National Fuel Reports 2006 Earnings

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WILLIAMSVILLE, N.Y.--(BUSINESS WIRE)--Nov. 9, 2006--National Fuel Gas Company ("National Fuel" or the "Company") (NYSE:NFG) today announced results for its fourth quarter and fiscal year ended September 30, 2006.

HIGHLIGHTS

- Reported GAAP earnings for the quarter and fiscal year of $0.02 and $1.61 per share, respectively, were down $0.55 per share from the prior year's fourth quarter and $0.62 from the prior year mostly due to the previously announced full cost ceiling test impairments.

- Quarterly operating results before items impacting comparability were $0.36 per share, a 125 percent increase over the prior year, mostly due to higher average commodity prices realized in the Exploration and Production segment.

- Fiscal year operating results before items impacting comparability were $2.25 per share, a 30 percent increase, also due to higher average commodity prices.

- Production of crude oil and natural gas volumes for the quarter and fiscal year were 12.1 billion cubic feet equivalent ("Bcfe") and 47.4 Bcfe, respectively, and were in line with the Company's guidance.

- The Company's expected fiscal 2007 production remains at the previously announced level of 47 to 52 Bcfe.* Based on recent reductions in crude oil and natural gas pricing strips, the Company is revising its earnings guidance for fiscal 2007 to a range of $2.10 to $2.30 per share. Earnings guidance had previously been $2.60 to $2.80 per share.*

- A conference call is scheduled for Friday, November 10, 2006 at 11:00 am Eastern Standard Time.

MANAGEMENT COMMENTS

Philip C. Ackerman, Chairman and Chief Executive Officer of National Fuel Gas Company stated: "This year, the continued volatility of commodity prices caused us to experience non-cash write downs of our Canadian exploration and production properties in the third and fourth quarters. Absent these write downs, consolidated earnings improved dramatically. Similarly, cash provided by operating activities improved substantially, reaching $471 million, and was sufficient to fund an increase in capital spending, an increase in our dividend, and the repurchase of more than 2,000,000 shares of stock. Our balance sheet remains solid, with an equity component growing to more than 56 percent of our capital structure, and strong operational results in all of our business segments reflect the continued dedication of the Company's employees."

SUMMARY OF RESULTS

National Fuel had consolidated earnings for the quarter ended September 30, 2006 of $2.0 million, or $0.02 per share, a decrease of $47.2 million, or $0.55 per share, from the prior year's fourth quarter of $49.2 million or $0.57 per share. (note: all references to earnings per share are to diluted earnings per share and all amounts are stated in U.S. dollars).

Consolidated earnings for the fiscal year ended September 30, 2006 were $138.1 million, or $1.61 per share, a decrease of $51.4 million, or $0.62 per share, from the prior year's earnings of $189.5 million or $2.23 per share. Please refer to the table below to view the effect of items impacting comparability for both the quarterly and twelve-month periods.

	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2006	2005	2006	2005
(in thousands except per share amounts)				
Reported GAAP earnings	$1,968	$49,211	$138,091	$189,488
Items impacting				

comparability:				
Income from discontinued operations1		(30,900)		(35,973)
Impairment of Canadian oil and gas producing properties2	29,144		68,646	
Income tax adjustments2			(11,202)	
Out-of-period symmetrical sharing adjustment2			(2,551)	
Gain associated with insurance proceeds2		(3,885)		(3,885)
Gain on sale of base gas2				(2,636)
Operating results	$31,112	$14,426	$192,984	$146,994
Reported GAAP earnings per share	$0.02	$0.57	$1.61	$2.23
Items impacting comparability:				
Income from discontinued operations1		(0.36)		(0.42)
Impairment of Canadian oil and gas producing properties2	0.34		0.80	
Income tax adjustments2			(0.13)	
Out-of-period symmetrical sharing adjustment2			(0.03)	
Gain associated with insurance proceeds2		(0.05)		(0.05)
Gain on sale of base gas2				(0.03)
Operating results	$0.36	$0.16	$2.25	$1.73

1 National Fuel presents the earnings of United Energy, a.s. ("United Energy"), its former operations in the Czech Republic, as "Income from Discontinued Operations."

2 See discussion of these items below.

As outlined in the table above, certain items included in GAAP earnings impacted the comparability of the Company's operating results when comparing the fourth quarter of 2006 to the fourth quarter of 2005 and the annual results for fiscal 2006 to those for fiscal 2005. Excluding these items, operating results for the current fourth quarter were $31.1 million, or $0.36 per share, an increase of $16.7 million, or $0.20 per share, over the prior year's quarter. Operating results for fiscal 2006 of $193.0 million, or $2.25 per share, increased $46.0 million, or $0.52 per share, compared to the prior year. Items impacting comparability will be discussed in more detail within the discussion of segment earnings below.

DISCUSSION OF RESULTS BY SEGMENT

(The following discussion of the earnings of each segment is summarized in a tabular form in this report. It may be helpful to refer to those tables while reviewing this discussion.)

Utility Segment

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

approximately $1.4 million, or $0.02 per share, for the quarter ended September 30, 2006 improved from a loss of $6.1 million, or $0.07 per share, in the prior year's fourth quarter. Annual earnings of $49.8 million, or $0.58 per share, for the Utility segment were up $10.6 million, or $0.12 per share, compared to $39.2 million, or $0.46 per share, in fiscal 2005.

In the fourth quarter, Distribution's New York Division recorded a loss of $0.6 million which represents an improvement from a loss of $2.9 million for the fourth quarter of 2005. In Distribution's Pennsylvania Division, the loss for the quarter of approximately $0.8 million improved from a loss of $3.2 million in the prior year's fourth quarter. The improvement in earnings in both Divisions was due primarily to lower bad debt expense. In the fourth quarter of 2005, Distribution increased the allowance for uncollectible accounts in its New York and Pennsylvania divisions to reflect the increase in final billed account balances and the increased age of outstanding active receivables heading into the heating season. A similar adjustment to the allowance balance was not required in 2006. In addition, in the New York Division, higher usage per account during the quarter and the impact of the last rate case also contributed to the improvement. These positive impacts were partially offset by a higher effective tax rate due to positive tax adjustments recorded in 2005 that did not recur in 2006.

For the year ended September 30, 2006, earnings in Distribution's New York Division of $40.0 million increased $9.2 million compared to the prior year. The comparability of the fiscal year results is impacted by a $2.6 million positive out-of-period adjustment recorded in the first quarter of fiscal 2006 to correct Distribution's calculation of the symmetrical sharing component of New York's gas adjustment rate. The increase in operating results is due to the impact of the last rate settlement and the absence of two negative adjustments recorded in 2005 to true-up regulatory liabilities that did not recur in 2006. Partially offsetting these increases to operating results were lower average usage per account overall for the year, higher bad debt (on an annual basis), pension, and interest expense, and a higher effective tax rate.

For the fiscal year ended September 30, 2006, earnings in Distribution's Pennsylvania Division of $9.8 million, increased $1.4 million, or $0.02 per share, compared to the prior year. Earnings increased mainly due to the positive impact of the last rate settlement combined with lower bad debt expense. Partially offsetting this increase was warmer weather and lower usage per account. In addition, a higher effective tax rate partially offset the increase in earnings.

Pipeline and Storage Segment

The Pipeline and Storage segment operations are carried out by National Fuel Gas Supply Corporation ("Supply Corporation") and Empire State Pipeline ("Empire"). These companies provide 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 western Pennsylvania.

The Pipeline and Storage segment's earnings of $10.2 million, or $0.12 per share, for the quarter ended September 30, 2006, decreased $8.6 million, or $0.10 per share, when compared with the same period in the prior fiscal year. The comparability of the results for the quarter is impacted by a $3.9 million gain associated with insurance proceeds received in a prior year for which a contingency (related to possible migration of storage gas) was resolved during last year's fourth quarter. Excluding that gain, operating results decreased $4.7 million mainly due to lower efficiency gas revenue resulting from a lower of cost or market adjustment of $4.7 million (after tax) to the value of efficiency gas held in inventory at the end of the quarter. The value of the efficiency gas inventory was adjusted to current market prices at September 30, 2006. In addition, higher pension and other operating expenses, partially offset by lower expenses for preliminary project costs associated with the Empire Connector project, contributed to the decrease in earnings.

Earnings of $55.6 million, or $0.65 per share, for the fiscal year ended September 30, 2006, decreased $4.8 million, or $0.06 per share, when compared with the fiscal year ended September 30, 2005. The comparability of the fiscal year results is impacted by the $3.9 million gain in 2005 associated with insurance proceeds described above and a $2.6 million gain in 2005 on the sale of base gas from Supply Corporation's jointly-owned Ellisburg Storage Field. The increase in operating results of $1.7 million, or $0.02 per share, is due to higher transportation and storage revenues and a lower effective tax rate that more than offset lower efficiency gas revenues (including the impact of the lower of cost or market adjustment).

