National Fuel Gas Company

Financial News

6363 Main Street/Williamsville, NY 14221

Margaret M. Suto
Investor Relations
716-857-6987

Ronald J. Tanski
Treasurer
716-857-6981

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NATIONAL FUEL REPORTS THIRD QUARTER EARNINGS

Williamsville, New York: National Fuel Gas Company ("National Fuel" or the "Company") (NYSE:NFG) today announced consolidated earnings for the quarter ended June 30, 2006 of $0.1 million, or less than $0.01 per share, a decrease of $19.0 million or $0.23 per share from the third 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). Please refer to the table below to view the impact of significant items for the quarterly and nine month comparative periods.

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2006	2005	2006	2005
(in thousands except per share amounts)				
Reported GAAP earnings	$ 111	$ 19,156	$ 136,123	$ 140,276
Less: Income (Loss) from discontinued operations of United Energy[1]		(7,237)		5,073
Income from continuing operations	111	26,393	136,123	135,203
Exclude: Impairment of Canadian oil and gas producing properties[2]	39,502		39,502	
Gain on sale of base gas[2]				(2,636)
Earnings excluding these items	$ 39,613	$ 26,393	$ 175,625	$ 132,567
Reported GAAP earnings per share	$ 0.00	$ 0.23	$ 1.58	$ 1.65
Less: Income (Loss) from discontinued operations of United Energy[1]		(0.08)		0.06
Income from continuing operations	0.00	0.31	1.58	1.59
Exclude: Impairment of Canadian oil and gas producing properties[2]	0.46		0.46	
Gain on sale of base gas[2]				(0.03)
Earnings excluding these items	$ 0.46	$ 0.31	$ 2.04	$ 1.56

[1] National Fuel presents the earnings of United Energy, a.s. ("United Energy"), its former operations in the Czech Republic, as "Income from Discontinued Operations."

[2] See discussion of these items below.

Excluding the significant items discussed below, earnings from continuing operations increased $13.2 million or $0.15 per share from the prior year's third quarter earnings from continuing operations of $26.4 million or $0.31 per share.

Earnings from continuing operations for the quarter ended June 30, 2006 were negatively affected by a $39.5 million or $0.46 per share non-cash impairment of Canadian oil and gas producing properties which caused earnings to decrease $26.3 million or $0.31 per share from the prior year's third quarter earnings from continuing operations of $26.4 million or $0.31 per share. See further discussion of the impairment beginning on page 3 of this document.

Philip C. Ackerman, Chairman and Chief Executive Officer of National Fuel Gas Company stated: "This quarter the consolidated performance of the Company is affected by certain accounting rules that may confuse, rather than enlighten our investors. Under the 'full-cost' rules for oil and gas accounting, projected future revenue streams from our properties in Canada and the United States are each valued separately. When those projected revenue streams are compared to the book value of those properties at the end of each quarter, only shortfalls, not gains, are recorded. Thus our reported earnings reflect the $39.5 million decline in the value of our Canadian properties, but not a simultaneous $37.2 million gain in the value of our properties in the United States.

"While performance in our Exploration and Production segment is not all that it might have been, particularly in Canada, exploration and production will easily be our largest contributor to cash flow this year, and the increasing value of our oil reserves, although not reflected under the accounting rules, is certainly building value for the shareholder."*

Ackerman continued, "Absent the accounting adjustment, I am pleased that this quarter's earnings are up 50 percent from last year's third quarter and that our earnings guidance of $2.60 to $2.80 per share for 2007 is up significantly from our guidance for 2006."*

DISCUSSION OF THIRD QUARTER EARNINGS

CONTINUING OPERATIONS

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 approximately $0.8 million for the quarter ended June 30, 2006, were $2.5 million higher than the earnings in the prior year's third quarter.

In Distribution's New York Division, a loss of $0.08 million improved from a loss of $4.0 million for the third quarter of 2005. In the third quarter of fiscal 2005, Distribution recorded two regulatory adjustments totaling $4.1 million (after tax). These adjustments did not recur in the third quarter of fiscal 2006.

In Distribution's Pennsylvania Division, earnings for the quarter of approximately $0.9 million were down $1.4 million from the $2.3 million reported in the prior year's third quarter. This decrease is mainly the result of lower customer usage and weather that was 14.7 percent warmer than the prior year.

Pipeline and Storage Segment

The Pipeline and Storage segment operations are carried out by National Fuel Gas Supply Corporation ("Supply Corporation") 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 $12.6 million for the quarter ended June 30, 2006, were up $1.8 million when compared with the same period in the prior fiscal year. Lower pension expense for the quarter and lower expense for preliminary project costs associated with the Empire Connector project were the primary contributors to the increase.

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 loss in the third quarter of fiscal 2006 of $15.13 million is a decrease of $28.96 million from earnings of $13.83 million in the prior year's quarter. The decrease was mainly due to the non-cash charge of $39.5 million (after tax) to write down the value of Seneca's Canadian oil and natural gas producing properties. Excluding this impairment, Seneca's earnings were $24.4 million, an increase of $10.5 million from the prior year's quarter.

Seneca uses the full cost method of accounting for determining the book value of its oil and natural gas properties. This method requires that Seneca perform a quarterly "ceiling test" to compare, on a country-by-country basis, the present value of future revenues from its oil and natural gas reserves based on current market prices ("the ceiling") with the book value of those reserves at the balance sheet date. If the book value of the reserves in any country exceeds the ceiling, a non-cash charge must be recorded to reduce the book value of the reserves to the calculated ceiling. For purposes of calculating the ceiling, accounting rules require that Seneca's Canadian reserves (of which more than 80% are natural gas) are valued at commodity prices on the last day of the quarter. At June 30, 2006 the prompt month New York Mercantile Exchange ("NYMEX") price for natural gas was $6.10 per MMBtu of natural gas as compared to $7.21/MMBtu at the end of March (MMBtu is the designation for one million British Thermal Units, a measure of heating value; one MMBtu is approximately equivalent to one thousand cubic feet, or one Mcf, of natural gas). At July 31, 2006, however, the prompt month closing NYMEX price for natural gas had rebounded at $8.21/MMBtu and has varied by as much as $0.61/MMBtu during this past week. If prices were to remain at these levels at September 30, 2006, the accounting rules would not allow Seneca to recognize the benefit of this increase in pricing in the fourth quarter of 2006. The accounting rules also do not allow Seneca to offset the reduction in the value of our Canadian reserves with the increase in U.S. reserve values during the quarter of approximately $37.2 million. In the United States, Seneca had a ceiling test cushion (i.e. the present value of future net revenue exceeded the book value) of approximately $464.0 million at June 30, 2006.

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Natural gas prices received by Seneca were 6.3 percent higher and crude oil prices received by Seneca were 57.7 percent higher than the prior year's quarter. Production for the quarter of 12.0 billion cubic feet equivalent ("Bcfe") was in line with Seneca's expected production. For the quarter ended June 30, 2006, the weighted average natural gas price (after hedging) was \$6.57/Mcf, an increase of \$0.39/Mcf from the prior year's quarter, and the weighted average oil price (after hedging) was \$45.13/barrel ("Bbl"), an increase of \$16.51/Bbl from the prior year's quarter. Earnings increased by approximately \$6.0 million as a result of higher commodity prices (after hedging) that more than offset the impact of a 1.4 Bcfe decline in production.

