

**Release Date:** Immediate May 3, 2018Brian M. Welsch
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Treasurer
716-857-7318**NATIONAL FUEL REPORTS SECOND QUARTER EARNINGS
AND PROVIDES OPERATIONAL UPDATE**

WILLIAMSVILLE, N.Y.: National Fuel Gas Company (“National Fuel” or the “Company”) (NYSE:NFG) today announced consolidated results for the second quarter of its 2018 fiscal year and for the six months ended March 31, 2018, and provided an update on the Company's upstream and midstream operations.

FISCAL 2018 SECOND QUARTER SUMMARY

- GAAP earnings of \$91.8 million, or \$1.06 per share, compared to \$89.3 million, or \$1.04 per share, in the prior year
- Excluding a \$4.0 million, or \$0.05 per share, adjustment to the initial remeasurement of deferred taxes from federal tax reform, Adjusted Operating Results were \$95.8 million, or \$1.11 per share (see non-GAAP reconciliation below)
- Consolidated Adjusted EBITDA of \$217.9 million (non-GAAP reconciliation on page 24)
- Net natural gas and oil production of 46.1 Bcfe, up 1% from the prior year and up 15% from the first quarter
- Average natural gas prices, after the impact of hedging, of \$2.52 per Mcf, down \$0.44 per Mcf from the prior year
- Average oil prices, after the impact of hedging, of \$58.31 per Bbl, up \$5.39 per Bbl from the prior year
- Utility segment earnings increased 30% on colder weather in Pennsylvania and new rates in New York
- Due to the reduction in the fiscal 2018 federal statutory rate as a result of the 2017 Tax Reform Act, the Company realized net earnings benefit for the quarter of \$10.3 million, or \$0.11 per share

| | Three Months Ended | | Six Months Ended | |
|--|--------------------|------------------|-------------------|-------------------|
| | March 31, | | March 31, | |
| <i>(in thousands except per share amounts)</i> | 2018 | 2017 | 2018 | 2017 |
| Reported GAAP Earnings | \$ 91,847 | \$ 89,284 | \$ 290,501 | \$ 178,191 |
| Items impacting comparability | | | | |
| Remeasurement of deferred income taxes under 2017 Tax Reform | 4,000 | — | (107,000) | — |
| Adjusted Operating Results | <u>\$ 95,847</u> | <u>\$ 89,284</u> | <u>\$ 183,501</u> | <u>\$ 178,191</u> |
| Reported GAAP Earnings per share | \$ 1.06 | \$ 1.04 | \$ 3.37 | \$ 2.07 |
| Items impacting comparability | | | | |
| Remeasurement of deferred income taxes under 2017 Tax Reform | \$ 0.05 | — | \$ (1.24) | — |
| Adjusted Operating Results per share | <u>\$ 1.11</u> | <u>\$ 1.04</u> | <u>\$ 2.13</u> | <u>\$ 2.07</u> |

UPSTREAM AND MIDSTREAM BUSINESS OPERATIONS UPDATE

Earlier this week, the Company's exploration and production subsidiary, Seneca Resources Corporation ("Seneca") entered into a precedent agreement with Transcontinental Gas Pipeline Company, LLC ("Transco") for 300,000 Dekatherms (Dth) per day of new firm transportation capacity. The incremental capacity will allow Seneca to move natural gas supplies from its Clermont-Rich Valley producing area in the Western Development Area ("WDA") and its Lycoming County acreage in the Eastern Development Area ("EDA") to premium markets connected to Zone 6 of Transco's interstate pipeline system. Seneca will be an anchor shipper on the to-be-announced Transco project. While the size, scope, and facilities associated with Transco's expansion have yet to be finalized, Seneca's transportation rate is expected to be competitive with other expansion project rates in its current transportation portfolio. The in-service date is anticipated in the first half of fiscal 2022.

In order to provide Seneca with a complete transportation path extending from its WDA to these Zone 6 markets, Transco is expected to lease approximately 300,000 Dth per day of new capacity from National Fuel Gas Supply Corporation ("Supply Corporation"), a pipeline and storage subsidiary of the Company. The lease is expected to provide Transco with a path from the Company's Clermont Gathering System in McKean County, Pa., to Supply Corporation's existing interconnection with Transco in Leidy, Pa. This new capacity on the Supply Corporation pipeline system is expected to be created via an expansion component that will be added to Supply Corporation's FM100 Modernization Project. The preliminary cost estimate for the entirety of the FM100 Modernization Project, including the proposed expansion, is approximately \$250 million to \$300 million. Supply Corporation is currently in the pre-filing process with FERC on the FM100 Modernization Project, which is also expected to upgrade 1950's era facilities.

National Fuel also remains committed to building its federally authorized Northern Access pipeline project. Northern Access, a planned expansion of the Supply Corporation and Empire Pipeline, Inc. ("Empire") interstate pipeline systems, will provide Seneca with 490,000 Dth per day of incremental capacity from the WDA in Pennsylvania to diverse markets in New York state, Canada and the Midwest U.S. Legal challenges relating to the New York State Department of Environmental Conservation's review of a state environmental permit remain pending.

Seneca has continued to advance its Utica appraisal and optimization program in the WDA. In the second quarter, Seneca brought on three additional Utica wells off a Marcellus development pad in Clermont-Rich Valley and one Utica appraisal well on its Boone Mountain prospect in Elk County, Pa., approximately 30 miles to the south of the Clermont-Rich Valley area. Initial production results on the Boone Mountain well were consistent with the best WDA Utica well that Seneca has completed to date and, based on other geologic information, suggests that as much as 160,000 acres in the WDA is economically viable for future Utica shale development. Much of this Utica position overlaps with Seneca's core Marcellus acreage, where Seneca has identified as many as 125 well locations on existing Marcellus well pads that allow for the utilization of the Company's Clermont Gathering System. The redevelopment of these locations requires minimal additional investment in gathering infrastructure, which will provide significant uplift to the program's consolidated returns.

Seneca meanwhile continues to make progress on the marketing of its near-term natural gas production, augmenting its existing firm transportation portfolio with firm sales at in-basin receipt points that lock in a significant portion of its projected production volumes at attractive net-back pricing while reducing local spot market exposure. As Seneca looks to grow into this future firm capacity and capitalize on the Company's integrated strategy to enhance the consolidated upstream and midstream returns of the Appalachian drilling program, Seneca will add a third horizontal drilling rig to its Appalachian operations in the third quarter of fiscal 2018. The additional rig will be primarily dedicated to the redevelopment of Seneca's Clermont-Rich Valley acreage for the Utica Shale.

While the additional drilling rig will not lead to an immediate production increase this fiscal year, Seneca expects now to grow its production at a 15 to 20 percent compound annual growth rate through fiscal 2022, which will also benefit the Gathering segment's throughput. Due to the minimal gathering capital requirements, as well as Seneca's existing firm capacity and financial hedge portfolio, peer leading cost structure, and royalty-free economics in the WDA, the Company expects the combined Exploration and Production and Gathering segments to live within cash flows at current natural gas strip pricing over the next three years. The addition of a third rig is also expected to be accretive to the Appalachian program's overall consolidated earnings and yield a higher return on invested capital relative to the current two rig activity level, while providing economies of scale, operational flexibility, and other benefits to drive further efficiencies.

Additionally, on May 1, 2018, Seneca closed on a sale of its Sespe oil and natural gas assets in California for \$43 million. The divestiture of Sespe, the Company's sole asset in Ventura County, is part of Seneca's strategy to focus on and grow production from its core California assets in the San Joaquin basin, in particular recently acquired leases in the Midway Sunset field. The

Sespe field produces approximately 900 net barrels of oil equivalent (“boe”) per day and was expected to contribute approximately \$0.05 per share of earnings for the remainder of fiscal 2018. Under full cost accounting rules, the Company will not record any gain or loss with respect to the transaction.

MANAGEMENT COMMENTS

Ronald J. Tanski, President and Chief Executive Officer of National Fuel Gas Company, stated: “We’re pleased to report another quarter of solid financial results across all of our operating segments. A return this year to a more normal heating season in our New York and Pennsylvania operating regions increased throughput across our utility pipeline system. Notwithstanding the weather that was colder than the two previous heating seasons, our customers continue to benefit from the low cost of natural gas supplies that are being produced from the Appalachian basin and safely delivered to them through our interstate and utility pipeline systems.

“We are also excited about recent updates to our near and longer-term operating plans that will allow us to continue the growth of our upstream and midstream businesses in Appalachia. Our ongoing transition to Utica shale development in the WDA is moving along quite well. Early results indicate that we have a large inventory of additional Utica locations in and around our core Marcellus footprint that will generate stronger consolidated returns, particularly in areas where new Utica production can use existing gathering infrastructure that was built during our Marcellus development. With a newly developed pipeline expansion project planned to be in place, we now expect to have the exit capacity and end-market diversity to tap and bring forward the value of our significant, stacked-pay acreage position in Pennsylvania, while also continuing to grow the earnings and returns of our Gathering and Pipeline and Storage segments and capitalize on the strategic benefits of our integrated business model.”

DISCUSSION OF RESULTS BY SEGMENT

The following discussion of the earnings of each segment is summarized in a tabular form on pages 9 through 12 of this report. It may be helpful to refer to those tables while reviewing this discussion. Note that management defines Adjusted EBITDA as reported GAAP earnings before the following items: interest expense, income taxes, depreciation, depletion and amortization, interest and other income, impairments, and other items reflected in operating income that impact comparability.

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.

| <i>(in thousands except per share amounts)</i> | Three Months Ended | | | Six Months Ended | | |
|--|--------------------|-----------|-------------|------------------|------------|-------------|
| | March 31, | | | March 31, | | |
| | 2018 | 2017 | Variance | 2018 | 2017 | Variance |
| Net Income | \$ 26,537 | \$ 33,769 | \$ (7,232) | \$ 133,235 | \$ 68,849 | \$ 64,386 |
| Net Income Per Share (Diluted) | \$ 0.31 | \$ 0.39 | \$ (0.08) | \$ 1.54 | \$ 0.80 | \$ 0.74 |
| Adjusted EBITDA | \$ 78,770 | \$ 93,970 | \$ (15,200) | \$ 158,264 | \$ 196,447 | \$ (38,183) |

The Exploration and Production segment’s second quarter earnings declined \$7.2 million, as the positive impacts of higher production, better realized crude oil prices, and a lower effective income tax rate were more than offset by a decline in realized natural gas prices and higher operating expenses.