Exploration and Production Segment

The Exploration and Production segment operations are carried out by Seneca Resources Corporation ("Seneca"). Seneca explores for, develops and purchases natural gas and oil reserves in California, in the Appalachian region, in the Gulf Coast region of Texas, Louisiana and Alabama, and in the western provinces of Canada.

The Exploration and Production segment's loss in the fourth quarter of fiscal 2006 of $7.2 million, or $0.08 per share, is a decrease of $18.9 million, or $0.21 per share, when compared with the prior year's fourth quarter. The decrease was mainly due to the previously announced non-cash charge of $29.1 million (after tax) to write down the value of Seneca's Canadian oil and natural gas producing properties.

Seneca uses the full cost method of accounting for determining the book value of its oil and natural gas properties. This method requires that Seneca perform a quarterly "ceiling test" to compare, on a country-by-country basis, the present value of future revenues from its oil and natural gas reserves based on period-end spot prices ("the ceiling") with the book value of those reserves at the balance sheet date. If the book value of the reserves in any country exceeds the ceiling, a non-cash charge must be recorded to reduce the book value of the reserves to the calculated ceiling. For purposes of calculating the ceiling, Seneca values its Canadian reserves (of which more than 80 percent are natural gas) at commodity prices on the last day of the quarter. Seneca determines this quarter-end price by reference to a Canadian current cash index price, a price quoted by Alberta Energy Company or "AECO." That price had declined from approximately CDN $7.30/MMBtu at the end of March 2006 to CDN $5.50/MMBtu at the end of June 2006 and to CDN $3.70/MMBtu at September 30, 2006 (MMBtu is the designation for one million British Thermal Units, a measure of heating value. One MMBtu is approximately equivalent to one thousand cubic feet, or one Mcf, of natural gas). At November 8, 2006, the AECO cash index price had rebounded to approximately CDN $7.50/MMBtu. If Seneca's Canadian reserves had been valued at that price, no impairment would have been recorded. In the United States, Seneca had a ceiling test cushion (i.e. the present value of future net revenue exceeded the book value) of approximately $200.0 million at September 30, 2006.

Excluding the impact of the ceiling test this quarter, Seneca's earnings were $22.0 million, or $0.26 per share, an increase of $10.3 million, or $0.13 per share, compared to the fourth quarter of the prior year. The increase was primarily due to higher weighted average crude oil prices after hedging, as well as the impact of a mark-to-market adjustment recorded in the fourth quarter of 2005 that did not recur in 2006. That adjustment related to losses on certain derivatives contracts that no longer qualified as effective hedges due to anticipated delays in oil and gas production volumes caused by Hurricane Rita. This increase was partially offset by slightly lower natural gas prices and a 0.6 Bcfe decline in production. For the quarter ended September 30, 2006, the weighted average oil price (after hedging) was $45.73/barrel ("Bbl"), an increase of $15.03/Bbl from the prior year's quarter and the weighted average natural gas price (after hedging) was $6.36/Mcf, a decrease of $0.41/Mcf from the prior year's quarter.

Earnings of $21.0 million, or $0.24 per share, for the fiscal year ended September 30, 2006 decreased $29.7 million, or $0.36 per share, when compared with the year ended September 30, 2005. The comparability of the fiscal year results is impacted by the two non-cash charges totaling $68.6 million (after tax) to write down the value of Seneca's Canadian oil and natural gas producing properties described above and in the Company's third quarter earnings release, and certain positive tax adjustments recorded in the second and third quarters of fiscal 2006. In the second quarter, Seneca recognized a $5.1 million benefit to earnings that resulted from an adjustment to a deferred income tax balance. Under generally accepted accounting principles, a company may recognize the benefit of certain expected future income tax deductions as a deferred tax asset only if it anticipates sufficient future taxable income to utilize those deductions. As a result of changing circumstances, Seneca increased its forecast of future taxable income in the Canadian division and, consequently, recorded a deferred tax asset for certain costs related to capital expenditures that it now expects to deduct on future income tax returns. In the third quarter, Seneca recognized a $6.1 million benefit to earnings related to income taxes. The Company reversed a valuation allowance associated with the capital loss carryforward that resulted from the 2003 sale of certain Seneca oil properties and also recognized a tax benefit related to the favorable resolution of certain open tax issues.

Excluding the items that impacted comparability, annual operating results in the Exploration and Production segment increased $27.8 million, or $0.31 per share, from the prior year. This increase is mainly due to higher weighted average natural gas and oil prices after hedging that were partially offset by lower production volumes. For the year ended September 30, 2006, the weighted average oil price (after hedging) was $41.10/Bbl, an increase of $13.24/Bbl, or 47.5 percent, from the prior year and the weighted average natural gas price (after hedging) was $7.15/Mcf, an increase of $0.92/Mcf, or 14.8 percent, from the prior year. These price increases more than offset a 5.0 Bcfe decline in production. More than 4.0 Bcfe of the decline was due to production shut-ins resulting from Hurricane Rita.

The increase in annual operating results also reflects the positive impact of a mark-to-market adjustment recorded in the fourth quarter of 2005 for losses on certain derivatives contracts that no longer qualified as effective hedges that did not recur in 2006 as described above.

Energy Marketing

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

The Energy Marketing segment's net loss for the quarter of $0.1 million compares to earnings of $0.2 million in the fourth quarter last year. This decrease is mainly due to a slight decrease in margin.

Earnings for the year ended September 30, 2006 in the Energy Marketing segment of $5.8 million, or $0.07 per share, increased $0.7 million, or $0.01 per share, from the prior year due to higher margins offset partially by higher operating expenses.

Timber Segment

The Timber segment operations are carried out by Highland Forest Resources, Inc. ("Highland") and Seneca's Northeast Division. This segment markets high quality hardwoods from its New York and Pennsylvania land holdings and owns two sawmill/dry kiln operations in northwestern Pennsylvania.

The Timber segment's fourth quarter earnings of $0.5 million compared to $0.8 million in the prior year's fourth quarter. The decrease is due to lower margins during the quarter.

Earnings for the year ended September 30, 2006 of $5.7 million, or $0.07 per share, increased $0.7 million, or $0.01 per share, from the prior year's earnings. The increase is due to higher margins overall for the fiscal year.

Corporate and All Other

Other direct, wholly-owned subsidiaries of the Company include Horizon Energy Development, Inc., a corporation formerly engaged in the development of international power projects, Horizon LFG, Inc., a corporation engaged, through subsidiaries, in the purchase, processing, transportation and sale of landfill gas, and Horizon Power, Inc. ("Horizon Power"), a corporation that develops and owns independent electric generation facilities which are fueled by natural gas or landfill gas.

Break-even earnings in the quarter for this category decreased $23.8 million or $0.29 per share when compared to the prior year's fourth quarter. Excluding earnings from discontinued operations of $30.9 million, operating results improved from a loss of $7.2 million in the fourth quarter of 2005 to breakeven results for the fourth quarter of 2006. Annual earnings of $0.2 million decreased $28.9 million, or $0.34 per share, when compared to the prior year. Excluding earnings from discontinued operations of $36.0 million, operating results improved from a loss of $6.9 million in fiscal year 2005 to income of $0.2 million in fiscal year 2006. The loss during last year's fourth quarter and fiscal year included an impairment in the value of the Horizon Power's 50 percent investment in Energy Systems North East, LLC, a partnership that owns an 80-megawatt natural gas-fired combined cycle power plant, and an impairment of a gas-fired turbine Horizon Power had previously planned to use in the development of an independent power plant.

SHARE REPURCHASES

During the quarter, the Company repurchased in the open market 242,200 shares of its common stock pursuant to the authorization of the Company's Board of Directors to repurchase up to 8,000,000 shares of its common stock. Through September 30, 2006, the Company has repurchased 2,526,550 shares pursuant to this authorization. Depending upon other investment opportunities, and subject to market conditions, such purchases may continue from time to time.* The Company estimates that the share repurchases had no meaningful impact upon the calculated diluted earnings per share for the quarter. For the year ended September 30, 2006, the Company estimates that the calculated diluted earnings per share were increased by $0.017 per share as a result of the share repurchases.

With respect to the earnings guidance discussed below, the Company has not incorporated any additional share repurchases into its earnings per share guidance. The Company continues to view share repurchases as a good use of its cash, and will continue to consider repurchasing shares up to the full 8,000,000 repurchase authorization of its Board of Directors.* The Company cannot predict with any certainty the timing of those repurchases or the impact of those repurchases on the calculation of earnings per

share.