During the quarter Seneca also recognized a \$6.1 million benefit to earnings related to income taxes. The Company reversed a valuation allowance associated with the capital loss carryforward that resulted from the 2003 sale of certain Seneca oil properties. During the quarter the Company made the determination that it expects to be in a position to fully utilize the loss carryforward. As a result, a valuation allowance of \$2.9 million that the Company had on its balance sheet is no longer necessary. Seneca also recognized a tax benefit of \$3.2 million related to the favorable resolution of certain open tax issues.

Seneca's higher production revenues were partially offset by higher depletion expense of approximately \$2.6 million, which, on a per unit basis, increased \$0.43/thousand cubic feet equivalent ("Mcfe") to \$2.17/Mcfe. The increase in depletion expense resulted mainly from higher finding and development costs.

Seneca drilled 80 wells during the third quarter. In Seneca's East division, 44 wells were drilled during this year's third quarter, bringing the total to 97 for the nine months ended June 30, 2006. In Seneca's West division, 31 wells were drilled this quarter for a total of 91 wells drilled year to date. In the Gulf of Mexico, construction of the Eugene Island 320 platform was completed in late June, and production commenced in mid July. The well is currently producing 8 million cubic feet ("Mmcf") per day. Seneca's working interest in this well is 100 percent. The Brazos 502 #2 well was drilled and encountered 97 feet of gas pay. Seneca has a 65 percent working interest in this well and production is expected to commence in mid fiscal 2007.*

In June 2006, the National Fuel Board of Directors approved an increase in capital spending in the Exploration and Production segment for fiscal 2006, from \$155 million to \$207 million. Estimated capital spending will increase approximately \$32 million, \$16 million and \$4 million in the Gulf of Mexico, West Coast region and Appalachian region, respectively.* The increase in the capital budget for the Gulf of Mexico is due to an increase in drilling and completion activity, higher working interests on new wells and construction of facilities for new wells. The increase in the West is due to the acquisition of reserves and the addition of new wells and construction of facilities for those wells.

Energy Marketing

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 decreased $0.5 million from $1.5 million in the third quarter last year. This decrease is primarily due to a slight decrease in margin and higher operating expense due to credits recorded in the prior year third quarter that did not recur in the current quarter.

Timber Segment

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

The Timber segment's third quarter earnings of $1.5 million were $1.0 million higher than the prior year's third quarter mainly due to higher kiln dry lumber sales and lower operating expenses. During the quarter Highland changed their cost accounting procedures so that certain costs associated with timber processing follow along with the produced lumber until it is removed from inventory.

Corporate and All Other

Other direct wholly-owned subsidiaries of the Company include Horizon Energy Development, Inc., a corporation formerly engaged in the development of international power projects, Horizon LFG, Inc., a corporation engaged through subsidiaries in the purchase, processing, transportation and sale of landfill gas, and Horizon Power, Inc., a corporation that develops and owns independent electric generation facilities which are fueled with natural gas or landfill gas.

Earnings in this category declined to a loss of $0.8 million from earnings of $1.3 million in the prior year's quarter. Earnings during last year's third quarter benefited from $1.3 million of reimbursed project development costs that did not recur in 2006.

DISCUSSION OF NINE MONTH EARNINGS

Consolidated earnings for the nine months ended June 30, 2006 were $136.1 million or $1.58 per share, a decrease of $4.2 million from the prior year's earnings of $140.3 million. Consolidated earnings for the nine months ended June 30, 2005 include earnings from discontinued operations from United Energy, the Company's former operations in the Czech Republic, of $5.1 million or $0.06 per share. There was no income from discontinued operations for the nine months ended June 30, 2006. Excluding the $2.6 million gain from the sale of base gas from Supply Corporation's jointly-owned Ellisburg Storage Field in the second quarter of 2005 and the $39.5 million impairment of Canadian oil and gas producing properties this quarter, earnings from continuing operations increased $43.1 million or $0.48 per share from the prior year's nine month earnings from continuing operations of $132.6 million or $1.56 per share. (See further discussion of the base gas sale below and the oil and gas impairment beginning on page 3 of this document).

CONTINUING OPERATIONS

In the Utility segment, earnings increased $6.0 million. The comparative consolidated earnings for the nine months ended June 30, 2005 include $4.1 million (after tax) in regulatory adjustments that reduced earnings in 2005 and did not recur in the current nine month period. In addition, a $2.6 million (after tax) adjustment (which increased earnings) was recorded in the first quarter of fiscal 2006 to correct Distribution's calculation of the symmetrical sharing component included in the New York gas adjustment rate. The positive impact of the most recent rate settlements in New York and Pennsylvania were more than offset by the impact of warmer weather in Pennsylvania, lower average usage per customer and higher bad debt and interest expense in both New York and Pennsylvania.

In the Pipeline and Storage segment, earnings were up $3.8 million. The comparative consolidated earnings for the nine months ended June 30, 2005 include a $2.6 million (after tax) gain from the sale of base gas from Supply Corporation's jointly-owned Ellisburg Storage Field. Excluding this item earnings were up $6.4 million mainly due to higher transportation, storage and efficiency gas revenues. Lower project development costs associated with the Empire Connector project and lower interest and depreciation expense also contributed to the increase in earnings.

Earnings in the Exploration and Production segment decreased $10.8 million mainly due to the non-cash charge of $39.5 million (after tax) to write down the value of Seneca's Canadian oil and natural gas producing properties described above. Excluding this item, earnings in this segment increased $28.7 million. This increase is mainly due to higher weighted average natural gas and oil prices after hedging and the tax adjustments described above and in the Company's second quarter earnings release. Partially offsetting the impact of these items were lower production volumes and higher depletion and operating expenses.

The Energy Marketing segment's earnings were up $1.0 million primarily due to an increase in sales volumes.

In the Timber segment, earnings increased $1.0 million mainly due to higher cherry kiln dry lumber and cherry export logs sales and lower operating expenses as a result of the change in cost accounting procedures noted above.

SHARE REPURCHASES

During the quarter, the Company repurchased in the open market 1,459,100 shares of its common stock pursuant to the authorization of the Company's Board of Directors that authorized the Company to repurchase up to 8,000,000 shares of its common stock. Through June 30, 2006, the Company has repurchased 2,284,350 shares pursuant to this authorization. Depending upon other investment opportunities, and subject to market conditions, such purchases may continue from time to time.* The Company estimates that the share repurchases had no meaningful impact upon the calculated diluted earnings per share for the quarter. For the nine months ended June 30, 2006, the Company estimates that the calculated diluted earnings per share were increased by $0.008 per share as a result of the share repurchases.

With respect to the earnings guidance discussed below, the Company has not incorporated any additional share repurchases into its earnings per share guidance. The Company continues to view share repurchases as a good use of its cash, and will continue to consider repurchasing shares up to the full 8,000,000 repurchase authorization of its Board of Directors.* The Company cannot predict with any certainty the timing of those repurchases and the impact of those repurchases on the calculation of earnings per share.

