



National Fuel Gas Company

# Financial News

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## NATIONAL FUEL REPORTS 2015 EARNINGS

WILLIAMSVILLE, N.Y.: National Fuel Gas Company (“National Fuel” or the “Company”) (NYSE:NFG) today announced consolidated results for the fourth quarter and fiscal year ended September 30, 2015.

National Fuel had a consolidated loss for the quarter ended September 30, 2015, of \$187.7 million, or \$2.22 per share, compared to the prior year’s fourth quarter earnings of \$57.4 million, or \$0.68 per share, a decrease of \$245.1 million, or \$2.90 per share. The decrease is largely due to a \$240.8 million non-cash charge to writedown the value of Seneca Resources Corporation’s (“Seneca”) oil and natural gas reserves. Consolidated earnings for the fourth quarter, exclusive of Seneca’s writedown and other items impacting comparability (“Operating Results”), were \$34.9 million, or \$0.41 per share, compared to \$50.4 million, or \$0.59 per share, in the prior year’s fourth quarter. (Note: All references to earnings per share are to diluted earnings per share, and all amounts used in the discussion of earnings are after tax unless otherwise noted.)

For the fiscal year ended September 30, 2015, National Fuel had a consolidated loss of \$379.4 million, or \$4.50 per share, compared to earnings of \$299.4 million, or \$3.52 per share, from the prior year. The decrease is largely due to \$650.2 million of non-cash charges to write down the value of Seneca’s oil and natural gas reserves. Excluding Seneca’s writedown and the other items impacting comparability, Operating Results for the fiscal year were \$252.5 million, or \$2.97 per share, compared to \$291.8 million, or \$3.43 per share, in the prior fiscal year.

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## OPERATING RESULTS

|   | Three Months Ended |                  | Fiscal Year Ended |                   |
|---|--------------------|------------------|-------------------|-------------------|
|   | September 30,      |                  | September 30,     |                   |
|   | 2015               | 2014             | 2015              | 2014              |
| <i>(in thousands except per share amounts)</i>    |                    |                  |                   |                   |
| <b>Reported GAAP earnings (loss)</b>              | \$ (187,703)       | \$ 57,431        | \$ (379,427)      | \$ 299,413        |
| <b>Items impacting comparability<sup>1</sup>:</b> |                    |                  |                   |                   |
| Impairment of oil and gas properties              | 240,837            |                  | 650,160           |                   |
| Deferred income tax adjustments                   | (13,206)           | (7,000)          | (13,206)          | (4,000)           |
| Reversal of stock-based compensation              | (5,054)            |                  | (5,054)           |                   |
| Gain on life insurance policies                   |                    |                  |                   | (3,635)           |
| <b>Operating Results</b>                          | <u>\$ 34,874</u>   | <u>\$ 50,431</u> | <u>\$ 252,473</u> | <u>\$ 291,778</u> |
| <b>Reported GAAP earnings (loss) per share</b>    | \$ (2.22)          | \$ 0.68          | \$ (4.50)         | \$ 3.52           |
| <b>Items impacting comparability<sup>1</sup>:</b> |                    |                  |                   |                   |
| Impairment of oil and gas properties              | 2.83               |                  | 7.64              |                   |
| Deferred income tax adjustments                   | (0.15)             | (0.08)           | (0.15)            | (0.05)            |
| Reversal of stock-based compensation              | (0.06)             |                  | (0.06)            |                   |
| Gain on life insurance policies                   |                    |                  |                   | (0.04)            |
| EPS impact of dilutive shares                     | 0.01               |                  | 0.04              |                   |
| Rounding  |                    | (0.01)           |                   |                   |
| <b>Operating Results</b>                          | <u>\$ 0.41</u>     | <u>\$ 0.59</u>   | <u>\$ 2.97</u>    | <u>\$ 3.43</u>    |

<sup>1</sup> See discussion of the individual items impacting comparability in segment earnings below.

## MANAGEMENT COMMENTS

Ronald J. Tanski, President and Chief Executive Officer of National Fuel Gas Company, stated: “The continuation of low oil and natural gas commodity prices required us to write down the balance sheet value of our 2.3 trillion cubic feet equivalent of oil and natural gas reserves. This large adjustment distracts from an otherwise solid quarter and fiscal year of operations across all our segments.

“We continued to grow our midstream business, where three more interstate pipeline projects are going into service in November, and we’ve expanded our gathering pipelines to reach new production locations being developed by Seneca.

“Seneca continues to drive down its drilling and completion costs in its development program and maintain a constant focus on seeking markets for its production.

“Customers of our downstream utility and energy marketing segments continue to benefit from the low prices we are experiencing during this low point in the commodity price cycle.

“Our integrated business model and balance among operations across the natural gas value chain allow us to maintain our operations with a longer term view. We have a strong

base of assets, a large base of reserves, and the financial strength that will allow us to continue to achieve meaningful growth.”

## **OPERATIONS UPDATE**

Seneca's total fourth quarter fiscal 2015 production was 37.6 billion cubic feet equivalent ("Bcfe"), a decrease of 8.3 Bcfe, or 18 percent, from the prior fiscal year's fourth quarter, and an increase of 1.4 Bcfe, or 4 percent, versus the third quarter of fiscal 2015. Natural gas and crude oil production for the quarter was 33.0 billion cubic feet ("Bcf") and 778 thousand barrels ("Bbls"), respectively. As a result of persistently low local spot prices in the Appalachian basin, Seneca voluntarily curtailed approximately 13.0 Bcf of natural gas production during the quarter. Absent price-related curtailments, Seneca's fourth quarter fiscal 2015 natural gas production would have been approximately 46.0 Bcf, or nearly 500 million cubic feet ("MMcf") per day.

During fiscal year 2015, Seneca replaced 373 percent of production to reach a total of 2.344 trillion cubic feet equivalent ("Tcfe") of proved crude oil and natural gas reserves as of September 30, 2015. Seneca's continued success through the drill bit in the Marcellus and Utica shales led to a 459 Bcf, or 27 percent increase in natural gas reserves, which totaled 2.142 Tcf at fiscal year end. Crude oil reserves, which decreased by 12 percent largely due to production, totaled 33.7 million Bbls at September 30, 2015. Consolidated finding and development costs for the year were \$0.96 per thousand cubic feet equivalent ("Mcf"), down from fiscal 2014's \$1.15 per Mcfe. In the Marcellus Shale, Seneca's finding and development costs in fiscal 2015 were \$0.79 per Mcf, down from \$1.00 per Mcf in fiscal 2014.

Seneca's average realized natural gas price, after the impact of hedging, for the fourth quarter was \$3.35 per Mcf, reflecting \$1.11 per Mcf of uplift from financial hedges settled during the quarter. Seneca continued to strengthen and protect its future cash flows during the fourth quarter, adding approximately 6 Bcf of fixed-price physical natural gas sales and 156 thousand barrels ("MBbl") of NYMEX oil swaps to its hedge book for fiscal 2016. Seneca's fiscal 2016 natural gas production is now 67 percent hedged at the midpoint of production guidance, with 119.9 Bcf of gas production locked-in at an average net realized price of \$3.45 per Mcf. In California, Seneca's fiscal 2016 oil production is now 48 percent hedged at an average hedge price of \$88.24 per Bbl.

As of November 1, 2015, National Fuel's Pipeline and Storage segment had placed the Westside Expansion & Modernization and Tuscarora Lateral projects into service. The Westside Expansion & Modernization project along National Fuel Gas Supply Corporation's Line N corridor was built on budget at a total capital cost of \$86 million and will transport 175,000 Dth per day of natural gas for producers, including Seneca. The Tuscarora Lateral, a project designed to sell storage services for the first time to utility customers along National Fuel's Empire Pipeline, also came in on budget at a capital cost of \$58.5 million and added an incremental 49,000 Dth per day of transportation capacity. Combined, these two projects will generate approximately \$20 million in incremental annual demand revenues.

National Fuel is also nearing completion of compression facilities for the Northern Access 2015 expansion project, a joint project with Tennessee Gas Pipeline's Niagara Expansion. The Northern Access 2015 project provides capacity to transport 140,000 Dth per day of Seneca's WDA production from a TGP interconnect with National Fuel's Clermont Gathering System to the Canadian border at Niagara. National Fuel began service on 40,000 Dth per day of capacity on November 1, 2015, and expects the remaining 100,000 Dth per day to go in-service by December 1, 2015. At an estimated capital cost of \$67.5 million, Northern Access 2015 will generate approximately \$13 million in annual demand revenues for National Fuel's Pipeline and Storage segment.

## **DISCUSSION OF RESULTS BY SEGMENT**

The following discussion of the earnings of each segment is summarized in a tabular form at pages 11 through 14 of this report. It may be helpful to refer to those tables while reviewing this discussion.

### **Upstream Business**

#### Exploration and Production Segment

The Exploration and Production segment operations are carried out by Seneca Resources Corporation ("Seneca"). Seneca explores for, develops and produces natural gas and oil reserves, primarily in Pennsylvania and California.

The Exploration and Production segment's loss in the fourth quarter of fiscal 2015 of \$207.0 million, or \$2.45 per share, compares to earnings of \$33.7 million, or \$0.40 per share, in the prior year's fourth quarter, a decrease of \$240.7 million or \$2.85 per share. The decrease was mainly due to a non-cash charge of \$240.8 million to write down the value of Seneca's oil and natural gas reserves.

Seneca uses the full cost method of accounting for determining the book value of its oil and natural gas properties. This accounting method requires that Seneca perform a quarterly "ceiling test" to compare the present value of future revenues from its oil and natural gas reserves based on an unweighted arithmetic average of the first day of the month oil and gas prices for each month within the 12-month period prior to the end of the reporting period ("the ceiling") with the book value of those reserves at the balance sheet date. If the book value of the reserves exceeds the ceiling, a non-cash impairment charge must be recorded in order to reduce the book value of the reserves to the calculated ceiling. Unless oil and gas prices improve significantly, Seneca expects one or more additional impairment charges for the fiscal year ending September 30, 2016.

In the fourth quarter of both fiscal 2015 and 2014, Seneca reduced its deferred income tax liability \$13.2 million and \$7.0 million, respectively. The adjustment was largely due to an anticipated increase in firm transportation of natural gas to Canadian delivery points, which decreased the effective tax rate used in the calculation of deferred tax expense. Also, as a result of the Company's net loss in fiscal 2015, Seneca reversed \$1.8 million of long-term, performance-based executive stock compensation in the current year's fourth quarter.

Excluding these items, Operating Results in the Exploration and Production segment in the current year's fourth quarter were \$18.8 million, or \$0.22 per share, compared to \$26.7 million, or \$0.31 per share, in the prior year's fourth quarter, a decrease of \$7.9 million or \$0.09 per share. The decrease in Operating Results is mainly due to lower natural gas production and lower crude oil prices. The weighted average crude oil price received by Seneca (after hedging) for the quarter ended September 30, 2015, was \$66.40 per barrel ("Bbl"), a decrease of \$27.30 per Bbl compared to the prior year's fourth quarter. Higher natural gas prices realized after hedging increased operating results. The weighted average natural gas price realized after hedging for the quarter ended September 30, 2015, was \$3.35 per thousand cubic feet ("Mcf"), an increase of \$0.16 per Mcf compared to the prior year's fourth quarter. That increase was largely the result of the decrease in spot volumes quarter over quarter. In the fourth quarter of fiscal 2014, Seneca had 9.1 Bcf of spot volumes that were sold at an average price of \$2.39 per Mcf. Seneca did not have any spot volumes during the fourth quarter of fiscal 2015.

Overall production of natural gas and crude oil for the current quarter of 37.6 Bcfe decreased approximately 8.3 Bcfe, compared to the prior year's fourth quarter. The decrease in production was from Seneca's Appalachia properties and was largely due to approximately 13.0 Bcfe of voluntary pricing related curtailments in the current year's fourth quarter. California production of 5.4 Bcfe was consistent with the prior year's fourth quarter.

On a per unit basis, quarterly depletion expense of \$1.23 per Mcfe decreased \$0.53 per Mcfe due to higher natural gas reserve balances at September 30, 2015, and the ceiling test impairment charges recorded in the current year's second and third quarters. On a per unit basis, lease operating and transportation expenses ("LOE") at \$1.07 per Mcfe increased \$0.05 per Mcfe compared to the prior year's fourth quarter largely due to the pricing related curtailments discussed above (which increased the relative proportion of higher cost California oil production to the total), and higher transportation costs in Appalachia. Lower overall production, due to curtailments, also caused per unit general and administrative expenses ("G&A") to increase by \$0.07 to \$0.41 per Mcfe.