EARNINGS GUIDANCE

The Company's consolidated earnings guidance for fiscal 2007 is in the range of $2.10 to $2.30 per share.* This guidance includes a revision in New York Mercantile Exchange ("NYMEX") futures pricing for the unhedged portion of Seneca's projected production. The NYMEX futures closing prices on September 21, 2006 are incorporated into this current guidance on a consolidated basis, and are shown in this release. An earnings sensitivity is also shown in this release. Changes in actual prices from the NYMEX prices shown in the table, will affect earnings accordingly.

Following a growing trend by other public companies, National Fuel will provide earnings guidance only on its consolidated earnings and will no longer provide earnings guidance by segment or by future quarterly periods. Based on certain corporate events, National Fuel will update its annual guidance as necessary.

For its 2007 fiscal year, the $2.10 to $2.30 earnings guidance range includes:

Exploration and Production segment

- Production between 47 and 52 Bcfe.*
- Pricing based on September 21, 2006 NYMEX futures pricing strip.
- No new 2007 production from the venture with EOG Resources, Inc. announced in the Company's press release dated November 1, 2006.

Pipeline and Storage segment

- Settlement of complaint proceeding brought by Joint State Agencies with new tariff rates in effect during fiscal 2007.*

Utility segment

- Pennsylvania rate settlement in effect as of January 1, 2007.*

EARNINGS TELECONFERENCE

The Company will host a conference call on Friday, November 10, 2006, at 11 a.m. (Eastern Standard Time) to discuss this announcement. There are two ways to access this call. For those with Internet access, visit National Fuel's Web site at http://www.nationalfuelgas.com and click on the "For Investors" link at the top of the homepage. For those without Internet access, access is also provided by dialing (toll-free) 1-866-578-5771, and using the passcode "93603463." For those unable to listen to the live conference call, a replay will be available approximately one hour after the conclusion of the call at the same Web site link and by phone at (toll free) 888-286-8010 using passcode "91885312." Both the webcast and telephonic replay will be available until the close of business on Friday, November 17, 2006.

National Fuel is an integrated energy company with $3.7 billion in assets comprised of the following five operating segments: Utility, Pipeline and Storage, Exploration and Production, Energy Marketing, and Timber. Additional information about National Fuel is available on its Internet Web site: http://www.nationalfuelgas.com or through its investor information service at 1-800-334-2188.

* - Certain statements contained herein, including those which are designated with an asterisk ("*") and those which use words such as "anticipates," "estimates," "expects," "intends," "plans," "predicts," "projects," 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: changes in laws and regulations to which the Company is subject,

including changes in tax, environmental, safety and employment laws and regulations; changes in economic conditions, including economic disruptions caused by terrorist activities, acts of war or major accidents; changes in demographic patterns and weather conditions, including the occurrence of severe weather, such as hurricanes; changes in the availability and/or price of natural gas or oil and the effect of such changes on the accounting treatment or valuation of derivative financial instruments or the Company's natural gas and oil reserves; impairments under the Securities and Exchange Commission's full cost ceiling test for natural gas and oil reserves; changes in the availability and/or price of derivative financial instruments; changes in the price differentials between various types of oil; failure of the price differential between heavy sour crude oil and light sweet crude oil to return to its historical norm; inability to obtain new customers or retain existing ones; significant changes in competitive factors affecting the Company; governmental/regulatory actions, initiatives and proceedings, including those involving acquisitions, financings, rate cases (which address, among other things, allowed rates of return, rate design and retained gas), affiliate relationships, industry structure, franchise renewal, and environmental/safety requirements; unanticipated impacts of restructuring initiatives in the natural gas and electric industries; significant changes from expectations in actual capital expenditures and operating expenses and unanticipated project delays or changes in project costs or plans, including changes in the plans of the sponsors of the proposed Millennium Pipeline with respect to that project; the nature and projected profitability of pending and potential projects and other investments; occurrences affecting the Company's ability to obtain funds from operations, debt or equity to finance needed capital expenditures and other investments, including any downgrades in the Company's credit ratings; uncertainty of oil and gas reserve estimates; ability to successfully identify and finance acquisitions or other investments and ability to operate and integrate existing and any subsequently acquired business or properties; ability to successfully identify, drill for and produce economically viable natural gas and oil reserves; significant changes from expectations in the Company's actual production levels for natural gas or oil; regarding foreign operations, changes in trade and monetary policies, inflation and exchange rates, taxes, operating conditions, laws and regulations related to foreign operations, and political and governmental changes; 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; changes in actuarial assumptions and the return on assets with respect to the Company's retirement plan and post retirement benefit plans; increasing health care costs and the resulting effect on health insurance premiums and on the obligation to provide 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 or to reflect the occurrence of unanticipated events.

NATIONAL FUEL GAS COMPANY
RECONCILIATION OF CURRENT AND PRIOR YEAR GAAP EARNINGS
QUARTER ENDED SEPTEMBER 30, 2006

	Utility	Pipeline & Storage	E&P	Energy Marketing	Timber	Corporate / All Other*	Consol-idated
Fourth quarter 2005 GAAP earnings	$(6,073)	$18,877	$11,676	$168	$830	$23,733	$49,211
Items impacting compar-ability:							
Earnings from dis-continued operations						(30,900)	(30,900)
Gain associated with insurance proceeds		(3,885)					(3,885)

Fourth quarter 2005 operating results	(6,073)	14,992	11,676	168	830	(7,167)	14,426
Drivers of operating results							
Impact of NY rate settlement	967						967
Higher normalized usage per account	1,755						1,755
True-up of regulatory liabilities	(1,724)						(1,724)
Routine regulatory adjustments	1,541						1,541
Higher transportation and storage revenues		638					638
Lower efficiency gas revenues		(4,598)					(4,598)
Lower (higher) operating expenses	6,137	(1,101)				1,054	6,090
Higher crude oil and natural gas prices			7,045				7,045
Lower crude oil and natural gas production			(2,431)				(2,431)
Derivatives mark-to-market adjustment			3,343				3,343
Lower per unit margins				(110)			(110)
Lower margins					(203)		(203)
Asset impairment write-downs in 2005						4,499	4,499
Higher interest expense	(1,081)					(391)	(1,472)
Higher							

interest income			706			1,350	2,056
Higher effective tax rate	(3,754)						(3,754)
All other / rounding	813	317	1,624	(168)	(158)	616	3,044
Fourth quarter 2006 operating results	(1,419)	10,248	21,963	(110)	469	(39)	31,112
Items impacting comparability:							
Impairment of oil and gas properties			(29,144)				(29,144)
Fourth quarter 2006 GAAP earnings	$(1,419)	$10,248	$(7,181)	$(110)	$469	$(39)	$1,968

* Includes discontinued operations

NATIONAL FUEL GAS COMPANY
RECONCILIATION OF CURRENT AND PRIOR YEAR GAAP EARNINGS PER SHARE
QUARTER ENDED SEPTEMBER 30, 2006

	Utility	Pipeline & Storage	E&P	Energy Marketing	Timber	Corporate / All Other*	Consol -idated
Fourth quarter 2005 GAAP earnings	$(0.07)	$0.22	$0.13	$-	$0.01	$0.28	$0.57
Items impacting comparability:							
Earnings from discontinued operations						(0.36)	(0.36)
Gain associated with insurance proceeds		(0.05)				-	(0.05)
Fourth quarter 2005 operating results	(0.07)	0.17	0.13	-	0.01	(0.08)	0.16
Drivers of operating results							
Impact of NY rate settlement	0.01						0.01
Higher							

normalized usage per account	0.02						0.02
True-up of regulatory liabilities	(0.02)						(0.02)
Routine regulatory adjustments	0.02						0.02
Higher transportation and storage revenues		0.01					0.01
Lower efficiency gas revenues		(0.05)					(0.05)
Lower (higher) operating expenses	0.07	(0.01)				0.01	0.07
Higher crude oil and natural gas prices			0.08				0.08
Lower crude oil and natural gas production			(0.03)				(0.03)
Derivatives mark-to-market adjustment			0.04				0.04
Lower per unit margins				-			-
Lower margins					-		-
Asset impairment write-downs in 2005						0.05	0.05
							-
Higher interest expense	(0.01)						(0.01)
Higher interest income			0.01			0.02	0.03
							-
Higher effective tax rate	(0.04)						(0.04)
							-
All other / rounding	-	-	0.03	-	-	(0.01)	0.02
Fourth quarter 2006 operating results	(0.02)	0.12	0.26	-	0.01	(0.01)	0.36
Items impacting comparability:							
Impairment of oil and gas properties			(0.34)				(0.34)
Fourth quarter							