EARNINGS GUIDANCE

Earnings guidance for the Company's fourth quarter of fiscal 2006 and the entire fiscal year are presented in the table below. The guidance is being revised to fully incorporate third quarter actual earnings and to show the impact of the impairment charge related to the Canadian properties in the Exploration and Production segment.* Guidance for the fourth quarter of fiscal 2006 includes production from the Exploration and Production segment in the range of 11 to 13 Bcfe.*

FISCAL 2006 EARNINGS GUIDANCE

	Reported		Guidance*	
	Six Months Ended March 31, 2006	Three Months Ended June 30, 2006	Three Months Ended September 30, 2006	Fiscal Year Ended September 30, 2006
GAAP earnings	$1.58	$0.00	$0.27 - $0.33	$1.85 - $1.91
Add: oil & gas impairment		$0.46		$0.46
Earnings excluding impairment	$1.58	$0.46	$0.27 - $0.33	$2.31 - $2.37

FISCAL 2007 EARNINGS GUIDANCE

The Company's preliminary consolidated earnings guidance for fiscal 2007 is in the range of $2.60 to $2.80 per share.* This includes oil and gas production for the Exploration and Production segment in the range of 47 to 52 Bcfe.* Further details regarding the production guidance are included on page 22 of this document.

EARNINGS TELECONFERENCE

The Company will host a conference call on Friday, August 4, 2006 at 11 a.m. (Eastern Time) to discuss this announcement. There are two ways to access this call. For those with Internet access, visit 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, access is also provided by dialing (toll-free) 1-866-825-3354, and using the passcode "12960669." 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 "44573014." Both the webcast and telephonic replay will be available until the close of business on Friday, August 11, 2006.

National Fuel is an integrated energy company with $3.8 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.

Analyst Contact:	**Margaret M. Suto**	**(716) 857-6987**
Media Contact:	**Julie Coppola Cox**	**(716) 857-7079**

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, and changes in laws and regulations relating to repeal of the Public Utility Holding Company Act of 1935; 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.

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES
RECONCILIATION TO REPORTED EARNINGS

(Thousands of Dollars)	Three Months Ended June 30, 2006 (unaudited)	Three Months Ended June 30, 2005 (unaudited)	Nine Months Ended June 30, 2006 (unaudited)	Nine Months Ended June 30, 2005 (unaudited)
Utility				
Reported earnings	$ 827	$ (1,684)	$ 51,234	$ 45,269
Pipeline and Storage				
Reported earnings	12,642	10,843	45,384	41,577
Base gas sale	-	-	-	(2,636)
Earnings excluding this item	12,642	10,843	45,384	38,941
Exploration and Production				
Reported earnings	(15,127)	13,830	28,152	38,984
Impairment of oil and gas producing properties	39,502	-	39,502	-
Earnings excluding this item	24,375	13,830	67,654	38,984
Energy Marketing				
Reported earnings	1,045	1,548	5,909	4,909
Timber				
Reported earnings	1,529	555	5,235	4,201
Corporate and All Other				
Reported earnings	(805)	1,301	209	263
Consolidated Earnings from Continuing Operations				
Reported earnings from continuing operations	111	26,393	136,123	135,203
Total excluded items	39,502	-	39,502	(2,636)
Earnings from continuing operations excluding these items	$ 39,613	$ 26,393	$ 175,625	$ 132,567
Discontinued Operations				
Reported earnings from discontinued operations	-	(7,237)	-	5,073
Consolidated				
Reported earnings	$ 111	$ 19,156	$ 136,123	$ 140,276

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES
RECONCILIATION TO REPORTED EARNINGS

(Diluted Earnings Per Share)	Three Months Ended June 30, 2006 (unaudited)	Three Months Ended June 30, 2005 (unaudited)	Nine Months Ended June 30, 2006 (unaudited)	Nine Months Ended June 30, 2005 (unaudited)
Utility				
Reported earnings	$ 0.01	$ (0.02)	$ 0.59	$ 0.53
Pipeline and Storage				
Reported earnings	0.15	0.13	0.53	0.49
Base gas sale	-	-	-	(0.03)
Earnings excluding this item	0.15	0.13	0.53	0.46
Exploration and Production				
Reported earnings	(0.18)	0.16	0.33	0.46
Impairment of oil and gas producing properties	0.46	-	0.46	-
Earnings excluding this item	0.28	0.16	0.79	0.46
Energy Marketing				
Reported earnings	0.01	0.02	0.07	0.06
Timber				
Reported earnings	0.02	0.01	0.06	0.05
Corporate and All Other				
Reported earnings	(0.01)	0.01	-	-
Consolidated Earnings from Continuing Operations				
Reported earnings	-	0.31	1.58	1.59
Impairment of oil and gas producing properties	0.46	-	0.46	(0.03)
Earnings from continuing operations excluding these items	$ 0.46	$ 0.31	$ 2.04	$ 1.56
Discontinued Operations				
Reported earnings from discontinued operations	-	(0.08)	-	0.06
Consolidated				
Reported earnings	$ -	$ 0.23	$ 1.58	$ 1.65

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES

(Thousands of Dollars, except per share amounts)

	Three Months Ended June 30, (Unaudited)		Nine Months Ended June 30, (Unaudited)	
SUMMARY OF OPERATIONS	2006	2005	2006	2005
Operating Revenues	$ 415,452	$ 400,359	$ 2,017,189	$ 1,636,484
Operating Expenses:				
Purchased Gas	184,635	181,100	1,187,952	877,510
Operation and Maintenance	96,117	94,534	320,821	297,549
Property, Franchise and Other Taxes	16,845	16,598	54,147	53,551
Depreciation, Depletion and Amortization	46,943	45,099	134,267	132,438
Impairment of Oil and Gas Producing Properties	62,371	-	62,371	-
	406,911	337,331	1,759,558	1,361,048
Operating Income	8,541	63,028	257,631	275,436
Other Income (Expense):				
Income from Unconsolidated Subsidiaries	215	675	2,199	1,914
Interest Income	2,203	492	4,301	1,783
Other Income	546	602	1,535	5,979
Interest Expense on Long-Term Debt	(18,135)	(18,294)	(54,502)	(54,989)
Other Interest Expense	(1,026)	(4,557)	(4,266)	(8,911)
Income (Loss) from Continuing Operations Before Income Taxes	(7,656)	41,946	206,898	221,212
Income Tax Expense (Benefit)	(7,767)	15,553	70,775	86,009
Income from Continuing Operations	$ 111	$ 26,393	$ 136,123	$ 135,203
Income (Loss) from Discontinued Operations, Net of Tax	-	(7,237)	-	5,073
Net Income Available for Common Stock	$ 111	$ 19,156	$ 136,123	$ 140,276
Earnings Per Common Share:				
Basic:				
Income from Continuing Operations	$ -	$ 0.32	$ 1.62	$ 1.62
Income (Loss) from Discontinued Operations	-	(0.09)	-	0.06
Net Income Available for Common Stock	$ -	$ 0.23	$ 1.62	$ 1.68
Diluted:				
Income from Continuing Operations	$ -	$ 0.31	$ 1.58	$ 1.59
Income (Loss) from Discontinued Operations	-	(0.08)	-	0.06
Net Income Available for Common Stock	$ -	$ 0.23	$ 1.58	$ 1.65
Weighted Average Common Shares:				
Used in Basic Calculation	84,013,556	83,568,251	84,231,490	83,343,711
Used in Diluted Calculation	86,016,131	84,897,466	86,150,927	84,771,403

