribution's New York Division, earnings of $17.0 million for the quarter increased $1.8 million from $15.2 million in the first quarter of 2005. The increase in earnings for the quarter was mainly the result of an out-of-period adjustment of $2.6 million (after tax) to correct Distribution's calculation of the symmetrical sharing component included in the New York Gas

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Adjustment rate. The adjustment resulted when it was determined that certain credits that had been included in the calculation should have been removed during the implementation of a previous rate case settlement. The symmetrical sharing component is a mechanism incorporated in Distribution's New York rates that shares with customers 90% of the differences between actual revenues received from large volume customers and the level of revenues that were projected to be received during the rate year. The adjustment related to fiscal years 2002 through 2005. The remaining difference was due to lower average usage per customer, and higher bad debt, pension and interest expenses, which more than offset the positive impact of the rate settlement in New York.

In Distribution's Pennsylvania Division, earnings for the quarter of $4.7 million were up $1.9 million from $2.8 million reported in the prior year's first quarter, as a result of the benefit of the $12.0 million annual base rate increase implemented in April 2005. This increase more than offset higher bad debt expense.

Pipeline and Storage Segment

The Pipeline and Storage segment operations are carried out by National Fuel Gas Supply Corporation ("Supply") and Empire State Pipeline ("Empire"). These companies provide natural gas transportation and storage services to affiliated and non-affiliated companies through an integrated system of pipelines and underground natural gas storage fields in western New York and western Pennsylvania.

The Pipeline and Storage segment's earnings of $15.9 million for the quarter ended December 31, 2005, were up $3.6 million when compared with the same period in the prior fiscal year. The impact of higher transportation and efficiency gas revenues and lower project development costs associated with the Empire Connector project were the primary contributors to the increase. Transported volumes increased more than 21.0 billion cubic feet ("Bcf") from the first quarter of the prior year. Supply and Empire were both able to generate additional earnings by utilizing a portion of their system capacity to provide alternate transportation options to customers whose normal natural gas transportation routes were impacted by the hurricanes last fall.

Exploration and Production Segment

The Exploration and Production segment operations are carried out by Seneca Resources Corporation ("Seneca"). Seneca explores for, develops and purchases natural gas and oil reserves in California, in the Appalachian region, in the Gulf Coast region of Texas, Louisiana and Alabama, and in the western provinces of Canada.

The Exploration and Production segment's earnings for the first quarter of fiscal 2006 of $17.4 million were up $3.5 million from the prior year's quarter. The increase was mainly due to the positive impact of higher crude oil and natural gas commodity prices, which was partially offset by expected lower production volumes (related to last fall's hurricanes in the Gulf of Mexico) and higher lease operating expenses.

Production of 11.2 billion cubic feet equivalent ("Bcfe") met expected first quarter 2006 estimated production of 10 to 12 Bcfe. This was down 2.1 Bcfe from the prior year's first quarter. Gulf of Mexico production was 2.7 Bcfe lower than the prior year's quarter mainly due to production shut-ins resulting from Hurricane Rita. This decline was partially offset by higher production in Canada, California and the Appalachian region. Higher commodity prices (after hedging) more than offset the impact of this decline in production. For the quarter ended December 31, 2005, the weighted average natural gas price (after hedging) was $8.44/thousand cubic feet ("Mcf"), an increase of $2.45/Mcf from the prior year's quarter, and the weighted average oil price (after hedging) was $33.07/barrel ("Bbl"), an increase of $6.72/Bbl from the prior year's quarter.

At the date of this release, approximately 87 percent of Seneca's Gulf of Mexico pre hurricane production is back on line. The remaining 13 percent of production continues to wait on repairs to Seneca's facilities, as well as third-party pipelines. These repairs may be completed within the next six months.*

The increase in production revenues was partially offset by higher lease operating expenses, which, on a per unit basis, increased by $0.44/thousand cubic feet equivalent ("Mcfe") to $1.32/Mcfe. The increase in lease operating expense was mainly the result of higher steaming costs associated with heavy crude oil production in Seneca's California Midway-Sunset field. Seneca resumed operations of its scrubber facility in the Midway-Sunset field on December 7, 2005. Seneca expects to be able to burn waste gas rather than purchased utility gas to generate the steam for its thermal recovery project.* The current waste gas burn rate as a result of this project is about 1,400 Mcfe/day (58.3 Mcfe/hr), and is expected to reach 1,800 Mcfe/day in the next few weeks.* At a utility gas price of $7.00/Mcfe, this would save nearly $3.0 million per year.*

During the first quarter of fiscal 2006, Seneca drilled 81 gross wells with a 96 percent success rate. Seneca also completed the High Island 37 A-5 well that was drilled to a depth of 12,030 feet Total Vertical Depth ("TVD") and encountered 91 feet TVD of net pay sand. The well is currently flowing 15.4 Mmcf/day of gas at 8,500 pounds per square inch ("PSI"). Seneca's working interest in the well is 78 percent; Seneca is the operator of this well.