2006 GAAP earnings	$(0.02)	$0.12	$(0.08)	$-	$0.01	$(0.01)	$0.02

* Includes discontinued operations

NATIONAL FUEL GAS COMPANY
RECONCILIATION OF CURRENT AND PRIOR YEAR GAAP EARNINGS
YEAR ENDED SEPTEMBER 30, 2006

	Utility	Pipeline & Storage	E&P	Energy Marketing	Timber	Corporate / All Other*	Consolidated
Fiscal 2005 GAAP earnings	$39,197	$60,454	$50,659	$5,077	$5,032	$29,069	$189,488
Items impacting comparability:							
Earnings from discontinued operations						(35,973)	(35,973)
Gain associated with insurance proceeds		(3,885)					(3,885)
Gain on sale of base gas		(2,636)					(2,636)
Fiscal 2005 operating results	39,197	53,933	50,659	5,077	5,032	(6,904)	146,994
Drivers of operating results							
Impact of NY & PA rate settlements	18,640						18,640
Warmer weather in PA	(3,033)						(3,033)
Lower normalized usage per account	(2,930)						(2,930)
True-up of regulatory liabilities	2,603						2,603
Routine regulatory adjustments	1,433						1,433
Higher transportation and storage revenues		1,963					1,963
Lower							

efficiency gas revenues		(1,661)					(1,661)
Higher operating expenses	(712)	(613)	(1,969)	(815)		(1,290)	(5,399)
Higher crude oil and natural gas prices			46,459				46,459
Lower crude oil and natural gas production			(18,529)				(18,529)
Derivatives mark-to-market adjustment			3,343				3,343
Higher lifting costs			(3,157)				(3,157)
Higher DD&A			(2,487)				(2,487)
Higher per unit margins				1,679			1,679
Higher margins					989		989
Lower margins on landfill gas pipeline sales						(530)	(530)
Asset impairment write-downs in 2005		943				4,499	5,442
Higher interest expense	(3,490)						(3,490)
Higher interest income			2,614			4,755	7,369
(Higher) lower effective tax rate	(4,467)	1,674					(2,793)
All other / rounding	23	(606)	1,482	(143)	(317)	(360)	79
Fiscal 2006 operating results	47,264	55,633	78,415	5,798	5,704	170	192,984
Items impacting							

comparability:							
Out-of-period adjustment to symmetrical sharing	2,551						2,551
Income tax adjustments		11,202					11,202
Impairment of oil and gas properties		(68,646)					(68,646)
Fiscal 2006 GAAP earnings	$49,815	$55,633	$20,971	$5,798	$5,704	$170	$138,091

* Includes discontinued operations

NATIONAL FUEL GAS COMPANY
RECONCILIATION OF CURRENT AND PRIOR YEAR GAAP EARNINGS PER SHARE
YEAR ENDED SEPTEMBER 30, 2006

	Utility	Pipeline & Storage	E&P	Energy Marketing	Timber	Corporate / All Other*	Consolidated
Fiscal 2005 GAAP earnings	$0.46	$0.71	$0.60	$0.06	$0.06	$0.34	$2.23
Items impacting comparability:							
Earnings from discontinued operations						(0.42)	(0.42)
Gain associated with insurance proceeds		(0.05)					(0.05)
Gain on sale of base gas		(0.03)					(0.03)
Fiscal 2005 operating results	0.46	0.63	0.60	0.06	0.06	(0.08)	1.73
Drivers of operating results							
Impact of NY & PA rate settlements	0.21						0.21
Warmer weather in PA	(0.04)						(0.04)
Lower normalized usage per account	(0.03)						(0.03)
True-up of regulatory liabilities	0.03						0.03

Routine regulatory adjustments	0.02						0.02
Higher transportation and storage revenues		0.02					0.02
Lower efficiency gas revenues		(0.02)					(0.02)
Higher operating expenses	(0.01)	(0.01)	(0.02)	(0.01)		(0.02)	(0.07)
Higher crude oil and natural gas prices			0.54				0.54
Lower crude oil and natural gas production			(0.22)				(0.22)
Derivatives mark-to-market adjustments			0.04				0.04
Higher lifting costs			(0.03)				(0.03)
Higher DD&A			(0.04)				(0.04)
Higher per unit margins				0.02			0.02
Higher margins					0.01		0.01
Lower margins on landfill gas pipeline sales						(0.01)	(0.01)
Asset impairment write-downs in 2005		0.01				0.05	0.06
Higher interest expense	(0.04)					-	(0.04)
Higher interest income			0.03			0.06	0.09
(Higher) lower effective tax rate	(0.05)	0.02					(0.03)
All other / rounding	-	-	0.01	-	-	-	0.01
Fiscal 2006 operating results	0.55	0.65	0.91	0.07	0.07	0.00	2.25
Items impacting comparability:							
Out-of-period adjustment to							

symmetrical sharing	0.03						0.03
Income tax adjustments			0.13				0.13
Impairment of oil and gas properties			(0.80)				(0.80)
Fiscal 2006 GAAP earnings	$0.58	$0.65	$0.24	$0.07	$0.07	$0.00	$1.61

* Includes discontinued operations

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES

(Thousands of Dollars, except per share amounts)

	Three Months Ended September 30, (Unaudited)		Twelve Months Ended September 30, (Unaudited)	
SUMMARY OF OPERATIONS	2006	2005	2006	2005
Operating Revenues	$294,469	$287,064	$2,311,659	$1,923,549
Operating Expenses:				
Purchased Gas	79,609	82,316	1,267,562	959,827
Operation and Maintenance	92,905	106,968	413,726	404,517
Property, Franchise and Other Taxes	15,795	15,525	69,942	69,076
Depreciation, Depletion and Amortization	45,348	47,329	179,615	179,767
Impairment of Oil and Gas Producing Properties	42,368	-	104,739	-
	276,025	252,138	2,035,584	1,613,187
Operating Income	18,444	34,926	276,075	310,362
Other Income (Expense):				
Income from Unconsolidated Subsidiaries	1,384	1,447	3,583	3,362
Impairment of Investment in Partnership	-	(4,158)	-	(4,158)
Other Income	1,291	6,764	2,825	12,744
Interest Income	5,973	4,714	10,275	6,496
Interest Expense on Long-Term Debt	(18,127)	(18,255)	(72,629)	(73,244)
Other Interest Expense	(1,686)	(158)	(5,952)	(9,069)
Income from Continuing Operations Before Income Taxes	7,279	25,280	214,177	246,493
Income Tax Expense	5,311	6,969	76,086	92,978
Income from Continuing Operations	1,968	18,311	138,091	153,515
Discontinued				

Operations:				
Income from Operations, Net of Tax	-	5,126	-	10,199
Gain on Disposal, Net of Tax	-	25,774	-	25,774
Income from Discontinued Operations, Net of Tax	-	30,900	-	35,973
Net Income Available for Common Stock	$1,968	$49,211	$138,091	$189,488
Earnings Per Common Share:				
Basic:				
Income from Continuing Operations	$0.02	$0.22	$1.64	$1.84
Income from Discontinued Operations	-	0.36	-	0.43
Net Income Available for Common Stock	$0.02	$0.58	$1.64	$2.27
Diluted:				
Income from Continuing Operations	$0.02	$0.21	$1.61	$1.81
Income from Discontinued Operations	-	0.36	-	0.42
Net Income Available for Common Stock	$0.02	$0.57	$1.61	$2.23
Weighted Average Common Shares:				
Used in Basic Calculation	83,432,553	84,128,929	84,030,118	83,541,627
Used in Diluted Calculation	85,523,042	85,784,654	86,028,466	85,029,131

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

(Thousands of Dollars)	September 30, 2006	September 30, 2005
ASSETS		
Property, Plant and Equipment	$4,703,040	$4,423,255
Less - Accumulated Depreciation, Depletion and Amortization	1,825,314	1,583,955

Net Property, Plant and Equipment	2,877,726	2,839,300
Current Assets:		
Cash and Temporary Cash Investments	69,611	57,607
Hedging Collateral Deposits	19,676	77,784
Receivables - Net	144,254	141,408
Unbilled Utility Revenue	25,538	20,465
Gas Stored Underground	59,461	64,529
Materials and Supplies - at average cost	36,693	33,267
Unrecovered Purchased Gas Costs	12,970	14,817
Prepaid Pension and Post-Retirement Benefit Costs	64,125	14,404
Other Current Assets	56,320	64,721
Deferred Income Taxes	23,402	83,774
Total Current Assets	512,050	572,776
Other Assets:		
Recoverable Future Taxes	79,511	85,000
Unamortized Debt Expense	15,492	17,567
Other Regulatory Assets	76,917	47,028
Deferred Charges	3,558	4,474
Other Investments	88,414	80,394
Investments in Unconsolidated Subsidiaries	11,590	12,658
Goodwill	5,476	5,476
Intangible Assets	31,498	42,302
Fair Value of Derivative Financial Instruments	11,305	-
Deferred Income Taxes	9,003	-
Other	4,388	15,677
Total Other Assets	337,152	310,576
Total Assets	$3,726,928	$3,722,652
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Comprehensive Shareholders' Equity		
Common Stock, $1 Par Value Authorized - 200,000,000 Shares; Issued and Outstanding - 83,402,670 Shares and 84,356,748 Shares, Respectively	$83,403	$84,357
Paid in Capital	563,746	529,834
Earnings Reinvested in the Business	765,997	813,020
Total Common Shareholders' Equity Before Items of Other Comprehensive Income (Loss)	1,413,146	1,427,211
Accumulated Other Comprehensive Income (Loss)	30,416	(197,628)
Total Comprehensive Shareholders' Equity	1,443,562	1,229,583
Long-Term Debt, Net of Current Portion	1,109,109	1,119,012
Total Capitalization	2,552,671	2,348,595
Current and Accrued Liabilities:		
Notes Payable to Banks and Commercial Paper	-	-
Current Portion of Long-Term Debt	9,491	9,393
Accounts Payable	133,034	155,485
Amounts Payable to Customers	23,935	1,158
Dividends Payable	25,008	24,445
Other Accruals and Current Liabilities	38,057	60,404
Fair Value of Derivative Financial Instruments	39,983	209,072

