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National Fuel Updates its Marcellus Shale Operations

(July 25, 2012) WILLIAMSVILLE, N.Y. – Seneca Resources Corporation (“Seneca”), the wholly owned exploration and production subsidiary of National Fuel Gas Company (NYSE: NFG) (“National Fuel” or the “Company”) today provided an update on the status of its Marcellus Shale joint venture with EOG Resources, Inc. (“EOG”), as well as anticipated changes to capital expenditures and production forecasts for its 2013 fiscal year.

Under a joint venture agreement (“JV”) between EOG and Seneca, EOG has the opportunity to earn an interest in Seneca acreage by drilling a minimum number of wells per year in a defined area of mutual interest. EOG has advised Seneca that it does not expect to meet the minimum drilling target for calendar 2012 specified in the JV. Should it not meet that minimum, EOG would no longer have the right to earn additional acreage from Seneca. However, both parties would retain their respective working interests in wells previously drilled and the parties could drill additional JV wells on the acreage that has been earned. As of July 21, 2012, EOG has earned a 50 percent working interest in approximately 34,000 gross acres contributed by Seneca to the joint venture.

“The joint venture with EOG has been successful in achieving the goals we identified when the agreement was signed in 2006,” said David F. Smith, Chairman and Chief Executive Officer of National Fuel. “With a minimal initial investment, we evaluated our acreage and learned from an experienced shale gas operator, simultaneously developing a talented Marcellus Shale operations team that has grown our Marcellus production substantially from the program’s inception. While we expect a modest impact to our near-term growth outlook, having full control of our largely royalty-free, contiguous acreage position unencumbered by a JV further enhances the long-term value of our Appalachian assets.”

As a result of this indicated reduction in JV activity, Seneca anticipates very little drilling or completion activity on JV acreage in fiscal 2013. This will lead to an inventory of previously drilled wells that likely will remain uncompleted until natural gas prices reach an acceptable level. Even though Seneca had already discussed its plans to limit participation in future JV wells to its 20 percent overriding royalty interest, the change in EOG’s JV activity will further reduce Seneca’s previously announced capital expenditure and production guidance for its 2013 fiscal year. Capital spending is expected to decrease by approximately \$50 million, largely as a result of EOG’s anticipated postponement of completion activity, to a range of \$400 to \$500 million. Consequently, production is now expected to be in the range of 92 to 105 billion cubic feet equivalent (“Bcfe”), reduced from the previous guidance of 100 to 115 Bcfe.

(more)

In Seneca's wholly-owned Marcellus development program, production has been initiated on the first three wells of a six-well pad located on its DCNR 595 tract in Tioga County, Pa. These three wells had peak 24-hour production rates that averaged 7.9 MMcf per day of natural gas, with the best well achieving a rate of 9.3 MMcf per day.

As of July 23, 2012, Seneca's total net Marcellus production is 200 million cubic feet ("MMcf") per day of natural gas, of which approximately 44 MMcf per day comes from 65 gross horizontal wells within the JV.

National Fuel is an integrated energy company with \$5.8 billion in assets comprised of the following four operating segments: Exploration and Production, Pipeline and Storage, Utility, and Energy Marketing. Additional information about National Fuel is available at www.nationalfuelgas.com or through its investor information service at 1-800-334-2188.

Certain statements contained herein, including statements that are identified by the 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: 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; 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; uncertainty of oil and gas reserve estimates; significant differences between the Company's projected and actual production levels for natural gas or oil; governmental/regulatory actions, initiatives and proceedings; 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; 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 major accidents, fires, severe weather, natural disasters, terrorist activities, acts of war or cyber attacks; changes in 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; or significant differences between the Company's projected and actual capital expenditures and operating expenses. The Company disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date thereof.

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