Seneca’s second quarter net production was 46.1 billion cubic feet equivalent (“Bcfe”), an increase of 0.5 Bcfe, or 1 percent, from the prior year due mainly to higher natural gas production in Appalachia. Net natural gas production increased 0.5 billion cubic feet (“Bcf”) versus the prior year and 6.0 Bcf, or 17 percent, versus the fiscal 2018 first quarter. The year over year increase was primarily due to higher net production in the WDA from new Marcellus and Utica wells completed and connected to sales during the past year. The 17 percent sequential increase over the first quarter of the fiscal year was due mostly to production from new wells brought on-line this quarter (including the first development pad brought to sales in the EDA since fiscal 2016), and an increase in Marcellus production from other EDA locations after price-related and operational curtailments experienced

during the previous quarter (Seneca did not have any significant curtailments in the second quarter of fiscal 2018). Seneca's oil production decreased 11 thousand barrels ("Mbbbl"), or 2 percent, versus the prior year.

Seneca's average realized natural gas price, after the impact of hedging and marketing and transportation costs, was \$2.52 per thousand cubic feet ("Mcf"), a decrease of \$0.44 per Mcf from the prior year. The decline in Seneca's realized natural gas price is primarily attributable to the expiration of physical firm sales and financial hedge contracts over the past 12 months that had favorable pricing relative to firm sales and hedges settled in the current quarter. Seneca's average realized oil price, after the impact of hedging, was \$58.31 per barrel ("Bbl"), an increase of \$5.39 per Bbl. The improvement in oil price realizations was due primarily to higher market prices for West Texas Intermediate (WTI) crude oil during the quarter and stronger price differentials relative to WTI at local sales points in California.

Seneca's operating expenses increased \$5.2 million during the second quarter. Lease operating and transportation expense ("LOE") increased \$1.3 million due to higher natural gas production in Appalachia, which resulted in higher gathering and transportation costs, and an increase in well workover activities and steaming costs in California. Depreciation, depletion and amortization ("DD&A") expense increased \$3.1 million due to the increase in production and a higher per unit DD&A rate, which increased by \$0.06 per thousand cubic feet equivalent ("Mcf") to \$0.69 per Mcf due mainly to a higher depletable fixed asset balance at March 31, 2018.

The decrease in the segment's effective tax rate was mostly due to the 2017 Tax Reform Act, which reduced the Company's federal statutory corporate tax rate in fiscal 2018 from 35 percent to 24.5 percent and benefited Seneca's second quarter earnings by \$3.5 million, or \$0.04 per share. The current period benefit was offset partially by a \$0.8 million revision to the remeasurement of deferred income taxes that was recorded in the first quarter.

See page 21 for additional comparative information on the Exploration & Production segment's production, realized pricing and per unit operating costs.

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.

| | Three Months Ended | | | Six Months Ended | | |
|--|--------------------|-----------|----------|------------------|-----------|-----------|
| | March 31, | | | March 31, | | |
| <i>(in thousands except per share amounts)</i> | 2018 | 2017 | Variance | 2018 | 2017 | Variance |
| Net Income | \$ 22,724 | \$ 19,256 | \$ 3,468 | \$ 61,186 | \$ 38,624 | \$ 22,562 |
| Net Income Per Share (Diluted) | \$ 0.26 | \$ 0.22 | \$ 0.04 | \$ 0.71 | \$ 0.45 | \$ 0.26 |
| Adjusted EBITDA | \$ 50,142 | \$ 49,103 | \$ 1,039 | \$ 100,915 | \$ 97,116 | \$ 3,799 |

The Pipeline and Storage segment's second quarter earnings increased \$3.5 million due primarily to higher operating revenues and a lower effective income tax rate, offset partially by a decrease in the allowance for funds used during construction reported in other income. Operating revenues increased \$1.0 million due to new demand charges for transportation service from Supply Corporation's Line D Expansion project, which was placed in service on November 1, 2017, and surcharge revenues relating to Supply Corporation's greenhouse gas and pipeline safety system enhancements that also went into effect in November 2017, which were partially offset by a decline in transportation revenues resulting from contract terminations. The decrease in the effective income tax rate was due primarily to the 2017 Tax Reform Act, which reduced the Company's federal statutory corporate tax rate and benefited the segment's earnings by \$3.4 million, or \$0.04 per share.

Gathering Segment

The Gathering segment's operations are carried out by National Fuel Gas Midstream Corporation's subsidiary limited liability companies. The Gathering segment constructs, owns and operates natural gas gathering pipelines and compression facilities in the Appalachian region which currently delivers Seneca's gross Appalachian production to the interstate pipeline system.

| <i>(in thousands except per share amounts)</i> | Three Months Ended | | | Six Months Ended | | |
|--|--------------------|-----------|----------|------------------|-----------|------------|
| | March 31, | | | March 31, | | |
| | 2018 | 2017 | Variance | 2018 | 2017 | Variance |
| Net Income | \$ 11,770 | \$ 10,285 | \$ 1,485 | \$ 57,169 | \$ 21,266 | \$ 35,903 |
| Net Income Per Share (Diluted) | \$ 0.14 | \$ 0.12 | \$ 0.02 | \$ 0.66 | \$ 0.25 | \$ 0.41 |
| Adjusted EBITDA | \$ 24,138 | \$ 24,172 | \$ (34) | \$ 44,869 | \$ 49,273 | \$ (4,404) |

The \$1.5 million increase in Gathering segment's second quarter earnings was due mainly to a lower effective income tax rate. Operating revenues were largely flat when compared to the prior year as the increase in gathering throughput from Seneca's Appalachian natural gas production was offset by the impact of gathering rate adjustments that went into effect in February. The decrease in the effective income tax rate was due primarily to the 2017 Tax Reform Act, which reduced the Company's federal statutory corporate tax rate and benefited the segment's earnings by \$1.9 million, or \$0.02 per share. The current period tax benefit was offset partially by a \$0.4 million revision to the remeasurement of deferred income taxes that was recorded in the first quarter.

Downstream BusinessesUtility 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.

| <i>(in thousands except per share amounts)</i> | Three Months Ended | | | Six Months Ended | | |
|--|--------------------|-----------|----------|------------------|------------|----------|
| | March 31, | | | March 31, | | |
| | 2018 | 2017 | Variance | 2018 | 2017 | Variance |
| Net Income | \$ 33,360 | \$ 25,581 | \$ 7,779 | \$ 54,353 | \$ 46,755 | \$ 7,598 |
| Net Income Per Share (Diluted) | \$ 0.39 | \$ 0.30 | \$ 0.09 | \$ 0.63 | \$ 0.54 | \$ 0.09 |
| Adjusted EBITDA | \$ 66,013 | \$ 61,580 | \$ 4,433 | \$ 112,997 | \$ 113,909 | \$ (912) |

The Utility segment's second quarter earnings increased \$7.8 million due to the positive impacts of colder weather, new customer rates in Distribution's New York service territory (effective in April 2017), lower O&M expense, and tax reform. Weather in Distribution's Pennsylvania service territory was 17.1 percent colder on average than last year, resulting in higher residential and transportation customer throughput and revenues. The impact of weather variations on earnings in Distribution's New York service territory is largely mitigated by that jurisdiction's weather normalization clause. O&M expense decreased \$2.3 million due mainly to lower personnel and information systems costs, partially offset by higher amortization of environmental remediation costs that resulted from the April 2017 rate case order in New York.

The decline in the Utility segment's effective income tax rate due to the 2017 Tax Reform Act resulted in a \$5.4 million decrease in income tax expense, which was mostly offset by a regulatory refund provision recorded against operating revenues. Consistent with utility rate treatment implemented after previous federal tax reforms and taking into consideration guidance provided by state regulators during the quarter, the Company recorded a \$5.3 million refund provision (\$3.9 million after-tax, or \$0.05 per share) that reduced the Utility segment's operating revenues and deferred the net effect of the reduction in tax rates by increasing the segment's regulatory liability.

Energy Marketing Segment

The Energy Marketing segment's operations are carried out by National Fuel Resources, Inc. ("NFR"). 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.

| <i>(in thousands except per share amounts)</i> | Three Months Ended | | | Six Months Ended | | |
|--|--------------------|----------|----------|------------------|----------|------------|
| | March 31, | | | March 31, | | |
| | 2018 | 2017 | Variance | 2018 | 2017 | Variance |
| Net Income | \$ 578 | \$ 905 | \$ (327) | \$ 1,624 | \$ 2,687 | \$ (1,063) |
| Net Income Per Share (Diluted) | \$ 0.01 | \$ 0.01 | \$ — | \$ 0.02 | \$ 0.03 | \$ (0.01) |
| Adjusted EBITDA | \$ 924 | \$ 1,382 | \$ (458) | \$ 2,606 | \$ 4,230 | \$ (1,624) |

The Energy Marketing segment's second quarter earnings declined \$0.3 million due largely to lower margins (operating revenues less purchased gas expenses), offset partially by lower O&M expense. NFR's customer margins were negatively impacted by stronger natural gas prices at local purchase points, which spiked on days with extreme weather in January, relative to NYMEX-based customer sales contracts.

Corporate and All Other

For the second quarter of fiscal 2018, the Corporate and All Other category had a net loss of \$3.1 million compared to a net loss of \$0.5 million in the prior year. The decrease in earnings was primarily attributable to a \$2.7 million revision to the remeasurement of deferred income taxes that was recorded in the first quarter of fiscal 2018 due to the 2017 Tax Reform Act.

FISCAL 2018 GUIDANCE UPDATE

National Fuel is revising its fiscal 2018 earnings guidance to \$3.20 to \$3.35 per share, or \$3.275 per share at the midpoint of the range. The revised earnings guidance does not include the impact of the remeasurement of deferred income taxes resulting from the 2017 Tax Reform Act, which reduced the Company's consolidated income tax expense and benefited earnings for the six months ended March 31, 2018, by \$107.0 million, or \$1.24 per share. While the Company expects to record additional adjustments to its deferred income taxes as a result of the 2017 Tax Reform Act during the remaining six months of fiscal 2018, the amounts of these and other potential adjustments are not reasonably determinable at this time. The final determination of the impact of the income tax effects of certain items will require additional analysis and further interpretation of the 2017 Tax Reform Act from yet to be issued U.S. Treasury regulations, state income tax guidance, federal and state regulatory guidance, technical corrections, and the filing of the Company's fiscal 2017 federal consolidated tax return. Some or all of these factors may be significant. Because the amounts of final adjustments are not reasonably determinable at this time, the Company is unable to provide earnings guidance other than on a non-GAAP basis that excludes the impact of the remeasurement of deferred income taxes and other potential adjustments.

Excluding the impact of the remeasurement of deferred income taxes, the Company expects that the reduction in the statutory federal tax rate from 35 percent to 24.5 percent will lower the Company's effective income tax rate for fiscal 2018 to a range of 26 percent to 27 percent. Furthermore, consistent with utility rate treatment implemented after previous tax reforms, the Company expects to record a regulatory refund provision of approximately \$16.0 million (pre-tax) in fiscal 2018 to reduce the Utility segment's operating revenues and defer the net effect of the reduction in tax rates by increasing the segment's regulatory liability. The Company recorded an \$11.3 million (\$8.3 million after-tax) regulatory refund provision in the first six months of fiscal 2018. The Company's earnings guidance, including the impact from the Utility segment's projected regulatory refund provision, assumes normal weather.