Seneca's capital expenditures during the first quarter of 2006 were $50.9 million. Seneca spent more than $24.0 million on well completion, exploratory drilling, facilities and seismic data in the Gulf of Mexico as high commodity prices, plus royalty relief, have improved the economics of investment in the area. In California, $9.4 million was spent mostly on developmental wells. Capital expenditures in the East were $5.4 million and in Canada were $12.1 million.

Seneca increased its hedge positions for gas produced in 2006 and 2007. For the remaining three quarters of fiscal 2006, Seneca has 11.8 Bcf of gas hedged at an average price of $7.57/Mcf and 1.4 million barrels of oil hedged at an average price of $35.33/Bbl based on NYMEX prices at February 3, 2006. Seneca has emphasized the use of no-cost collars in its hedging program. This will allow Seneca to capture a portion of the upside of gas prices in this volatile gas market.*

Energy Marketing

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National Fuel Resources, Inc. ("NFR"), comprises the Company's Energy Marketing segment. NFR markets natural gas to industrial, commercial, public authority and residential customers in western and central New York and northwestern Pennsylvania, offering competitively priced energy and energy management services to its customers.

The Energy Marketing segment's net income for the quarter of $1.0 million increased $0.2 from $0.8 million during the first quarter last year mainly due to a 2.0 Bcf increase in volumes.

Timber Segment

The Timber segment operations are carried out by Highland Forest Resources, Inc. ("Highland"), and Seneca's Northeast Division. This segment markets timber from its New York and Pennsylvania land holdings, owns two sawmill operations in northwestern Pennsylvania, and processes timber consisting primarily of high quality hardwoods.

The Timber segment's first quarter earnings of $1.5 million were $0.7 million higher than the prior year's first quarter. Favorable weather conditions throughout most of the first quarter allowed for an increase in harvested timber volumes and an increase in sales. Sales of cherry veneer logs, which have the highest margins in Highland's timber mix, increased 104,000 board feet or 20% from the prior year's first quarter.

Corporate and All Other

Other direct wholly-owned subsidiaries of the Company include Horizon Energy Development, Inc. ("Horizon"), a corporation formerly engaged in the development of international power projects, Horizon LFG, Inc., a corporation engaged through subsidiaries in the purchase, sale and transportation of landfill gas, Leidy Hub, Inc., a corporation formed to provide various natural gas hub services to customers in the eastern United States, Data-Track Account Services, Inc., a corporation that provides collection services principally for the Company's subsidiaries, and Horizon Power, Inc. ("Horizon Power"), a corporation that develops or operates mid-range independent power production facilities and landfill gas electric generation facilities.

The loss in this category of $70,000 improved from a loss of $0.9 million mainly due to an increase in interest income resulting from the investment of the proceeds from the sale of United Energy.

Philip C. Ackerman, Chairman and Chief Executive Officer of National Fuel Gas Company stated: "This quarter's results again demonstrate the benefit of our diversified structure. Notwithstanding the volatility in energy commodity prices that have affected almost every aspect of our operation, each of our segments increased their contribution to consolidated earnings per share this quarter and more than offset the loss of earnings from the sale of assets in our former International segment. Our Gulf of Mexico production has been restored to nearly 87% of the pre-Hurricane Rita levels. Continued high commodity prices have bolstered earnings in the Exploration and Production segment. In addition, earnings in our Pipeline and Storage segment benefited from providing an alternate transportation route to customers whose normal natural gas supplies and transportation routes were negatively impacted by the hurricanes, and the Utility segment is beginning to realize the full impact of last year's rate settlements. While the

Company benefited from the implementation of these rate settlements, our New York customers also received some relief in their monthly bills through the refund of revenue taxes in a credit mechanism negotiated in that same settlement."*

Effective October 1, 2005, the Company adopted Statement of Financial Accounting Standard 123R, commonly known as expensing of stock options. The increase in expense for the quarter ended December 31, 2005 as a result of expensing stock options, was $50,000.

As previously announced, at its December 8, 2005, meeting the Board of Directors authorized the Company to repurchase up to eight million shares of the Company's common stock. To date no shares have been repurchased under this program but it is expected that open market repurchases will begin this month and continue from time to time depending on market conditions.* Any repurchase, will be reported on a quarterly basis in the Company's Forms 10-Q and 10-K.

EARNINGS GUIDANCE

Earnings guidance for the second quarter of fiscal 2006 is in the range of $0.93 to $1.03 per share (diluted). The Company's guidance regarding diluted earnings per share for its entire 2006 fiscal year remains in the range of $2.30 to $2.50.* Earnings per share guidance on a consolidated and segment basis is provided in the table at page 20 of this document. The Company cautions that this range is based on NYMEX commodity futures prices that settled on September 13, 2005. A table (current as of February 8, 2005) is also included on page 20 and shows how projected earnings are expected to change in response to changes from commodity pricing on which the guidance is based. NYMEX futures settlement prices on February 7, 2006 had changed as follows: natural gas prices averaged for the remaining nine months of the Company's fiscal year had dropped by approximately $1.54 per MMbtu, and NYMEX futures settlement prices for oil, averaged over the same period had increased by approximately $0.11 per barrel. Utilizing the sensitivities from the table on page 20, and the February 7, 2006 NYMEX futures settlement prices, the earnings guidance range for fiscal 2006 could be reduced by approximately $0.15 per share. Because of the volatility in commodity prices, readers should review both the earnings guidance and sensitivity table when performing their analysis.