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	June 30, 2006	September 30, 2005
ASSETS		
Property, Plant and Equipment	$4,638,247	$4,423,255
Less - Accumulated Depreciation, Depletion and Amortization	1,753,147	1,583,955
Net Property, Plant and Equipment	$2,885,100	2,839,300
Current Assets:		
Cash and Temporary Cash Investments	121,626	57,607
Hedging Collateral Accounts	14,684	77,784
Receivables - Net	233,150	155,064
Unbilled Utility Revenue	15,529	20,465
Gas Stored Underground	40,803	64,529
Materials and Supplies - at average cost	35,925	33,267
Unrecovered Purchased Gas Costs	-	14,817
Prepayments and Other Current Assets	43,681	65,469
Deferred Income Taxes	51,239	83,774
Total Current Assets	556,637	572,776
Other Assets:		
Recoverable Future Taxes	84,667	85,000
Unamortized Debt Expense	16,000	17,567
Other Regulatory Assets	60,134	47,028
Deferred Charges	5,715	4,474
Other Investments	87,291	80,394
Investments in Unconsolidated Subsidiaries	10,206	12,658
Goodwill	5,476	5,476
Intangible Assets	40,305	42,302
Fair Value of Derivative Financial Instruments	8,266	-
Other	5,728	15,677
Total Other Assets	323,788	310,576
Total Assets	$3,765,525	$3,722,652
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Comprehensive Shareholders' Equity		
Common Stock, $1 Par Value Authorized - 200,000,000 Shares; Issued and Outstanding - 83,309,093 Shares and 84,356,748 Shares, Respectively	$83,309	$84,357
Paid in Capital	553,081	529,834
Earnings Reinvested in the Business	807,951	813,020
Total Common Shareholder Equity Before Items of Other Comprehensive Loss	1,444,341	1,427,211
Accumulated Other Comprehensive Loss	(102,611)	(197,628)
Total Comprehensive Shareholders' Equity	1,341,730	1,229,583
Long-Term Debt, Net of Current Portion	1,111,746	1,119,012
Total Capitalization	2,453,476	2,348,595
Current and Accrued Liabilities:		
Notes Payable to Banks and Commercial Paper	-	-
Current Portion of Long-Term Debt	9,502	9,393
Accounts Payable	131,540	155,485
Amounts Payable to Customers	31,576	1,158
Dividends Payable	24,978	24,445
Other Accruals and Current Liabilities	104,350	60,404
Fair Value of Derivative Financial Instruments	75,239	209,072
Total Current and Accrued Liabilities	377,185	459,957
Deferred Credits:		
Deferred Income Taxes	494,957	489,720
Taxes Refundable to Customers	11,073	11,009
Unamortized Investment Tax Credit	6,270	6,796
Cost of Removal Regulatory Liability	94,166	90,396
Other Regulatory Liabilities	58,376	66,339
Pension and Other Post-Retirement Liabilities	155,579	143,687
Asset Retirement Obligation	42,940	41,411
Other Deferred Credits	71,503	64,742
Total Deferred Credits	934,864	914,100
Commitments and Contingencies	-	-
Total Capitalization and Liabilities	$ 3,765,525	3,722,652

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(Thousands of Dollars)	Nine Months Ended June 30, 2006	2005
Operating Activities:		
Net Income Available for Common Stock	$136,123	$140,276
Adjustments to Reconcile Net Income to Net Cash		
Provided by Operating Activities:		
Impairment of Oil and Gas Producing Properties	62,371	-
Depreciation, Depletion and Amortization	134,267	145,814
Deferred Income Taxes	(17,430)	1,994
Income from Unconsolidated Subsidiaries, Net of Cash Distributions	2,452	(374)
Minority Interest in Foreign Subsidiaries	-	2,899
Excess Tax Benefits Associated with Stock-Based Compensation Awards	(6,515)	-
Other	(6,493)	(9,342)
Change in:		
Hedging Collateral Deposits	63,100	(8,513)
Receivables and Unbilled Utility Revenue	(72,496)	(91,223)
Gas Stored Underground and Materials and Supplies	21,098	32,878
Unrecovered Purchased Gas Costs	14,817	7,532
Prepayments and Other Current Assets	21,800	1,524
Accounts Payable	(24,650)	23,886
Amounts Payable to Customers	30,418	37,492
Other Accruals and Current Liabilities	49,950	63,749
Other Assets	(15,753)	(8,621)
Other Liabilities	16,855	(5,573)
Net Cash Provided by Operating Activities	$409,914	$334,398
Investing Activities:		
Capital Expenditures	($218,658)	($157,401)
Net Proceeds from Sale of Oil and Gas Producing Properties	4	90
Other	(1,578)	4,001
Net Cash Used in Investing Activities	($220,232)	($153,310)
Financing Activities:		
Change in Notes Payable to Banks and Commercial Paper	-	($107,243)
Excess Tax Benefits Associated with Stock-Based Compensation Awards	$6,515	-
Shares Repurchased under Repurchase Plan	($76,540)	-
Reduction of Long-Term Debt	(7,157)	(10,740)
Dividends Paid on Common Stock	(73,275)	(69,847)
Dividends Paid to Minority Interest	-	(12,676)
Proceeds From Issuance of Common Stock	23,399	12,499
Net Cash Used In Financing Activities	($127,058)	($188,007)
Effect of Exchange Rates on Cash	1,395	(40)
Net Increase (Decrease) in Cash and Temporary Cash Investments	64,019	(6,959)
Cash and Temporary Cash Investments at Beginning of Period	57,607	57,541
Cash and Temporary Cash Investments at June 30	$121,626	$50,582

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES

SEGMENT OPERATING RESULTS AND STATISTICS
(UNAUDITED)