In addition to the impacts of tax reform on current year income, the revised earnings guidance range reflects the impact of actual results for the six months ended March 31, 2018, the sale of Seneca's Sespe assets in California, and other updates to key forecast assumptions, including revisions to the Exploration and Production segment's forecasted production and natural gas and oil pricing as outlined in the table below.

The Exploration and Production segment's fiscal 2018 forecasted production was reduced by 5 Bcfe at the midpoint of the range to reflect the impact of the sale of Seneca's Sespe oil properties in California and adjustments made to Seneca's operations schedule in Appalachia due primarily to the anticipated delay of the in-service date of the Atlantic Sunrise project to later in the fourth quarter, which impacted the expected timing of new pad turn-ons and pushed a portion of new production from fiscal 2018 to fiscal 2019. Seneca, which holds 189,405 Dth per day of firm transportation capacity on Atlantic Sunrise, had previously expected that the capacity would be available on July 1, 2018.

The Company's capital expenditure guidance was revised to a range of \$610 million to \$680 million, at the midpoint an increase of \$40 million from the previous guidance range. The increase is due primarily to the additional horizontal drilling rig that Seneca plans to deploy in Appalachia during the third quarter as discussed in the Upstream and Midstream Operations Update section above. The revision to the Pipeline and Storage segment's capital budget is due primarily to the expected timing of the spending.

Additional details on the Company's forecast assumptions and business segment guidance for fiscal 2018 are outlined in the table below.

| | <u>Updated FY 2018 Guidance</u> | <u>Previous FY 2018 Guidance</u> |
|--|---------------------------------|----------------------------------|
| Consolidated Earnings per Share (1) | \$3.20 to \$3.35 | \$3.20 to \$3.40 |
| Consolidated Effective Tax Rate (1) | 26% to 27% | ~27% |
| Capital Expenditures (Millions) | | |
| Exploration and Production (2) | \$350 - \$370 | \$300 - \$330 |
| Pipeline and Storage | \$110 - \$130 | \$110 - \$140 |
| Gathering | \$60 - \$80 | \$60 - \$80 |
| Utility | <u>\$90 - \$100</u> | <u>\$90 - \$100</u> |
| Consolidated Capital Expenditures | \$610 - \$680 | \$560 - \$650 |
| Exploration & Production Segment Guidance | | |
| Commodity Price Assumptions | | |
| NYMEX natural gas price | \$2.75 /MMBtu | \$3.00 /MMBtu |
| Appalachian basin spot price (summer) | \$2.00 /MMBtu | \$2.40/\$2.00 /MMBtu |
| NYMEX (WTI) crude oil price | \$65.00 /Bbl | \$60.00 /Bbl |
| California oil price (% of WTI) | 98% | 98% |
| Production (Bcfe) | | |
| East Division - Appalachia (3) | 157 to 172 | 160 to 175 |
| West Division - California | ~ 18 | ~ 20 |
| Total Production | 175 to 190 | 180 to 195 |
| E&P Operating Costs (\$/Mcfe) | | |
| LOE | \$0.90 - \$1.00 | \$0.90 - \$1.00 |
| G&A | \$0.30 - \$0.35 | \$0.30 - \$0.35 |
| DD&A | ~ \$0.70 | ~ \$0.70 |
| Other Business Segment Guidance (Millions) | | |
| Gathering Segment Revenues | \$110 - \$115 | \$110 - \$120 |
| Pipeline and Storage Segment Revenues | ~\$295 | ~\$295 |
| Utility Segment Regulatory Refund Provision | ~\$16 | ~\$16 |

- (1) Excludes earnings impact of the remeasurement of deferred income taxes resulting from the 2017 Tax Reform Act.
- (2) Net of conveyance proceeds received from joint development partner for working interest in joint development wells.
- (3) Seneca East Division - Appalachia production guidance assumes approximately 11 Bcf of spot sales for the remainder of FY18.

EARNINGS TELECONFERENCE

The Company will host a conference call on Friday, May 4, 2018, 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 NFG Investor Relations News & Events page at National Fuel's website at investor.nationalfuelgas.com. For those without Internet access, audio access is also provided by dialing (toll-free) 833-287-0795, using conference ID number "2679378." For those unable to listen to the live conference call, an audio replay will be available approximately two hours following the teleconference at the same website link and by phone at (toll-free) 800-585-8367 using conference ID number "2679378." Both the webcast and a telephonic replay will be available until the close of business on Friday, May 11, 2018.

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.

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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: delays or changes in costs or plans with respect to Company projects or related projects of other companies, including difficulties or delays in obtaining necessary governmental approvals, permits or orders or in obtaining the cooperation of interconnecting facility operators; governmental/regulatory actions, initiatives and proceedings, 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 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; changes in the price of natural gas or oil; impairments under the SEC’s full cost ceiling test for natural gas and oil reserves; 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; 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; increasing health care costs and the resulting effect on health insurance premiums and on the obligation to provide other post-retirement benefits; 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; 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; changes in demographic patterns and weather conditions; changes in the availability, price or accounting treatment of derivative financial instruments; 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; 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; the impact of potential information technology, cybersecurity or data security breaches; economic disruptions or uninsured losses resulting from major accidents, fires, severe weather, natural disasters, terrorist activities or acts of war; significant differences between the Company’s projected and actual capital expenditures and operating expenses; 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 MARCH 31, 2018
(Unaudited)

| (Thousands of Dollars) | Upstream | | Midstream Businesses | | Downstream Businesses | | Corporate / All Other | Consolidated* |
|---|--------------------------|--------------------|-----------------------------|------------------|------------------------------|-------------------|-----------------------|------------------|
| | Exploration & Production | Pipeline & Storage | Gathering | Utility | Energy Marketing | | | |
| Second quarter 2017 GAAP earnings | \$ 33,769 | \$ 19,256 | \$ 10,285 | \$ 25,581 | \$ 905 | \$ (512) | \$ | \$ 89,284 |
| Earnings drivers*** | | | | | | | | |
| Higher (lower) crude oil prices | 2,322 | | | | | | | 2,322 |
| Higher (lower) natural gas prices | (11,965) | | | | | | | (11,965) |
| Higher (lower) natural gas production | 1,031 | | | | | | | 1,031 |
| Higher (lower) crude oil production | (369) | | | | | | | (369) |
| Lower (higher) lease operating and transportation expenses | (822) | | | | | | | (822) |
| Lower (higher) depreciation / depletion | (2,038) | | | | | | (263) | (2,301) |
| Higher (lower) transportation and storage revenues | | 606 | | | | | | 606 |
| Lower (higher) other operating expenses | (421) | | | 1,171 | | | | 750 |
| Impact of new rates | | | | 1,767 | | | | 1,767 |
| Colder weather | | | | 3,448 | | | | 3,448 |
| Higher (lower) margins | | | | | | (443) | 659 | 216 |
| Higher (lower) AFUDC** | | (599) | | | | | | (599) |
| (Higher) lower interest expense | | 302 | | | | | | 302 |
| Lower (higher) income tax expense / effective tax rate | 1,884 | | | | | | | 1,884 |
| Impact of 2017 Tax Reform Act | | | | | | | | |
| Impact of tax rate change (35% to 24.5%) on current period earnings | 3,539 | 3,385 | 1,871 | 5,440 | 109 | (122) | | 14,222 |
| Refund provision on tax rate change | | | | (3,914) | | | | (3,914) |
| Remeasurement of deferred income taxes under 2017 Tax Reform | (790) | | (400) | | (159) | (2,651) | | (4,000) |
| All other / rounding | 397 | (226) | 14 | (133) | 166 | (233) | | (15) |
| Second quarter 2018 GAAP earnings | \$ 26,537 | \$ 22,724 | \$ 11,770 | \$ 33,360 | \$ 578 | \$ (3,122) | \$ | \$ 91,847 |

* Amounts do not reflect intercompany eliminations

** AFUDC = Allowance for Funds Used During Construction

*** Earnings drivers have been calculated using a 35% federal statutory rate. The impact of the change to a blended year 24.5% federal statutory rate is broken out separately under the caption "Impact of 2017 Tax Reform Act."

NATIONAL FUEL GAS COMPANY
RECONCILIATION OF CURRENT AND PRIOR YEAR GAAP EARNINGS PER SHARE
QUARTER ENDED MARCH 31, 2018
(Unaudited)

| | Upstream | | Midstream Businesses | | Downstream Businesses | | Corporate / All Other | Consolidated* |
|---|-----------------------------|-----------------------|-----------------------------|----------------|------------------------------|------------------|--------------------------|----------------|
| | Exploration & Production | Pipeline & Storage | Gathering | Utility | Energy Marketing | | | |
| Second quarter 2017 GAAP earnings | \$ 0.39 | \$ 0.22 | \$ 0.12 | \$ 0.30 | \$ 0.01 | \$ — | \$ — | \$ 1.04 |
| Earnings drivers*** | | | | | | | | |
| Higher (lower) crude oil prices | 0.03 | | | | | | | 0.03 |
| Higher (lower) natural gas prices | (0.14) | | | | | | | (0.14) |
| Higher (lower) natural gas production | 0.01 | | | | | | | 0.01 |
| Higher (lower) crude oil production | — | | | | | | | — |
| Lower (higher) lease operating and transportation expenses | (0.01) | | | | | | | (0.01) |
| Lower (higher) depreciation / depletion | (0.02) | | | | | | — | (0.02) |
| Higher (lower) transportation and storage revenues | | 0.01 | | | | | | 0.01 |
| Lower (higher) other operating expenses | — | | | 0.01 | | | | 0.01 |
| Impact of new rates | | | | 0.02 | | | | 0.02 |
| Colder weather | | | | 0.04 | | | | 0.04 |
| Higher (lower) margins | | | | | | — | 0.01 | 0.01 |
| Higher (lower) AFUDC** | | (0.01) | | | | | | (0.01) |
| (Higher) lower interest expense | | — | | | | | | — |
| Lower (higher) income tax expense / effective tax rate | 0.02 | | | | | | | 0.02 |
| Impact of 2017 Tax Reform Act | | | | | | | | |
| Impact of tax rate change (35% to 24.5%) on current period earnings | 0.04 | 0.04 | 0.02 | 0.06 | — | — | | 0.16 |
| Refund provision on tax rate change | | | | (0.05) | | | | (0.05) |
| Remeasurement of deferred income taxes under 2017 Tax Reform | (0.01) | | (0.01) | | | — | (0.03) | (0.05) |
| All other / rounding | — | — | 0.01 | 0.01 | — | | (0.03) | (0.01) |
| Second quarter 2018 GAAP earnings | \$ 0.31 | \$ 0.26 | \$ 0.14 | \$ 0.39 | \$ 0.01 | \$ (0.05) | \$ — | \$ 1.06 |

* Amounts do not reflect intercompany eliminations

** AFUDC = Allowance for Funds Used During Construction

*** Earnings drivers have been calculated using a 35% federal statutory rate. The impact of the change to a blended year 24.5% federal statutory rate is broken out separately under the caption "Impact of 2017 Tax Reform Act."