EARNINGS TELECONFERENCE

The Company will host a conference call on Thursday, February 9, 2006 at 11 a.m. (Eastern Time) to discuss this announcement. There are two ways to access this call. For those with Internet access, you may go to National Fuel's Web site at **http://www.nationalfuelgas.com** and click on the "For Investors" link at the top of the homepage. For those without Internet access, you may access the live call by dialing (toll-free) 1-866-362-4666, and use the passcode "38365930". For those unable to listen to the live conference call, a replay will be available approximately one hour after the conclusion of the call at the same Web site link and by phone at (toll free) 888-286-8010 using passcode "46826595." Both the webcast and telephonic replay will be available until the close of business on Thursday, February 16, 2006.

National Fuel is an integrated energy company with $3.9 billion in assets comprised of the following five operating segments: Utility, Pipeline and Storage, Exploration and Production, Energy Marketing, and Timber. Additional information about National Fuel is available on its

Internet Web site: **http://www.nationalfuelgas.com** or through its investor information service at 1-800-334-2188.

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Certain statements contained herein, including those which are designated with an asterisk ("*") and those which use words such as "anticipates," "estimates," "expects," "intends," "plans," "predicts," "projects," and similar expressions, are "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties, which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. The Company's expectations, beliefs and projections contained herein are expressed in good faith and are believed to have a reasonable basis, but there can be no assurance that such expectations, beliefs or projections will result or be achieved or accomplished. In addition to other factors, the following are important factors that could cause actual results to differ materially from those discussed in the forward-looking statements: changes in laws and regulations to which the Company is subject, including changes in tax, environmental, safety and employment laws and regulations, repeal of the Public Utility Holding Company Act of 1935, and changes in laws and regulations relating to such repeal; changes in economic conditions, including economic disruptions caused by terrorist activities, acts of war or major accidents; changes in demographic patterns and weather conditions, including the occurrence of severe weather, such as hurricanes; changes in the availability and/or price of natural gas or oil and the effect of such changes on the accounting treatment or valuation of derivative financial instruments or the Company's natural gas and oil reserves; impairments under the Securities and Exchange Commission's full cost ceiling test for natural gas and oil reserves; changes in the availability and/or price of derivative financial instruments; changes in the price differentials between various types of oil; failure of the price differential between heavy sour crude oil and light sweet crude oil to return to its historical norm; inability to obtain new customers or retain existing ones; significant changes in competitive factors affecting the Company; governmental/regulatory actions, initiatives and proceedings, including those involving acquisitions, financings, rate cases (which address, among other things, allowed rates of return, rate design and retained gas), affiliate relationships, industry structure, franchise renewal, and environmental/safety requirements; unanticipated impacts of restructuring initiatives in the natural gas and electric industries; significant changes from expectations in actual capital expenditures and operating expenses and unanticipated project delays or changes in project costs or plans, including changes in the plans of the sponsors of the proposed Millennium Pipeline with respect to that project; the nature and projected profitability of pending and potential projects and other investments; occurrences affecting the Company's ability to obtain funds from operations, debt or equity to finance needed capital expenditures and other investments, including any downgrades in the Company's credit ratings; uncertainty of oil and gas reserve estimates; ability to successfully identify and finance acquisitions or other investments and ability to operate and integrate existing and any subsequently acquired business or properties; ability to successfully identify, drill for and produce economically viable natural gas and oil reserves; significant changes from expectations in the Company's actual production levels for natural gas or oil; regarding foreign operations, changes in trade and monetary policies, inflation and exchange rates, taxes, operating conditions, laws and regulations related to foreign operations, and political and governmental changes; significant changes in tax rates or policies or in rates of inflation or interest; significant changes in the Company's relationship with its employees or contractors and the potential adverse effects if labor disputes, grievances or shortages were to occur; changes in accounting principles or the application of such principles to the Company; the cost and effects of legal and administrative claims against the Company; changes in actuarial assumptions and the return on assets with respect to the Company's retirement plan and post-retirement benefit plans; increasing health care costs and the resulting effect on health insurance premiums and on the obligation to provide post-retirement benefits; or increasing costs of insurance, changes in coverage and the ability to obtain insurance. The Company disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES
RECONCILIATION TO REPORTED EARNINGS

(Thousands of Dollars)	Three Months Ended December 31, 2005 (unaudited)	Three Months Ended December 31, 2004 (unaudited)
Utility		
Reported earnings	$ 21,753	$ 18,072
Pipeline and Storage		
Reported earnings	15,850	12,277
Exploration and Production		
Reported earnings	17,435	13,923
Energy Marketing		
Reported earnings	987	750
Timber		
Reported earnings	1,464	753
Corporate and All Other		
Reported earnings	(70)	(945)
Consolidated Earnings from Continuing Operations		
Reported earnings from continuing operations	57,419	44,830
Total non-recurring items from above	-	-
Earnings from continuing operations before non-recurring items	$ 57,419	$ 44,830
Discontinued Operations		
Reported earnings from discontinued operations	-	5,608
Consolidated		
Reported earnings	$ 57,419	$ 50,438

