Empire Connector Pipeline Project Moving Forward

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Construction to Begin in Mid-September 2007

National Fuel Gas Company's ("National Fuel" or "Company") (NYSE: NFG) wholly owned subsidiary, Empire State Pipeline ("Empire"), has reached major milestones and is on schedule for its pipeline expansion project, the Empire Connector, to be completed and in service in the fall of 2008. Recent project developments include: the execution of a service agreement with a KeySpan Energy Corp. company for more than 60% of the pipeline's capacity; contracting for the pipeline and compressor station equipment; engaging Otis Eastern Service, Incorporated as its pipeline construction contractor; and finalizing the project's construction schedule, with approximately 20 to 25 miles of pipeline construction slated for this year.

"We are pleased to see the next phases of this project coming to fruition," said David F. Smith, President and Chief Operating Officer of National Fuel Gas Company and President of Empire State Pipeline. "For more than four years, we have worked diligently with landowners, representatives from environmental agencies, agricultural specialists and legislators to move this project forward. Reaching this juncture would not have been possible without the cooperation of those affected by this important project, particularly the landowners along the pipeline route, who helped us develop a solid plan for this project. We are grateful for their input and look forward to the value this new infrastructure will bring to both New York State and National Fuel.*"

The Empire Connector Project will expand the 157-mile long Empire State Pipeline by about 77 miles. Project costs are estimated to be approximately $177 million. Extending from Victor, N.Y., to Corning, N.Y., the Empire Connector will link the existing Empire State Pipeline that runs from near Buffalo, N.Y., to Syracuse, N.Y., to the Millennium Pipeline project. One compressor station will be built as part of the Empire Connector Project. The compressor station will be located in Oakfield, N.Y., and will increase the pipeline's ability to deliver gas along the expanded pipeline system. The Empire Connector and the Millennium Pipelines are part of a significant expansion project designed to bring much-needed energy supplies to the Northeast. Once completed, these projects, along with the Algonquin Gas Transmission, LLC and Iroquois Gas Transmission System, L.P. expansion projects, will provide 525,400 dekatherms per day (dth/d) of new natural gas supply to growing markets in the Northeast.* When these pipeline projects are completed, natural gas will flow from increasingly important and substantial North American supply basins to markets in the Northeast - serving customers in central and western New York along the way.*

Earlier this summer, a subsidiary of KeySpan Energy Corp. (NYSE: KSE), the largest distributor of natural gas in the Northeast, executed its firm transportation service agreement with Empire, providing for at least ten years of 150,750 dth/d of natural gas transportation service on the Empire State Pipeline, including the Empire Connector facilities.* KeySpan, which serves more than 2.5 million gas customers in the Northeast, is also New York's largest investor-owned electric generator and operates the Long Island Power Authority electric system serving 1.1 million customers. Empire is now actively marketing the remaining capacity that will be created by the Empire Connector.

"We are literally at the stage where all of the pieces to this project are coming together. Securing the materials and resources needed to construct energy infrastructure at a time in our industry when such things are at a premium is a significant milestone to reach. Right now, the pipe we'll use is being manufactured in Baton Rouge, Louisiana and the compressor equipment is being manufactured in San Diego, California," said Ronald C. Kraemer, Vice President, Empire State Pipeline. These components alone represent more than $30 million of the total project cost.

In another significant project development, Empire has engaged Wellsville, N.Y.,-based Otis Eastern Service, Incorporated as the construction contractor for the pipeline project. "We are pleased to be working with a local pipeline contractor with the capability and reputation to schedule and manage projects in a safe and timely manner. Otis Eastern has demonstrated experience in successfully completing pipeline construction projects throughout New York State, through all types of terrain, including agricultural lands, and in doing so with the utmost respect for the local natural resources" said Kraemer.

Representatives from Empire will continue to work directly with landowners and affected parties along the pipeline route at the beginning of, and throughout, the construction process. The first phase of pipeline construction is scheduled to begin in mid-September in Yates and Schuyler Counties, with 20 to 25 miles of construction being planned for completion by early December. The rest of the pipeline route, including the compressor station, will be constructed in 2008. Those who own property in the area identified for construction this year will be contacted by a representative from Empire and will have an opportunity to meet with

the project team in advance of the start of construction.

National Fuel Gas Company 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 Gas Company is available on its Internet Web site: www.nationalfuelgas.com or through its investor information service at 1-800-334-2188. For more information about the Empire Connector, visit the project's Web site at www.empireconnector.com.

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