(Thousands of Dollars, except per share amounts)	Three Months Ended June 30,			Nine Months Ended June 30,			Three Months Ended September 30,	Twelve Months Ended September 30,
UTILITY SEGMENT	2006	2005	Variance	2006	2005	Variance	2005	2005
Revenues from External Customers	$ 186,661	$ 189,175	$ (2,514)	$ 1,154,375	$ 991,651	$ 162,724	$ 109,921	$ 1,101,572
Intersegment Revenues	2,514	2,734	(220)	12,317	12,732	(415)	2,763	15,495
Total Operating Revenues	189,175	191,909	(2,734)	1,166,692	1,004,383	162,309	112,684	1,117,067
Operating Expenses:								
Purchased Gas	115,463	119,615	(4,152)	830,823	687,225	143,598	52,060	739,286
Operation and Maintenance	45,889	46,174	(285)	163,098	155,344	7,754	55,674	211,019
Property, Franchise and Other Taxes	11,106	10,868	238	36,878	36,423	455	9,791	46,214
Depreciation, Depletion and Amortization	10,054	10,084	(30)	30,058	30,081	(23)	10,079	40,159
	182,512	186,741	(4,229)	1,060,857	909,073	151,784	127,604	1,036,678
Operating Income (Loss)	6,663	5,168	1,495	105,835	95,310	10,525	(14,920)	80,389
Other Income (Expense):								
Interest Income	162	63	99	542	275	267	3,836	4,111
Other Income	205	202	3	609	485	124	213	699
Other Interest Expense	(5,789)	(7,911)	2,122	(19,392)	(18,755)	(637)	(4,145)	(22,900)
Income (Loss) Before Income Taxes	1,241	(2,478)	3,719	87,594	77,315	10,279	(15,016)	62,299
Income Tax Expense (Benefit)	414	(794)	1,208	36,360	32,046	4,314	(8,943)	23,102
Net Income (Loss)	$ 827	$ (1,684)	$ 2,511	$ 51,234	$ 45,269	$ 5,965	$ (6,073)	$ 39,197
Net Income (Loss) Per Share (Diluted)	$ 0.01	$ (0.02)	$ 0.03	$ 0.59	$ 0.53	$ 0.06	$ (0.07)	$ 0.46

	Three Months Ended June 30,			Nine Months Ended June 30,			Three Months Ended September 30,	Twelve Months Ended September 30,
PIPELINE AND STORAGE SEGMENT	2006	2005	Variance	2006	2005	Variance	2005	2005
Revenues from External Customers	$ 30,750	$ 29,642	$ 1,108	$ 104,835	$ 98,117	$ 6,718	$ 34,689	$ 132,805
Intersegment Revenues	20,298	20,956	(658)	61,304	63,071	(1,767)	19,982	83,054
Total Operating Revenues	51,048	50,598	450	166,139	161,188	4,951	54,671	215,859
Operating Expenses:								
Purchased Gas	(80)	(24)	(56)	(18)	631	(649)	5	636
Operation and Maintenance	15,613	17,031	(1,418)	47,878	48,632	(754)	16,766	65,397
Property, Franchise and Other Taxes	4,012	4,014	(2)	11,979	11,663	316	3,936	15,598
Depreciation, Depletion and Amortization	9,290	9,560	(270)	27,649	28,915	(1,266)	9,134	38,050
	28,835	30,581	(1,746)	87,488	89,841	(2,353)	29,841	119,681
Operating Income	22,213	20,017	2,196	78,651	71,347	7,304	24,830	96,178
Other Income (Expense):								
Interest Income	120	23	97	316	48	268	29	76
Other Income	116	70	46	384	4,269	(3,885)	6,128	10,396
Interest Expense on Long-Term Debt	(245)	(402)	157	(837)	(1,312)	475	(363)	(1,675)
Other Interest Expense	(1,339)	(1,405)	66	(3,728)	(4,071)	343	(1,383)	(5,453)
Income Before Income Taxes	20,865	18,303	2,562	74,786	70,281	4,505	29,241	99,522
Income Tax Expense	8,223	7,460	763	29,402	28,704	698	10,364	39,068
Net Income	$ 12,642	$ 10,843	$ 1,799	$ 45,384	$ 41,577	$ 3,807	$ 18,877	$ 60,454
Net Income Per Share (Diluted)	$ 0.15	$ 0.13	$ 0.02	$ 0.53	$ 0.49	$ 0.04	$ 0.22	$ 0.71

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES

SEGMENT OPERATING RESULTS AND STATISTICS
(UNAUDITED)

(Thousands of Dollars, except per share amounts)

	Three Months Ended June 30,			Nine Months Ended June 30,			Three Months Ended September 30,	Twelve Months Ended September 30,
EXPLORATION AND PRODUCTION SEGMENT	2006	2005	Variance	2006	2005	Variance	2005	2005
Operating Revenues	$ 86,600	$ 77,370	$ 9,230	$ 257,406	$ 219,527	$ 37,879	$ 73,898	$ 293,425
Operating Expenses:								
Purchased Gas	-	62	(62)	98	(282)	380	106	(176)
Operation and Maintenance:								
General and Administrative Expense	5,783	6,285	(502)	18,465	16,888	1,577	4,623	21,512
Lease Operating Expense	11,485	11,826	(341)	38,179	33,353	4,826	12,677	46,030
All Other Operation and Maintenance Expense	1,976	1,758	218	5,968	5,032	936	1,813	6,844
Property, Franchise and Other Taxes (Lease Operating Expense)	1,236	1,170	66	3,972	3,902	70	1,193	5,095
Depreciation, Depletion and Amortization	25,997	23,416	2,581	70,655	67,544	3,111	23,368	90,912
Impairment of Oil and Gas Producing Properties	62,371	-	62,371	62,371	-	62,371		
	108,848	44,517	64,331	199,708	126,437	73,271	43,780	170,217
Operating Income (Loss)	(22,248)	32,853	(55,101)	57,698	93,090	(35,392)	30,118	123,208
Other Income (Expense):								
Interest Income	2,332	1,285	1,047	6,113	3,179	2,934	1,482	4,661
Other Interest Expense	(12,671)	(12,253)	(418)	(37,622)	(36,384)	(1,238)	(12,472)	(48,856)
Income (Loss) Before Income Taxes	(32,587)	21,885	(54,472)	26,189	59,885	(33,696)	19,128	79,013
Income Tax Expense (Benefit)	(17,460)	8,055	(25,515)	(1,963)	20,901	(22,864)	7,452	28,354
Net Income (Loss)	$ (15,127)	$ 13,830	$ (28,957)	$ 28,152	$ 38,984	$ (10,832)	$ 11,676	$ 50,659
Net Income (Loss) Per Share (Diluted)	$ (0.18)	$ 0.16	$ (0.34)	$ 0.33	$ 0.46	$ (0.13)	$ 0.13	$ 0.60

	Three Months Ended June 30,			Nine Months Ended June 30,			Three Months Ended September 30,	Twelve Months Ended September 30,
ENERGY MARKETING SEGMENT	2006	2005	Variance	2006	2005	Variance	2005	2005
Operating Revenues	$ 94,747	$ 88,048	$ 6,699	$ 446,367	$ 276,106	$ 170,261	$ 53,608	$ 329,714
Operating Expenses:								
Purchased Gas	91,920	85,113	6,807	433,311	265,943	167,368	52,628	318,571
Operation and Maintenance	1,404	674	730	3,894	2,561	1,333	1,170	3,731
Property, Franchise and Other Taxes	8	8	-	(232)	78	(310)	4	83
Depreciation, Depletion and Amortization	10	22	(12)	46	66	(20)	(24)	41
	93,342	85,817	7,525	437,019	268,648	168,371	53,778	322,426
Operating Income (Loss)	1,405	2,231	(826)	9,348	7,458	1,890	(170)	7,288
Other Income (Expense):								
Interest Income	132	300	(168)	301	584	(283)	200	783
Other Income	143	60	83	363	180	183	47	227
Other Interest Expense	(16)	(2)	(14)	(207)	(8)	(199)	(4)	(11)
Income Before Income Taxes	1,664	2,589	(925)	9,805	8,214	1,591	73	8,287
Income Tax Expense (Benefit)	619	1,041	(422)	3,896	3,305	591	(95)	3,210
Net Income	$ 1,045	$ 1,548	$ (503)	$ 5,909	$ 4,909	$ 1,000	$ 168	$ 5,077
Net Income Per Share (Diluted)	$ 0.01	$ 0.02	$ (0.01)	$ 0.07	$ 0.06	$ 0.01	$ -	$ 0.06