Total Current and Accrued Liabilities	269,508	459,957
Deferred Credits:		
Deferred Income Taxes	544,502	489,720
Taxes Refundable to Customers	10,426	11,009
Unamortized Investment Tax Credit	6,094	6,796
Cost of Removal Regulatory Liability	85,076	90,396
Other Regulatory Liabilities	75,456	66,339
Pension and Post-Retirement Liabilities	32,918	143,687
Asset Retirement Obligation	77,392	41,411
Other Deferred Credits	72,885	64,742
Total Deferred Credits	904,749	914,100
Commitments and Contingencies	-	-
Total Capitalization and Liabilities	$3,726,928	$3,722,652

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

(Thousands of Dollars)	Twelve Months Ended September 30, 2006	2005
Operating Activities:		
Net Income Available for Common Stock	$138,091	$189,488
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Gain on Sale of Discontinued Operations	-	(27,386)
Impairment of Oil and Gas Producing Properties	104,739	-
Depreciation, Depletion and Amortization	179,615	193,144
Deferred Income Taxes	(5,231)	40,388
(Income) Loss from Unconsolidated Subsidiaries, Net of Cash Distributions	1,068	(1,372)
Impairment of Investment in Partnership	-	4,158
Minority Interest in Foreign Subsidiaries	-	2,645
Excess Tax Benefits Associated with Stock-Based Compensation Awards	(6,515)	-
Other	4,829	7,390
Change in:		
Hedging Collateral Deposits	58,108	(69,172)
Receivables and Unbilled Utility Revenue	(7,397)	(21,857)
Gas Stored Underground and Materials and Supplies	1,679	1,934
Unrecovered Purchased Gas Costs	1,847	(7,285)
Prepayments and Other Current Assets	(34,799)	(39,779)
Accounts Payable	(23,144)	48,089
Amounts Payable to Customers	22,777	(1,996)
Other Accruals and Current Liabilities	(22,527)	16,085
Other Assets	(22,700)	(13,461)

Other Liabilities	80,960	(3,667)
Net Cash Provided by Operating Activities	$471,400	$317,346
Investing Activities:		
Capital Expenditures	($294,159)	($219,530)
Net Proceeds from Sale of Foreign Subsidiary	-	111,619
Net Proceeds from Sale of Oil and Gas Producing Properties	13	1,349
Other	(3,230)	3,238
Net Cash Used in Investing Activities	($297,376)	($103,324)
Financing Activities:		
Change in Notes Payable to Banks and Commercial Paper	$-	($115,359)
Excess Tax Benefits Associated with Stock-Based Compensation Awards	6,515	-
Shares Repurchased under Repurchase Plan	(85,168)	-
Reduction of Long-Term Debt	(9,805)	(13,317)
Dividends Paid on Common Stock	(98,266)	(94,159)
Dividends Paid to Minority Interest	-	(12,676)
Proceeds From Issuance of Common Stock	23,339	20,279
Net Cash Used In Financing Activities	($163,385)	($215,232)
Effect of Exchange Rates on Cash	1,365	1,276
Net Increase in Cash and Temporary Cash Investments	12,004	66
Cash and Temporary Cash Investments at Beginning of Period	57,607	57,541
Cash and Temporary Cash Investments at September 30	$69,611	$57,607

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES
SEGMENT OPERATING RESULTS AND STATISTICS
(UNAUDITED)

(Thousands of Dollars, except per share amounts)	Three Months Ended September 30,		
UTILITY SEGMENT	2006	2005	Variance
Revenues from External Customers	$111,320	$109,921	$1,399
Intersegment Revenues	2,751	2,763	(12)
Total Operating Revenues	114,071	112,684	1,387
Operating Expenses:			
Purchased Gas	52,440	52,060	380
Operation and Maintenance	41,233	55,674	(14,441)
Property, Franchise and Other Taxes	10,151	9,791	360
Depreciation, Depletion and Amortization	10,113	10,079	34

	113,937	127,604	(13,667)
Operating Income (Loss)	134	(14,920)	15,054
Other Income (Expense):			
Interest Income	4,347	3,836	511
Other Income	221	213	8
Other Interest Expense	(6,782)	(4,145)	(2,637)
Income (Loss) Before Income Taxes	(2,080)	(15,016)	12,936
Income Tax Expense (Benefit)	(661)	(8,943)	8,282
Net Income (Loss)	$(1,419)	$(6,073)	$4,654
Net Income (Loss) Per Share (Diluted)	$(0.02)	$(0.07)	$0.05

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES
SEGMENT OPERATING RESULTS AND STATISTICS
(UNAUDITED)

(Thousands of Dollars, except per share amounts)	Twelve Months Ended September 30,		
UTILITY SEGMENT	2006	2005	Variance
Revenues from External Customers	$1,265,695	$1,101,572	$164,123
Intersegment Revenues	15,068	15,495	(427)
Total Operating Revenues	1,280,763	1,117,067	163,696
Operating Expenses:			
Purchased Gas	883,263	739,286	143,977
Operation and Maintenance	204,330	211,019	(6,689)
Property, Franchise and Other Taxes	47,029	46,214	815
Depreciation, Depletion and Amortization	40,172	40,159	13
	1,174,794	1,036,678	138,116
Operating Income (Loss)	105,969	80,389	25,580
Other Income (Expense):			
Interest Income	4,889	4,111	778
Other Income	830	699	131
Other Interest Expense	(26,174)	(22,900)	(3,274)
Income (Loss) Before Income Taxes	85,514	62,299	23,215
Income Tax Expense (Benefit)	35,699	23,102	12,597
Net Income (Loss)	$49,815	$39,197	$10,618
Net Income (Loss) Per Share (Diluted)	$0.58	$0.46	$0.12

PIPELINE AND STORAGE SEGMENT	Three Months Ended September 30, 2006	2005	Variance
Revenues from External Customers	$28,086	$34,689	$(6,603)
Intersegment Revenues	20,126	19,982	144
Total Operating Revenues	48,212	54,671	(6,459)
Operating Expenses:			
Purchased Gas	(48)	5	(53)
Operation and Maintenance	18,462	16,766	1,696
Property, Franchise and Other Taxes	4,109	3,936	173
Depreciation, Depletion and Amortization	9,227	9,134	93
	31,750	29,841	1,909
Operating Income	16,462	24,830	(8,368)
Other Income (Expense):			
Interest Income	137	29	108
Other Income	197	6,128	(5,931)
Interest Expense on Long-Term Debt	(241)	(363)	122
Other Interest Expense	(1,813)	(1,383)	(430)
Income Before Income Taxes	14,742	29,241	(14,499)
Income Tax Expense	4,494	10,364	(5,870)
Net Income	$10,248	$18,877	$(8,629)
Net Income Per Share (Diluted)	$0.12	$0.22	$(0.10)

PIPELINE AND STORAGE SEGMENT	Twelve Months Ended September 30, 2006	2005	Variance
Revenues from External Customers	$132,921	$132,805	$116
Intersegment Revenues	81,431	83,054	(1,623)
Total Operating Revenues	214,352	215,859	(1,507)
Operating Expenses:			
Purchased Gas	(65)	636	(701)
Operation and Maintenance	66,340	65,397	943
Property, Franchise and Other Taxes	16,088	15,598	490
Depreciation, Depletion and Amortization	36,876	38,050	(1,174)
	119,239	119,681	(442)
Operating Income	95,113	96,178	(1,065)

Other Income (Expense):			
Interest Income	454	76	378
Other Income	582	10,396	(9,814)
Interest Expense on Long-Term Debt	(1,078)	(1,675)	597
Other Interest Expense	(5,542)	(5,453)	(89)
Income Before Income Taxes	89,529	99,522	(9,993)
Income Tax Expense	33,896	39,068	(5,172)
Net Income	$55,633	$60,454	$(4,821)
Net Income Per Share (Diluted)	$0.65	$0.71	$(0.06)