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES
RECONCILIATION TO REPORTED EARNINGS

(Diluted Earnings Per Share)	Three Months Ended December 31, 2005 (unaudited)	Three Months Ended December 31, 2004 (unaudited)
Utility		
Reported earnings	$ 0.25	$ 0.21
Pipeline and Storage		
Reported earnings	0.19	0.15
Exploration and Production		
Reported earnings	0.20	0.16
Energy Marketing		
Reported earnings	0.01	0.01
Timber		
Reported earnings	0.02	0.01
Corporate and All Other		
Reported earnings	-	(0.01)
Consolidated Earnings from Continuing Operations		
Reported earnings from continuing operations	0.67	0.53
Total non-recurring items from above	-	-
Earnings from continuing operations before non-recurring items	$ 0.67	$ 0.53
Discontinued Operations		
Reported earnings from discontinued operations	-	0.07
Consolidated		
Reported earnings	$ 0.67	$ 0.60

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES

(Thousands of Dollars, except per share amounts)

	Three Months Ended December 31, (Unaudited)	
SUMMARY OF OPERATIONS	2005	2004
Operating Revenues	$ 710,756	$ 500,283
Operating Expenses:		
Purchased Gas	436,778	256,156
Operation and Maintenance	103,628	92,623
Property, Franchise and Other Taxes	17,181	17,056
Depreciation, Depletion and Amortization	43,046	42,709
	600,633	408,544
Operating Income	110,123	91,739
Other Income (Expense):		
Income from Unconsolidated Subsidiaries	1,264	785
Interest Income	1,134	272
Other Income	741	552
Interest Expense on Long-Term Debt	(18,218)	(18,376)
Other Interest Expense	(1,775)	(2,417)
Income from Continuing Operations Before Income Taxes	93,269	72,555
Income Tax Expense	35,850	27,725
Income from Continuing Operations	57,419	44,830
Income from Discontinued Operations, Net of Tax	-	5,608
Net Income Available for Common Stock	$ 57,419	$ 50,438
Earnings Per Common Share:		
Basic:		
Income from Continuing Operations	$ 0.68	$ 0.54
Income from Discontinued Operations	-	0.07
Net Income Available for Common Stock	$ 0.68	$ 0.61
Diluted:		
Income from Continuing Operations	$ 0.67	$ 0.53
Income from Discontinued Operations	-	0.07
Net Income Available for Common Stock	$ 0.67	$ 0.60
Weighted Average Common Shares:		
Used in Basic Calculation	84,422,717	83,150,086
Used in Diluted Calculation	86,256,862	84,638,106

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Thousands of Dollars)	December 31, 2005	September 30, 2005
ASSETS		
Property, Plant and Equipment	$4,471,581	$4,423,255
Less - Accumulated Depreciation, Depletion and Amortization	1,602,254	1,583,955
Net Property, Plant and Equipment	2,869,327	2,839,300
Current Assets:		
Cash and Temporary Cash Investments	64,464	57,607
Hedging Collateral Deposits	38,691	77,784
Receivables - Net	289,229	155,064
Unbilled Utility Revenue	97,932	20,465
Gas Stored Underground	60,040	64,529
Materials and Supplies - at average cost	32,063	33,267
Unrecovered Purchased Gas Costs	28,552	14,817
Prepayments and Other Current Assets	53,697	65,469
Deferred Income Taxes	47,635	83,774
Fair Value of Derivative Financial Instruments	797	-
Total Current Assets	713,100	572,776
Other Assets:		
Recoverable Future Taxes	85,000	85,000
Unamortized Debt Expense	17,025	17,567
Other Regulatory Assets	50,790	47,028
Deferred Charges	3,864	4,474
Other Investments	82,336	80,394
Investments in Unconsolidated Subsidiaries	10,771	12,658
Goodwill	5,476	5,476
Intangible Assets	41,637	42,302
Other	10,609	15,677
Total Other Assets	307,508	310,576
Total Assets	$3,889,935	$3,722,652
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Comprehensive Shareholders' Equity		
Common Stock, $1 Par Value Authorized - 200,000,000 Shares; Issued and Outstanding - 84,498,511 Shares and 84,356,748 Shares, Respectively	$84,499	$84,357
Paid in Capital	538,907	529,834
Earnings Reinvested in the Business	845,951	813,020
Total Common Shareholder Equity Before Items of Other Comprehensive Income Loss	1,469,357	1,427,211
Accumulated Other Comprehensive Loss	(148,064)	(197,628)
Total Comprehensive Shareholders' Equity	1,321,293	1,229,583
Long-Term Debt, Net of Current Portion	1,116,779	1,119,012
Total Capitalization	2,438,072	2,348,595
Current and Accrued Liabilities:		
Notes Payable to Banks and Commercial Paper	74,800	-
Current Portion of Long-Term Debt	9,516	9,393
Accounts Payable	212,067	155,485
Amounts Payable to Customers	1,031	1,158
Dividends Payable	24,488	24,445
Other Accruals and Current Liabilities	58,788	60,404
Fair Value of Derivative Financial Instruments	127,428	209,072
Total Current and Accrued Liabilities	508,118	459,957
Deferred Credits:		
Deferred Income Taxes	500,982	489,720
Taxes Refundable to Customers	11,066	11,009
Unamortized Investment Tax Credit	6,621	6,796
Cost of Removal Regulatory Liability	91,724	90,396
Other Regulatory Liabilities	64,360	66,339
Pension and Other Post-Retirement Benefit Liabilities	153,242	143,687
Asset Retirement Obligation	41,647	41,411
Other Deferred Credits	74,103	64,742
Total Deferred Credits	943,745	914,100
Commitments and Contingencies	-	-
Total Capitalization and Liabilities	$3,889,935	$3,722,652

