# NEWS

National Fuel

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**Seneca Resources Corporation Provides Marcellus Shale Joint Venture Update and Forecasts Future Marcellus Shale Production**

(July 14, 2011) WILLIAMSVILLE, N.Y. – Seneca Resources Corporation ("Seneca"), a wholly owned subsidiary of National Fuel Gas Company (NYSE: NFG) ("National Fuel" or the "Company"), continues to explore a joint venture as a vehicle to further accelerate the development of its Marcellus Shale acreage. Seneca has received offers from several possible joint venture partners and continues discussions about potential deal terms with a few of those parties.

"In response to inquiries from our shareholders and industry analysts, we felt it was important to provide an update on our joint venture process," said David F. Smith, Chairman and Chief Executive Officer of National Fuel. "While we had initially anticipated reaching a decision by the end of June, the varied, but not directly comparable, offers we have received have carried this process past this self-imposed deadline. While discussions are ongoing, as we've said in the past, we will only move forward with a transaction on terms that we believe add value to our shareholders over and above the value that Seneca will likely achieve through its currently planned operations. Seneca continues to experience outstanding operational results and significant production growth."

As the Company enters its fiscal fourth quarter, Seneca is providing an estimate of its likely Marcellus Shale production rate at the end of fiscal years 2011 and 2012. "Our production rates will be ramping up substantially in the last quarter of this fiscal year as groups of new wells are brought on line," stated Matthew D. Cabell, President of Seneca. "We expect our net Marcellus production rate to reach 150 million cubic feet ("MMcf") per day by September 30, 2011, and 240 MMcf per day by September 30, 2012, with or without a joint venture partner."

Seneca Resources Corporation, the exploration and production segment of National Fuel Gas Company, explores for, develops, and purchases natural gas and oil reserves in California and Appalachia. Additional information about Seneca and National Fuel Gas Company is available at www.nationalfuelgas.com or through the Company's investor information service at 1-800-334-2188.

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Certain statements contained herein, including forecasted production rates and statements that are identified by use of the words “anticipates,” “estimates,” “expects,” “forecasts,” “intends,” “plans,” “predicts,” “projects,” “believes,” “seeks,” “will,” “may” 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: financial and economic conditions, including the availability of credit, and occurrences affecting the Company’s ability to obtain financing on acceptable terms for working capital, capital expenditures and other investments, including any downgrades in the Company’s credit ratings and changes in interest rates and other capital market conditions; changes in economic conditions, including global, national or regional recessions, and their effect on the demand for, and customers’ ability to pay for, the Company’s products and services; the creditworthiness or performance of the Company’s key suppliers, customers and counterparties; economic disruptions or uninsured losses resulting from terrorist activities, acts of war, major accidents, fires, severe weather or natural disasters; factors affecting the Company’s ability to successfully identify, drill for and produce economically viable natural gas and oil reserves, including among others geology, lease availability, weather conditions, shortages, delays or unavailability of equipment and services required in drilling operations, insufficient gathering, processing and transportation capacity, the need to obtain governmental approvals and permits, and compliance with environmental laws and regulations; changes in laws and regulations to which the Company is subject, including those involving derivatives, taxes, safety, employment, climate change, other environmental matters, and exploration and production activities such as hydraulic fracturing; uncertainty of oil and gas reserve estimates; significant differences between the Company’s projected and actual production levels for natural gas or oil; significant changes in market dynamics or competitive factors affecting the Company’s ability to retain existing customers or obtain new customers; changes in the availability and/or price of natural gas or oil; impairments under the SEC’s full cost ceiling test for natural gas and oil reserves; changes in the availability and/or cost of derivative financial instruments; changes in price differentials between similar quantities of oil or natural gas having different quality, heating value, geographic location or delivery date; changes in the projected profitability of pending or potential projects, investments or transactions; significant differences between the Company’s projected and actual capital expenditures and operating expenses; delays or changes in costs or plans with respect to Company projects or related projects of other companies, including difficulties or delays in obtaining necessary governmental approvals, permits or orders or in obtaining the cooperation of interconnecting facility operators; governmental/regulatory actions, initiatives and proceedings; 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; or the cost and effects of legal and administrative claims against the Company. The Company disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date hereof.


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