The Exploration and Production segment's loss for the fiscal year ended September 30, 2015, of \$557.0 million, or \$6.60 per share, compares to earnings of \$121.6 million, or \$1.43 per share, in the prior fiscal year, a decrease of \$678.6 million or \$8.03 per share. The decrease was mainly due to non-cash charges totaling \$650.2 million recorded in the current fiscal year to write down the value of Seneca's oil and natural gas reserves.

In addition to the ceiling test charges, other items impacted the comparability of fiscal 2015 and 2014 results. Seneca reduced its deferred tax liability by a total of \$13.2 million in fiscal 2015, and adjusted G&A for the year by \$1.8 million as described above. The net adjustment to reduce deferred taxes in 2014 was \$4.0 million. Excluding these items from the respective fiscal years, Operating Results in the Exploration and Production segment were \$78.2 million, or \$0.92 per share, compared to \$117.6 million, or \$1.38 per share in the prior year, a decrease of \$39.4 million or \$0.46 per share. The decrease in Operating Results is mainly due to lower commodity prices realized after hedging. The weighted average natural gas price received by Seneca (after hedging) for the fiscal year ended September 30,

2015, was \$3.38 per Mcf, a decrease of \$0.18 per Mcf compared to the prior year. The weighted average crude oil price realized after hedging for the current fiscal year was \$70.36 per Bbl, a decrease of \$25.19 per Bbl compared to the prior year.

Overall production of natural gas and crude oil for the fiscal year ended September 30, 2015, of 157.8 Bcfe decreased approximately 2.8 Bcfe compared to the prior year, due to pricing related curtailments in Appalachia in the current year.

On a per unit basis for the fiscal year ended September 30, 2015, depletion expense of \$1.52 per Mcfe decreased \$0.33 per Mcfe due to higher natural gas reserve balances at September 30, 2015, and the ceiling test impairment charges recorded in the current year's second and third quarters. On a per unit basis, LOE at \$1.06 per Mcfe increased \$0.03 per Mcfe and G&A at \$0.42 per Mcfe increased \$0.02 per Mcfe. The per unit increases in LOE and G&A are due to the reasons noted above for the quarter.

## **Midstream Businesses**

### Pipeline and Storage Segment

The Pipeline and Storage segment's operations are carried out by National Fuel Gas Supply Corporation ("Supply Corporation") and Empire Pipeline, Inc. ("Empire"). The Pipeline and Storage segment provides 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 Pennsylvania.

As a result of the ongoing pricing basis differentials in the Appalachian region, the Pipeline and Storage segment continues to see increased demand for transportation services from producers and marketers to move natural gas supplies to higher priced markets.

The Pipeline and Storage segment's earnings of \$18.5 million, or \$0.22 per share, for the quarter ended September 30, 2015, decreased \$0.6 million, or less than \$0.01 per share when compared with the same period in the prior fiscal year. In the fourth quarter, Supply and Empire reversed a combined \$1.2 million of long-term, performance-based executive stock compensation. Excluding this item, Operating Results in the Pipeline and Storage segment of \$17.3 million, or \$0.20 per share, decreased \$1.9 million, or \$0.02 per share. Higher transportation revenues from the Mercer Expansion project, which was placed in service in the current year's first quarter were more than offset by higher operation and maintenance expense as well as increased interest expense related to an incremental long-term debt issuance in the quarter ended June 30, 2015.

The Pipeline and Storage segment's earnings of \$80.4 million, or \$0.95 per share, for the fiscal year ended September 30, 2015, increased \$2.8 million, or \$0.04 per share, when compared with the same period in the prior fiscal year. Excluding the \$1.2 million reversal mentioned above, Operating Results in the Pipeline and Storage segment were \$79.1 million, or \$0.93 per share, an increase of \$1.6 million or \$0.02 per share for the fiscal year. The increase in earnings is due to higher non-affiliated revenues from the Mercer Expansion project and higher transportation revenues from additional new short-term firm

transportation contracts on both the Supply Corporation and Empire systems. Earnings also benefited from a higher allowance for funds used during construction (AFUDC) associated with various pipeline expansion projects. Earnings were reduced by higher operation and maintenance expense, higher depreciation expense and higher property taxes due to the completion of various expansion projects, as well as increased interest expense related to an incremental long-term debt issuance in the quarter ended June 30, 2015.

### Gathering Segment

The Gathering segment's operations are carried out by National Fuel Gas Midstream Corporation's ("Midstream") subsidiary limited liability companies. The Gathering segment constructs, owns and operates natural gas pipeline gathering facilities in the Appalachian region and currently provides the gathering infrastructure for transporting Seneca's Marcellus Shale production to the interstate pipeline system.

The Gathering segment's earnings of \$7.6 million, or \$0.09 per share, for the quarter ended September 30, 2015, decreased \$2.9 million, or \$0.03 per share, when compared with the same period in the prior fiscal year. The decrease in earnings is primarily due to lower gathering revenues resulting from Seneca's lower production volumes in Appalachia compared to the prior year's fourth quarter.

The Gathering segment's earnings of \$31.8 million, or \$0.38 per share, for the fiscal years ended September 30, 2015 compares to earnings of \$32.7 million, or \$0.39 per share, in the prior fiscal year. The decrease in earnings is mainly due to higher depreciation, operating expenses and income taxes. Higher gathering revenues, mostly due to a change in the mix of Seneca's production among Midstream's three major gathering systems and a 0.9 Bcf increase in gathered volumes, largely offset the higher expenses in the current fiscal year.

### **Downstream Businesses**

#### Utility Segment

The Utility segment operations are carried out by National Fuel Gas Distribution Corporation ("Distribution"), which sells or transports natural gas to customers located in western New York and northwestern Pennsylvania.

The Utility segment's loss of \$3.3 million, or \$0.04 per share, for the quarter ended September 30, 2015, compared to a loss of \$0.5 million, or \$0.01 per share, in the prior year's fourth quarter. In the fourth quarter of fiscal 2015, Distribution reversed \$1.1 million of long-term, performance-based executive stock compensation. Excluding this item, Operating Results in the Utility segment, a loss of \$4.4 million, or \$0.05 per share, compares to a loss of \$0.5 million, or \$0.01 per share. The increased loss is mainly due to higher pension and other operation and maintenance expense.

The Utility segment's earnings of \$63.3 million, or \$0.75 per share, for the fiscal year ended September 30, 2015, decreased \$0.8 million, or less than \$0.01 per share, when compared with the prior year. Excluding the \$1.1 million reversal noted above, Operating

Results in the Utility segment of \$62.2 million, or \$0.73 per share, decreased \$1.9 million or \$0.02 per share. The decrease in earnings was due to higher depreciation expense, higher pension expense and other operation and maintenance expense mainly associated with the replacement of Distribution's customer billing system. The impact of regulatory true-up adjustments and higher capacity release revenues partially offset the higher expenses.

### Energy Marketing Segment

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

The Energy Marketing segment's earnings for the quarter ended September 30, 2015, of \$0.03 million compared to earnings of \$0.7 million in the prior year's fourth quarter. The decrease in earnings was due to lower margins. Earnings for the fiscal year ended September 30, 2015, of \$7.8 million, or \$0.09 per share, increased \$1.1 million, or \$0.01 per share, compared to the prior year primarily due to higher per unit margins, which benefited from the weak pricing basis in the Northeast.

### Corporate and All Other

The Corporate and All Other category primarily includes corporate operations. The category also includes the remaining operations of Seneca's Northeast division that markets high quality hardwoods from Appalachian land holdings.

The Corporate and All Other category loss of \$3.5 million in the quarter ended September 30, 2015, compares to a loss of \$6.0 million in the prior year's fourth quarter. In the fourth quarter, the Corporate and All Other category reversed \$0.9 million of long-term, performance-based executive stock compensation. Excluding this item, Operating Results in the Corporate and All category, a loss of \$4.4 million compares to a loss of \$6.0 million in the prior year's fourth quarter. The decreased loss is due to lower income tax expense.

The Corporate and All Other category loss of \$5.7 million in the fiscal year ended September 30, 2015, compares to a loss of \$3.1 million in the prior year. The comparability of the fiscal year results is impacted by a \$3.6 million gain recognized on corporate-owned executive life insurance policies recorded in the prior year's second quarter and the \$0.9 million reversal noted above. Excluding these items, Operating Results for the fiscal year ended September 30, 2015, a loss of \$6.6 million is largely unchanged from a loss of \$6.7 million in the prior year.

## **EARNINGS GUIDANCE**

The Company is updating its earnings guidance for fiscal 2016 to a range of \$2.85 to \$3.15 per share (exclusive of any ceiling test impairment charges) at the midpoint a \$0.15 per share decrease from the Company's previous guidance of \$3.00 to \$3.30. That decrease is

attributable to a reduction in Seneca's commodity price assumptions. For fiscal 2016, NYMEX natural gas prices are now assumed to average \$2.75 per MMBtu, down \$0.50 from the previous forecast. NYMEX crude oil prices are now assumed to average \$50.00 per Bbl, down \$5.00 from the previous forecast.

Seneca's forecast oil and gas production for fiscal 2016 is now a range of 161 to 232 Bcfe (previous range was 158 to 232 Bcfe).

While the Company currently expects one or more ceiling test impairment charges in fiscal 2016, the amount of these charges is not reasonably determinable at this time. The amount of any ceiling test charge is determined at the end of the applicable quarter and will depend on many factors, including additions to or subtractions from proved reserves, fluctuations in oil and gas prices, and income tax effects related to the differences between the book and tax basis of the Company's oil and gas properties. Some or all of these factors are likely to be significant. Because the amount of the expected ceiling test impairment charges is not reasonably determinable at this time, the Company is unable to provide earnings guidance other than on a non-GAAP basis that excludes those charges.

## **EARNINGS TELECONFERENCE**

The Company will host a conference call on Friday, November 6, 2015, at 11 a.m. Eastern Time to discuss this announcement. There are two ways to access this call. For those with Internet access, visit the investor relations page at National Fuel's website at [investor.nationalfuelgas.com](http://investor.nationalfuelgas.com). For those without Internet access, access is also provided by dialing (toll-free) 1-877-280-4960, using passcode "33941524." For those unable to listen to the live conference call, a replay will be available at approximately 3 p.m. Eastern Time at the same website link and by phone at (toll-free) 1-888-286-8010, using passcode "17759908." Both the webcast and telephonic replay will be available until the close of business on Friday, November 13, 2015.

National Fuel is an integrated energy company reporting financial results for five operating segments: Exploration and Production, Pipeline and Storage, Gathering, Utility, and Energy Marketing. Additional information about National Fuel is available at [www.nationalfuelgas.com](http://www.nationalfuelgas.com).

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|-------------------------|------------------------|---------------------|
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Certain statements contained herein, including statements identified by the use of the words "anticipates," "estimates," "expects," "forecasts," "intends," "plans," "predicts," "projects," "believes," "seeks," "will," "may" and similar expressions, and statements which are other than statements of historical facts, 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: 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, title disputes, 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; impairments under the SEC's full cost ceiling test for natural gas and oil reserves; changes in the price of natural gas or oil; changes in laws, regulations or judicial interpretations to which the Company is subject, including those involving derivatives, taxes, safety, employment, climate change, other environmental matters, real property, and exploration and production activities such as hydraulic fracturing; governmental/regulatory actions, initiatives and proceedings, including those involving rate cases (which address, among other things, target rates of return, rate design and retained natural gas), environmental/safety requirements, affiliate relationships, industry structure, and franchise renewal; changes in price differentials between similar quantities of natural gas or oil sold at different geographic locations, and the effect of such changes on commodity production, revenues and demand for pipeline transportation capacity to or from such locations; other changes in price differentials between similar quantities of natural gas or oil having different quality, heating value, hydrocarbon mix or delivery date; 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; the cost and effects of legal and administrative claims against the Company or activist shareholder campaigns to effect changes at the Company; uncertainty of oil and gas reserve estimates; significant differences between the Company's projected and actual production levels for natural gas or oil; 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; changes in demographic patterns and weather conditions; changes in the availability, price or accounting treatment of derivative financial instruments; 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 major accidents, fires, severe weather, natural disasters, terrorist activities, acts of war, cyber attacks or pest infestation; significant differences between the Company's projected and actual capital expenditures and operating expenses; changes in laws, actuarial assumptions, the interest rate environment and the return on plan/trust assets related to the Company's pension and other post-retirement benefits, which can affect future funding obligations and costs and plan liabilities; increasing health care costs and the resulting effect on health insurance premiums and on the obligation to provide other 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 thereof.