NATIONAL FUEL GAS COMPANY
RECONCILIATION OF CURRENT AND PRIOR YEAR GAAP EARNINGS
SIX MONTHS ENDED MARCH 31, 2018
(Unaudited)

| (Thousands of Dollars) | Upstream | | Midstream Businesses | | Downstream Businesses | | Corporate / All Other | Consolidated* |
|---|-----------------------------|-----------------------|-------------------------|------------------|--------------------------|--------------------|--------------------------|---------------|
| | Exploration & Production | Pipeline & Storage | Gathering | Utility | Energy Marketing | | | |
| Six months ended March 31, 2017 GAAP earnings | \$ 68,849 | \$ 38,624 | \$ 21,266 | \$ 46,755 | \$ 2,687 | \$ 10 | \$ 178,191 | |
| Earnings drivers*** | | | | | | | | |
| Higher (lower) crude oil prices | 4,519 | | | | | | 4,519 | |
| Higher (lower) natural gas prices | (17,940) | | | | | | (17,940) | |
| Higher (lower) natural gas production | (7,587) | | | | | | (7,587) | |
| Higher (lower) crude oil production | (2,074) | | | | | | (2,074) | |
| Lower (higher) lease operating and transportation expenses | (783) | | | | | | (783) | |
| Lower (higher) depreciation / depletion | (979) | (842) | (285) | | | (197) | (2,303) | |
| Higher (lower) storage revenues | | 784 | | | | | 784 | |
| Higher (lower) gathering and processing revenues | | | (2,769) | | | | (2,769) | |
| Lower (higher) other operating expenses | (1,009) | 2,059 | | 476 | | | 1,526 | |
| Lower (higher) property, franchise and other taxes | | (354) | | | | | (354) | |
| Impact of new rates | | | | 2,789 | | | 2,789 | |
| Colder weather | | | | 4,688 | | | 4,688 | |
| Higher (lower) margins | | | | | (1,204) | 1,011 | (193) | |
| Higher (lower) AFUDC** | | (542) | | | | | (542) | |
| Lower (higher) interest expense | | 608 | | 452 | | | 1,060 | |
| Lower (higher) income tax expense / effective tax rate | 5,754 | | 1,172 | (1,850) | | | 5,076 | |
| Impact of 2017 Tax Reform Act | | | | | | | | |
| Impact of tax rate change (35% to 24.5%) on current period earnings | 7,634 | 6,913 | 3,415 | 10,241 | 291 | (11) | 28,483 | |
| Refund provision on tax rate change | | | | (8,320) | | | (8,320) | |
| Remeasurement of deferred income taxes under 2017 Tax Reform | 76,510 | 14,100 | 34,500 | | (359) | (17,751) | 107,000 | |
| All other / rounding | 341 | (164) | (130) | (878) | 209 | (128) | (750) | |
| Six months ended March 31, 2018 GAAP earnings | \$ 133,235 | \$ 61,186 | \$ 57,169 | \$ 54,353 | \$ 1,624 | \$ (17,066) | \$ 290,501 | |

* Amounts do not reflect intercompany eliminations

** AFUDC = Allowance for Funds Used During Construction

*** Earnings drivers have been calculated using a 35% federal statutory rate. The impact of the change to a blended year 24.5% federal statutory rate is broken out separately under the caption "Impact of 2017 Tax Reform Act."

NATIONAL FUEL GAS COMPANY
RECONCILIATION OF CURRENT AND PRIOR YEAR GAAP EARNINGS PER SHARE
SIX MONTHS ENDED MARCH 31, 2018
(Unaudited)

| | Upstream | | Midstream Businesses | | Downstream Businesses | | Corporate / All Other | Consolidated* |
|---|-----------------------------|-----------------------|-----------------------------|----------------|------------------------------|------------------|--------------------------|---------------|
| | Exploration & Production | Pipeline & Storage | Gathering | Utility | Energy Marketing | | | |
| Six months ended March 31, 2017 GAAP earnings | \$ 0.80 | \$ 0.45 | \$ 0.25 | \$ 0.54 | \$ 0.03 | \$ — | \$ 2.07 | |
| Earnings drivers*** | | | | | | | | |
| Higher (lower) crude oil prices | 0.05 | | | | | | 0.05 | |
| Higher (lower) natural gas prices | (0.21) | | | | | | (0.21) | |
| Higher (lower) natural gas production | (0.09) | | | | | | (0.09) | |
| Higher (lower) crude oil production | (0.02) | | | | | | (0.02) | |
| Lower (higher) lease operating and transportation expenses | (0.01) | | | | | | (0.01) | |
| Lower (higher) depreciation / depletion | (0.01) | (0.01) | — | | | — | (0.02) | |
| Higher (lower) storage revenues | | 0.01 | | | | | 0.01 | |
| Higher (lower) gathering and processing revenues | | | (0.03) | | | | (0.03) | |
| Lower (higher) other operating expenses | (0.01) | 0.02 | | 0.01 | | | 0.02 | |
| Lower (higher) property, franchise and other taxes | | — | | | | | — | |
| Impact of new rates | | | | 0.03 | | | 0.03 | |
| Colder weather | | | | 0.05 | | | 0.05 | |
| Higher (lower) margins | | | | | (0.01) | 0.01 | — | |
| Higher (lower) AFUDC** | | (0.01) | | | | | (0.01) | |
| Lower (higher) interest expense | | 0.01 | | 0.01 | | | 0.02 | |
| Lower (higher) income tax expense / effective tax rate | 0.07 | | 0.01 | (0.02) | | | 0.06 | |
| Impact of 2017 Tax Reform Act | | | | | | | | |
| Impact of tax rate change (35% to 24.5%) on current period earnings | 0.09 | 0.08 | 0.04 | 0.12 | — | — | 0.33 | |
| Refund provision on tax rate change | | | | (0.10) | | | (0.10) | |
| Remeasurement of deferred income taxes under 2017 Tax Reform | 0.89 | 0.16 | 0.40 | | — | (0.21) | 1.24 | |
| All other / rounding | (0.01) | — | (0.01) | (0.01) | — | 0.01 | (0.02) | |
| Six months ended March 31, 2018 GAAP earnings | \$ 1.54 | \$ 0.71 | \$ 0.66 | \$ 0.63 | \$ 0.02 | \$ (0.19) | \$ 3.37 | |

* Amounts do not reflect intercompany eliminations

** AFUDC = Allowance for Funds Used During Construction

*** Earnings drivers have been calculated using a 35% federal statutory rate. The impact of the change to a blended year 24.5% federal statutory rate is broken out separately under the caption "Impact of 2017 Tax Reform Act."

NATIONAL FUEL GAS COMPANY AND SUBSIDIARIES

(Thousands of Dollars, except per share amounts)

| | Three Months Ended | | Six Months Ended | |
|---|--------------------------|-------------------|--------------------------|-------------------|
| | March 31, (Unaudited) | | March 31, (Unaudited) | |
| <u>SUMMARY OF OPERATIONS</u> | <u>2018</u> | <u>2017</u> | <u>2018</u> | <u>2017</u> |
| Operating Revenues: | | | | |
| Utility and Energy Marketing Revenues | \$ 339,422 | \$ 308,889 | \$ 565,147 | \$ 516,669 |
| Exploration and Production and Other Revenues | 147,868 | 159,997 | 288,318 | 321,691 |
| Pipeline and Storage and Gathering Revenues | 53,615 | 53,189 | 107,096 | 106,216 |
| | <u>540,905</u> | <u>522,075</u> | <u>960,561</u> | <u>944,576</u> |
| Operating Expenses: | | | | |
| Purchased Gas | 176,608 | 147,971 | 270,642 | 218,214 |
| Operation and Maintenance: | | | | |
| Utility and Energy Marketing | 61,410 | 63,907 | 112,780 | 114,329 |
| Exploration and Production and Other | 39,586 | 37,593 | 75,127 | 68,055 |
| Pipeline and Storage and Gathering | 22,642 | 23,106 | 42,679 | 45,766 |
| Property, Franchise and Other Taxes | 22,802 | 22,542 | 43,650 | 42,921 |
| Depreciation, Depletion and Amortization | 61,155 | 56,999 | 116,985 | 113,194 |
| | <u>384,203</u> | <u>352,118</u> | <u>661,863</u> | <u>602,479</u> |
| Operating Income | 156,702 | 169,957 | 298,698 | 342,097 |
| Other Income (Expense): | | | | |
| Interest Income | 1,025 | 391 | 3,275 | 1,991 |
| Other Income | 770 | 1,744 | 2,492 | 3,356 |
| Interest Expense on Long-Term Debt | (27,148) | (28,913) | (55,235) | (58,016) |
| Other Interest Expense | (1,233) | (924) | (1,736) | (1,834) |
| | <u>130,116</u> | <u>142,255</u> | <u>247,494</u> | <u>287,594</u> |
| Income Before Income Taxes | 130,116 | 142,255 | 247,494 | 287,594 |
| Income Tax Expense (Benefit) | 38,269 | 52,971 | (43,007) | 109,403 |
| Net Income Available for Common Stock | <u>\$ 91,847</u> | <u>\$ 89,284</u> | <u>\$ 290,501</u> | <u>\$ 178,191</u> |
| Earnings Per Common Share | | | | |
| Basic | <u>\$ 1.07</u> | <u>\$ 1.05</u> | <u>\$ 3.39</u> | <u>\$ 2.09</u> |
| Diluted | <u>\$ 1.06</u> | <u>\$ 1.04</u> | <u>\$ 3.37</u> | <u>\$ 2.07</u> |
| Weighted Average Common Shares: | | | | |
| Used in Basic Calculation | <u>85,809,233</u> | <u>85,334,887</u> | <u>85,718,779</u> | <u>85,261,575</u> |
| Used in Diluted Calculation | <u>86,323,636</u> | <u>86,006,614</u> | <u>86,318,892</u> | <u>85,897,282</u> |