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Thousands of Dollars)	Three Months Ended December 31, 2005	2004
Operating Activities:		
Net Income Available for Common Stock	$57,419	$50,438
Adjustments to Reconcile Net Income to Net Cash		
Provided by Operating Activities:		
Depreciation, Depletion and Amortization	43,046	46,940
Deferred Income Taxes	16,653	(1,864)
(Income) Loss from Unconsolidated Subsidiaries, Net of Cash Distributions	1,887	715
Minority Interest in Foreign Subsidiaries	-	937
Excess Tax Benefits Associated with Stock-Based Compensation Awards	(6,439)	-
Other	3,159	2,684
Change in:		
Hedging Collateral Deposits	39,093	973
Receivables and Unbilled Utility Revenue	(211,491)	(132,963)
Gas Stored Underground and Materials and Supplies	5,692	12,824
Unrecovered Purchased Gas Costs	(13,735)	636
Prepayments and Other Current Assets	17,075	6,946
Accounts Payable	56,580	43,950
Amounts Payable to Customers	(127)	7,640
Other Accruals and Current Liabilities	(554)	14,605
Other Assets	(3,083)	(13,894)
Other Liabilities	15,394	18,560
Net Cash Provided by Operating Activities	$20,569	$59,127
Investing Activities:		
Capital Expenditures	($70,368)	($40,022)
Other	(745)	(1,046)
Net Cash Used in Investing Activities	($71,113)	($41,068)
Financing Activities:		
Change in Notes Payable to Banks and Commercial Paper	$74,800	$13,300
Excess Tax Benefits Associated with Stock-Based Compensation Awards	6,439	-
Reduction of Long-Term Debt	(2,110)	(3,509)
Dividends Paid on Common Stock	(24,445)	(23,210)
Proceeds From Issuance of Common Stock	2,570	3,452
Net Cash Provided by (Used In) Financing Activities	$57,254	($9,967)
Effect of Exchange Rates on Cash	147	5,339
Net Increase in Cash and Temporary Cash Investments	6,857	13,431
Cash and Temporary Cash Investments at Beginning of Period	57,607	57,541
Cash and Temporary Cash Investments at December 31	$64,464	$70,972

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES

SEGMENT OPERATING RESULTS AND STATISTICS
(UNAUDITED)

(Thousands of Dollars, except per share amounts)	Three Months Ended December 31,		
UTILITY SEGMENT	2005	2004	Variance
Revenues from External Customers	$ 431,479	$ 316,829	$ 114,650
Intersegment Revenues	4,121	4,305	(184)
Total Operating Revenues	435,600	321,134	114,466
Operating Expenses:			
Purchased Gas	320,557	217,955	102,602
Operation and Maintenance	51,711	45,813	5,898
Property, Franchise and Other Taxes	11,514	11,511	3
Depreciation, Depletion and Amortization	9,977	9,980	(3)
	393,759	285,259	108,500
Operating Income	41,841	35,875	5,966
Other Income (Expense):			
Interest Income	201	(6)	207
Other Income	212	124	88
Other Interest Expense	(6,723)	(5,610)	(1,113)
Income Before Income Taxes	35,531	30,383	5,148
Income Tax Expense	13,778	12,311	1,467
Net Income	$ 21,753	$ 18,072	$ 3,681
Net Income Per Share (Diluted)	$ 0.25	$ 0.21	$ 0.04

	Three Months Ended December 31,		
PIPELINE AND STORAGE SEGMENT	2005	2004	Variance
Revenues from External Customers	$ 34,738	$ 32,445	$ 2,293
Intersegment Revenues	21,296	20,599	697
Total Operating Revenues	56,034	53,044	2,990
Operating Expenses:			
Purchased Gas	(16)	680	(696)
Operation and Maintenance	15,316	16,985	(1,669)
Property, Franchise and Other Taxes	3,956	3,725	231
Depreciation, Depletion and Amortization	9,183	9,094	89
	28,439	30,484	(2,045)
Operating Income	27,595	22,560	5,035
Other Income (Expense):			
Interest Income	52	12	40
Other Income	208	104	104
Interest Expense on Long-Term Debt	(318)	(483)	165
Other Interest Expense	(1,296)	(1,357)	61
Income Before Income Taxes	26,241	20,836	5,405
Income Tax Expense	10,391	8,559	1,832
Net Income	$ 15,850	$ 12,277	$ 3,573
Net Income Per Share (Diluted)	$ 0.19	$ 0.15	$ 0.04