**NATIONAL FUEL GAS COMPANY**  
**RECONCILIATION OF CURRENT AND PRIOR YEAR GAAP EARNINGS**  
**QUARTER ENDED SEPTEMBER 30, 2015**  
**(Unaudited)**

| (Thousands of Dollars)                                     | Upstream                    |                       | Midstream<br>Businesses |                   | Downstream<br>Businesses |                   | Corporate /<br>All Other | Consolidated*       |
|--|-----------------------------|-----------------------|-------------------------|-------------------|--------------------------|-------------------|--------------------------|---------------------|
|  | Exploration &<br>Production | Pipeline &<br>Storage | Gathering               | Utility           | Energy<br>Marketing      |                   |                          |                     |
| <b>Fourth quarter 2014 GAAP earnings</b>                   | \$ 33,661                   | \$ 19,115             | \$ 10,521               | \$ (527)          | \$ 661                   | \$ (6,000)        | \$                       | \$ 57,431           |
| <b>Items impacting comparability:</b>                      |                             |                       |                         |                   |                          |                   |                          |                     |
| Deferred state income tax adjustment                       | (7,000)                     |                       |                         |                   |                          |                   |                          | (7,000)             |
| <b>Fourth quarter 2014 operating results</b>               | <b>26,661</b>               | <b>19,115</b>         | <b>10,521</b>           | <b>(527)</b>      | <b>661</b>               | <b>(6,000)</b>    |                          | <b>50,431</b>       |
| <b>Drivers of operating results</b>                        |                             |                       |                         |                   |                          |                   |                          |                     |
| Higher (lower) crude oil prices                            | (13,808)                    |                       |                         |                   |                          |                   |                          | (13,808)            |
| Higher (lower) natural gas prices                          | 3,328                       |                       |                         |                   |                          |                   |                          | 3,328               |
| Higher (lower) natural gas production                      | (17,218)                    |                       |                         |                   |                          |                   |                          | (17,218)            |
| Higher (lower) crude oil production                        | (230)                       |                       |                         |                   |                          |                   |                          | (230)               |
| Derivative mark to market adjustments                      | (1,929)                     |                       |                         |                   |                          |                   |                          | (1,929)             |
| Lower (higher) lease operating and transportation expenses | 4,223                       |                       |                         |                   |                          |                   |                          | 4,223               |
| Lower (higher) depreciation / depletion                    | 22,589                      |                       | (520)                   | (348)             |                          |                   |                          | 21,721              |
| Higher (lower) transportation and storage service revenues |                             | 1,420                 |                         |                   |                          |                   |                          | 1,420               |
| Higher (lower) gathering and processing revenues           |                             |                       | (1,944)                 |                   |                          |                   |                          | (1,944)             |
| Lower (higher) operating expenses                          | (1,323)                     | (3,352)               |                         | (4,624)           |                          | (251)             |                          | (9,550)             |
| Regulatory true-up adjustments                             |                             |                       |                         | 2,101             |                          |                   |                          | 2,101               |
| Warmer weather   |                             |                       |                         | (1,006)           |                          |                   |                          | (1,006)             |
| Higher (lower) margins                                     |                             |                       |                         |                   |                          | (487)             |                          | (487)               |
| Higher (lower) AFUDC**                                     |                             | 1,012                 |                         |                   |                          |                   |                          | 1,012               |
| Lower (higher) interest expense                            | (2,335)                     | (865)                 | (590)                   |                   |                          |                   |                          | (3,790)             |
| Lower (higher) income tax expense / effective tax rate     | (1,336)                     |                       |                         |                   |                          |                   | 2,167                    | 831                 |
| All other / rounding                                       | 191                         | (80)                  | 127                     | 21                | (140)                    | (350)             |                          | (231)               |
| <b>Fourth quarter 2015 operating results</b>               | <b>18,813</b>               | <b>17,250</b>         | <b>7,594</b>            | <b>(4,383)</b>    | <b>34</b>                | <b>(4,434)</b>    |                          | <b>34,874</b>       |
| <b>Items impacting comparability:</b>                      |                             |                       |                         |                   |                          |                   |                          |                     |
| Impairment of oil and gas producing properties             | (240,837)                   |                       |                         |                   |                          |                   |                          | (240,837)           |
| Deferred income tax adjustments                            | 13,206                      |                       |                         |                   |                          |                   |                          | 13,206              |
| Reversal of stock-based compensation                       | 1,799                       | 1,235                 | —                       | 1,095             | —                        | 925               |                          | 5,054               |
| <b>Fourth quarter 2015 GAAP earnings</b>                   | <b>\$ (207,019)</b>         | <b>\$ 18,485</b>      | <b>\$ 7,594</b>         | <b>\$ (3,288)</b> | <b>\$ 34</b>             | <b>\$ (3,509)</b> |                          | <b>\$ (187,703)</b> |

\* Amounts do not reflect intercompany eliminations

\*\* AFUDC = Allowance for Funds Used During Construction

**NATIONAL FUEL GAS COMPANY**  
**RECONCILIATION OF CURRENT AND PRIOR YEAR GAAP EARNINGS PER SHARE**  
**QUARTER ENDED SEPTEMBER 30, 2015**  
**(Unaudited)**

|  | <b>Upstream</b>                     |                               | <b>Midstream Businesses</b> |                  | <b>Downstream Businesses</b> |                  | <b>Corporate / All Other</b> | <b>Consolidated*</b> |
|--|-------------------------------------|-------------------------------|-----------------------------|------------------|------------------------------|------------------|------------------------------|----------------------|
|  | <b>Exploration &amp; Production</b> | <b>Pipeline &amp; Storage</b> | <b>Gathering</b>            | <b>Utility</b>   | <b>Energy Marketing</b>      |                  |                              |                      |
| <b>Fourth quarter 2014 GAAP earnings</b>                   | \$ 0.40                             | \$ 0.22                       | \$ 0.12                     | \$ (0.01)        | \$ 0.01                      | \$ (0.06)        | \$                           | 0.68                 |
| <b>Items impacting comparability:</b>                      |                                     |                               |                             |                  |                              |                  |                              |                      |
| Deferred state income tax adjustment                       | (0.08)                              |                               |                             |                  |                              |                  |                              | (0.08)               |
| Rounding   | (0.01)                              |                               |                             |                  |                              |                  |                              | (0.01)               |
| <b>Fourth quarter 2014 operating results</b>               | <b>0.31</b>                         | <b>0.22</b>                   | <b>0.12</b>                 | <b>(0.01)</b>    | <b>0.01</b>                  | <b>(0.06)</b>    |                              | <b>0.59</b>          |
| <b>Drivers of operating results</b>                        |                                     |                               |                             |                  |                              |                  |                              |                      |
| Higher (lower) crude oil prices                            | (0.16)                              |                               |                             |                  |                              |                  |                              | (0.16)               |
| Higher (lower) natural gas prices                          | 0.04                                |                               |                             |                  |                              |                  |                              | 0.04                 |
| Higher (lower) natural gas production                      | (0.20)                              |                               |                             |                  |                              |                  |                              | (0.20)               |
| Higher (lower) crude oil production                        | —                                   |                               |                             |                  |                              |                  |                              | —                    |
| Derivative mark to market adjustments                      | (0.02)                              |                               |                             |                  |                              |                  |                              | (0.02)               |
| Lower (higher) lease operating and transportation expenses | 0.05                                |                               |                             |                  |                              |                  |                              | 0.05                 |
| Lower (higher) depreciation / depletion                    | 0.27                                |                               | (0.01)                      | —                |                              |                  |                              | 0.26                 |
| Higher (lower) transportation and storage service revenues |                                     | 0.02                          |                             |                  |                              |                  |                              | 0.02                 |
| Higher (lower) gathering and processing revenues           |                                     |                               | (0.02)                      |                  |                              |                  |                              | (0.02)               |
| Lower (higher) operating expenses                          | (0.02)                              | (0.04)                        |                             | (0.05)           |                              | —                |                              | (0.11)               |
| Regulatory true-up adjustments                             |                                     |                               |                             | 0.02             |                              |                  |                              | 0.02                 |
| Warmer weather   |                                     |                               |                             | (0.01)           |                              |                  |                              | (0.01)               |
| Higher (lower) margins                                     |                                     |                               |                             |                  |                              | (0.01)           |                              | (0.01)               |
| Higher (lower) AFUDC**                                     |                                     | 0.01                          |                             |                  |                              |                  |                              | 0.01                 |
| Lower (higher) interest expense                            | (0.03)                              | (0.01)                        | (0.01)                      |                  |                              |                  |                              | (0.05)               |
| Lower (higher) income tax expense / effective tax rate     | (0.02)                              |                               |                             |                  |                              |                  | 0.03                         | 0.01                 |
| All other / rounding                                       | —                                   | —                             | 0.01                        | —                | —                            | (0.02)           |                              | (0.01)               |
| <b>Fourth quarter 2015 operating results</b>               | <b>0.22</b>                         | <b>0.20</b>                   | <b>0.09</b>                 | <b>(0.05)</b>    | <b>—</b>                     | <b>(0.05)</b>    |                              | <b>0.41</b>          |
| <b>Items impacting comparability:</b>                      |                                     |                               |                             |                  |                              |                  |                              |                      |
| Impairment of oil and gas producing properties             | (2.83)                              |                               |                             |                  |                              |                  |                              | (2.83)               |
| Deferred income tax adjustments                            | 0.15                                |                               |                             |                  |                              |                  |                              | 0.15                 |
| Reversal of stock-based compensation                       | 0.02                                | 0.02                          | —                           | 0.01             | —                            | 0.01             |                              | 0.06                 |
| Earnings per share impact of diluted shares                | (0.01)                              |                               |                             |                  |                              |                  | \$                           | (0.01)               |
| <b>Fourth quarter 2015 GAAP earnings</b>                   | <b>\$ (2.45)</b>                    | <b>\$ 0.22</b>                | <b>\$ 0.09</b>              | <b>\$ (0.04)</b> | <b>\$ —</b>                  | <b>\$ (0.04)</b> | <b>\$</b>                    | <b>(2.22)</b>        |

\* Amounts do not reflect intercompany eliminations

\*\* AFUDC = Allowance for Funds Used During Construction

**NATIONAL FUEL GAS COMPANY**  
**RECONCILIATION OF CURRENT AND PRIOR YEAR GAAP EARNINGS**  
**TWELVE MONTHS ENDED SEPTEMBER 30, 2015**  
**(Unaudited)**

