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6363 MAIN STREET/WILLIAMSVILLE, NY 14221/TEL 800-634-5440
www.nationalfuelgas.com

MEMBERS OF THE MEDIA, FOR ADDITIONAL INFORMATION:

Donna L. DeCarolis – 716-857-7872

Seneca Resources Announces Gulf of Mexico Divestiture and Marcellus Shale Milestone

(March 9, 2011) WILLIAMSVILLE, N.Y. – Seneca Resources Corporation ("Seneca"), a wholly owned subsidiary of National Fuel Gas Company (NYSE: NFG) ("National Fuel" or the "Company"), today announced that it has entered into an agreement to sell its offshore Gulf of Mexico oil and natural gas producing properties for $70 million. The sale has an effective date of Jan. 1, 2011, and is expected to close by the end of April. In accordance with full cost accounting rules, the sale proceeds will be applied against the company's full cost pool so as to reduce Seneca's capitalized costs, and no gain or loss will result from the transaction.

"Over the last few years, Seneca's exploration and development efforts have increasingly focused on our Appalachian and California assets," said David F. Smith, Chairman and Chief Executive Officer of National Fuel. "Seneca has not made substantial investments in the Gulf Coast for a number of years. This sale allows us to recover the remainder of Seneca's investment quickly. We look forward to redeploying these proceeds to Seneca's long-term growth opportunities in the Marcellus Shale."

Also, Seneca recently reached a major milestone with a daily net production rate of more than 100 million cubic feet ("MMcf") per day from the Marcellus Shale. As of March 7, 2011, Marcellus net production was approximately 120 MMcf per day from 32 operated and 27 non-operated Marcellus Shale wells. Seneca is one of the industry-leading operators in terms of Marcellus production per well.

"Longer laterals and more frac stages have allowed us to achieve outstanding results," said Matt Cabell, President of Seneca. "While our well costs have increased as a result of additional frac stages and increased service company charges, this has been offset by higher anticipated estimated ultimate recovery ("EUR") factors. We are now anticipating well costs of $5.0 - $6.4 million for wells with up to 20 frac stages and lateral lengths reaching over 6,000 feet. Taking these factors into account, we expect to see results continue to improve over time, with some of our best wells achieving EURs of 8 Bcf. At a natural gas price of $4.00 per MMBtu, the pre-tax internal rates of return are still exceptional, ranging from 20 percent to better than 65 percent."

"Achieving a 100 MMcf per day production rate also reflects the talent of our operating team in the East division," added Mr. Smith. "With our vast acreage position in the Marcellus, we are well positioned to continue to grow production for years to come."

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As a result of the above, the Company's production forecast for the entire 2011 fiscal year has been adjusted due to the sale of the Gulf and due to increased production from the Marcellus to a new range between 64 and 71 billion cubic feet equivalent ("Bcfe"), as compared to the previous range of 65 to 75 Bcfe. This range includes 33 to 37 Bcfe from the Marcellus Shale. In addition, the Company's capital spending in the Exploration and Production segment for fiscal 2011 is now expected to be in the range of $600 to $655 million, up from the previously announced range of $485 to $560 million.

The Company is also revising its consolidated GAAP earnings guidance range for fiscal 2011 to a range of $2.70 to $2.95 per share. The previous earnings guidance had been a range of $2.75 to $3.00 per share, which assumed a non-recurring gain on the sale of landfill gas electric generation assets. The sale of these assets closed on Feb. 14, 2011, and remains included in our updated earnings guidance.

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

Certain statements contained herein, including production forecasts, earnings guidance and statements that are identified by use of the words "anticipates," "estimates," "expects," "forecasts," "intends," "plans," "predicts," "projects," "believes," "seeks," "will," "may" and similar expressions, are "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties, which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. The Company's expectations, beliefs and projections contained herein are expressed in good faith and are believed to have a reasonable basis, but there can be no assurance that such expectations, beliefs or projections will result or be achieved or accomplished. In addition to other factors, the following are important factors that could cause actual results to differ materially from those discussed in the forward-looking statements: financial and economic conditions, including the availability of credit, and occurrences affecting the Company's ability to obtain financing on acceptable terms for working capital, capital expenditures and other investments, including any downgrades in the Company's credit ratings and changes in interest rates and other capital market conditions; changes in economic conditions, including global, national or regional recessions, and their effect on the demand for, and customers' ability to pay for, the Company's products and services; the creditworthiness or performance of the Company's key suppliers, customers and counterparties; economic disruptions or uninsured losses resulting from terrorist activities, acts of war, major accidents, fires, hurricanes, other severe weather, pest infestation or other natural disasters; factors affecting the Company's ability to successfully identify, drill for and produce economically viable natural gas and oil reserves, including among others geology, lease availability, weather conditions,

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shortages, delays or unavailability of equipment and services required in drilling operations, insufficient gathering, processing and transportation capacity, the need to obtain governmental approvals and permits, and compliance with environmental laws and regulations; changes in laws and regulations to which the Company is subject, including those involving derivatives, taxes, safety, employment, climate change, other environmental matters, and exploration and production activities such as hydraulic fracturing; uncertainty of oil and gas reserve estimates; significant differences between the Company's projected and actual production levels for natural gas or oil; significant changes in market dynamics or competitive factors affecting the Company's ability to retain existing customers or obtain new customers; changes in demographic patterns and weather conditions; changes in the availability and/or price of natural gas or oil and the effect of such changes on the accounting treatment of derivative financial instruments; impairments under the SEC's full cost ceiling test for natural gas and oil reserves; changes in the availability and/or cost of derivative financial instruments; changes in the price differential between similar quantities of natural gas at different geographic locations, and the effect of such changes on the demand for pipeline transportation capacity to or from such locations; other changes in price differentials between similar quantities of oil or natural gas having different quality, heating value, geographic location or delivery date; changes in the projected profitability of pending or potential projects, investments or transactions; significant differences between the Company's projected and actual capital expenditures and operating expenses; delays or changes in costs or plans with respect to Company projects or related projects of other companies, including difficulties or delays in obtaining necessary governmental approvals, permits or orders or in obtaining the cooperation of interconnecting facility operators; governmental/regulatory actions, initiatives and proceedings, including those involving derivatives, acquisitions, financings, rate cases (which address, among other things, allowed rates of return, rate design and retained natural gas), affiliate relationships, industry structure, franchise renewal, and environmental/safety requirements; unanticipated impacts of restructuring initiatives in the natural gas and electric industries; ability to successfully identify and finance acquisitions or other investments and ability to operate and integrate existing and any subsequently acquired business or properties; changes in 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; significant changes in tax rates or policies or in rates of inflation or interest; significant changes in the Company's relationship with its employees or contractors and the potential adverse effects if labor disputes, grievances or shortages were to occur; changes in accounting principles or the application of such principles to the Company; the cost and effects of legal and administrative claims against the Company or activist shareholder campaigns to effect changes at the Company; 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 hereof.

Analyst Contact: Timothy J. Silverstein **716-857-6987**

Media Contact: Donna L. DeCarolis **716-857-7872**

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