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES
SEGMENT OPERATING RESULTS AND STATISTICS
(UNAUDITED)

(Thousands of Dollars, except per share amounts)	Three Months Ended September 30,		
EXPLORATION AND PRODUCTION SEGMENT	2006	2005	Variance
Operating Revenues	$89,474	$73,898	$15,576
Operating Expenses:			
Purchased Gas	-	106	(106)
Operation and Maintenance:			
General and Administrative Expense	4,888	4,623	265
Lease Operating Expense	12,765	12,677	88
All Other Operation and Maintenance Expense	2,065	1,813	252
Property, Franchise and Other Taxes (Lease Operating Expense)	1,065	1,193	(128)
Depreciation, Depletion and Amortization	24,083	23,368	715
Impairment of Oil and Gas Producing Properties	42,368	-	42,368
	87,234	43,780	43,454
Operating Income	2,240	30,118	(27,878)
Other Income (Expense):			
Interest Income	2,568	1,482	1,086
Other Interest Expense	(12,835)	(12,472)	(363)
Income (Loss) Before Income Taxes	(8,027)	19,128	(27,155)
Income Tax Expense (Benefit)	(846)	7,452	(8,298)
Net Income (Loss)	$(7,181)	$11,676	$(18,857)
Net Income (Loss) Per Share (Diluted)	$(0.08)	$0.13	$(0.21)

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES

SEGMENT OPERATING RESULTS AND STATISTICS
(UNAUDITED)

(Thousands of Dollars, except per share amounts)	Twelve Months Ended September 30,		
EXPLORATION AND PRODUCTION SEGMENT	2006	2005	Variance
Operating Revenues	$346,880	$293,425	$53,455
Operating Expenses:			
Purchased Gas	98	(176)	274
Operation and Maintenance:			
General and Administrative Expense	23,352	21,512	1,840
Lease Operating Expense	50,944	46,030	4,914
All Other Operation and Maintenance Expense	8,033	6,844	1,189
Property, Franchise and Other Taxes (Lease Operating Expense)	5,038	5,095	(57)
Depreciation, Depletion and Amortization	94,738	90,912	3,826
Impairment of Oil and Gas Producing Properties	104,739	-	104,739
	286,942	170,217	116,725
Operating Income	59,938	123,208	(63,270)
Other Income (Expense):			
Interest Income	8,682	4,661	4,021
Other Interest Expense	(50,457)	(48,856)	(1,601)
Income (Loss) Before Income Taxes	18,163	79,013	(60,850)
Income Tax Expense (Benefit)	(2,808)	28,354	(31,162)
Net Income (Loss)	$20,971	$50,659	$(29,688)
Net Income (Loss) Per Share (Diluted)	$0.24	$0.60	$(0.36)

	Three Months Ended September 30,		
ENERGY MARKETING SEGMENT	2006	2005	Variance
Operating Revenues	$50,702	$53,608	$(2,906)
Operating Expenses:			
Purchased Gas	49,939	52,628	(2,689)
Operation and Maintenance	1,185	1,170	15
Property, Franchise and Other Taxes	10	4	6
Depreciation, Depletion and Amortization	7	(24)	31
	51,141	53,778	(2,637)
Operating Income (Loss)	(439)	(170)	(269)

Other Income (Expense):			
Interest Income	144	200	(56)
Other Income	57	47	10
Other Interest Expense	(20)	(4)	(16)
Income (Loss) Before Income Taxes	(258)	73	(331)
Income Tax Expense (Benefit)	(148)	(95)	(53)
Net Income (Loss)	$(110)	$168	$(278)
Net Income Per Share (Diluted)	$-	$-	$-

	Twelve Months Ended September 30,		
ENERGY MARKETING SEGMENT	2006	2005	Variance
Operating Revenues	$497,069	$329,714	$167,355
Operating Expenses:			
Purchased Gas	483,250	318,571	164,679
Operation and Maintenance	5,079	3,731	1,348
Property, Franchise and Other Taxes	(222)	83	(305)
Depreciation, Depletion and Amortization	53	41	12
	488,160	322,426	165,734
Operating Income (Loss)	8,909	7,288	1,621
Other Income (Expense):			
Interest Income	445	783	(338)
Other Income	419	227	192
Other Interest Expense	(227)	(11)	(216)
Income (Loss) Before Income Taxes	9,546	8,287	1,259
Income Tax Expense (Benefit)	3,748	3,210	538
Net Income (Loss)	$5,798	$5,077	$721
Net Income Per Share (Diluted)	$0.07	$0.06	$0.01

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES
SEGMENT OPERATING RESULTS AND STATISTICS
(UNAUDITED)

(Thousands of Dollars, except per share amounts)	Three Months Ended September 30,		
TIMBER SEGMENT	2006	2005	Variance
Revenues from External Customers	$13,647	$14,291	$(644)
Intersegment Revenues	1	-	1
Total Operating Revenues	13,648	14,291	(643)

Operating Expenses:			
Operation and Maintenance	10,383	10,818	(435)
Property, Franchise and Other Taxes	370	418	(48)
Depreciation, Depletion and Amortization	1,582	1,697	(115)
	12,335	12,933	(598)
Operating Income	1,313	1,358	(45)
Other Income (Expense):			
Interest Income	229	131	98
Other Income	66	3	63
Other Interest Expense	(796)	(757)	(39)
Income Before Income Taxes	812	735	77
Income Tax Expense (Benefit)	343	(95)	438
Net Income	$469	$830	$(361)
Net Income Per Share (Diluted)	$0.01	$0.01	$-

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES
SEGMENT OPERATING RESULTS AND STATISTICS
(UNAUDITED)

(Thousands of Dollars, except per share amounts)	Twelve Months Ended September 30,		
TIMBER SEGMENT	2006	2005	Variance
Revenues from External Customers	$65,024	$61,285	$3,739
Intersegment Revenues	5	1	4
Total Operating Revenues	65,029	61,286	3,743
Operating Expenses:			
Operation and Maintenance	45,712	43,641	2,071
Property, Franchise and Other Taxes	1,611	1,488	123
Depreciation, Depletion and Amortization	6,495	6,601	(106)
	53,818	51,730	2,088
Operating Income	11,211	9,556	1,655
Other Income (Expense):			
Interest Income	747	438	309
Other Income	118	73	45
Other Interest Expense	(3,095)	(2,764)	(331)
Income Before Income Taxes	8,981	7,303	1,678
Income Tax Expense (Benefit)	3,277	2,271	1,006
Net Income	$5,704	$5,032	$672

Net Income Per Share (Diluted)	$0.07	$0.06	$0.01

	Three Months Ended September 30,		
ALL OTHER	2006	2005	Variance
Revenues from External Customers	$1,053	$658	$395
Intersegment Revenues	1,506	2,482	(976)
Total Operating Revenues	2,559	3,140	(581)
Operating Expenses:			
Purchased Gas	1,541	2,580	(1,039)
Operation and Maintenance	1,132	1,187	(55)
Property, Franchise and Other Taxes	21	20	1
Depreciation, Depletion and Amortization	196	2,957	(2,761)
	2,890	6,744	(3,854)
Operating Income (Loss)	(331)	(3,604)	3,273
Other Income (Expense):			
Income from Unconsolidated Subsidiaries	1,384	1,447	(63)
Impairment of Investment in Partnership	-	(4,158)	4,158
Interest Income	3	6	(3)
Other Income	11	172	(161)
Other Interest Expense	(681)	(523)	(158)
Income (Loss) Before Income Taxes	386	(6,660)	7,046
Income Tax Expense (Benefit)	430	(2,523)	2,953
Net Income (Loss)	$(44)	$(4,137)	$4,093
Net Income (Loss) Per Share (Diluted)	$(0.01)	$(0.05)	$0.04

	Twelve Months Ended September 30,		
ALL OTHER	2006	2005	Variance
Revenues from External Customers	$3,304	$4,748	$(1,444)
Intersegment Revenues	9,444	8,606	838
Total Operating Revenues	12,748	13,354	(606)
Operating Expenses:			
Purchased Gas	7,908	7,876	32
Operation and Maintenance	3,731	3,850	(119)
Property, Franchise and Other Taxes	95	87	8
Depreciation, Depletion and Amortization	789	3,537	(2,748)

	12,523	15,350	(2,827)
Operating Income (Loss)	225	(1,996)	2,221
Other Income (Expense):			
Income from Unconsolidated Subsidiaries	3,583	3,362	221
Impairment of Investment in Partnership	-	(4,158)	4,158
Interest Income	22	19	3
Other Income	53	458	(405)
Other Interest Expense	(2,555)	(1,726)	(829)
Income (Loss) Before Income Taxes	1,328	(4,041)	5,369
Income Tax Expense (Benefit)	969	(1,425)	2,394
Net Income (Loss)	$359	$(2,616)	$2,975
Net Income (Loss) Per Share (Diluted)	$-	$(0.03)	$0.03