|  | Upstream                    |                       | Midstream<br>Businesses |                  | Downstream<br>Businesses |                   | Corporate /<br>All Other | Consolidated*    |
|--|-----------------------------|-----------------------|-------------------------|------------------|--------------------------|-------------------|--------------------------|------------------|
|  | Exploration &<br>Production | Pipeline &<br>Storage | Gathering               | Utility          | Energy<br>Marketing      |                   |                          |                  |
| (Thousands of Dollars)                                     |                             |                       |                         |                  |                          |                   |                          |                  |
| <b>Fiscal 2014 GAAP earnings</b>                           | \$ 121,569                  | \$ 77,559             | \$ 32,709               | \$ 64,059        | \$ 6,631                 | \$ (3,114)        | \$                       | 299,413          |
| <b>Items impacting comparability:</b>                      |                             |                       |                         |                  |                          |                   |                          |                  |
| Gain on life insurance proceeds                            |                             |                       |                         |                  |                          | (3,635)           |                          | (3,635)          |
| Deferred state income tax adjustment                       | (4,000)                     |                       |                         |                  |                          |                   |                          | (4,000)          |
| <b>Fiscal 2014 operating results</b>                       | <b>117,569</b>              | <b>77,559</b>         | <b>32,709</b>           | <b>64,059</b>    | <b>6,631</b>             | <b>(6,749)</b>    |                          | <b>291,778</b>   |
| <b>Drivers of operating results</b>                        |                             |                       |                         |                  |                          |                   |                          |                  |
| Higher (lower) crude oil prices                            | (49,674)                    |                       |                         |                  |                          |                   |                          | (49,674)         |
| Higher (lower) natural gas prices                          | (16,295)                    |                       |                         |                  |                          |                   |                          | (16,295)         |
| Higher (lower) natural gas production                      | (6,347)                     |                       |                         |                  |                          |                   |                          | (6,347)          |
| Higher (lower) crude oil production                        | (78)                        |                       |                         |                  |                          |                   |                          | (78)             |
| Derivative mark to market adjustments                      | 2,404                       |                       |                         |                  |                          |                   |                          | 2,404            |
| Insurance settlement proceeds adjustment                   | (1,261)                     |                       |                         |                  |                          |                   |                          | (1,261)          |
| Lower (higher) lease operating and transportation expenses | (1,473)                     |                       |                         |                  |                          |                   |                          | (1,473)          |
| Lower (higher) depreciation / depletion                    | 36,655                      | (998)                 | (3,063)                 | (1,316)          |                          |                   |                          | 31,278           |
| Higher (lower) transportation and storage service revenues |                             | 5,114                 |                         |                  |                          |                   |                          | 5,114            |
| Higher (lower) gathering and processing revenues           |                             |                       | 4,288                   |                  |                          |                   |                          | 4,288            |
| Lower (higher) operating expenses                          | (3,159)                     | (3,261)               | (1,147)                 | (6,938)          |                          | 145               |                          | (14,360)         |
| Lower (higher) property, franchise and other taxes         |                             | (852)                 |                         |                  |                          |                   |                          | (852)            |
| Regulatory true-up adjustments                             |                             |                       |                         | 6,228            |                          |                   |                          | 6,228            |
| Higher (lower) capacity release revenues                   |                             |                       |                         | 941              |                          |                   |                          | 941              |
| Warmer weather   |                             |                       |                         | (571)            |                          |                   |                          | (571)            |
| Higher (lower) margins                                     |                             |                       |                         |                  |                          | 1,372             | (767)                    | 605              |
| Higher (lower) AFUDC**                                     |                             | 2,473                 |                         |                  |                          |                   |                          | 2,473            |
| Lower (higher) interest expense                            | (2,922)                     | (800)                 |                         |                  |                          |                   |                          | (3,722)          |
| Lower (higher) income tax expense / effective tax rate     | 2,628                       |                       | (1,006)                 |                  |                          |                   | 1,197                    | 2,819            |
| All other / rounding                                       | 134                         | (116)                 | 68                      | (227)            | (237)                    | (444)             |                          | (822)            |
| <b>Fiscal 2015 operating results</b>                       | <b>78,181</b>               | <b>79,119</b>         | <b>31,849</b>           | <b>62,176</b>    | <b>7,766</b>             | <b>(6,618)</b>    |                          | <b>252,473</b>   |
| <b>Items impacting comparability:</b>                      |                             |                       |                         |                  |                          |                   |                          |                  |
| Impairment of oil and gas producing properties             | (650,160)                   |                       |                         |                  |                          |                   |                          | (650,160)        |
| Deferred income tax adjustments                            | 13,206                      |                       |                         |                  |                          |                   |                          | 13,206           |
| Reversal of stock-based compensation                       | 1,799                       | 1,235                 | —                       | 1,095            | —                        | 925               |                          | 5,054            |
| <b>Fiscal 2015 GAAP earnings</b>                           | <b>\$ (556,974)</b>         | <b>\$ 80,354</b>      | <b>\$ 31,849</b>        | <b>\$ 63,271</b> | <b>\$ 7,766</b>          | <b>\$ (5,693)</b> | <b>\$</b>                | <b>(379,427)</b> |

\* Amounts do not reflect intercompany eliminations

\*\* AFUDC = Allowance for Funds Used During Construction

**NATIONAL FUEL GAS COMPANY**  
**RECONCILIATION OF CURRENT AND PRIOR YEAR GAAP EARNINGS PER SHARE**  
**TWELVE MONTHS ENDED SEPTEMBER 30, 2015**  
**(Unaudited)**

|  | Upstream                    |                       | Midstream<br>Businesses |                | Downstream<br>Businesses |                  | Corporate /<br>All Other | Consolidated* |
|--|-----------------------------|-----------------------|-------------------------|----------------|--------------------------|------------------|--------------------------|---------------|
|  | Exploration &<br>Production | Pipeline &<br>Storage | Gathering               | Utility        | Energy<br>Marketing      |                  |                          |               |
| <b>Fiscal 2014 GAAP earnings</b>                           | \$ 1.43                     | \$ 0.91               | \$ 0.39                 | \$ 0.75        | \$ 0.08                  | \$ (0.04)        | \$                       | 3.52          |
| <b>Items impacting comparability:</b>                      |                             |                       |                         |                |                          |                  |                          |               |
| Gain on life insurance proceeds                            |                             |                       |                         |                |                          | (0.04)           |                          | (0.04)        |
| Deferred state income tax adjustment                       | (0.05)                      |                       |                         |                |                          |                  |                          | (0.05)        |
| <b>Fiscal 2014 operating results</b>                       | <b>1.38</b>                 | <b>0.91</b>           | <b>0.39</b>             | <b>0.75</b>    | <b>0.08</b>              | <b>(0.08)</b>    |                          | <b>3.43</b>   |
| <b>Drivers of operating results</b>                        |                             |                       |                         |                |                          |                  |                          |               |
| Higher (lower) crude oil prices                            | (0.58)                      |                       |                         |                |                          |                  |                          | (0.58)        |
| Higher (lower) natural gas prices                          | (0.19)                      |                       |                         |                |                          |                  |                          | (0.19)        |
| Higher (lower) natural gas production                      | (0.07)                      |                       |                         |                |                          |                  |                          | (0.07)        |
| Higher (lower) crude oil production                        | —                           |                       |                         |                |                          |                  |                          | —             |
| Derivative mark to market adjustments                      | 0.03                        |                       |                         |                |                          |                  |                          | 0.03          |
| Insurance settlement proceeds adjustment                   | (0.01)                      |                       |                         |                |                          |                  |                          | (0.01)        |
| Lower (higher) lease operating and transportation expenses | (0.02)                      |                       |                         |                |                          |                  |                          | (0.02)        |
| Lower (higher) depreciation / depletion                    | 0.43                        | (0.01)                | (0.04)                  | (0.02)         |                          |                  |                          | 0.36          |
| Higher (lower) transportation and storage service revenues |                             | 0.06                  |                         |                |                          |                  |                          | 0.06          |
| Higher (lower) gathering and processing revenues           |                             |                       | 0.05                    |                |                          |                  |                          | 0.05          |
| Lower (higher) operating expenses                          | (0.04)                      | (0.04)                | (0.01)                  | (0.08)         |                          | —                |                          | (0.17)        |
| Lower (higher) property, franchise and other taxes         |                             | (0.01)                |                         |                |                          |                  |                          | (0.01)        |
| Regulatory true-up adjustments                             |                             |                       |                         | 0.07           |                          |                  |                          | 0.07          |
| Higher (lower) capacity release revenues                   |                             |                       |                         | 0.01           |                          |                  |                          | 0.01          |
| Warmer weather   |                             |                       |                         | (0.01)         |                          |                  |                          | (0.01)        |
| Higher (lower) margins                                     |                             |                       |                         |                |                          | 0.01             | (0.01)                   | —             |
| Higher (lower) AFUDC**                                     |                             | 0.03                  |                         |                |                          |                  |                          | 0.03          |
| Lower (higher) interest expense                            | (0.03)                      | (0.01)                |                         |                |                          |                  |                          | (0.04)        |
| Lower (higher) income tax expense / effective tax rate     | 0.03                        |                       | (0.01)                  |                |                          |                  | 0.01                     | 0.03          |
| All other / rounding                                       | (0.01)                      | —                     | —                       | 0.01           | —                        | —                | —                        | —             |
| <b>Fiscal 2015 operating results</b>                       | <b>0.92</b>                 | <b>0.93</b>           | <b>0.38</b>             | <b>0.73</b>    | <b>0.09</b>              | <b>(0.08)</b>    |                          | <b>2.97</b>   |
| <b>Items impacting comparability:</b>                      |                             |                       |                         |                |                          |                  |                          |               |
| Impairment of oil and gas producing properties             | (7.64)                      |                       |                         |                |                          |                  |                          | (7.64)        |
| Deferred income tax adjustments                            | 0.15                        |                       |                         |                |                          |                  |                          | 0.15          |
| Reversal of stock-based compensation                       | 0.02                        | 0.02                  | —                       | 0.01           | —                        | 0.01             |                          | 0.06          |
| Earnings per share impact of diluted shares                | (0.04)                      |                       |                         |                |                          |                  |                          | (0.04)        |
| Rounding   | (0.01)                      |                       |                         | 0.01           |                          |                  |                          | —             |
| <b>Fiscal 2015 GAAP earnings</b>                           | <b>\$ (6.60)</b>            | <b>\$ 0.95</b>        | <b>\$ 0.38</b>          | <b>\$ 0.75</b> | <b>\$ 0.09</b>           | <b>\$ (0.07)</b> | <b>\$</b>                | <b>(4.50)</b> |

\* Amounts do not reflect intercompany eliminations

\*\* AFUDC = Allowance for Funds Used During Construction

## NATIONAL FUEL GAS COMPANY AND SUBSIDIARIES

(Thousands of Dollars, except per share amounts)

|   | Three Months Ended<br>September 30,<br>(Unaudited) |                   | Twelve Months Ended<br>September 30,<br>(Unaudited) |                   |
|---|--|-------------------|---|-------------------|
|   | 2015   | 2014              | 2015  | 2014              |
| <b><u>SUMMARY OF OPERATIONS</u></b>                 |  |                   |   |                   |
| Operating Revenues                                  | \$ 301,062   | \$ 366,623        | \$ 1,760,913  | \$ 2,113,081      |
| Operating Expenses:                                 |  |                   |   |                   |
| Purchased Gas                                       | 5,256  | 28,833            | 349,984   | 605,838           |
| Operation and Maintenance                           | 113,478  | 110,284           | 470,003   | 463,078           |
| Property, Franchise and Other Taxes                 | 21,002   | 21,597            | 89,564  | 90,711            |
| Depreciation, Depletion and Amortization            | 70,860   | 103,905           | 336,158   | 383,781           |
| Impairment of Oil and Gas Producing Properties      | 417,197  | —                 | 1,126,257   | —                 |
|   | <u>627,793</u>                                     | <u>264,619</u>    | <u>2,371,966</u>                                    | <u>1,543,408</u>  |
| Operating Income (Loss)                             | (326,731)  | 102,004           | (611,053)   | 569,673           |
| Other Income (Expense):                             |  |                   |   |                   |
| Interest Income                                     | 2,291  | 2,849             | 3,922   | 4,170             |
| Other Income  | 3,401  | 2,615             | 8,039   | 9,461             |
| Interest Expense on Long-Term Debt                  | (29,016)   | (22,427)          | (95,916)  | (90,194)          |
| Other Interest Expense                              | (173)  | (623)             | (3,555)   | (4,083)           |
|   | <u>(350,228)</u>                                   | <u>84,418</u>     | <u>(698,563)</u>                                    | <u>489,027</u>    |
| Income (Loss) Before Income Taxes                   | (350,228)  | 84,418            | (698,563)   | 489,027           |
| Income Tax Expense (Benefit)                        | (162,525)  | 26,987            | (319,136)   | 189,614           |
| <b>Net Income (Loss) Available for Common Stock</b> | <u>\$ (187,703)</u>                                | <u>\$ 57,431</u>  | <u>\$ (379,427)</u>                                 | <u>\$ 299,413</u> |
| <b>Earnings (Loss) Per Common Share:</b>            |  |                   |   |                   |
| Basic   | <u>\$ (2.22)</u>                                   | <u>\$ 0.68</u>    | <u>\$ (4.50)</u>                                    | <u>\$ 3.57</u>    |
| Diluted   | <u>\$ (2.22)</u>                                   | <u>\$ 0.68</u>    | <u>\$ (4.50)</u>                                    | <u>\$ 3.52</u>    |
| <b>Weighted Average Common Shares:</b>              |  |                   |   |                   |
| Used in Basic Calculation                           | <u>84,570,432</u>                                  | <u>84,126,542</u> | <u>84,387,755</u>                                   | <u>83,929,989</u> |
| Used in Diluted Calculation                         | <u>84,570,432</u>                                  | <u>85,062,410</u> | <u>84,387,755</u>                                   | <u>84,952,347</u> |