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES

SEGMENT OPERATING RESULTS AND STATISTICS
(UNAUDITED)

(Thousands of Dollars, except per share amounts)

	Three Months Ended December 31,		
EXPLORATION AND PRODUCTION SEGMENT	2005	2004	Variance
Operating Revenues	$ 82,087	$ 71,838	$ 10,249
Operating Expenses:			
Purchased Gas	94	(228)	322
Operation and Maintenance:			
General and Administrative Expense	6,300	5,178	1,122
Lease Operating Expense	13,539	10,457	3,082
All Other Operation and Maintenance Expense	1,972	1,726	246
Property, Franchise and Other Taxes (Lease Operating Expense)	1,208	1,257	(49)
Depreciation, Depletion and Amortization	21,540	21,828	(288)
	44,653	40,218	4,435
Operating Income	37,434	31,620	5,814
Other Income (Expense):			
Interest Income	1,841	858	983
Other Interest Expense	(12,429)	(12,028)	(401)
Income Before Income Taxes	26,846	20,450	6,396
Income Tax Expense	9,411	6,527	2,884
Net Income	$ 17,435	$ 13,923	$ 3,512
Net Income Per Share (Diluted)	$ 0.20	$ 0.16	$ 0.04

	Three Months Ended December 31,		
ENERGY MARKETING SEGMENT	2005	2004	Variance
Operating Revenues	$ 145,560	$ 63,494	$ 82,066
Operating Expenses:			
Purchased Gas	142,829	61,589	81,240
Operation and Maintenance	1,231	768	463
Property, Franchise and Other Taxes	10	46	(36)
Depreciation, Depletion and Amortization	21	21	-
	144,091	62,424	81,667
Operating Income	1,469	1,070	399
Other Income (Expense):			
Interest Income	126	134	(8)
Other Income	99	53	46
Other Interest Expense	(62)	(2)	(60)
Income Before Income Taxes	1,632	1,255	377
Income Tax Expense	645	505	140
Net Income	$ 987	$ 750	$ 237
Net Income Per Share (Diluted)	$ 0.01	$ 0.01	$ -

NATIONAL FUEL GAS COMPANY
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SEGMENT OPERATING RESULTS AND STATISTICS
(UNAUDITED)

(Thousands of Dollars, except per share amounts)	Three Months Ended December 31,		
TIMBER SEGMENT	2005	2004	Variance
Revenues from External Customers	$ 16,908	$ 12,995	$ 3,913
Intersegment Revenues	23	-	23
Total Operating Revenues	16,931	12,995	3,936
Operating Expenses:			
Operation and Maintenance	11,684	9,558	2,126
Property, Franchise and Other Taxes	380	329	51
Depreciation, Depletion and Amortization	2,011	1,477	534
	14,075	11,364	2,711
Operating Income	2,856	1,631	1,225
Other Income (Expense):			
Interest Income	137	92	45
Other Income	17	17	-
Other Interest Expense	(763)	(585)	(178)
Income Before Income Taxes	2,247	1,155	1,092
Income Tax Expense	783	402	381
Net Income	$ 1,464	$ 753	$ 711
Net Income Per Share (Diluted)	$ 0.02	$ 0.01	$ 0.01

	Three Months Ended December 31,		
ALL OTHER	2005	2004	Variance
Revenues from External Customers	$ (16)	$ 2,682	$ (2,698)
Intersegment Revenues	4,527	1,080	3,447
Total Operating Revenues	4,511	3,762	749
Operating Expenses:			
Purchased Gas	3,107	2,070	1,037
Operation and Maintenance	874	890	(16)
Property, Franchise and Other Taxes	19	20	(1)
Depreciation, Depletion and Amortization	199	193	6
	4,199	3,173	1,026
Operating Income	312	589	(277)
Other Income (Expense):			
Income from Unconsolidated Subsidiaries	1,264	785	479
Interest Income	6	4	2
Other Income	3	-	3
Other Interest Expense	(590)	(352)	(238)
Income Before Income Taxes	995	1,026	(31)
Income Tax Expense	425	426	(1)
Net Income	$ 570	$ 600	$ (30)
Net Income Per Share (Diluted)	$ 0.01	$ 0.01	$ -

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES

SEGMENT OPERATING RESULTS AND STATISTICS
(UNAUDITED)

(Thousands of Dollars, except per share amounts)	Three Months Ended December 31,		
CORPORATE	2005	2004	Variance
Intersegment Revenues	$ 692	$ 628	$ 64
Operating Expenses:			
Operation and Maintenance	1,867	1,950	(83)
Property, Franchise and Other Taxes	94	168	(74)
Depreciation, Depletion and Amortization	115	116	(1)
	2,076	2,234	(158)
Operating Loss	(1,384)	(1,606)	222
Other Income (Expense):			
Interest Income	22,654	19,553	3,101
Other Income	202	254	(52)
Interest Expense on Long-Term Debt	(17,900)	(17,893)	(7)
Other Interest Expense	(3,795)	(2,858)	(937)
Loss Before Income Taxes	(223)	(2,550)	2,327
Income Tax Expense	417	(1,005)	1,422
Net Loss	$ (640)	$ (1,545)	$ 905
Net Loss Per Share (Diluted)	$ (0.01)	$ (0.02)	$ 0.01