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES
SEGMENT OPERATING RESULTS AND STATISTICS
(UNAUDITED)

(Thousands of Dollars, except per share amounts)	Three Months Ended September 30,		
CORPORATE	2006	2005	Variance
Revenues from External Customers	$187	$-	$187
Intersegment Revenues	737	811	(74)
Total Operating Revenues	924	811	113
Operating Expenses:			
Operation and Maintenance	1,650	3,216	(1,566)
Property, Franchise and Other Taxes	69	163	(94)
Depreciation, Depletion and Amortization	140	118	22
	1,859	3,497	(1,638)
Operating Loss	(935)	(2,686)	1,751
Other Income (Expense):			
Interest Income	22,360	20,280	2,080
Other Income	739	201	538
Interest Expense on Long-Term Debt	(17,886)	(17,892)	6
Other Interest Expense	(2,574)	(2,124)	(450)
Income (Loss) Before Income Taxes	1,704	(2,221)	3,925
Income Tax Expense (Benefit)	1,699	809	890
Net Income (Loss)	$5	$(3,030)	$3,035

Net Income (Loss) Per Share (Diluted)	$-	$(0.03)	$0.03

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES
SEGMENT OPERATING RESULTS AND STATISTICS
(UNAUDITED)

(Thousands of Dollars, except per share amounts)	Twelve Months Ended September 30,		
CORPORATE	2006	2005	Variance
Revenues from External Customers	$766	$-	$766
Intersegment Revenues	2,949	2,824	125
Total Operating Revenues	3,715	2,824	891
Operating Expenses:			
Operation and Maintenance	8,210	6,107	2,103
Property, Franchise and Other Taxes	303	511	(208)
Depreciation, Depletion and Amortization	492	467	25
	9,005	7,085	1,920
Operating Loss	(5,290)	(4,261)	(1,029)
Other Income (Expense):			
Interest Income	86,820	79,508	7,312
Other Income	823	891	(68)
Interest Expense on Long-Term Debt	(71,551)	(71,569)	18
Other Interest Expense	(9,686)	(10,459)	773
Income (Loss) Before Income Taxes	1,116	(5,890)	7,006
Income Tax Expense (Benefit)	1,305	(1,602)	2,907
Net Income (Loss)	$(189)	$(4,288)	$4,099
Net Income (Loss) Per Share (Diluted)	$-	$(0.05)	$0.05

	Three Months Ended September 30,		
INTERSEGMENT ELIMINATIONS	2006	2005	Variance
Intersegment Revenues	$(25,121)	$(26,039)	$918
Operating Expenses:			
Purchased Gas	(24,263)	(25,063)	800
Operation and Maintenance	(858)	(976)	118
	(25,121)	(26,039)	918
Operating Income	-	-	-
Other Income (Expense):			

Interest Income	(23,815)	(21,250)	(2,565)
Other Interest Expense	23,815	21,250	2,565
Net Income	$-	$-	$-
Net Income Per Share (Diluted)	$-	$-	$-

	Twelve Months Ended September 30,		
INTERSEGMENT ELIMINATIONS	2006	2005	Variance
Intersegment Revenues	$(108,897)	$(109,980)	$1,083
Operating Expenses:			
Purchased Gas	(106,892)	(106,366)	(526)
Operation and Maintenance	(2,005)	(3,614)	1,609
	(108,897)	(109,980)	1,083
Operating Income	-	-	-
Other Income (Expense):			
Interest Income	(91,784)	(83,100)	(8,684)
Other Interest Expense	91,784	83,100	8,684
Net Income	$-	$-	$-
Net Income Per Share (Diluted)	$-	$-	$-

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES
SEGMENT INFORMATION (Continued)
(Thousands of Dollars)

	Three Months Ended September 30, (Unaudited)		
	2006	2005	Increase (Decrease)
Capital Expenditures:			
Utility	$15,042	$15,078	$(36)
Pipeline and Storage	10,662	7,977	2,685
Exploration and Production	47,980	36,402	11,578
Energy Marketing	10	12	(2)
Timber	1,193	193	1,000
Total Reportable Segments	74,887	59,662	15,225

All Other	7	293	(286)
Corporate	607	512	95
Total Expenditures from Continuing Operations	$75,501	$60,467	$15,034

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES
SEGMENT INFORMATION (Continued)
(Thousands of Dollars)

	Twelve Months Ended September 30, (Unaudited)		
	2006	2005	Increase (Decrease)
Capital Expenditures:			
Utility	$54,414	$50,071	$4,343
Pipeline and Storage	26,023	21,099	4,924
Exploration and Production	208,303	122,450	85,853
Energy Marketing	16	58	(42)
Timber	2,323	18,894	(16,571)
Total Reportable Segments	291,079	212,572	78,507
All Other	85	463	(378)
Corporate	2,995	618	2,377
Total Expenditures from Continuing Operations	$294,159	$213,653	$80,506

DEGREE DAYS

Three Months Ended September 30	Normal	2006	2005	Percent Colder (Warmer) Than: Normal	Last Year
Buffalo, NY	178	152	36	(14.6)	322.2
Erie, PA	135	123	32	(8.9)	284.4
Twelve Months Ended September 30					
Buffalo, NY	6,692	5,968	6,587	(10.8)	(9.4)
Erie, PA	6,243	5,688	6,247	(8.9)	(8.9)

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES

EXPLORATION AND PRODUCTION INFORMATION

	Three Months Ended September 30,		
	2006	2005	Increase (Decrease)
Gas Production/Prices:			
Production (MMcf)			
Gulf Coast	2,582	3,035	(453)
West Coast	947	1,052	(105)
Appalachia	1,342	1,150	192
Canada	1,842	2,050	(208)
	6,713	7,287	(574)
Average Prices (Per Mcf)			
Gulf Coast	$6.62	$8.07	$(1.45)
West Coast	6.40	7.73	(1.33)
Appalachia	7.38	8.93	(1.55)
Canada	5.22	7.47	(2.25)
Weighted Average	6.36	7.99	(1.63)
Weighted Average after Hedging	6.36	6.77	(0.41)
Oil Production/Prices:			
Production (Thousands of Barrels)			
Gulf Coast	206	188	18
West Coast	620	628	(8)
Appalachia	27	13	14
Canada	51	71	(20)
	904	900	4
Average Prices (Per Barrel)			
Gulf Coast	$68.92	$58.53	$10.39
West Coast	61.23	54.52	6.71
Appalachia	70.37	51.06	19.31
Canada	60.69	51.29	9.40
Weighted Average	63.23	55.06	8.17
Weighted Average after Hedging	45.73	30.70	15.03
Total Production (Mmcfe)	12,137	12,687	(550)
Selected Operating Performance Statistics:			
General & Administrative Expense per Mcfe (1)	$0.40	$0.36	$0.04
Lease Operating Expense per Mcfe (1)	$1.14	$1.09	$0.05
Depreciation, Depletion & Amortization per Mcfe (1)	$1.98	$1.84	$0.14

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES

EXPLORATION AND PRODUCTION INFORMATION

	Twelve Months Ended September 30,		
	2006	2005	Increase (Decrease)
Gas Production/Prices:			
Production (MMcf)			
Gulf Coast	9,110	12,468	(3,358)
West Coast	3,880	4,052	(172)
Appalachia	5,108	4,650	458
Canada	7,673	8,009	(336)
	25,771	29,179	(3,408)
Average Prices (Per Mcf)			
Gulf Coast	$8.01	$7.05	$0.96
West Coast	7.93	6.85	1.08
Appalachia	9.53	7.60	1.93
Canada	7.14	6.15	0.99
Weighted Average	8.04	6.86	1.18
Weighted Average after Hedging	7.15	6.23	0.92
Oil Production/Prices:			
Production (Thousands of Barrels)			
Gulf Coast	685	989	(304)
West Coast	2,582	2,544	38
Appalachia	69	36	33
Canada	272	300	(28)
	3,608	3,869	(261)
Average Prices (Per Barrel)			
Gulf Coast	$64.10	$49.78	$14.32
West Coast	56.80	42.91	13.89
Appalachia	65.28	48.28	17.00
Canada	51.40	42.97	8.43
Weighted Average	57.94	44.72	13.22
Weighted Average after Hedging	41.10	27.86	13.24
Total Production (Mmcfe)	47,419	52,393	(4,974)
Selected Operating Performance Statistics:			
General & Administrative Expense per Mcfe (1)	$0.49	$0.41	$0.08
Lease Operating Expense per Mcfe (1)	$1.18	$0.98	$0.20
Depreciation, Depletion & Amortization per Mcfe (1)	$2.00	$1.74	$0.26

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

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES

EXPLORATION AND PRODUCTION INFORMATION

Hedging Summary for Fiscal 2007

SWAPS	Volume	Average Hedge Price
Oil	0.9 MMBBL	$37.03 / BBL
Gas	0.7 BCF	$5.84 / MCF

No-cost Collars	Volume	Average Floor Price	Average Ceiling Price
Oil	0.2 MMBBL	$70.00 / BBL	$77.00 / BBL
Gas	5.7 BCF	$8.12 / MCF	$17.45 / MCF

Hedging Summary for Fiscal 2008

No-cost Collars	Volume	Average Floor Price	Average Ceiling Price
Gas	1.4 BCF	$8.83 / MCF	$16.45 / MCF

Drilling Program

Twelve Months Ended September 30, 2006:

Gross Wells Drilled

	Gulf	West	East	Canada	Total
Exploratory					
Successful	3	1	7	19	30
Unsuccessful	2	0	2	2	6
Developmental					
Successful	0	93	143	3	239
Unsuccessful	0	1	0	1	2
Total					
Successful	3	94	150	22	269
Unsuccessful	2	1	2	3	8
Success Ratio	60%	99%	99%	88%	97%

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES

EXPLORATION AND PRODUCTION INFORMATION

Reserve Quantity Information

	Gas MMcf
	U.S.