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

| <i>(Thousands of Dollars)</i>   | September 30,<br>2015 | September 30,<br>2014 |
|---|-----------------------|-----------------------|
| <b>ASSETS</b>   |                       |                       |
| Property, Plant and Equipment   | \$9,261,323           | \$8,245,791           |
| Less - Accumulated Depreciation, Depletion and Amortization   | 3,929,428             | 2,502,700             |
| Net Property, Plant and Equipment   | 5,331,895             | 5,743,091             |
| Current Assets:   |                       |                       |
| Cash and Temporary Cash Investments   | 113,596               | 36,886                |
| Hedging Collateral Deposits   | 11,124                | 2,734                 |
| Receivables - Net   | 105,004               | 149,735               |
| Unbilled Revenue  | 20,746                | 25,663                |
| Gas Stored Underground  | 34,252                | 39,422                |
| Materials and Supplies - at average cost  | 30,414                | 27,817                |
| Other Current Assets  | 60,665                | 54,752                |
| Deferred Income Taxes   | 137,200               | 40,323                |
| Total Current Assets  | 513,001               | 377,332               |
| Other Assets:   |                       |                       |
| Recoverable Future Taxes  | 168,214               | 163,485               |
| Unamortized Debt Expense  | 17,208                | 14,304                |
| Other Regulatory Assets   | 278,227               | 224,436               |
| Deferred Charges  | 15,129                | 14,212                |
| Other Investments   | 92,990                | 86,788                |
| Goodwill  | 5,476                 | 5,476                 |
| Prepaid Post-Retirement Benefit Costs   | 24,459                | 36,512                |
| Fair Value of Derivative Financial Instruments  | 270,363               | 72,606                |
| Other   | 168                   | 1,355                 |
| Total Other Assets  | 872,234               | 619,174               |
| Total Assets  | \$6,717,130           | \$6,739,597           |
| <b>CAPITALIZATION AND LIABILITIES</b>   |                       |                       |
| Capitalization:   |                       |                       |
| Comprehensive Shareholders' Equity  |                       |                       |
| Common Stock, \$1 Par Value Authorized - 200,000,000<br>Shares; Issued and Outstanding - 84,594,383 Shares<br>and 84,157,220 Shares, Respectively | \$84,594              | \$84,157              |
| Paid in Capital   | 744,274               | 716,144               |
| Earnings Reinvested in the Business   | 1,103,200             | 1,614,361             |
| Accumulated Other Comprehensive Income (Loss)   | 93,372                | (3,979)               |
| Total Comprehensive Shareholders' Equity  | 2,025,440             | 2,410,683             |
| Long-Term Debt, Net of Current Portion  | 2,099,000             | 1,649,000             |
| Total Capitalization  | 4,124,440             | 4,059,683             |
| Current and Accrued Liabilities:  |                       |                       |
| Notes Payable to Banks and Commercial Paper   | —                     | 85,600                |
| Current Portion of Long-Term Debt   | —                     | —                     |
| Accounts Payable  | 180,388               | 136,674               |
| Amounts Payable to Customers  | 56,778                | 33,745                |
| Dividends Payable   | 33,415                | 32,400                |
| Interest Payable on Long-Term Debt  | 36,200                | 29,960                |
| Customer Advances   | 16,236                | 19,005                |
| Customer Security Deposits  | 16,490                | 15,761                |
| Other Accruals and Current Liabilities  | 96,557                | 136,672               |
| Fair Value of Derivative Financial Instruments  | 10,076                | 759                   |
| Total Current and Accrued Liabilities   | 446,140               | 490,576               |
| Deferred Credits:   |                       |                       |
| Deferred Income Taxes   | 1,275,162             | 1,456,283             |
| Taxes Refundable to Customers   | 89,448                | 91,736                |
| Unamortized Investment Tax Credit   | 731                   | 1,145                 |
| Cost of Removal Regulatory Liability  | 184,907               | 173,199               |
| Other Regulatory Liabilities  | 108,617               | 81,152                |
| Pension and Other Post-Retirement Liabilities   | 202,807               | 134,202               |
| Asset Retirement Obligations  | 156,805               | 117,713               |
| Other Deferred Credits  | 128,073               | 133,908               |
| Total Deferred Credits  | 2,146,550             | 2,189,338             |
| Commitments and Contingencies   | —                     | —                     |
| Total Capitalization and Liabilities  | \$6,717,130           | \$6,739,597           |

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

| <i>(Thousands of Dollars)</i>   | Twelve Months Ended<br>September 30, |                     |
|---|--------------------------------------|---------------------|
|   | 2015                                 | 2014                |
| <b>Operating Activities:</b>  |                                      |                     |
| Net Income (Loss) Available for Common Stock  | \$ (379,427)                         | \$ 299,413          |
| Adjustments to Reconcile Net Income (Loss) to Net Cash<br>Provided by Operating Activities: |                                      |                     |
| Impairment of Oil and Gas Producing Properties  | 1,126,257                            | —                   |
| Depreciation, Depletion and Amortization  | 336,158                              | 383,781             |
| Deferred Income Taxes   | (357,587)                            | 142,415             |
| Excess Tax Benefits Associated with Stock-Based Compensation Awards                         | (9,064)                              | (4,641)             |
| Stock-Based Compensation  | 3,208                                | 11,763              |
| Other   | 9,823                                | 14,063              |
| Change in:  |                                      |                     |
| Hedging Collateral Deposits   | (8,390)                              | (1,640)             |
| Receivables and Unbilled Revenue  | 51,638                               | (22,781)            |
| Gas Stored Underground and Materials and Supplies   | 3,438                                | 13,285              |
| Unrecovered Purchased Gas Costs   | —                                    | 12,408              |
| Other Current Assets  | 3,150                                | (3,630)             |
| Accounts Payable  | 34,687                               | 15,149              |
| Amounts Payable to Customers  | 23,033                               | 20,917              |
| Customer Advances   | (2,769)                              | (2,954)             |
| Customer Security Deposits  | 729                                  | (422)               |
| Other Accruals and Current Liabilities  | (7,173)                              | 6,872               |
| Other Assets  | 1,669                                | 18,513              |
| Other Liabilities   | 23,173                               | 6,879               |
| <b>Net Cash Provided by Operating Activities</b>  | <b>\$ 852,553</b>                    | <b>\$ 909,390</b>   |
| <b>Investing Activities:</b>  |                                      |                     |
| Capital Expenditures  | \$ (1,018,179)                       | \$ (914,417)        |
| Other   | (6,611)                              | 5,982               |
| <b>Net Cash Used in Investing Activities</b>  | <b>\$ (1,024,790)</b>                | <b>\$ (908,435)</b> |
| <b>Financing Activities:</b>  |                                      |                     |
| Changes in Notes Payable to Banks and Commercial Paper                                      | \$ (85,600)                          | \$ 85,600           |
| Excess Tax Benefits Associated with Stock-Based Compensation Awards                         | 9,064                                | 4,641               |
| Net Proceeds From Issuance of Long-Term Debt  | 445,662                              | —                   |
| Dividends Paid on Common Stock  | (130,719)                            | (126,642)           |
| Net Proceeds From Issuance of Common Stock  | 10,540                               | 7,474               |
| <b>Net Cash Provided by (Used) in Financing Activities</b>                                  | <b>\$ 248,947</b>                    | <b>\$ (28,927)</b>  |
| Net Increase (Decrease) in Cash and Temporary Cash Investments                              | 76,710                               | (27,972)            |
| Cash and Temporary Cash Investments at Beginning of Period                                  | 36,886                               | 64,858              |
| <b>Cash and Temporary Cash Investments at September 30</b>                                  | <b>\$ 113,596</b>                    | <b>\$ 36,886</b>    |

**NATIONAL FUEL GAS COMPANY  
AND SUBSIDIARIES**

**SEGMENT OPERATING RESULTS AND STATISTICS  
(UNAUDITED)**

**UPSTREAM BUSINESS**

| (Thousands of Dollars, except per share amounts) | Three Months Ended  |                  |                     | Twelve Months Ended |                   |                     |
|--|---------------------|------------------|---------------------|---------------------|-------------------|---------------------|
|  | September 30,       |                  |                     | September 30,       |                   |                     |
| <b><u>EXPLORATION AND PRODUCTION SEGMENT</u></b> | 2015                | 2014             | Variance            | 2015                | 2014              | Variance            |
| Total Operating Revenues                         | \$ 163,851          | \$ 209,967       | \$ (46,116)         | \$ 693,441          | \$ 804,096        | \$ (110,655)        |
| Operating Expenses:                              |                     |                  |                     |                     |                   |                     |
| Operation and Maintenance:                       |                     |                  |                     |                     |                   |                     |
| General and Administrative Expense               | 15,321              | 15,783           | (462)               | 66,114              | 63,804            | 2,310               |
| Lease Operating and Transportation Expense       | 40,186              | 46,684           | (6,498)             | 167,800             | 165,534           | 2,266               |
| All Other Operation and Maintenance Expense      | 3,189               | 3,459            | (270)               | 14,304              | 14,521            | (217)               |
| Property, Franchise and Other Taxes              | 4,806               | 5,223            | (417)               | 20,167              | 20,765            | (598)               |
| Depreciation, Depletion and Amortization         | 46,277              | 81,031           | (34,754)            | 239,818             | 296,210           | (56,392)            |
| Impairment of Oil and Gas Producing Properties   | 417,197             | —                | 417,197             | 1,126,257           | —                 | 1,126,257           |
|  | <u>526,976</u>      | <u>152,180</u>   | <u>374,796</u>      | <u>1,634,460</u>    | <u>560,834</u>    | <u>1,073,626</u>    |
| Operating Income (Loss)                          | (363,125)           | 57,787           | (420,912)           | (941,019)           | 243,262           | (1,184,281)         |
| Other Income (Expense):                          |                     |                  |                     |                     |                   |                     |
| Interest Income                                  | 661                 | 604              | 57                  | 2,554               | 1,909             | 645                 |
| Other Interest Expense                           | (14,176)            | (10,584)         | (3,592)             | (46,726)            | (42,232)          | (4,494)             |
|  | <u>(376,640)</u>    | <u>47,807</u>    | <u>(424,447)</u>    | <u>(985,191)</u>    | <u>202,939</u>    | <u>(1,188,130)</u>  |
| Income (Loss) Before Income Taxes                | (376,640)           | 47,807           | (424,447)           | (985,191)           | 202,939           | (1,188,130)         |
| Income Tax Expense (Benefit)                     | (169,621)           | 14,146           | (183,767)           | (428,217)           | 81,370            | (509,587)           |
| Net Income (Loss)                                | <u>\$ (207,019)</u> | <u>\$ 33,661</u> | <u>\$ (240,680)</u> | <u>\$ (556,974)</u> | <u>\$ 121,569</u> | <u>\$ (678,543)</u> |
| Net Income (Loss) Per Share (Diluted)            | <u>\$ (2.45)</u>    | <u>\$ 0.40</u>   | <u>\$ (2.85)</u>    | <u>\$ (6.60)</u>    | <u>\$ 1.43</u>    | <u>\$ (8.03)</u>    |

**NATIONAL FUEL GAS COMPANY  
AND SUBSIDIARIES**

**SEGMENT OPERATING RESULTS AND STATISTICS  
(UNAUDITED)**

**MIDSTREAM BUSINESSES**

(Thousands of Dollars, except per share amounts)

**PIPELINE AND STORAGE SEGMENT**

|  | Three Months Ended<br>September 30, |                  |                 | Twelve Months Ended<br>September 30, |                  |                 |
|--|-------------------------------------|------------------|-----------------|--------------------------------------|------------------|-----------------|
|  | 2015                                | 2014             | Variance        | 2015                                 | 2014             | Variance        |
| Revenues from External Customers         | \$ 48,573                           | \$ 47,835        | \$ 738          | \$ 203,089                           | \$ 200,664       | \$ 2,425        |
| Intersegment Revenues                    | 21,903                              | 20,280           | 1,623           | 88,251                               | 83,744           | 4,507           |
| Total Operating Revenues                 | <u>70,476</u>                       | <u>68,115</u>    | <u>2,361</u>    | <u>291,340</u>                       | <u>284,408</u>   | <u>6,932</u>    |
| Operating Expenses:                      |                                     |                  |                 |                                      |                  |                 |
| Purchased Gas                            | (32)                                | 596              | (628)           | 462                                  | 1,878            | (1,416)         |
| Operation and Maintenance                | 21,971                              | 18,714           | 3,257           | 75,741                               | 72,624           | 3,117           |
| Property, Franchise and Other Taxes      | 6,340                               | 6,232            | 108             | 25,195                               | 23,884           | 1,311           |
| Depreciation, Depletion and Amortization | 9,726                               | 9,469            | 257             | 38,178                               | 36,642           | 1,536           |
|  | <u>38,005</u>                       | <u>35,011</u>    | <u>2,994</u>    | <u>139,576</u>                       | <u>135,028</u>   | <u>4,548</u>    |
| Operating Income                         | 32,471                              | 33,104           | (633)           | 151,764                              | 149,380          | 2,384           |
| Other Income (Expense):                  |                                     |                  |                 |                                      |                  |                 |
| Interest Income                          | 124                                 | 96               | 28              | 474                                  | 284              | 190             |
| Other Income                             | 1,999                               | 988              | 1,011           | 3,887                                | 1,423            | 2,464           |
| Other Interest Expense                   | (7,745)                             | (6,414)          | (1,331)         | (27,658)                             | (26,428)         | (1,230)         |
| Income Before Income Taxes               | 26,849                              | 27,774           | (925)           | 128,467                              | 124,659          | 3,808           |
| Income Tax Expense                       | 8,364                               | 8,659            | (295)           | 48,113                               | 47,100           | 1,013           |
| Net Income                               | <u>\$ 18,485</u>                    | <u>\$ 19,115</u> | <u>\$ (630)</u> | <u>\$ 80,354</u>                     | <u>\$ 77,559</u> | <u>\$ 2,795</u> |
| Net Income Per Share (Diluted)           | <u>\$ 0.22</u>                      | <u>\$ 0.22</u>   | <u>\$ —</u>     | <u>\$ 0.95</u>                       | <u>\$ 0.91</u>   | <u>\$ 0.04</u>  |