	Three Months Ended December 31,		
INTERSEGMENT ELIMINATIONS	2005	2004	Variance
Intersegment Revenues	$ (30,659)	$ (26,612)	$ (4,047)
Operating Expenses:			
Purchased Gas	(29,793)	(25,910)	(3,883)
Operation and Maintenance	(866)	(702)	(164)
	(30,659)	(26,612)	(4,047)
Operating Income	-	-	-
Other Income (Expense):			
Interest Income	(23,883)	(20,375)	(3,508)
Other Interest Expense	23,883	20,375	3,508
Net Income	$ -	$ -	$ -
Net Income Per Share (Diluted)	$ -	$ -	$ -

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES

SEGMENT INFORMATION (Continued)
(Thousands of Dollars)

	Three Months Ended December 31, (Unaudited)		
	2005	2004	Increase (Decrease)
Capital Expenditures:			
Utility	$ 12,354	$ 11,335	$ 1,019
Pipeline and Storage	6,163	4,887	1,276
Exploration and Production	50,923	21,008	29,915
Energy Marketing	5	11	(6)
Timber	495	852	(357)
Total Reportable Segments	69,940	38,093	31,847
All Other	-	7	(7)
Corporate	428	19	409
Total Expenditures from Continuing Operations	$ 70,368	$ 38,119	$ 32,249

DEGREE DAYS

				Percent Colder (Warmer) Than:	
Three Months Ended December 31	Normal	2005	2004	Normal	Last Year
Buffalo, NY	2,260	2,210	2,172	(2.2)	1.7
Erie, PA	2,081	2,048	1,997	(1.6)	2.6

NATIONAL FUEL GAS COMPANY
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EXPLORATION AND PRODUCTION INFORMATION

	Three Months Ended December 31,		
	2005	2004	Increase (Decrease)
Gas Production/Prices:			
Production (MMcf)			
Gulf Coast	1,667	3,225	(1,558)
West Coast	1,018	1,039	(21)
Appalachia	1,253	1,206	47
Canada	1,911	1,665	246
	5,849	7,135	(1,286)
Average Prices (Per Mcf)			
Gulf Coast	$ 10.74	$ 6.50	$ 4.24
West Coast	11.08	6.55	4.53
Appalachia	13.62	7.73	5.89
Canada	10.76	5.45	5.31
Weighted Average	11.42	6.47	4.95
Weighted Average after Hedging	8.44	5.99	2.45
Oil Production/Prices:			
Production (Thousands of Barrels)			
Gulf Coast	107	289	(182)
West Coast	685	653	32
Appalachia	10	3	7
Canada	87	76	11
	889	1,021	(132)
Average Prices (Per Barrel)			
Gulf Coast	$ 57.90	$ 47.08	$ 10.82
West Coast	51.34	37.14	14.20
Appalachia	61.53	44.33	17.20
Canada	43.18	38.43	4.75
Weighted Average	51.45	40.08	11.37
Weighted Average after Hedging	33.07	26.35	6.72
Total Production (Mmcfe)	11,183	13,261	(2,078)
Selected Operating Performance Statistics:			
General & Administrative Expense per Mcfe(1)	$ 0.56	$ 0.39	$ 0.17
Lease Operating Expense per Mcfe(1)	$ 1.32	$ 0.88	$ 0.44
Depreciation, Depletion & Amortization per Mcfe(1)	$ 1.93	$ 1.65	$ 0.28

(1) Refer to page 13 for the General and Administrative Expense, Lease Operating Expense and Depreciation, Depletion, and Amortization Expense for the Exploration and Production segment.

NATIONAL FUEL GAS COMPANY
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EXPLORATION AND PRODUCTION INFORMATION

Hedging Summary for Fiscal 2006

SWAPS	**Volume**	**Average Hedge Price**
Oil	1.4 .MMBBL	$35.33 / BBL
Gas	6.7 BCF	$6.21 / MCF

No-cost Collars	**Volume**	**Floor Price**	**Ceiling Price**
Gas	5.1 BCF	$7.28 / MCF	$11.34 / MCF

Hedging Summary for Fiscal 2007

SWAPS	**Volume**	**Average Hedge Price**
Oil	0.9 MMBBL	$37.03 / BBL
Gas	0.7 BCF	$5.84 / MCF

No-cost Collars	**Volume**	**Floor Price**	**Ceiling Price**
Gas	3.5 BCF	$8.12 / MCF	$11.35 / MCF

Drilling Program Quarter Ended December 31, 2005:
Gross Wells Drilled

	Gulf	West	East	Canada	Total
Exploratory					
Successful	0	0	1	6	7
Unsuccessful	0	0	0	2	2
Developmental					
Successful	0	32	38	1	71
Unsuccessful	0	1	0	0	1
Total					
Successful	0	32	39	7	78
Unsuccessful	0	1	0	2	3
Success Ratio	N/A	97%	100%	78%	96%