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES

SEGMENT OPERATING RESULTS AND STATISTICS
(UNAUDITED)

(Thousands of Dollars, except per share amounts)

TIMBER SEGMENT	Three Months Ended June 30, 2006	Three Months Ended June 30, 2005	Variance	Nine Months Ended June 30, 2006	Nine Months Ended June 30, 2005	Variance	Three Months Ended September 30, 2005	Twelve Months Ended September 30, 2005
Revenues from External Customers	$ 15,311	$ 15,028	$ 283	$ 51,377	$ 46,994	$ 4,383	$ 14,291	$ 61,285
Intersegment Revenues	4	-	4	4	1	3	-	1
Total Operating Revenues	15,315	15,028	287	51,381	46,995	4,386	14,291	61,286
Operating Expenses:								
Operation and Maintenance	10,898	11,556	(658)	35,328	32,823	2,505	10,818	43,641
Property, Franchise and Other Taxes	382	375	7	1,241	1,069	172	418	1,488
Depreciation, Depletion and Amortization	1,275	1,707	(432)	4,913	4,904	9	1,697	6,601
	12,555	13,638	(1,083)	41,482	38,796	2,686	12,933	51,730
Operating Income	2,760	1,390	1,370	9,899	8,199	1,700	1,358	9,556
Other Income (Expense):								
Interest Income	217	116	101	518	308	210	131	438
Other Income	-	50	(50)	52	68	(16)	3	73
Other Interest Expense	(778)	(740)	(38)	(2,299)	(2,008)	(291)	(757)	(2,764)
Income Before Income Taxes	2,199	816	1,383	8,170	6,567	1,603	735	7,303
Income Tax Expense (Benefit)	670	261	409	2,935	2,366	569	(95)	2,271
Net Income	$ 1,529	$ 555	$ 974	$ 5,235	$ 4,201	$ 1,034	$ 830	$ 5,032
Net Income Per Share (Diluted)	$ 0.02	$ 0.01	$ 0.01	$ 0.06	$ 0.05	$ 0.01	$ 0.01	$ 0.06

ALL OTHER	Three Months Ended June 30, 2006	Three Months Ended June 30, 2005	Variance	Nine Months Ended June 30, 2006	Nine Months Ended June 30, 2005	Variance	Three Months Ended September 30, 2005	Twelve Months Ended September 30, 2005
Revenues from External Customers	$ 1,192	$ 1,096	$ 96	$ 2,250	$ 4,089	$ (1,839)	$ 658	$ 4,748
Intersegment Revenues	1,354	1,782	(428)	7,938	6,125	1,813	2,482	8,606
Total Operating Revenues	2,546	2,878	(332)	10,188	10,214	(26)	3,140	13,354
Operating Expenses:								
Purchased Gas	1,395	1,528	(133)	6,366	5,296	1,070	2,580	7,876
Operation and Maintenance	803	872	(69)	2,598	2,664	(66)	1,187	3,850
Property, Franchise and Other Taxes	33	19	14	75	66	9	20	87
Depreciation, Depletion and Amortization	196	194	2	593	580	13	2,957	3,537
	2,427	2,613	(186)	9,632	8,606	1,026	6,744	15,350
Operating Income (Loss)	119	265	(146)	556	1,608	(1,052)	(3,604)	(1,996)
Other Income (Expense):								
Income from Unconsolidated Subsidiaries	215	675	(460)	2,199	1,914	285	1,447	3,362
Impairment of Investment in Partnership	-	-	-	-	-	-	(4,158)	(4,158)
Interest Income	7	5	2	20	13	7	6	19
Other Income	27	5	22	42	285	(243)	172	458
Other Interest Expense	(668)	(459)	(209)	(1,874)	(1,201)	(673)	(523)	(1,726)
Income (Loss) Before Income Taxes	(300)	491	(791)	943	2,619	(1,676)	(6,660)	(4,041)
Income Tax Expense (Benefit)	(88)	221	(309)	539	1,097	(558)	(2,523)	(1,425)
Net Income (Loss)	$ (212)	$ 270	$ (482)	$ 404	$ 1,522	$ (1,118)	$ (4,137)	$ (2,616)
Net Income (Loss) Per Share (Diluted)	$ -	$ -	$ -	$ -	$ 0.02	$ (0.02)	$ (0.05)	$ (0.03)

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES

SEGMENT OPERATING RESULTS AND STATISTICS
(UNAUDITED)

(Thousands of Dollars, except per share amounts)	Three Months Ended June 30,			Nine Months Ended June 30,			Three Months Ended September 30,	Twelve Months Ended September 30,
CORPORATE	2006	2005	Variance	2006	2005	Variance	2005	2005
Revenues from External Customers	$ 191	$ -	$ 191	$ 579	$ -	$ 579	$ -	$ -
Intersegment Revenues	737	692	45	2,212	2,013	199	811	2,824
Total Operating Revenues	928	692	236	2,791	2,013	778	811	2,824
Operating Expenses:								
Operation and Maintenance	3,110	(672)	3,782	6,560	2,891	3,669	3,216	6,107
Property, Franchise and Other Taxes	68	144	(76)	234	350	(116)	163	511
Depreciation, Depletion and Amortization	121	116	5	353	348	5	118	467
	3,299	(412)	3,711	7,147	3,589	3,558	3,497	7,085
Operating Income (Loss)	(2,371)	1,104	(3,475)	(4,356)	(1,576)	(2,780)	(2,686)	(4,261)
Other Income (Expense):								
Interest Income	23,280	19,477	3,803	68,942	59,249	9,693	20,915	80,166
Other Income	55	215	(160)	85	692	(607)	201	891
Interest Expense on Long-Term Debt	(17,890)	(17,892)	2	(53,665)	(53,677)	12	(17,892)	(71,569)
Other Interest Expense	(3,812)	(2,564)	(1,248)	(11,595)	(8,357)	(3,238)	(2,759)	(11,117)
Income (Loss) Before Income Taxes	(738)	340	(1,078)	(589)	(3,669)	3,080	(2,221)	(5,890)
Income Tax Expense (Benefit)	(145)	(691)	546	(394)	(2,410)	2,016	809	(1,602)
Net Income (Loss)	$ (593)	$ 1,031	$ (1,624)	$ (195)	$ (1,259)	$ 1,064	$ (3,030)	$ (4,288)
Net Income (Loss) Per Share (Diluted)	$ (0.01)	$ 0.01	$ (0.02)	$ -	$ (0.02)	$ 0.02	$ (0.03)	$ (0.05)