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

| <i>(Thousands of Dollars)</i> | March 31, 2018 | September 30, 2017 |
|---|-------------------|-----------------------|
| ASSETS | | |
| Property, Plant and Equipment | \$10,126,931 | \$9,945,560 |
| Less - Accumulated Depreciation, Depletion and Amortization | 5,344,134 | 5,271,486 |
| Net Property, Plant and Equipment | 4,782,797 | 4,674,074 |
| Current Assets: | | |
| Cash and Temporary Cash Investments | 227,994 | 555,530 |
| Hedging Collateral Deposits | 3,657 | 1,741 |
| Receivables - Net | 198,922 | 112,383 |
| Unbilled Revenue | 60,059 | 22,883 |
| Gas Stored Underground | 6,842 | 35,689 |
| Materials and Supplies - at average cost | 34,769 | 33,926 |
| Unrecovered Purchased Gas Costs | 426 | 4,623 |
| Other Current Assets | 60,324 | 51,505 |
| Total Current Assets | 592,993 | 818,280 |
| Other Assets: | | |
| Recoverable Future Taxes | 115,514 | 181,363 |
| Unamortized Debt Expense | 7,861 | 1,159 |
| Other Regulatory Assets | 171,902 | 174,433 |
| Deferred Charges | 36,835 | 30,047 |
| Other Investments | 123,039 | 125,265 |
| Goodwill | 5,476 | 5,476 |
| Prepaid Post-Retirement Benefit Costs | 59,586 | 56,370 |
| Fair Value of Derivative Financial Instruments | 18,144 | 36,111 |
| Other | 426 | 742 |
| Total Other Assets | 538,783 | 610,966 |
| Total Assets | \$5,914,573 | \$6,103,320 |
| CAPITALIZATION AND LIABILITIES | | |
| Capitalization: | | |
| Comprehensive Shareholders' Equity | | |
| Common Stock, \$1 Par Value Authorized - 200,000,000 Shares; Issued and Outstanding - 85,881,897 Shares and 85,543,125 Shares, Respectively | \$85,882 | \$85,543 |
| Paid in Capital | 810,126 | 796,646 |
| Earnings Reinvested in the Business | 1,070,939 | 851,669 |
| Accumulated Other Comprehensive Loss | (47,760) | (30,123) |
| Total Comprehensive Shareholders' Equity | 1,919,187 | 1,703,735 |
| Long-Term Debt, Net of Current Portion and Unamortized Discount and Debt Issuance Costs | 2,085,012 | 2,083,681 |
| Total Capitalization | 4,004,199 | 3,787,416 |
| Current and Accrued Liabilities: | | |
| Notes Payable to Banks and Commercial Paper | — | — |
| Current Portion of Long-Term Debt | — | 300,000 |
| Accounts Payable | 127,585 | 126,443 |
| Amounts Payable to Customers | 12,083 | — |
| Dividends Payable | 35,641 | 35,500 |
| Interest Payable on Long-Term Debt | 26,435 | 35,031 |
| Customer Advances | 154 | 15,701 |
| Customer Security Deposits | 18,973 | 20,372 |
| Other Accruals and Current Liabilities | 147,549 | 111,889 |
| Fair Value of Derivative Financial Instruments | 11,475 | 1,103 |
| Total Current and Accrued Liabilities | 379,895 | 646,039 |
| Deferred Credits: | | |
| Deferred Income Taxes | 482,682 | 891,287 |
| Taxes Refundable to Customers | 365,091 | 95,739 |
| Cost of Removal Regulatory Liability | 207,711 | 204,630 |
| Other Regulatory Liabilities | 124,868 | 113,716 |
| Pension and Other Post-Retirement Liabilities | 133,852 | 149,079 |
| Asset Retirement Obligations | 106,481 | 106,395 |
| Other Deferred Credits | 109,794 | 109,019 |
| Total Deferred Credits | 1,530,479 | 1,669,865 |
| Commitments and Contingencies | — | — |
| Total Capitalization and Liabilities | \$5,914,573 | \$6,103,320 |

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

| <i>(Thousands of Dollars)</i> | Six Months Ended March 31, | |
|--|-------------------------------|---------------------|
| | 2018 | 2017 |
| Operating Activities: | | |
| Net Income Available for Common Stock | \$ 290,501 | \$ 178,191 |
| Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities: | | |
| Depreciation, Depletion and Amortization | 116,985 | 113,194 |
| Deferred Income Taxes | (62,459) | 63,781 |
| Stock-Based Compensation | 7,862 | 5,632 |
| Other | 8,052 | 7,713 |
| Change in: | | |
| Hedging Collateral Deposits | (1,916) | (287) |
| Receivables and Unbilled Revenue | (123,954) | (92,155) |
| Gas Stored Underground and Materials and Supplies | 28,004 | 24,476 |
| Unrecovered Purchased Gas Costs | 4,197 | (2,241) |
| Other Current Assets | (8,819) | 7,769 |
| Accounts Payable | 10,838 | 13,997 |
| Amounts Payable to Customers | 12,083 | (71) |
| Customer Advances | (15,547) | (14,462) |
| Customer Security Deposits | (1,399) | 1,493 |
| Other Accruals and Current Liabilities | 37,646 | 44,690 |
| Other Assets | (9,541) | (32) |
| Other Liabilities | (5,767) | 202 |
| Net Cash Provided by Operating Activities | \$ 286,766 | \$ 351,890 |
| Investing Activities: | | |
| Capital Expenditures | \$ (261,720) | \$ (208,231) |
| Net Proceeds from Sale of Oil and Gas Producing Properties | 17,310 | 26,554 |
| Other | 5,355 | (3,225) |
| Net Cash Used in Investing Activities | \$ (239,055) | \$ (184,902) |
| Financing Activities: | | |
| Reduction of Long-Term Debt | \$ (307,047) | \$ — |
| Dividends Paid on Common Stock | (71,091) | (69,017) |
| Net Proceeds From Issuance of Common Stock | 2,891 | 3,230 |
| Net Cash Used in Financing Activities | \$ (375,247) | \$ (65,787) |
| Net Increase (Decrease) in Cash and Temporary Cash Investments | (327,536) | 101,201 |
| Cash and Temporary Cash Investments at Beginning of Period | 555,530 | 129,972 |
| Cash and Temporary Cash Investments at March 31 | \$ 227,994 | \$ 231,173 |

**NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES**

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

UPSTREAM BUSINESS

| (Thousands of Dollars, except per share amounts) | Three Months Ended | | | Six Months Ended | | |
|--|--------------------|------------------|-------------------|-------------------|------------------|------------------|
| | March 31, | | | March 31, | | |
| <u>EXPLORATION AND PRODUCTION SEGMENT</u> | 2018 | 2017 | Variance | 2018 | 2017 | Variance |
| Total Operating Revenues | \$ 146,411 | \$ 159,553 | \$ (13,142) | \$ 285,552 | \$ 320,485 | \$ (34,933) |
| Operating Expenses: | | | | | | |
| Operation and Maintenance: | | | | | | |
| General and Administrative Expense | 17,041 | 16,530 | 511 | 30,936 | 29,504 | 1,432 |
| Lease Operating and Transportation Expense | 43,808 | 42,543 | 1,265 | 83,455 | 82,251 | 1,204 |
| All Other Operation and Maintenance Expense | 2,919 | 2,781 | 138 | 5,454 | 5,332 | 122 |
| Property, Franchise and Other Taxes | 3,873 | 3,729 | 144 | 7,443 | 6,951 | 492 |
| Depreciation, Depletion and Amortization | 31,986 | 28,851 | 3,135 | 59,411 | 57,905 | 1,506 |
| | <u>99,627</u> | <u>94,434</u> | <u>5,193</u> | <u>186,699</u> | <u>181,943</u> | <u>4,756</u> |
| Operating Income | 46,784 | 65,119 | (18,335) | 98,853 | 138,542 | (39,689) |
| Other Income (Expense): | | | | | | |
| Interest Income | 305 | 147 | 158 | 601 | 233 | 368 |
| Interest Expense | (13,380) | (13,303) | (77) | (26,753) | (26,826) | 73 |
| Income Before Income Taxes | 33,709 | 51,963 | (18,254) | 72,701 | 111,949 | (39,248) |
| Income Tax Expense (Benefit) | 7,172 | 18,194 | (11,022) | (60,534) | 43,100 | (103,634) |
| Net Income | <u>\$ 26,537</u> | <u>\$ 33,769</u> | <u>\$ (7,232)</u> | <u>\$ 133,235</u> | <u>\$ 68,849</u> | <u>\$ 64,386</u> |
| Net Income Per Share (Diluted) | <u>\$ 0.31</u> | <u>\$ 0.39</u> | <u>\$ (0.08)</u> | <u>\$ 1.54</u> | <u>\$ 0.80</u> | <u>\$ 0.74</u> |

**NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES**

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

MIDSTREAM BUSINESSES

(Thousands of Dollars, except per share amounts)

| | Three Months Ended | | | Six Months Ended | | |
|--|--------------------|------------------|-----------------|------------------|------------------|------------------|
| | March 31, | | | March 31, | | |
| <u>PIPELINE AND STORAGE SEGMENT</u> | 2018 | 2017 | Variance | 2018 | 2017 | Variance |
| Revenues from External Customers | \$ 53,714 | \$ 53,163 | \$ 551 | \$ 107,025 | \$ 106,164 | \$ 861 |
| Intersegment Revenues | 23,044 | 22,592 | 452 | 45,028 | 44,746 | 282 |
| Total Operating Revenues | <u>76,758</u> | <u>75,755</u> | <u>1,003</u> | <u>152,053</u> | <u>150,910</u> | <u>1,143</u> |
| Operating Expenses: | | | | | | |
| Purchased Gas | 55 | (28) | 83 | 161 | 194 | (33) |
| Operation and Maintenance | 19,426 | 19,668 | (242) | 36,742 | 39,911 | (3,169) |
| Property, Franchise and Other Taxes | 7,135 | 7,012 | 123 | 14,235 | 13,689 | 546 |
| Depreciation, Depletion and Amortization | 10,838 | 10,476 | 362 | 21,434 | 20,138 | 1,296 |
| | <u>37,454</u> | <u>37,128</u> | <u>326</u> | <u>72,572</u> | <u>73,932</u> | <u>(1,360)</u> |
| Operating Income | 39,304 | 38,627 | 677 | 79,481 | 76,978 | 2,503 |
| Other Income (Expense): | | | | | | |
| Interest Income | 608 | 319 | 289 | 1,153 | 591 | 562 |
| Other Income | 209 | 807 | (598) | 954 | 1,494 | (540) |
| Interest Expense | (7,875) | (8,342) | 467 | (15,752) | (16,688) | 936 |
| Income Before Income Taxes | 32,246 | 31,411 | 835 | 65,836 | 62,375 | 3,461 |
| Income Tax Expense | 9,522 | 12,155 | (2,633) | 4,650 | 23,751 | (19,101) |
| Net Income | <u>\$ 22,724</u> | <u>\$ 19,256</u> | <u>\$ 3,468</u> | <u>\$ 61,186</u> | <u>\$ 38,624</u> | <u>\$ 22,562</u> |
| Net Income Per Share (Diluted) | <u>\$ 0.26</u> | <u>\$ 0.22</u> | <u>\$ 0.04</u> | <u>\$ 0.71</u> | <u>\$ 0.45</u> | <u>\$ 0.26</u> |