|  | Three Months Ended<br>September 30, |                  |                   | Twelve Months Ended<br>September 30, |                  |                  |
|--|-------------------------------------|------------------|-------------------|--------------------------------------|------------------|------------------|
|  | 2015                                | 2014             | Variance          | 2015                                 | 2014             | Variance         |
| <b><u>GATHERING SEGMENT</u></b>          |                                     |                  |                   |                                      |                  |                  |
| Revenues from External Customers         | \$ 136                              | \$ (100)         | \$ 236            | \$ 497                               | \$ 673           | \$ (176)         |
| Intersegment Revenues                    | 18,169                              | 21,396           | (3,227)           | 76,709                               | 69,937           | 6,772            |
| Total Operating Revenues                 | <u>18,305</u>                       | <u>21,296</u>    | <u>(2,991)</u>    | <u>77,206</u>                        | <u>70,610</u>    | <u>6,596</u>     |
| Operating Expenses:                      |                                     |                  |                   |                                      |                  |                  |
| Operation and Maintenance                | 1,831                               | 1,784            | 47                | 8,147                                | 6,383            | 1,764            |
| Property, Franchise and Other Taxes      | 48                                  | 43               | 5                 | 178                                  | 167              | 11               |
| Depreciation, Depletion and Amortization | 2,804                               | 2,004            | 800               | 10,829                               | 6,116            | 4,713            |
|  | <u>4,683</u>                        | <u>3,831</u>     | <u>852</u>        | <u>19,154</u>                        | <u>12,666</u>    | <u>6,488</u>     |
| Operating Income                         | 13,622                              | 17,465           | (3,843)           | 58,052                               | 57,944           | 108              |
| Other Income (Expense):                  |                                     |                  |                   |                                      |                  |                  |
| Interest Income                          | 46                                  | 34               | 12                | 140                                  | 120              | 20               |
| Other Income                             | 1                                   | 2                | (1)               | 5                                    | 7                | (2)              |
| Other Interest Expense                   | (1,413)                             | (506)            | (907)             | (1,627)                              | (1,726)          | 99               |
| Income Before Income Taxes               | 12,256                              | 16,995           | (4,739)           | 56,570                               | 56,345           | 225              |
| Income Tax Expense                       | 4,662                               | 6,474            | (1,812)           | 24,721                               | 23,636           | 1,085            |
| Net Income                               | <u>\$ 7,594</u>                     | <u>\$ 10,521</u> | <u>\$ (2,927)</u> | <u>\$ 31,849</u>                     | <u>\$ 32,709</u> | <u>\$ (860)</u>  |
| Net Income Per Share (Diluted)           | <u>\$ 0.09</u>                      | <u>\$ 0.12</u>   | <u>\$ (0.03)</u>  | <u>\$ 0.38</u>                       | <u>\$ 0.39</u>   | <u>\$ (0.01)</u> |

**NATIONAL FUEL GAS COMPANY  
AND SUBSIDIARIES**

**SEGMENT OPERATING RESULTS AND STATISTICS  
(UNAUDITED)**

**DOWNSTREAM BUSINESSES**

(Thousands of Dollars, except per share amounts)

|  | Three Months Ended<br>September 30, |                  |                   | Twelve Months Ended<br>September 30, |                  |                  |
|--|-------------------------------------|------------------|-------------------|--------------------------------------|------------------|------------------|
|  | 2015                                | 2014             | Variance          | 2015                                 | 2014             | Variance         |
| <b>UTILITY SEGMENT</b>                   |                                     |                  |                   |                                      |                  |                  |
| Revenues from External Customers         | \$ 70,712                           | \$ 79,295        | \$ (8,583)        | \$ 700,761                           | \$ 831,156       | \$ (130,395)     |
| Intersegment Revenues                    | 1,836                               | 1,897            | (61)              | 15,506                               | 18,462           | (2,956)          |
| Total Operating Revenues                 | <u>72,548</u>                       | <u>81,192</u>    | <u>(8,644)</u>    | <u>716,267</u>                       | <u>849,618</u>   | <u>(133,351)</u> |
| Operating Expenses:                      |                                     |                  |                   |                                      |                  |                  |
| Purchased Gas                            | 12,164                              | 22,893           | (10,729)          | 307,653                              | 446,883          | (139,230)        |
| Operation and Maintenance                | 45,899                              | 40,628           | 5,271             | 200,023                              | 193,354          | 6,669            |
| Property, Franchise and Other Taxes      | 9,490                               | 9,795            | (305)             | 42,870                               | 44,738           | (1,868)          |
| Depreciation, Depletion and Amortization | 11,635                              | 11,099           | 536               | 45,616                               | 43,594           | 2,022            |
|  | <u>79,188</u>                       | <u>84,415</u>    | <u>(5,227)</u>    | <u>596,162</u>                       | <u>728,569</u>   | <u>(132,407)</u> |
| Operating Income (Loss)                  | (6,640)                             | (3,223)          | (3,417)           | 120,105                              | 121,049          | (944)            |
| Other Income (Expense):                  |                                     |                  |                   |                                      |                  |                  |
| Interest Income                          | 2,178                               | 2,805            | (627)             | 2,220                                | 3,010            | (790)            |
| Other Income                             | 662                                 | 510              | 152               | 2,265                                | 1,611            | 654              |
| Other Interest Expense                   | (7,030)                             | (6,710)          | (320)             | (28,176)                             | (27,693)         | (483)            |
| Income (Loss) Before Income Taxes        | (10,830)                            | (6,618)          | (4,212)           | 96,414                               | 97,977           | (1,563)          |
| Income Tax Expense (Benefit)             | (7,542)                             | (6,091)          | (1,451)           | 33,143                               | 33,918           | (775)            |
| Net Income (Loss)                        | <u>\$ (3,288)</u>                   | <u>\$ (527)</u>  | <u>\$ (2,761)</u> | <u>\$ 63,271</u>                     | <u>\$ 64,059</u> | <u>\$ (788)</u>  |
| Net Income (Loss) Per Share (Diluted)    | <u>\$ (0.04)</u>                    | <u>\$ (0.01)</u> | <u>\$ (0.03)</u>  | <u>\$ 0.75</u>                       | <u>\$ 0.75</u>   | <u>\$ —</u>      |

|  | Three Months Ended<br>September 30, |                |                  | Twelve Months Ended<br>September 30, |                 |                  |
|--|-------------------------------------|----------------|------------------|--------------------------------------|-----------------|------------------|
|  | 2015                                | 2014           | Variance         | 2015                                 | 2014            | Variance         |
| <b>ENERGY MARKETING SEGMENT</b>          |                                     |                |                  |                                      |                 |                  |
| Revenues from External Customers         | \$ 17,104                           | \$ 28,658      | \$ (11,554)      | \$ 159,857                           | \$ 271,993      | \$ (112,136)     |
| Intersegment Revenues                    | 53                                  | 221            | (168)            | 849                                  | 1,159           | (310)            |
| Total Operating Revenues                 | <u>17,157</u>                       | <u>28,879</u>  | <u>(11,722)</u>  | <u>160,706</u>                       | <u>273,152</u>  | <u>(112,446)</u> |
| Operating Expenses:                      |                                     |                |                  |                                      |                 |                  |
| Purchased Gas                            | 15,743                              | 26,717         | (10,974)         | 142,068                              | 256,625         | (114,557)        |
| Operation and Maintenance                | 1,583                               | 1,526          | 57               | 6,386                                | 6,176           | 210              |
| Property, Franchise and Other Taxes      | 7                                   | 5              | 2                | 15                                   | 16              | (1)              |
| Depreciation, Depletion and Amortization | 57                                  | 51             | 6                | 209                                  | 197             | 12               |
|  | <u>17,390</u>                       | <u>28,299</u>  | <u>(10,909)</u>  | <u>148,678</u>                       | <u>263,014</u>  | <u>(114,336)</u> |
| Operating Income (Loss)                  | (233)                               | 580            | (813)            | 12,028                               | 10,138          | 1,890            |
| Other Income (Expense):                  |                                     |                |                  |                                      |                 |                  |
| Interest Income                          | 54                                  | 59             | (5)              | 195                                  | 173             | 22               |
| Other Income                             | 21                                  | 26             | (5)              | 117                                  | 112             | 5                |
| Other Interest Expense                   | (7)                                 | (8)            | 1                | (27)                                 | (31)            | 4                |
| Income (Loss) Before Income Taxes        | (165)                               | 657            | (822)            | 12,313                               | 10,392          | 1,921            |
| Income Tax Expense (Benefit)             | (199)                               | (4)            | (195)            | 4,547                                | 3,761           | 786              |
| Net Income                               | <u>\$ 34</u>                        | <u>\$ 661</u>  | <u>\$ (627)</u>  | <u>\$ 7,766</u>                      | <u>\$ 6,631</u> | <u>\$ 1,135</u>  |
| Net Income Per Share (Diluted)           | <u>\$ —</u>                         | <u>\$ 0.01</u> | <u>\$ (0.01)</u> | <u>\$ 0.09</u>                       | <u>\$ 0.08</u>  | <u>\$ 0.01</u>   |



**NATIONAL FUEL GAS COMPANY  
AND SUBSIDIARIES**

**SEGMENT INFORMATION (Continued)**

(Thousands of Dollars)

|                              | Three Months Ended<br>September 30,<br>(Unaudited) |                           |                        | Twelve Months Ended<br>September 30,<br>(Unaudited) |                              |                        |
|------------------------------|--|---------------------------|------------------------|---|------------------------------|------------------------|
|                              | 2015   | 2014                      | Increase<br>(Decrease) | 2015  | 2014                         | Increase<br>(Decrease) |
| <b>Capital Expenditures:</b> |  |                           |                        |   |                              |                        |
| Exploration and Production   | \$ 119,863 <sup>(1)</sup>                          | \$ 158,340 <sup>(2)</sup> | \$ (38,477)            | \$ 557,313 <sup>(1)(2)</sup>                        | \$ 602,705 <sup>(2)(3)</sup> | \$ (45,392)            |
| Pipeline and Storage         | 115,528 <sup>(1)</sup>                             | 74,884 <sup>(2)</sup>     | 40,644                 | 230,192 <sup>(1)(2)</sup>                           | 139,821 <sup>(2)(3)</sup>    | 90,371                 |
| Gathering                    | 30,952 <sup>(1)</sup>                              | 44,561 <sup>(2)</sup>     | (13,609)               | 118,166 <sup>(1)(2)</sup>                           | 137,799 <sup>(2)(3)</sup>    | (19,633)               |
| Utility                      | 29,034 <sup>(1)</sup>                              | 27,895 <sup>(2)</sup>     | 1,139                  | 94,371 <sup>(1)(2)</sup>                            | 88,810 <sup>(2)(3)</sup>     | 5,561                  |
| Energy Marketing             | 4  | 71                        | (67)                   | 128   | 264                          | (136)                  |
| Total Reportable Segments    | 295,381  | 305,751                   | (10,370)               | 1,000,170   | 969,399                      | 30,771                 |
| All Other                    | —  | 101                       | (101)                  | —   | 274                          | (274)                  |
| Corporate                    | 205  | 19                        | 186                    | 339   | 234                          | 105                    |
| Total Capital Expenditures   | <u>\$ 295,586</u>                                  | <u>\$ 305,871</u>         | <u>\$ (10,285)</u>     | <u>\$ 1,000,509</u>                                 | <u>\$ 969,907</u>            | <u>\$ 30,602</u>       |

(1) Capital expenditures for the quarter and year ended September 30, 2015, include accounts payable and accrued liabilities related to capital expenditures of \$46.2 million, \$33.9 million, \$22.4 million, and \$16.5 million in the Exploration and Production segment, Pipeline and Storage segment, Gathering segment and Utility segment, respectively. These amounts have been excluded from the Consolidated Statement of Cash Flows at September 30, 2015, since they represent non-cash investing activities at that date.