	Three Months Ended June 30,			Nine Months Ended June 30,			Three Months Ended September 30,	Twelve Months Ended September 30,
INTERSEGMENT ELIMINATIONS	2006	2005	Variance	2006	2005	Variance	2005	2005
Intersegment Revenues	$ (24,907)	$ (26,164)	$ 1,257	$ (83,775)	$ (83,942)	$ 167	$ (26,039)	$ (109,980)
Operating Expenses:								
Purchased Gas	(24,063)	(25,194)	1,131	(82,628)	(81,303)	(1,325)	(25,063)	(106,366)
Operation and Maintenance	(844)	(970)	126	(1,147)	(2,639)	1,492	(976)	(3,614)
	(24,907)	(26,164)	1,257	(83,775)	(83,942)	167	(26,039)	(109,980)
Operating Income	-	-	-	-	-	-	-	-
Other Income (Expense):								
Interest Income	(24,047)	(20,777)	(3,270)	(72,451)	(61,873)	(10,578)	(21,885)	(83,758)
Other Interest Expense	24,047	20,777	3,270	72,451	61,873	10,578	21,885	83,758
Net Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Income Per Share (Diluted)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES

SEGMENT INFORMATION (Continued)
(Thousands of Dollars)

	Three Months Ended June 30, (Unaudited)			Nine Months Ended June 30, (Unaudited)		
	2006	2005	Increase (Decrease)	2006	2005	Increase (Decrease)
Capital Expenditures:						
Utility	$ 14,012	$ 12,719	$ 1,293	$ 39,372	$ 34,993	$ 4,379
Pipeline and Storage	5,033	4,917	116	15,361	13,122	2,239
Exploration and Production	63,999	24,174	39,825	160,323	86,048	74,275
Energy Marketing	-	12	(12)	6	46	(40)
Timber	378	5	373	1,130	18,701	(17,571)
Total Reportable Segments	83,422	41,827	41,595	216,192	152,910	63,282
All Other	22	67	(45)	78	170	(92)
Corporate	253	20	233	2,388	106	2,282
Total Expenditures from Continuing Operations	$ 83,697	$ 41,914	$ 41,783	$ 218,658	$ 153,186	$ 65,472

DEGREE DAYS

				Percent Colder (Warmer) Than:	
Three Months Ended June 30	Normal	2006	2005	Normal	Last Year
Buffalo, NY	927	731	911	(21.1)	(19.8)
Erie, PA	885	812	952	(8.2)	(14.7)
Nine Months Ended June 30					
Buffalo, NY	6,514	5,816	6,551	(10.7)	(11.2)
Erie, PA	6,108	5,565	6,215	(8.9)	(10.5)

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES

EXPLORATION AND PRODUCTION INFORMATION

	Three Months Ended June 30, 2006	Three Months Ended June 30, 2005	Increase (Decrease)	Nine Months Ended June 30, 2006	Nine Months Ended June 30, 2005	Increase (Decrease)
Gas Production/Prices:						
Production (MMcf)						
Gulf Coast	2,109	3,365	(1,256)	6,529	9,433	(2,904)
West Coast	983	975	8	2,933	3,000	(67)
Appalachia	1,267	1,156	111	3,766	3,499	267
Canada	2,158	2,134	24	5,830	5,959	(129)
	6,517	7,630	(1,113)	19,058	21,891	(2,833)
Average Prices (Per Mcf)						
Gulf Coast	$ 6.97	$ 6.92	$ 0.05	$ 8.56	$ 6.72	$ 1.84
West Coast	6.06	6.87	(0.81)	8.42	6.54	1.88
Appalachia	7.26	6.97	0.29	10.29	7.16	3.13
Canada	5.54	6.08	(0.54)	7.75	5.70	2.05
Weighted Average	6.41	6.69	(0.28)	8.64	6.49	2.15
Weighted Average after Hedging	6.57	6.18	0.39	7.43	6.05	1.38
Oil Production/Prices:						
Production (Thousands of Barrels)						
Gulf Coast	192	251	(59)	479	801	(322)
West Coast	638	630	8	1,962	1,916	46
Appalachia	19	11	8	41	23	18
Canada	66	75	(9)	221	229	(8)
	915	967	(52)	2,703	2,969	(266)
Average Prices (Per Barrel)						
Gulf Coast	$ 67.52	$ 49.83	$ 17.69	$ 62.04	$ 47.73	$ 14.31
West Coast	61.51	42.57	18.94	55.40	39.10	16.30
Appalachia	63.15	50.95	12.20	61.92	46.71	15.21
Canada	57.88	41.66	16.22	49.25	40.39	8.86
Weighted Average	62.54	44.48	18.06	56.17	41.59	14.58
Weighted Average after Hedging	45.13	28.62	16.51	39.56	27.00	12.56
Total Production (Mmcfe)	12,007	13,432	(1,425)	35,276	39,705	(4,429)
Selected Operating Performance Statistics:						
General & Administrative Expense per Mcfe(1)	$ 0.48	$ 0.47	$ 0.01	$ 0.52	$ 0.43	$ 0.09
Lease Operating Expense per Mcfe (1)	$ 1.06	$ 0.97	$ 0.09	$ 1.19	$ 0.94	$ 0.25
Depreciation, Depletion & Amortization per Mcfe(1)	$ 2.17	$ 1.74	$ 0.43	$ 2.00	$ 1.70	$ 0.30

(1) Refer to page 16 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
AND SUBSIDIARIES

EXPLORATION AND PRODUCTION INFORMATION

Hedging Summary for Fiscal 2006

SWAPS	Volume	Average Hedge Price
Oil	0.5 MMBBL	$35.33 / BBL
Gas	2.3 BCF	$6.20 / MCF

No-cost Collars	Volume	Floor Price	Ceiling Price
Gas	1.1 BCF	$8.28 / MCF	$15.47 / 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
Oil	0.2 MMBBL	$70.00 / BBL	$77.00 / BBL
Gas	5.7 BCF	$8.12 / MCF	$17.45 / MCF

Hedging Summary for Fiscal 2008

No-cost Collars	Volume	Floor Price	Ceiling Price
Gas	1.4 BCF	$8.83 / MCF	$16.45 / MCF

Drilling Program
Nine Months Ended June 30, 2006:
Gross Wells Drilled

	Gulf	West	East	Canada	Total
Exploratory					
Successful	1	0	4	15	20
Unsuccessful	1	0	0	2	3
Developmental					
Successful	0	90	93	2	185
Unsuccessful	0	1	0	0	1
Total					
Successful	1	90	97	17	205
Unsuccessful	1	1	0	2	4

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES

EXPLORATION AND PRODUCTION INFORMATION

Fiscal 2007 Financial & Operating Guidance

Total Production (Bcfe)	47 - 52

Production by Division (Bcfe)

Gulf	14 - 15.5
East	5.5 - 6.5
West	19 - 20
Canada	8.5 - 10

Crude Oil Average 2007 NYMEX ($/Bbl) as of July 12, 2006 (without hedges): $77.68

Forecast price differentials

Gulf	-$2.00 to -$5.00
East	-$4.00 to -$6.00
West	-$9.00 to -$13.00
Canada	-$10.00 to -$13.00