| | Three Months Ended | | | Six Months Ended | | |
|--|--------------------|------------------|-----------------|------------------|------------------|------------------|
| | March 31, | | | March 31, | | |
| <u>GATHERING SEGMENT</u> | 2018 | 2017 | Variance | 2018 | 2017 | Variance |
| Revenues from External Customers | \$ (99) | \$ 26 | \$ (125) | \$ 71 | \$ 52 | \$ 19 |
| Intersegment Revenues | 27,832 | 27,936 | (104) | 51,497 | 55,776 | (4,279) |
| Total Operating Revenues | <u>27,733</u> | <u>27,962</u> | <u>(229)</u> | <u>51,568</u> | <u>55,828</u> | <u>(4,260)</u> |
| Operating Expenses: | | | | | | |
| Operation and Maintenance | 3,572 | 3,769 | (197) | 6,638 | 6,523 | 115 |
| Property, Franchise and Other Taxes | 23 | 21 | 2 | 61 | 32 | 29 |
| Depreciation, Depletion and Amortization | 4,227 | 3,997 | 230 | 8,315 | 7,877 | 438 |
| | <u>7,822</u> | <u>7,787</u> | <u>35</u> | <u>15,014</u> | <u>14,432</u> | <u>582</u> |
| Operating Income | 19,911 | 20,175 | (264) | 36,554 | 41,396 | (4,842) |
| Other Income (Expense): | | | | | | |
| Interest Income | 419 | 207 | 212 | 815 | 353 | 462 |
| Other Income | — | — | — | — | 1 | (1) |
| Interest Expense | (2,508) | (2,235) | (273) | (4,847) | (4,328) | (519) |
| Income Before Income Taxes | 17,822 | 18,147 | (325) | 32,522 | 37,422 | (4,900) |
| Income Tax Expense (Benefit) | 6,052 | 7,862 | (1,810) | (24,647) | 16,156 | (40,803) |
| Net Income | <u>\$ 11,770</u> | <u>\$ 10,285</u> | <u>\$ 1,485</u> | <u>\$ 57,169</u> | <u>\$ 21,266</u> | <u>\$ 35,903</u> |
| Net Income Per Share (Diluted) | <u>\$ 0.14</u> | <u>\$ 0.12</u> | <u>\$ 0.02</u> | <u>\$ 0.66</u> | <u>\$ 0.25</u> | <u>\$ 0.41</u> |

**NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES**

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

DOWNSTREAM BUSINESSES

(Thousands of Dollars, except per share amounts)

UTILITY SEGMENT

| | Three Months Ended March 31, | | | Six Months Ended March 31, | | |
|--|---------------------------------|------------------|-----------------|-------------------------------|------------------|-----------------|
| | 2018 | 2017 | Variance | 2018 | 2017 | Variance |
| Revenues from External Customers | \$ 283,778 | \$ 257,949 | \$ 25,829 | \$ 470,867 | \$ 428,919 | \$ 41,948 |
| Intersegment Revenues | 5,700 | 6,096 | (396) | 7,882 | 7,922 | (40) |
| Total Operating Revenues | <u>289,478</u> | <u>264,045</u> | <u>25,433</u> | <u>478,749</u> | <u>436,841</u> | <u>41,908</u> |
| Operating Expenses: | | | | | | |
| Purchased Gas | 151,493 | 128,212 | 23,281 | 233,418 | 188,945 | 44,473 |
| Operation and Maintenance | 60,463 | 62,748 | (2,285) | 110,946 | 112,277 | (1,331) |
| Property, Franchise and Other Taxes | 11,509 | 11,505 | 4 | 21,388 | 21,710 | (322) |
| Depreciation, Depletion and Amortization | 13,340 | 13,314 | 26 | 26,665 | 26,415 | 250 |
| | <u>236,805</u> | <u>215,779</u> | <u>21,026</u> | <u>392,417</u> | <u>349,347</u> | <u>43,070</u> |
| Operating Income | 52,673 | 48,266 | 4,407 | 86,332 | 87,494 | (1,162) |
| Other Income (Expense): | | | | | | |
| Interest Income | 510 | 144 | 366 | 816 | 278 | 538 |
| Other Income | 138 | 45 | 93 | 307 | 137 | 170 |
| Interest Expense | (6,857) | (7,194) | 337 | (13,695) | (14,392) | 697 |
| Income Before Income Taxes | 46,464 | 41,261 | 5,203 | 73,760 | 73,517 | 243 |
| Income Tax Expense | 13,104 | 15,680 | (2,576) | 19,407 | 26,762 | (7,355) |
| Net Income | <u>\$ 33,360</u> | <u>\$ 25,581</u> | <u>\$ 7,779</u> | <u>\$ 54,353</u> | <u>\$ 46,755</u> | <u>\$ 7,598</u> |
| Net Income Per Share (Diluted) | <u>\$ 0.39</u> | <u>\$ 0.30</u> | <u>\$ 0.09</u> | <u>\$ 0.63</u> | <u>\$ 0.54</u> | <u>\$ 0.09</u> |

| | Three Months Ended March 31, | | | Six Months Ended March 31, | | |
|--|---------------------------------|----------------|-----------------|-------------------------------|-----------------|-------------------|
| | 2018 | 2017 | Variance | 2018 | 2017 | Variance |
| ENERGY MARKETING SEGMENT | | | | | | |
| Revenues from External Customers | \$ 55,644 | \$ 50,940 | \$ 4,704 | \$ 94,280 | \$ 87,750 | \$ 6,530 |
| Intersegment Revenues | (51) | 16 | (67) | 76 | 35 | 41 |
| Total Operating Revenues | <u>55,593</u> | <u>50,956</u> | <u>4,637</u> | <u>94,356</u> | <u>87,785</u> | <u>6,571</u> |
| Operating Expenses: | | | | | | |
| Purchased Gas | 52,980 | 47,661 | 5,319 | 88,423 | 79,999 | 8,424 |
| Operation and Maintenance | 1,689 | 1,913 | (224) | 3,327 | 3,556 | (229) |
| Depreciation, Depletion and Amortization | 68 | 70 | (2) | 138 | 140 | (2) |
| | <u>54,737</u> | <u>49,644</u> | <u>5,093</u> | <u>91,888</u> | <u>83,695</u> | <u>8,193</u> |
| Operating Income | 856 | 1,312 | (456) | 2,468 | 4,090 | (1,622) |
| Other Income (Expense): | | | | | | |
| Interest Income | 161 | 138 | 23 | 295 | 271 | 24 |
| Other Income | 22 | 33 | (11) | 25 | 35 | (10) |
| Interest Expense | — | (11) | 11 | (12) | (24) | 12 |
| Income Before Income Taxes | 1,039 | 1,472 | (433) | 2,776 | 4,372 | (1,596) |
| Income Tax Expense | 461 | 567 | (106) | 1,152 | 1,685 | (533) |
| Net Income | <u>\$ 578</u> | <u>\$ 905</u> | <u>\$ (327)</u> | <u>\$ 1,624</u> | <u>\$ 2,687</u> | <u>\$ (1,063)</u> |
| Net Income Per Share (Diluted) | <u>\$ 0.01</u> | <u>\$ 0.01</u> | <u>\$ —</u> | <u>\$ 0.02</u> | <u>\$ 0.03</u> | <u>\$ (0.01)</u> |

**NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES**

SEGMENT INFORMATION (Continued)

(Thousands of Dollars)

| | Three Months Ended March 31, (Unaudited) | | | Six Months Ended March 31, (Unaudited) | | |
|------------------------------|--|--------------------------|------------------------|--|-----------------------------|------------------------|
| | 2018 | 2017 | Increase (Decrease) | 2018 | 2017 | Increase (Decrease) |
| Capital Expenditures: | | | | | | |
| Exploration and Production | \$ 84,559 ⁽¹⁾ | \$ 57,137 ⁽³⁾ | \$ 27,422 | \$ 159,285 ⁽¹⁾⁽²⁾ | \$ 97,826 ⁽³⁾⁽⁴⁾ | \$ 61,459 |
| Pipeline and Storage | 15,167 ⁽¹⁾ | 11,386 ⁽³⁾ | 3,781 | 37,440 ⁽¹⁾⁽²⁾ | 36,778 ⁽³⁾⁽⁴⁾ | 662 |
| Gathering | 19,352 ⁽¹⁾ | 3,147 ⁽³⁾ | 16,205 | 32,283 ⁽¹⁾⁽²⁾ | 14,491 ⁽³⁾⁽⁴⁾ | 17,792 |
| Utility | 15,755 ⁽¹⁾ | 19,244 ⁽³⁾ | (3,489) | 32,290 ⁽¹⁾⁽²⁾ | 36,296 ⁽³⁾⁽⁴⁾ | (4,006) |
| Energy Marketing | 4 | 5 | (1) | 22 | 11 | 11 |
| Total Reportable Segments | <u>134,837</u> | <u>90,919</u> | <u>43,918</u> | <u>261,320</u> | <u>185,402</u> | <u>75,918</u> |
| All Other | — | — | — | 1 | 39 | (38) |
| Corporate | 15 | 3 | 12 | 44 | 64 | (20) |
| Eliminations | (19,922) | (777) | (19,145) | (19,922) | (777) | (19,145) |
| Total Capital Expenditures | <u>\$ 114,930</u> | <u>\$ 90,145</u> | <u>\$ 24,785</u> | <u>\$ 241,443</u> | <u>\$ 184,728</u> | <u>\$ 56,715</u> |

- (1) Capital expenditures for the quarter and six months ended March 31, 2018, include accounts payable and accrued liabilities related to capital expenditures of \$38.8 million, \$9.0 million, \$1.6 million, and \$2.5 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 March 31, 2018, since they represent non-cash investing activities at that date.
- (2) Capital expenditures for the six months ended March 31, 2018, exclude capital expenditures of \$36.5 million, \$25.1 million, \$3.9 million and \$6.7 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, 2017 and paid during the six months ended March 31, 2018. These amounts were excluded from the Consolidated Statement of Cash Flows at September 30, 2017, since they represented non-cash investing activities at that date. These amounts have been included in the Consolidated Statement of Cash Flows at March 31, 2018.
- (3) Capital expenditures for the quarter and six months ended March 31, 2017, include accounts payable and accrued liabilities related to capital expenditures of \$23.2 million, \$5.8 million, \$2.2 million, and \$5.7 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 March 31, 2017, since they represent non-cash investing activities at that date.
- (4) Capital expenditures for the six months ended March 31, 2017, exclude capital expenditures of \$25.2 million, \$18.7 million, \$5.3 million and \$11.2 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, 2016 and paid during the six months ended March 31, 2017. These amounts were excluded from the Consolidated Statement of Cash Flows at September 30, 2016, since they represented non-cash investing activities at that date. These amounts have been included in the Consolidated Statement of Cash Flows at March 31, 2017.