(2) Capital expenditures for the year ended September 30, 2015, exclude capital expenditures of \$80.1 million, \$28.1 million, \$20.1 million and \$8.3 million in the Exploration and Production segment, Pipeline and Storage segment, Gathering segment and Utility segment, respectively. These amounts were in accounts payable and accrued liabilities at September 30, 2014 and paid during the year ended September 30, 2015. These amounts were excluded from the Consolidated Statement of Cash Flows at September 30, 2014, since they represented non-cash investing activities at that date. These amounts have been included in the Consolidated Statement of Cash Flows at September 30, 2015.

(3) Capital expenditures for the year ended September 30, 2014, exclude capital expenditures of \$58.5 million, \$5.6 million, \$6.7 million and \$10.3 million in the Exploration and Production segment, Pipeline and Storage segment, Gathering segment and Utility segment, respectively. These amounts were in accounts payable and accrued liabilities at September 30, 2013 and paid during the year ended September 30, 2014. These amounts were excluded from the Consolidated Statements of Cash Flows at September 30, 2013, since they represented non-cash investing activities at that date. These amounts have been included in the Consolidated Statement of Cash Flows at September 30, 2014.

**DEGREE DAYS**

| Three Months Ended September 30                | Percent Colder<br>(Warmer) Than: |       |       |                       |                          |
|--|----------------------------------|-------|-------|-----------------------|--------------------------|
|  | Normal                           | 2015  | 2014  | Normal <sup>(1)</sup> | Last Year <sup>(1)</sup> |
| Buffalo, NY                                    | 162                              | 70    | 130   | (56.8)                | (46.2)                   |
| Erie, PA                                       | 124                              | 51    | 117   | (58.9)                | (56.4)                   |
| <b><u>Twelve Months Ended September 30</u></b> |                                  |       |       |                       |                          |
| Buffalo, NY                                    | 6,617                            | 6,968 | 7,087 | 5.3                   | (1.7)                    |
| Erie, PA                                       | 6,147                            | 6,586 | 6,742 | 7.1                   | (2.3)                    |

(1) Percents compare actual 2015 degree days to normal degree days and actual 2015 degree days to actual 2014 degree days.

**NATIONAL FUEL GAS COMPANY  
AND SUBSIDIARIES**

**EXPLORATION AND PRODUCTION INFORMATION**

|   | Three Months Ended<br>September 30, |               |                        | Twelve Months Ended<br>September 30, |                |                        |
|---|-------------------------------------|---------------|------------------------|--------------------------------------|----------------|------------------------|
|   | 2015                                | 2014          | Increase<br>(Decrease) | 2015                                 | 2014           | Increase<br>(Decrease) |
| <b><u>Gas Production/Prices:</u></b>                                  |                                     |               |                        |                                      |                |                        |
| Production (MMcf)   |                                     |               |                        |                                      |                |                        |
| Appalachia  | 32,183                              | 40,456        | (8,273)                | 136,404                              | 139,097        | (2,693)                |
| West Coast  | 785                                 | 808           | (23)                   | 3,159                                | 3,210          | (51)                   |
| Total Production  | <u>32,968</u>                       | <u>41,264</u> | <u>(8,296)</u>         | <u>139,563</u>                       | <u>142,307</u> | <u>(2,744)</u>         |
| Average Prices (Per Mcf)  |                                     |               |                        |                                      |                |                        |
| Appalachia  | \$ 2.21                             | \$ 2.84       | \$ (0.63)              | \$ 2.48                              | \$ 3.55        | \$ (1.07)              |
| West Coast  | 3.54                                | 6.42          | (2.88)                 | 4.11                                 | 6.75           | (2.64)                 |
| Weighted Average  | 2.24                                | 2.91          | (0.67)                 | 2.51                                 | 3.62           | (1.11)                 |
| Weighted Average after Hedging  | 3.35                                | 3.19          | 0.16                   | 3.38                                 | 3.56           | (0.18)                 |
| <b><u>Oil Production/Prices:</u></b>                                  |                                     |               |                        |                                      |                |                        |
| Production (Thousands of Barrels)                                     |                                     |               |                        |                                      |                |                        |
| Appalachia  | 8                                   | 8             | —                      | 30                                   | 31             | (1)                    |
| West Coast  | 770                                 | 774           | (4)                    | 3,004                                | 3,005          | (1)                    |
| Total Production  | <u>778</u>                          | <u>782</u>    | <u>(4)</u>             | <u>3,034</u>                         | <u>3,036</u>   | <u>(2)</u>             |
| Average Prices (Per Barrel)   |                                     |               |                        |                                      |                |                        |
| Appalachia  | \$ 44.93                            | \$ 95.06      | \$ (50.13)             | \$ 57.44                             | \$ 96.34       | \$ (38.90)             |
| West Coast  | 42.33                               | 93.72         | (51.39)                | 51.37                                | 98.25          | (46.88)                |
| Weighted Average  | 42.36                               | 93.73         | (51.37)                | 51.43                                | 98.23          | (46.80)                |
| Weighted Average after Hedging  | 66.40                               | 93.70         | (27.30)                | 70.36                                | 95.55          | (25.19)                |
| Total Production (Mmcf)   | <u>37,636</u>                       | <u>45,956</u> | <u>(8,320)</u>         | <u>157,767</u>                       | <u>160,523</u> | <u>(2,756)</u>         |
| <b><u>Selected Operating Performance Statistics:</u></b>              |                                     |               |                        |                                      |                |                        |
| General & Administrative Expense per Mcfe <sup>(1)</sup>              | \$ 0.41                             | \$ 0.34       | \$ 0.07                | \$ 0.42                              | \$ 0.40        | \$ 0.02                |
| Lease Operating and Transportation Expense per Mcfe <sup>(1)(2)</sup> | \$ 1.07                             | \$ 1.02       | \$ 0.05                | \$ 1.06                              | \$ 1.03        | \$ 0.03                |
| Depreciation, Depletion & Amortization per Mcfe <sup>(1)</sup>        | \$ 1.23                             | \$ 1.76       | \$ (0.53)              | \$ 1.52                              | \$ 1.85        | \$ (0.33)              |

<sup>(1)</sup> Refer to page 18 for the General and Administrative Expense, Lease Operating Expense and Depreciation, Depletion, and Amortization Expense for the Exploration and Production segment.

<sup>(2)</sup> Amounts include transportation expense of \$0.52 and \$0.49 per Mcfe for the three months ended September 30, 2015 and September 30, 2014, respectively. Amounts include transportation expense of \$0.52 and \$0.46 per Mcfe for the twelve months ended September 30, 2015 and September 30, 2014, respectively.

**NATIONAL FUEL GAS COMPANY  
AND SUBSIDIARIES**  
**EXPLORATION AND PRODUCTION INFORMATION**

**Hedging Summary for Fiscal 2016**

|  | <u>Volume</u>            | <u>Average Hedge Price</u> |
|--|--------------------------|----------------------------|
| Oil Swaps                                  |                          |                            |
| Midway Sunset (MWSS)                       | 36,000 BBL               | \$ 92.10 / BBL             |
| Brent                                      | 933,000 BBL              | \$ 95.18 / BBL             |
| NYMEX                                      | 456,000 BBL              | \$ 73.74 / BBL             |
| <b>Total</b>                               | <b>1,425,000 BBL</b>     | <b>\$ 88.24 / BBL</b>      |
| Gas Swaps                                  |                          |                            |
| NYMEX                                      | 44,350,000 MMBTU         | \$ 3.94 / MMBTU            |
| Dominion Transmission Appalachian (DOM)    | 18,840,000 MMBTU         | \$ 3.78 / MMBTU            |
| Michigan Consolidated City Gate (Mich Con) | 9,000,000 MMBTU          | \$ 4.10 / MMBTU            |
| Dawn Ontario (DAWN)                        | 9,990,000 MMBTU          | \$ 3.92 / MMBTU            |
| Fixed Price Physical Sales                 | 42,680,000 MMBTU         | \$ 3.17 / MMBTU            |
| <b>Total</b>                               | <b>124,860,000 MMBTU</b> | <b>\$ 3.66 / MMBTU</b>     |

**Hedging Summary for Fiscal 2017**

|                            | <u>Volume</u>           | <u>Average Hedge Price</u> |
|----------------------------|-------------------------|----------------------------|
| Oil Swaps                  |                         |                            |
| Brent                      | 384,000 BBL             | \$ 92.30 / BBL             |
| NYMEX                      | 312,000 BBL             | \$ 54.20 / BBL             |
| <b>Total</b>               | <b>696,000 BBL</b>      | <b>\$ 75.22 / BBL</b>      |
| Gas Swaps                  |                         |                            |
| NYMEX                      | 29,530,000 MMBTU        | \$ 4.20 / MMBTU            |
| DOM                        | 12,720,000 MMBTU        | \$ 3.87 / MMBTU            |
| Mich Con                   | 3,000,000 MMBTU         | \$ 4.10 / MMBTU            |
| DAWN                       | 19,100,000 MMBTU        | \$ 3.70 / MMBTU            |
| Fixed Price Physical Sales | 31,010,000 MMBTU        | \$ 3.48 / MMBTU            |
| <b>Total</b>               | <b>95,360,000 MMBTU</b> | <b>\$ 3.82 / MMBTU</b>     |

**Hedging Summary for Fiscal 2018**

|                            | <u>Volume</u>           | <u>Average Hedge Price</u> |
|----------------------------|-------------------------|----------------------------|
| Oil Swaps                  |                         |                            |
| Brent                      | 75,000 BBL              | \$ 91.00 / BBL             |
| Gas Swaps                  |                         |                            |
| NYMEX                      | 20,350,000 MMBTU        | \$ 3.62 / MMBTU            |
| DAWN                       | 1,800,000 MMBTU         | \$ 3.40 / MMBTU            |
| Fixed Price Physical Sales | 8,850,000 MMBTU         | \$ 3.34 / MMBTU            |
| <b>Total</b>               | <b>31,000,000 MMBTU</b> | <b>\$ 3.53 / MMBTU</b>     |

**Hedging Summary for Fiscal 2019**

|                            | <u>Volume</u>           | <u>Average Hedge Price</u> |
|----------------------------|-------------------------|----------------------------|
| Gas Swaps                  |                         |                            |
| NYMEX                      | 11,400,000 MMBTU        | \$ 3.39 / MMBTU            |
| Fixed Price Physical Sales | 7,300,000 MMBTU         | \$ 3.25 / MMBTU            |
| <b>Total</b>               | <b>18,700,000 MMBTU</b> | <b>\$ 3.33 / MMBTU</b>     |

**Hedging Summary for Fiscal 2020**

|                            | <u>Volume</u>          | <u>Average Hedge Price</u> |
|----------------------------|------------------------|----------------------------|
| Gas Swaps                  |                        |                            |
| NYMEX                      | 2,000,000 MMBTU        | \$ 3.49 / MMBTU            |
| Fixed Price Physical Sales | 3,660,000 MMBTU        | \$ 3.25 / MMBTU            |
| <b>Total</b>               | <b>5,660,000 MMBTU</b> | <b>\$ 3.33 / MMBTU</b>     |

**NATIONAL FUEL GAS COMPANY  
AND SUBSIDIARIES**

**EXPLORATION AND PRODUCTION INFORMATION**

**Gross Wells in Process of Drilling**  
**Twelve Months Ended September 30, 2015**

|   | <u>East</u>           | <u>West</u> | <u>Total<br/>Company</u> |
|---|-----------------------|-------------|--------------------------|
| <b>Wells in Process - Beginning of Period</b> |                       |             |                          |
| Exploratory                                   | 3.000 <sup>(1)</sup>  | 0.000       | 3.000                    |
| Developmental                                 | 77.000 <sup>(1)</sup> | 2.000       | 79.000                   |
| <b>Wells Commenced</b>                        |                       |             |                          |
| Exploratory                                   | 0.000                 | 0.000       | 0.000                    |
| Developmental                                 | 74.000                | 44.000      | 118.000                  |
| <b>Wells Completed</b>                        |                       |             |                          |
| Exploratory                                   | 3.000                 | 0.000       | 3.000                    |
| Developmental                                 | 49.000                | 45.000      | 94.000                   |
| <b>Wells Plugged &amp; Abandoned</b>          |                       |             |                          |
| Exploratory                                   | 0.000                 | 0.000       | 0.000                    |
| Developmental                                 | 2.000                 | 1.000       | 3.000                    |
| <b>Wells in Process - End of Period</b>       |                       |             |                          |
| Exploratory                                   | 0.000                 | 0.000       | 0.000                    |
| Developmental                                 | 100.000               | 0.000       | 100.000                  |

<sup>(1)</sup> Gross exploratory wells were increased by 2 and developmental wells were decreased by 2.