NATIONAL FUEL GAS COMPANY
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Utility Throughput - (millions of cubic feet - MMcf)

	Three Months Ended December 31, 2005	2004	Increase (Decrease)
Retail Sales:			
Residential Sales	19,524	19,869	(345)
Commercial Sales	3,443	3,454	(11)
Industrial Sales	327	176	151
	23,294	23,499	(205)
Transportation	14,342	14,103	239
	37,636	37,602	34

Pipeline & Storage Throughput- (MMcf)

	Three Months Ended December 31, 2005	2004	Increase (Decrease)
Firm Transportation - Affiliated	33,225	32,202	1,023
Firm Transportation - Non-Affiliated	69,597	51,540	18,057
Interruptible Transportation	3,723	1,662	2,061
	106,545	85,404	21,141

Energy Marketing Volumes

	Three Months Ended December 31, 2005	2004	Increase (Decrease)
Natural Gas (MMcf)	9,975	8,007	1,968

Timber Board Feet (Thousands)

	December 31, 2005	2004	Increase (Decrease)
Log Sales	2,491	1,745	746
Green Lumber Sales	1,974	2,164	(190)
Kiln Dry Lumber Sales	4,486	3,366	1,120
	8,951	7,275	1,676

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES
FISCAL 2006 SEGMENT EARNINGS GUIDANCE AND SENSITIVITIES

Fiscal 2006 earnings per share guidance by segment*			Earnings per share sensitivity to changes from September 13, 2005 NYMEX prices* ^			
			$1 change per MMBtu gas		$1 change per Bbl oil	
	Range		Increase	Decrease	Increase	Decrease
Utility	$0.52	$0.59	- $0.01	+ $0.01	-	-
Pipeline & Storage	$0.60	$0.63	+ $0.015	- $0.015	-	-
Exploration & Production	$1.10	$1.20	+ $0.09	- $0.09	+ $0.01	- $0.01
Energy Marketing	$0.02	$0.02	-	-	-	-
Timber	$0.05	$0.05	-	-	-	-
Corporate & Other	$0.01	$0.01	-	-	-	-
Consolidated	$2.30	$2.50	+ $0.095	- $0.095	+ $0.01	- $0.01

NYMEX Settlement Prices at September 13, 2005

	Natural Gas ($ per MMBtu)	Oil ($ per Bbl)
Oct-05	$10.763	$63.11
Nov-05	$11.371	$63.78
Dec-05	$11.866	$64.38
Jan-06	$12.156	$64.83
Feb-06	$12.046	$65.19
Mar-06	$11.751	$65.41
Apr-06	$9.551	$65.48
May-06	$9.191	$65.44
Jun-06	$9.216	$65.35
Jul-06	$9.257	$65.23
Aug-06	$9.300	$65.10
Sep-06	$9.276	$64.96
Fiscal Year Average	$10.479	$64.86
Jan-06/Sept-06 Average	$10.194	$65.22

* Please refer to forward looking statement footnote at page 6 of this document.

^ This sensitivity table is current as of February 8, 2006, but will become obsolete with the passage of time, changes in Seneca's production forecast, changes in customer use per account, as additional hedging contracts are entered into, and the settling of NYMEX hedge contracts at their maturity.

NATIONAL FUEL GAS COMPANY
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Quarter Ended December 31 (unaudited)	2005	2004
Operating Revenues	$ 710,756,000	$ 500,283,000
Income from Continuing Operations	$ 57,419,000	$ 44,830,000
Income from Discontinued Operations, Net of Tax	-	5,608,000
Net Income Available for Common Stock	$ 57,419,000	$ 50,438,000
Earnings Per Common Share:		
Basic:		
Income from Continuing Operations	$ 0.68	$ 0.54
Income from Discontinued Operations	-	0.07
Net Income Available for Common Stock	$ 0.68	$ 0.61
Diluted:		
Income from Continuing Operations	$ 0.67	$ 0.53
Income from Discontinued Operations	-	0.07
Net Income Available for Common Stock	$ 0.67	$ 0.60
Weighted Average Common Shares:		
Used in Basic Calculation	84,422,717	83,150,086
Used in Diluted Calculation	86,256,862	84,638,106

Twelve Months Ended December 31 (unaudited)		
Operating Revenues	$ 2,134,021,000	$ 1,917,888,000
Income from Continuing Operations	$ 166,104,000	$ 159,561,000
Income from Discontinued Operations, Net of Tax	30,365,000	8,249,000
Net Income Available for Common Stock	$ 196,469,000	$ 167,810,000
Earnings Per Common Share:		
Basic:		
Income from Continuing Operations	$ 1.98	$ 1.94
Income from Discontinued Operations	0.36	0.10
Net Income Available for Common Stock	$ 2.34	$ 2.04
Diluted:		
Income from Continuing Operations	$ 1.94	$ 1.91
Income from Discontinued Operations	0.36	0.10
Net Income Available for Common Stock	$ 2.30	$ 2.01
Weighted Average Common Shares:		
Used in Basic Calculation	83,862,052	82,442,202
Used in Diluted Calculation	85,438,189	83,520,574