DEGREE DAYS

| Three Months Ended March 31 | Percent Colder (Warmer) Than: | | | | |
|----------------------------------|----------------------------------|-------|-------|-----------------------|--------------------------|
| | Normal | 2018 | 2017 | Normal ⁽¹⁾ | Last Year ⁽¹⁾ |
| Buffalo, NY | 3,290 | 3,208 | 2,866 | (2.5) | 11.9 |
| Erie, PA | 3,108 | 3,075 | 2,627 | (1.1) | 17.1 |
| Six Months Ended March 31 | | | | | |
| Buffalo, NY | 5,543 | 5,435 | 4,832 | (1.9) | 12.5 |
| Erie, PA | 5,152 | 5,104 | 4,377 | (0.9) | 16.6 |

- (1) Percents compare actual 2018 degree days to normal degree days and actual 2018 degree days to actual 2017 degree days.

**NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES**

EXPLORATION AND PRODUCTION INFORMATION

| | Three Months Ended March 31, | | | Six Months Ended March 31, | | |
|---|---------------------------------|---------------|------------------------|-------------------------------|---------------|------------------------|
| | 2018 | 2017 | Increase (Decrease) | 2018 | 2017 | Increase (Decrease) |
| <u>Gas Production/Prices:</u> | | | | | | |
| Production (MMcf) | | | | | | |
| Appalachia | 41,403 | 40,805 | 598 | 76,817 | 80,612 | (3,795) |
| West Coast | 675 | 737 | (62) | 1,370 | 1,513 | (143) |
| Total Production | <u>42,078</u> | <u>41,542</u> | <u>536</u> | <u>78,187</u> | <u>82,125</u> | <u>(3,938)</u> |
| Average Prices (Per Mcf) | | | | | | |
| Appalachia | \$ 2.46 | \$ 2.71 | \$ (0.25) | \$ 2.41 | \$ 2.54 | \$ (0.13) |
| West Coast | 4.40 | 4.57 | (0.17) | 4.70 | 4.40 | 0.30 |
| Weighted Average | 2.49 | 2.75 | (0.26) | 2.45 | 2.57 | (0.12) |
| Weighted Average after Hedging | 2.52 | 2.96 | (0.44) | 2.61 | 2.96 | (0.35) |
| <u>Oil Production/Prices:</u> | | | | | | |
| Production (Thousands of Barrels) | | | | | | |
| Appalachia | 1 | 2 | (1) | 2 | 2 | — |
| West Coast | 662 | 672 | (10) | 1,334 | 1,393 | (59) |
| Total Production | <u>663</u> | <u>674</u> | <u>(11)</u> | <u>1,336</u> | <u>1,395</u> | <u>(59)</u> |
| Average Prices (Per Barrel) | | | | | | |
| Appalachia | \$ 58.54 | \$ 49.87 | \$ 8.67 | \$ 49.82 | \$ 49.04 | \$ 0.78 |
| West Coast | 65.39 | \$ 47.96 | 17.43 | 61.61 | 45.75 | 15.86 |
| Weighted Average | 65.39 | 47.96 | 17.43 | 61.60 | 45.82 | 15.78 |
| Weighted Average after Hedging | 58.31 | 52.92 | 5.39 | 59.05 | 53.85 | 5.20 |
| Total Production (Mmcf) | <u>46,056</u> | <u>45,586</u> | <u>470</u> | <u>86,203</u> | <u>90,495</u> | <u>(4,292)</u> |
| <u>Selected Operating Performance Statistics:</u> | | | | | | |
| General & Administrative Expense per Mcfe ⁽¹⁾ | \$ 0.37 | \$ 0.36 | \$ 0.01 | \$ 0.36 | \$ 0.33 | \$ 0.03 |
| Lease Operating and Transportation Expense per Mcfe ⁽¹⁾⁽²⁾ | \$ 0.95 | \$ 0.93 | \$ 0.02 | \$ 0.97 | \$ 0.91 | \$ 0.06 |
| Depreciation, Depletion & Amortization per Mcfe ⁽¹⁾ | \$ 0.69 | \$ 0.63 | \$ 0.06 | \$ 0.69 | \$ 0.64 | \$ 0.05 |

(1) Refer to page 16 for the General and Administrative Expense, Lease Operating Expense and Depreciation, Depletion, and Amortization Expense for the Exploration and Production segment.

(2) Amounts include transportation expense of \$0.54 per Mcfe for both the three months ended March 31, 2018 and March 31, 2017. Amounts include transportation expense of \$0.54 per Mcfe for both the six months ended March 31, 2018 and March 31, 2017.

**NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES**

EXPLORATION AND PRODUCTION INFORMATION

| <u>Hedging Summary for the Remaining Six Months of Fiscal 2018</u> | <u>Volume</u> | <u>Average Hedge Price</u> |
|---|-------------------------|-----------------------------------|
| Oil Swaps | | |
| Brent | 228,000 BBL | \$ 63.55 / BBL |
| NYMEX | 840,000 BBL | \$ 52.67 / BBL |
| Total | 1,068,000 BBL | \$ 54.99 / BBL |
| Gas Swaps | | |
| NYMEX | 20,520,000 MMBTU | \$ 3.17 / MMBTU |
| DAWN | 3,600,000 MMBTU | \$ 3.00 / MMBTU |
| Fixed Price Physical Sales | 38,109,910 MMBTU | \$ 2.33 / MMBTU |
| Total | 62,229,910 MMBTU | \$ 2.65 / MMBTU |
| <u>Hedging Summary for Fiscal 2019</u> | <u>Volume</u> | <u>Average Hedge Price</u> |
| Oil Swaps | | |
| Brent | 612,000 BBL | \$ 61.26 / BBL |
| NYMEX | 1,068,000 BBL | \$ 53.42 / BBL |
| Total | 1,680,000 BBL | \$ 56.28 / BBL |
| Gas Swaps | | |
| NYMEX | 46,420,000 MMBTU | \$ 3.03 / MMBTU |
| DAWN | 7,200,000 MMBTU | \$ 3.00 / MMBTU |
| Fixed Price Physical Sales | 43,507,349 MMBTU | \$ 2.44 / MMBTU |
| Total | 97,127,349 MMBTU | \$ 2.76 / MMBTU |
| <u>Hedging Summary for Fiscal 2020</u> | <u>Volume</u> | <u>Average Hedge Price</u> |
| Oil Swaps | | |
| Brent | 600,000 BBL | \$ 59.60 / BBL |
| NYMEX | 324,000 BBL | \$ 50.52 / BBL |
| Total | 924,000 BBL | \$ 56.42 / BBL |
| Gas Swaps | | |
| NYMEX | 18,640,000 MMBTU | \$ 3.04 / MMBTU |
| DAWN | 7,200,000 MMBTU | \$ 3.00 / MMBTU |
| Fixed Price Physical Sales | 41,716,849 MMBTU | \$ 2.28 / MMBTU |
| Total | 67,556,849 MMBTU | \$ 2.57 / MMBTU |
| <u>Hedging Summary for Fiscal 2021</u> | <u>Volume</u> | <u>Average Hedge Price</u> |
| Oil Swaps | | |
| Brent | 300,000 BBL | \$ 60.00 / BBL |
| NYMEX | 156,000 BBL | \$ 51.00 / BBL |
| Total | 456,000 BBL | \$ 56.92 / BBL |
| Gas Swaps | | |
| NYMEX | 4,840,000 MMBTU | \$ 3.01 / MMBTU |
| DAWN | 600,000 MMBTU | \$ 3.00 / MMBTU |
| Fixed Price Physical Sales | 41,937,357 MMBTU | \$ 2.22 / MMBTU |
| Total | 47,377,357 MMBTU | \$ 2.31 / MMBTU |
| <u>Hedging Summary for Fiscal 2022</u> | <u>Volume</u> | <u>Average Hedge Price</u> |
| Oil Swaps | | |
| NYMEX | 156,000 BBL | \$ 51.00 / BBL |
| Fixed Price Physical Sales | 40,839,635 MMBTU | \$ 2.23 / MMBTU |
| <u>Hedging Summary for Fiscal 2023</u> | <u>Volume</u> | <u>Average Hedge Price</u> |
| Fixed Price Physical Sales | 37,376,584 MMBTU | \$ 2.26 / MMBTU |
| <u>Hedging Summary for Fiscal 2024</u> | <u>Volume</u> | <u>Average Hedge Price</u> |
| Fixed Price Physical Sales | 20,111,036 MMBTU | \$ 2.24 / MMBTU |
| <u>Hedging Summary for Fiscal 2025</u> | <u>Volume</u> | <u>Average Hedge Price</u> |
| Fixed Price Physical Sales | 2,293,200 MMBTU | \$ 2.18 / MMBTU |

**NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES**

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

| | Three Months Ended March 31, | | | Six Months Ended March 31, | | |
|--------------------------------------|----------------------------------|----------------|------------------------|-------------------------------|----------------|------------------------|
| | 2018 | 2017 | Increase (Decrease) | 2018 | 2017 | Increase (Decrease) |
| | Firm Transportation - Affiliated | 47,551 | 43,243 | 4,308 | 82,392 | 74,850 |
| Firm Transportation - Non-Affiliated | 152,128 | 170,124 | (17,996) | 323,989 | 329,298 | (5,309) |
| Interruptible Transportation | 1,165 | 971 | 194 | 2,046 | 4,017 | (1,971) |
| | <u>200,844</u> | <u>214,338</u> | <u>(13,494)</u> | <u>408,427</u> | <u>408,165</u> | <u>262</u> |

Gathering Volume - (MMcf)

| | Three Months Ended March 31, | | | Six Months Ended March 31, | | |
|--|---------------------------------|---------------|------------------------|-------------------------------|---------------|------------------------|
| | 2018 | 2017 | Increase (Decrease) | 2018 | 2017 | Increase (Decrease) |
| | Gathered Volume - Affiliated | <u>51,374</u> | <u>50,598</u> | <u>776</u> | <u>94,536</u> | <u>101,167</u> |