**Net Wells in Process of Drilling**  
**Twelve Months Ended September 30, 2015**

|   | <u>East</u>           | <u>West</u> | <u>Total<br/>Company</u> |
|---|-----------------------|-------------|--------------------------|
| <b>Wells in Process - Beginning of Period</b> |                       |             |                          |
| Exploratory                                   | 3.000 <sup>(1)</sup>  | 0.000       | 3.000                    |
| Developmental                                 | 62.500 <sup>(1)</sup> | 2.000       | 64.500                   |
| <b>Wells Commenced</b>                        |                       |             |                          |
| Exploratory                                   | 0.000                 | 0.000       | 0.000                    |
| Developmental                                 | 74.000                | 44.000      | 118.000                  |
| <b>Wells Completed</b>                        |                       |             |                          |
| Exploratory                                   | 3.000                 | 0.000       | 3.000                    |
| Developmental                                 | 49.000                | 45.000      | 94.000                   |
| <b>Wells Plugged &amp; Abandoned</b>          |                       |             |                          |
| Exploratory                                   | 0.000                 | 0.000       | 0.000                    |
| Developmental                                 | 2.000                 | 1.000       | 3.000                    |
| <b>Wells in Process - End of Period</b>       |                       |             |                          |
| Exploratory                                   | 0.000                 | 0.000       | 0.000                    |
| Developmental                                 | 85.500                | 0.000       | 85.500                   |

<sup>(1)</sup> Net exploratory wells were increased by 2 and developmental wells were decreased by 2.

**NATIONAL FUEL GAS COMPANY  
AND SUBSIDIARIES**  
**EXPLORATION AND PRODUCTION INFORMATION**

**Reserve Quantity Information  
(Unaudited)**

|  | Gas MMcf              |                      |                  |
|--|-----------------------|----------------------|------------------|
|  | U.S.                  |                      |                  |
|  | Appalachian<br>Region | West Coast<br>Region | Total<br>Company |
| Proved Developed and Undeveloped Reserves: |                       |                      |                  |
| September 30, 2014                         | 1,624,062             | 58,822               | 1,682,884        |
| Extensions and Discoveries                 | 633,360               | —                    | 633,360          |
| Revisions of Previous Estimates            | (28,124)              | (6,317)              | (34,441)         |
| Production                                 | (136,404)             | (3,159)              | (139,563)        |
| Sales of Minerals in Place                 | (112)                 | —                    | (112)            |
| September 30, 2015                         | <u>2,092,782</u>      | <u>49,346</u>        | <u>2,142,128</u> |

|                            |           |        |           |
|----------------------------|-----------|--------|-----------|
| Proved Developed Reserves: |           |        |           |
| September 30, 2014         | 1,119,901 | 57,907 | 1,177,808 |
| September 30, 2015         | 1,267,498 | 49,346 | 1,316,844 |

|  | Oil Mbbbl             |                      |                  |
|--|-----------------------|----------------------|------------------|
|  | U.S.                  |                      |                  |
|  | Appalachian<br>Region | West Coast<br>Region | Total<br>Company |
| Proved Developed and Undeveloped Reserves: |                       |                      |                  |
| September 30, 2014                         | 253                   | 38,224               | 38,477           |
| Extensions and Discoveries                 | —                     | 533                  | 533              |
| Revisions of Previous Estimates            | (3)                   | (2,251)              | (2,254)          |
| Production                                 | (30)                  | (3,004)              | (3,034)          |
| September 30, 2015                         | <u>220</u>            | <u>33,502</u>        | <u>33,722</u>    |

|                            |     |        |        |
|----------------------------|-----|--------|--------|
| Proved Developed Reserves: |     |        |        |
| September 30, 2014         | 253 | 37,002 | 37,255 |
| September 30, 2015         | 220 | 33,150 | 33,370 |

**NATIONAL FUEL GAS COMPANY  
AND SUBSIDIARIES**

**Pipeline & Storage Throughput - (millions of cubic feet - MMcf)**

|                                      | Three Months Ended<br>September 30, |                |                        | Twelve Months Ended<br>September 30, |                |                        |
|--------------------------------------|-------------------------------------|----------------|------------------------|--------------------------------------|----------------|------------------------|
|                                      | 2015                                | 2014           | Increase<br>(Decrease) | 2015                                 | 2014           | Increase<br>(Decrease) |
| Firm Transportation - Affiliated     | 15,128                              | 14,362         | 766                    | 110,431                              | 110,327        | 104                    |
| Firm Transportation - Non-Affiliated | 149,626                             | 141,656        | 7,970                  | 626,775                              | 620,944        | 5,831                  |
| Interruptible Transportation         | 4,040                               | 946            | 3,094                  | 12,874                               | 4,724          | 8,150                  |
|                                      | <u>168,794</u>                      | <u>156,964</u> | <u>11,830</u>          | <u>750,080</u>                       | <u>735,995</u> | <u>14,085</u>          |

**Gathering Volume - (MMcf)**

|                              | Three Months Ended<br>September 30, |        |                        | Twelve Months Ended<br>September 30, |         |                        |
|------------------------------|-------------------------------------|--------|------------------------|--------------------------------------|---------|------------------------|
|                              | 2015                                | 2014   | Increase<br>(Decrease) | 2015                                 | 2014    | Increase<br>(Decrease) |
| Gathered Volume - Affiliated | 32,934                              | 41,485 | (8,551)                | 139,629                              | 138,726 | 903                    |

**Utility Throughput - (MMcf)**

|                   | Three Months Ended<br>September 30, |               |                        | Twelve Months Ended<br>September 30, |                |                        |
|-------------------|-------------------------------------|---------------|------------------------|--------------------------------------|----------------|------------------------|
|                   | 2015                                | 2014          | Increase<br>(Decrease) | 2015                                 | 2014           | Increase<br>(Decrease) |
| Retail Sales:     |                                     |               |                        |                                      |                |                        |
| Residential Sales | 3,285                               | 3,628         | (343)                  | 59,600                               | 60,101         | (501)                  |
| Commercial Sales  | 471                                 | 476           | (5)                    | 8,710                                | 8,834          | (124)                  |
| Industrial Sales  | 21                                  | 16            | 5                      | 337                                  | 393            | (56)                   |
|                   | <u>3,777</u>                        | <u>4,120</u>  | <u>(343)</u>           | <u>68,647</u>                        | <u>69,328</u>  | <u>(681)</u>           |
| Off-System Sales  | —                                   | 230           | (230)                  | 3,787                                | 4,564          | (777)                  |
| Transportation    | 10,240                              | 10,761        | (521)                  | 78,749                               | 80,949         | (2,200)                |
|                   | <u>14,017</u>                       | <u>15,111</u> | <u>(1,094)</u>         | <u>151,183</u>                       | <u>154,841</u> | <u>(3,658)</u>         |

**Energy Marketing Volume**

|                    | Three Months Ended<br>September 30, |       |                        | Twelve Months Ended<br>September 30, |        |                        |
|--------------------|-------------------------------------|-------|------------------------|--------------------------------------|--------|------------------------|
|                    | 2015                                | 2014  | Increase<br>(Decrease) | 2015                                 | 2014   | Increase<br>(Decrease) |
| Natural Gas (MMcf) | 6,537                               | 6,846 | (309)                  | 46,752                               | 52,694 | (5,942)                |

## NATIONAL FUEL GAS COMPANY AND SUBSIDIARIES

### NON-GAAP FINANCIAL MEASURES

In addition to financial measures calculated in accordance with generally accepted accounting principles (GAAP), this press release contains information regarding Operating Results and Adjusted EBITDA, which are non-GAAP financial measures. The Company believes that these non-GAAP financial measures are useful to investors because they provide an alternative method for assessing the Company's ongoing operating results, for measuring the Company's cash flow and liquidity, and for comparing the Company's financial performance to other companies. The Company's management uses these non-GAAP financial measures for the same purpose, and for planning and forecasting purposes. The presentation of non-GAAP financial measures is not meant to be a substitute for financial measures in accordance with GAAP.

Management defines Operating Results as reported GAAP earnings before items impacting comparability. The table at page 2 of this report reconciles National Fuel's reported GAAP earnings to Operating Results for the three and twelve months ended September 30, 2015 and 2014.

Management defines Adjusted EBITDA as reported GAAP earnings before the following items: interest expense, depreciation, depletion and amortization, interest and other income, impairments, items impacting comparability and income taxes.

The following tables reconcile National Fuel's reported GAAP earnings to Adjusted EBITDA for the three and twelve months ended September 30, 2015 and 2014:

|  | Three Months Ended |                   | Twelve Months Ended |                   |
|--|--------------------|-------------------|---------------------|-------------------|
|  | September 30,      |                   | September 30,       |                   |
|  | 2015               | 2014              | 2015                | 2014              |
| <i>(in thousands)</i>                          |                    |                   |                     |                   |
| <b>Reported GAAP Earnings</b>                  | \$ (187,703)       | \$ 57,431         | \$ (379,427)        | \$ 299,413        |
| Depreciation, Depletion and Amortization       | 70,860             | 103,905           | 336,158             | 383,781           |
| Interest and Other Income                      | (5,692)            | (5,464)           | (11,961)            | (13,631)          |
| Interest Expense                               | 29,189             | 23,050            | 99,471              | 94,277            |
| Income Taxes                                   | (162,525)          | 26,987            | (319,136)           | 189,614           |
| Impairment of Oil and Gas Producing Properties | 417,197            | —                 | 1,126,257           | —                 |
| Reversal of Stock-Based Compensation           | (7,961)            | —                 | (7,961)             | —                 |
| <b>Adjusted EBITDA</b>                         | <u>\$ 153,365</u>  | <u>\$ 205,909</u> | <u>\$ 843,401</u>   | <u>\$ 953,454</u> |
| <b>Adjusted EBITDA by Segment</b>              |                    |                   |                     |                   |
| Pipeline and Storage Adjusted EBITDA           | \$ 40,297          | \$ 42,573         | \$ 188,042          | \$ 186,022        |
| Gathering Adjusted EBITDA                      | 16,328             | 19,469            | 68,783              | 64,060            |
| Total Midstream Businesses Adjusted EBITDA     | 56,625             | 62,042            | 256,825             | 250,082           |
| Exploration and Production Adjusted EBITDA     | 97,582             | 138,818           | 422,289             | 539,472           |
| Utility Adjusted EBITDA                        | 3,311              | 7,876             | 164,037             | 164,643           |
| Energy Marketing Adjusted EBITDA               | (263)              | 631               | 12,150              | 10,335            |
| Corporate and All Other Adjusted EBITDA        | (3,890)            | (3,458)           | (11,900)            | (11,078)          |
| <b>Total Adjusted EBITDA</b>                   | <u>\$ 153,365</u>  | <u>\$ 205,909</u> | <u>\$ 843,401</u>   | <u>\$ 953,454</u> |

**NATIONAL FUEL GAS COMPANY  
AND SUBSIDIARIES**

| <b><u>Quarter Ended September 30 (unaudited)</u></b>       | <u>2015</u>      | <u>2014</u>      |
|--|------------------|------------------|
| Operating Revenues   | \$ 301,062,000   | \$ 366,623,000   |
| Net Income (Loss) Available for Common Stock               | \$ (187,703,000) | \$ 57,431,000    |
| Earnings (Loss) Per Common Share:                          |                  |                  |
| Basic  | \$ (2.22)        | \$ 0.68          |
| Diluted  | \$ (2.22)        | \$ 0.68          |
| Weighted Average Common Shares:                            |                  |                  |
| Used in Basic Calculation                                  | 84,570,432       | 84,126,542       |
| Used in Diluted Calculation                                | 84,570,432       | 85,062,410       |
| <b><u>Twelve Months Ended September 30 (unaudited)</u></b> |                  |                  |
| Operating Revenues   | \$ 1,760,913,000 | \$ 2,113,081,000 |
| Net Income (Loss) Available for Common Stock               | \$ (379,427,000) | \$ 299,413,000   |
| Earnings (Loss) Per Common Share:                          |                  |                  |
| Basic  | \$ (4.50)        | \$ 3.57          |
| Diluted  | \$ (4.50)        | \$ 3.52          |
| Weighted Average Common Shares:                            |                  |                  |
| Used in Basic Calculation                                  | 84,387,755       | 83,929,989       |
| Used in Diluted Calculation                                | 84,387,755       | 84,952,347       |