Natural Gas Average 2007 NYMEX ($/Mmbtu) as of July 12, 2006 (without hedges): $8.60

Forecast price differentials

Gulf	-$0.50 to -$1.00
East	-$0.25 to +$0.25
West	-$1.50 to -$2.00
Canada	-$1.25 to -$1.75

Cost and Expenses $ per Mcfe

Lease Operating Expenses	$1.10 - $1.30
Depreciation, Depletion and Amortization	$2.10 - $2.30
Other Taxes (% of Revenue)	$0.10 - $0.14
Other Operating Expenses	$8.5M - $10.5M
Administrative and General	$24M - $26M

	Capital Investment by Division	**Number of Wells to be Drilled**
Gulf	$99M - $100M	8 - 12
East	$35M - $36M	145 - 165
West	$42M - $43M	85 - 100
Canada	$34M - $35M	17 - 21
Total	$210M - $214M	

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES

Utility Throughput - (millions of cubic feet - MMcf)

	Three Months Ended June 30,			Nine Months Ended June 30,		
	2006	2005	Increase (Decrease)	2006	2005	Increase (Decrease)
Retail Sales:						
Residential Sales	8,740	10,698	(1,958)	55,071	63,125	(8,054)
Commercial Sales	1,459	1,814	(355)	9,940	11,340	(1,400)
Industrial Sales	114	120	(6)	900	721	179
	10,313	12,632	(2,319)	65,911	75,186	(9,275)
Transportation	12,185	13,776	(1,591)	48,646	50,345	(1,699)
	22,498	26,408	(3,910)	114,557	125,531	(10,974)

Pipeline & Storage Throughput- (MMcf)

	Three Months Ended June 30,			Nine Months Ended June 30,		
	2006	2005	Increase (Decrease)	2006	2005	Increase (Decrease)
Firm Transportation - Affiliated	15,753	17,895	(2,142)	92,615	102,801	(10,186)
Firm Transportation - Non-Affiliated	54,867	53,049	1,818	195,655	181,736	13,919
Interruptible Transportation	2,220	7,162	(4,942)	7,774	10,004	(2,230)
	72,840	78,106	(5,266)	296,044	294,541	1,503

Energy Marketing Volumes

	Three Months Ended June 30,			Nine Months Ended June 30,		
	2006	2005	Increase (Decrease)	2006	2005	Increase (Decrease)
Natural Gas (MMcf)	11,190	10,925	265	38,496	34,115	4,381

Timber Board Feet (Thousands)

	Three Months Ended June 30,			Nine Months Ended June 30,		
	2006	2005	Increase (Decrease)	2006	2005	Increase (Decrease)
Log Sales	1,767	1,619	148	7,540	5,934	1,606
Green Lumber Sales	3,126	3,475	(349)	8,082	8,179	(97)
Kiln Dry Lumber Sales	4,240	4,110	130	13,239	11,373	1,866
	9,133	9,204	(71)	28,861	25,486	3,375

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES
FISCAL 2007 EARNINGS GUIDANCE AND SENSITIVITY

Fiscal 2007 (Diluted earnings per share guidance*)		Earnings per share sensitivity to changes from NYMEX prices used in guidance* ^			
		$1 change per MMBtu gas		$5 change per Bbl oil	
	Range	Increase	Decrease	Increase	Decrease
Consolidated Earnings	$2.60 - $2.80	+ $0.22	- $0.22	+ $0.10	- $0.10

NYMEX Settlement Prices at July 12, 2006

	Natural Gas ($ per MMBtu)	Oil ($ per Bbl)
Oct-06	$6.382	$76.69
Nov-06	$7.737	$77.12
Dec-06	$9.307	$77.47
Jan-07	$10.077	$77.74
Feb-07	$10.122	$77.91
Mar-07	$9.932	$78.01
Apr-07	$8.262	$78.04
May-07	$8.097	$78.01
Jun-07	$8.182	$77.94
Jul-07	$8.292	$77.85
Aug-07	$8.382	$77.76
Sep-07	$8.487	$77.67
Average	$8.600	$77.68

* Please refer to forward looking statement footnote at page 9 of this document.

^ This sensitivity table is current as of July 31, 2006, but will become obsolete with the passage of time, changes in Seneca's production forecast, change in basis differentials, 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
AND SUBSIDIARIES

Quarter Ended June 30 (unaudited)	2006	2005
Operating Revenues	$ 415,452,000	$ 400,359,000
Income from Continuing Operations	$ 111,000	$ 26,393,000
Loss from Discontinued Operations, Net of Tax	-	(7,237,000)
Net Income Available for Common Stock	$ 111,000	$ 19,156,000
Earnings Per Common Share:		
Basic:		
Income from Continuing Operations	$ -	$ 0.32
Loss from Discontinued Operations	-	(0.09)
Net Income Available for Common Stock	$ -	$ 0.23
Diluted:		
Income from Continuing Operations	$ -	$ 0.31
Loss from Discontinued Operations	-	(0.08)
Net Income Available for Common Stock	$ -	$ 0.23
Weighted Average Common Shares:		
Used in Basic Calculation	84,013,556	83,568,251
Used in Diluted Calculation	86,016,131	84,897,466

Nine Months Ended June 30 (unaudited)		
Operating Revenues	$ 2,017,189,000	$ 1,636,484,000
Income from Continuing Operations	$ 136,123,000	$ 135,203,000
Income from Discontinued Operations, Net of Tax	-	5,073,000
Net Income Available for Common Stock	$ 136,123,000	$ 140,276,000
Earnings Per Common Share:		
Basic:		
Income from Continuing Operations	$ 1.62	$ 1.62
Income from Discontinued Operations	-	0.06
Net Income Available for Common Stock	$ 1.62	$ 1.68
Diluted:		
Income from Continuing Operations	$ 1.58	$ 1.59
Income from Discontinued Operations	-	0.06
Net Income Available for Common Stock	$ 1.58	$ 1.65
Weighted Average Common Shares:		
Used in Basic Calculation	84,231,490	83,343,711
Used in Diluted Calculation	86,150,927	84,771,403

Twelve Months Ended June 30 (unaudited)		
Operating Revenues	$ 2,304,253,000	$ 1,903,979,000
Income from Continuing Operations	$ 154,435,000	$ 149,035,000
Income (Loss) from Discontinued Operations, Net of Tax	30,900,000	(1,005,000)
Net Income Available for Common Stock	$ 185,335,000	$ 148,030,000
Earnings Per Common Share:		
Basic:		
Income from Continuing Operations	$ 1.83	$ 1.79
Income (Loss) from Discontinued Operations	0.37	(0.01)
Net Income Available for Common Stock	$ 2.20	$ 1.78
Diluted:		
Income from Continuing Operations	$ 1.79	$ 1.76
Income (Loss) from Discontinued Operations	0.36	(0.01)
Net Income Available for Common Stock	$ 2.15	$ 1.75
Weighted Average Common Shares:		
Used in Basic Calculation	84,205,652	83,164,757
Used in Diluted Calculation	86,063,076	84,559,840