	Gulf Coast Region	West Coast Region	Appalachian Region	Total U.S.	Canada	Total Company
Proved Developed and Undeveloped Reserves:						
September 30, 2005	38,470	70,459	83,125	192,054	46,086	238,140
Extensions and Discoveries	11,763	1,815	11,132	24,710	6,229	30,939
Revisions of Previous Estimates	679	5,757	(7,776)	(1,340)	(11,096)	(12,436)
Production	(9,110)	(3,880)	(5,108)	(18,098)	(7,673)	(25,771)
Purchases of Minerals in Place	-	1,715	-	1,715	-	1,715
Sales of Minerals in Place	-	-	-	-	(12)	(12)
September 30, 2006	41,802	75,866	81,373	199,041	33,534	232,575
Proved Developed Reserves:						
September 30, 2005	23,108	58,692	83,125	164,925	43,980	208,905
September 30, 2006	32,345	64,196	81,373	177,914	33,534	211,448

Oil Mbbl

	U.S.					
	Gulf Coast Region	West Coast Region	Appalachian Region	Total U.S.	Canada	Total Company
Proved Developed and Undeveloped Reserves:						
September 30, 2005	1,295	57,085	177	58,557	1,700	60,257
Extensions and Discoveries	39	172	108	319	128	447
Revisions of Previous Estimates	595	(80)	57	572	101	673
Production	(685)	(2,582)	(69)	(3,336)	(272)	(3,608)
Purchases of Minerals in Place	-	274	-	274	-	274
Sales of Minerals in Place	-	-	-	-	(25)	(25)
September 30, 2006	1,244	54,869	273	56,386	1,632	58,018
Proved Developed Reserves:						
September 30, 2005	1,229	41,701	177	43,107	1,700	44,807
September 30, 2006	1,217	42,522	273	44,012	1,632	45,644

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES

Utility Throughput - (millions of cubic feet - MMcf)

	Three Months Ended September 30,		
	2006	2005	Increase (Decrease)
Retail Sales:			
Residential Sales	4,372	3,778	594
Commercial Sales	741	643	98
Industrial Sales	85	666	(581)
	5,198	5,087	111
Transportation	9,701	9,426	275
	14,899	14,513	386

Pipeline & Storage Throughput- (MMcf)

	Three Months Ended September 30,		
	2006	2005	Increase (Decrease)
Firm Transportation - Affiliated	10,608	10,442	166
Firm Transportation - Non-Affiliated	64,501	62,606	1,895
Interruptible Transportation	3,835	4,790	(955)
	78,944	77,838	1,106

Energy Marketing Volumes

	Three Months Ended September 30,		
	2006	2005	Increase (Decrease)
Natural Gas (MMcf)	6,774	6,567	207

Timber Board Feet (Thousands)

	Three Months Ended September 30,		
	2006	2005	Increase (Decrease)
Log Sales	1,986	1,668	318
Green Lumber Sales	2,372	2,310	62
Kiln Dry Lumber Sales	3,624	4,118	(494)
	7,982	8,096	(114)

Utility Throughput - (millions of cubic feet - MMcf)

	Twelve Months Ended September 30,		
	2006	2005	Increase (Decrease)
Retail Sales:			
Residential Sales	59,443	66,903	(7,460)
Commercial Sales	10,681	11,984	(1,303)
Industrial Sales	985	1,387	(402)
	71,109	80,274	(9,165)
Transportation	57,950	59,770	(1,820)
	129,059	140,044	(10,985)

Pipeline & Storage Throughput- (MMcf)

	Twelve Months Ended September 30,		
	2006	2005	Increase (Decrease)
Firm Transportation - Affiliated	103,223	113,242	(10,019)
Firm Transportation - Non-Affiliated	260,156	244,343	15,813
Interruptible Transportation	11,609	14,794	(3,185)
	374,988	372,379	2,609

Energy Marketing Volumes

	Twelve Months Ended September 30,		
	2006	2005	Increase (Decrease)
Natural Gas (MMcf)	45,270	40,683	4,587

Timber Board Feet (Thousands)

	Twelve Months Ended September 30,		
	2006	2005	Increase (Decrease)
Log Sales	9,527	7,601	1,926
Green Lumber Sales	10,454	10,489	(35)
Kiln Dry Lumber Sales	16,862	15,491	1,371

	36,843	33,581	3,262

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES
FISCAL 2007 EARNINGS GUIDANCE AND SENSITIVITIES

Fiscal 2007 (Diluted earnings per share guidance*)	Earnings per share sensitivity to changes from NYMEX prices used in guidance* (caret)			
	$1 change per MMBtu gas		$5 change per Bbl oil	
	Range	Increase	Decrease	Increase	Decrease
Consolidated Earnings	$2.10 - $2.30	+ $0.19	- $0.19	+ $0.09	- $0.09

NYMEX Settlement Prices at September 21, 2006

	Natural Gas ($ per MMBtu)	Oil ($ per Bbl)
Oct-06	$4.781	$61.59
Nov-06	$6.011	$61.59
Dec-06	$7.391	$62.53
Jan-07	$7.881	$63.32
Feb-07	$7.921	$64.03
Mar-07	$7.746	$64.65
Apr-07	$7.166	$65.18
May-07	$7.126	$65.61
Jun-07	$7.221	$65.96
Jul-07	$7.311	$66.25
Aug-07	$7.391	$66.49
Sep-07	$7.476	$66.67
Average	$7.119	$64.49

* Please refer to forward looking statement footnote at page 9 of this document.

(caret) This sensitivity table is current as of November 6, 2006, but will become obsolete with the passage of time, changes in Seneca's production forecast, change in basis differentials, changes in customer use per account, as additional hedging contracts are entered into, and the settling of NYMEX hedge contracts at their maturity.

NATIONAL FUEL GAS COMPANY
AND SUBSIDIARIES

Quarter Ended September 30 (unaudited)	2006	2005
Operating Revenues	$294,469,000	$287,064,000

Income from Continuing Operations	$1,968,000	$18,311,000
Income (Loss) from Discontinued Operations, Net of Tax	-	30,900,000
Net Income Available for Common Stock	$1,968,000	$49,211,000
Earnings Per Common Share:		
Basic:		
Income from Continuing Operations	$0.02	$0.22
Income (Loss) from Discontinued Operations	-	0.36
Net Income Available for Common Stock	$0.02	$0.58
Diluted:		
Income from Continuing Operations	$0.02	$0.21
Income (Loss) from Discontinued Operations	-	0.36
Net Income Available for Common Stock	$0.02	$0.57
Weighted Average Common Shares:		
Used in Basic Calculation	83,432,553	84,128,929
Used in Diluted Calculation	85,523,042	85,784,654

Twelve Months Ended September 30
(unaudited)

Operating Revenues	$2,311,659,000	$1,923,549,000
Income from Continuing Operations	$138,091,000	$153,515,000
Income from Discontinued Operations, Net of Tax	-	35,973,000
Net Income Available for Common Stock	$138,091,000	$189,488,000
Earnings Per Common Share:		
Basic:		
Income from Continuing Operations	$1.64	$1.84
Income from Discontinued Operations	-	0.43
Net Income Available for Common Stock	$1.64	$2.27
Diluted:		
Income from Continuing Operations	$1.61	$1.81
Income from Discontinued		

Operations	-	0.42
Net Income Available for Common Stock	$1.61	$2.23
Weighted Average Common Shares:		
Used in Basic Calculation	84,030,118	83,541,627
Used in Diluted Calculation	86,028,466	85,029,131

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