Utility Throughput - (MMcf)

| | Three Months Ended March 31, | | | Six Months Ended March 31, | | |
|-------------------|---------------------------------|---------------|------------------------|-------------------------------|---------------|------------------------|
| | 2018 | 2017 | Increase (Decrease) | 2018 | 2017 | Increase (Decrease) |
| | Retail Sales: | | | | | |
| Residential Sales | 28,568 | 24,949 | 3,619 | 46,415 | 40,713 | 5,702 |
| Commercial Sales | 4,500 | 3,903 | 597 | 7,096 | 6,202 | 894 |
| Industrial Sales | 287 | 157 | 130 | 431 | 234 | 197 |
| | <u>33,355</u> | <u>29,009</u> | <u>4,346</u> | <u>53,942</u> | <u>47,149</u> | <u>6,793</u> |
| Off-System Sales | 119 | 1,122 | (1,003) | 141 | 1,295 | (1,154) |
| Transportation | 29,624 | 27,089 | 2,535 | 51,051 | 46,654 | 4,397 |
| | <u>63,098</u> | <u>57,220</u> | <u>5,878</u> | <u>105,134</u> | <u>95,098</u> | <u>10,036</u> |

Energy Marketing Volume

| | Three Months Ended March 31, | | | Six Months Ended March 31, | | |
|--|---------------------------------|---------------|------------------------|-------------------------------|---------------|------------------------|
| | 2018 | 2017 | Increase (Decrease) | 2018 | 2017 | Increase (Decrease) |
| | Natural Gas (MMcf) | <u>16,112</u> | <u>14,120</u> | <u>1,992</u> | <u>28,091</u> | <u>25,248</u> |

**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 Adjusted 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 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 Adjusted Operating Results as reported GAAP earnings before items impacting comparability. The following table reconciles National Fuel's reported GAAP earnings to Adjusted Operating Results for the three and six months ended March 31, 2018 and 2017:

| <i>(in thousands except per share amounts)</i> | Three Months Ended March 31, | | Six Months Ended March 31, | |
|--|---------------------------------|------------------|-------------------------------|-------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | Reported GAAP Earnings | \$ 91,847 | \$ 89,284 | \$ 290,501 |
| Items impacting comparability | | | | |
| Remeasurement of deferred income taxes under 2017 Tax Reform | 4,000 | — | (107,000) | — |
| Adjusted Operating Results | \$ 95,847 | \$ 89,284 | \$ 183,501 | \$ 178,191 |
| Reported GAAP Earnings per share | \$ 1.06 | \$ 1.04 | \$ 3.37 | \$ 2.07 |
| Items impacting comparability | | | | |
| Remeasurement of deferred income taxes under 2017 Tax Reform | 0.05 | — | (1.24) | — |
| Adjusted Operating Results per share | \$ 1.11 | \$ 1.04 | \$ 2.13 | \$ 2.07 |

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

The following tables reconcile National Fuel's reported GAAP earnings to Adjusted EBITDA for the three and six months ended March 31, 2018 and 2017:

| <i>(in thousands)</i> | Three Months Ended March 31, | | Six Months Ended March 31, | |
|--|---------------------------------|-------------------|-------------------------------|-------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | Reported GAAP Earnings | \$ 91,847 | \$ 89,284 | \$ 290,501 |
| Depreciation, Depletion and Amortization | 61,155 | 56,999 | 116,985 | 113,194 |
| Interest and Other Income | (1,795) | (2,135) | (5,767) | (5,347) |
| Interest Expense | 28,381 | 29,837 | 56,971 | 59,850 |
| Income Taxes | 38,269 | 52,971 | (43,007) | 109,403 |
| Adjusted EBITDA | \$ 217,857 | \$ 226,956 | \$ 415,683 | \$ 455,291 |
| Adjusted EBITDA by Segment | | | | |
| Pipeline and Storage Adjusted EBITDA | \$ 50,142 | \$ 49,103 | \$ 100,915 | \$ 97,116 |
| Gathering Adjusted EBITDA | 24,138 | 24,172 | 44,869 | 49,273 |
| Total Midstream Businesses Adjusted EBITDA | 74,280 | 73,275 | 145,784 | 146,389 |
| Exploration and Production Adjusted EBITDA | 78,770 | 93,970 | 158,264 | 196,447 |
| Utility Adjusted EBITDA | 66,013 | 61,580 | 112,997 | 113,909 |
| Energy Marketing Adjusted EBITDA | 924 | 1,382 | 2,606 | 4,230 |
| Corporate and All Other Adjusted EBITDA | (2,130) | (3,251) | (3,968) | (5,684) |
| Total Adjusted EBITDA | \$ 217,857 | \$ 226,956 | \$ 415,683 | \$ 455,291 |

**NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES
NON-GAAP FINANCIAL MEASURES
SEGMENT ADJUSTED EBITDA**

| <i>(in thousands)</i> | Three Months Ended | | Six Months Ended | |
|--|--------------------|-------------------|-------------------|-------------------|
| | March 31, | | March 31, | |
| | 2018 | 2017 | 2018 | 2017 |
| <u>Exploration and Production Segment</u> | | | | |
| Reported GAAP Earnings | \$ 26,537 | \$ 33,769 | \$ 133,235 | \$ 68,849 |
| Depreciation, Depletion and Amortization | 31,986 | 28,851 | 59,411 | 57,905 |
| Interest and Other Income | (305) | (147) | (601) | (233) |
| Interest Expense | 13,380 | 13,303 | 26,753 | 26,826 |
| Income Taxes | 7,172 | 18,194 | (60,534) | 43,100 |
| Adjusted EBITDA | <u>\$ 78,770</u> | <u>\$ 93,970</u> | <u>\$ 158,264</u> | <u>\$ 196,447</u> |
| <u>Pipeline and Storage Segment</u> | | | | |
| Reported GAAP Earnings | \$ 22,724 | \$ 19,256 | \$ 61,186 | \$ 38,624 |
| Depreciation, Depletion and Amortization | 10,838 | 10,476 | 21,434 | 20,138 |
| Interest and Other Income | (817) | (1,126) | (2,107) | (2,085) |
| Interest Expense | 7,875 | 8,342 | 15,752 | 16,688 |
| Income Taxes | 9,522 | 12,155 | 4,650 | 23,751 |
| Adjusted EBITDA | <u>\$ 50,142</u> | <u>\$ 49,103</u> | <u>\$ 100,915</u> | <u>\$ 97,116</u> |
| <u>Gathering Segment</u> | | | | |
| Reported GAAP Earnings | \$ 11,770 | \$ 10,285 | \$ 57,169 | \$ 21,266 |
| Depreciation, Depletion and Amortization | 4,227 | 3,997 | 8,315 | 7,877 |
| Interest and Other Income | (419) | (207) | (815) | (354) |
| Interest Expense | 2,508 | 2,235 | 4,847 | 4,328 |
| Income Taxes | 6,052 | 7,862 | (24,647) | 16,156 |
| Adjusted EBITDA | <u>\$ 24,138</u> | <u>\$ 24,172</u> | <u>\$ 44,869</u> | <u>\$ 49,273</u> |
| <u>Utility Segment</u> | | | | |
| Reported GAAP Earnings | \$ 33,360 | \$ 25,581 | \$ 54,353 | \$ 46,755 |
| Depreciation, Depletion and Amortization | 13,340 | 13,314 | 26,665 | 26,415 |
| Interest and Other Income | (648) | (189) | (1,123) | (415) |
| Interest Expense | 6,857 | 7,194 | 13,695 | 14,392 |
| Income Taxes | 13,104 | 15,680 | 19,407 | 26,762 |
| Adjusted EBITDA | <u>\$ 66,013</u> | <u>\$ 61,580</u> | <u>\$ 112,997</u> | <u>\$ 113,909</u> |
| <u>Energy Marketing Segment</u> | | | | |
| Reported GAAP Earnings | \$ 578 | \$ 905 | \$ 1,624 | \$ 2,687 |
| Depreciation, Depletion and Amortization | 68 | 70 | 138 | 140 |
| Interest and Other Income | (183) | (171) | (320) | (306) |
| Interest Expense | — | 11 | 12 | 24 |
| Income Taxes | 461 | 567 | 1,152 | 1,685 |
| Adjusted EBITDA | <u>\$ 924</u> | <u>\$ 1,382</u> | <u>\$ 2,606</u> | <u>\$ 4,230</u> |
| <u>Corporate and All Other</u> | | | | |
| Reported GAAP Earnings | \$ (3,122) | \$ (512) | \$ (17,066) | \$ 10 |
| Depreciation, Depletion and Amortization | 696 | 291 | 1,022 | 719 |
| Interest and Other Income | 577 | (295) | (801) | (1,954) |
| Interest Expense | (2,239) | (1,248) | (4,088) | (2,408) |
| Income Taxes | 1,958 | (1,487) | 16,965 | (2,051) |
| Adjusted EBITDA | <u>\$ (2,130)</u> | <u>\$ (3,251)</u> | <u>\$ (3,968)</u> | <u>\$ (5,684)</u> |

**NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES**

| <u>Quarter Ended March 31 (unaudited)</u> | <u>2018</u> | <u>2017</u> |
|--|------------------|------------------|
| Operating Revenues | \$ 540,905,000 | \$ 522,075,000 |
| Net Income Available for Common Stock | \$ 91,847,000 | \$ 89,284,000 |
| Earnings Per Common Share | | |
| Basic | \$ 1.07 | \$ 1.05 |
| Diluted | \$ 1.06 | \$ 1.04 |
| Weighted Average Common Shares: | | |
| Used in Basic Calculation | 85,809,233 | 85,334,887 |
| Used in Diluted Calculation | 86,323,636 | 86,006,614 |
| <u>Six Months Ended March 31 (unaudited)</u> | | |
| Operating Revenues | \$ 960,561,000 | \$ 944,576,000 |
| Net Income Available for Common Stock | \$ 290,501,000 | \$ 178,191,000 |
| Earnings Per Common Share: | | |
| Basic | \$ 3.39 | \$ 2.09 |
| Diluted | \$ 3.37 | \$ 2.07 |
| Weighted Average Common Shares: | | |
| Used in Basic Calculation | 85,718,779 | 85,261,575 |
| Used in Diluted Calculation | 86,318,892 | 85,897,282 |
| <u>Twelve Months Ended March 31 (unaudited)</u> | | |
| Operating Revenues | \$ 1,595,866,000 | \$ 1,572,665,000 |
| Net Income Available for Common Stock | \$ 395,792,000 | \$ 224,030,000 |
| Earnings Per Common Share | | |
| Basic | \$ 4.62 | \$ 2.63 |
| Diluted | \$ 4.59 | \$ 2.61 |
| Weighted Average Common Shares: | | |
| Used in Basic Calculation | 85,592,904 | 85,114,029 |
| Used in Diluted Calculation | 86,232,666 | 85,738,474 |