National Fuel Gas Company Announces the Acquisition of Oil and Gas Operations in California

July 20, 2009 7:46 AM ET

(July 20, 2009) Williamsville, New York: National Fuel Gas Company (NYSE NFG) ("National Fuel" or the "Company") today announced that its Exploration and Production segment, Seneca Resources Corporation ("Seneca"), through its subsidiary, Seneca South Midway LLC, has purchased Ivanhoe Energy's oil and gas operations (TSX: IE; NASDAQ: IVAN) for approximately US$40 million.

The purchase includes all of Ivanhoe Energy's oil and gas exploration and production operations in the United States. As of June 2009, these assets produced approximately 645 gross (595 net) barrels per day of oil in California and Texas. The purchase also includes certain exploration acreage in California.

"As we remain focused on evaluating and developing our assets in the Appalachian region, we also remain alert to growth opportunities in other areas. This acquisition adds to our valuable oil producing assets in the Midway Sunset Field in California, where Seneca already has significant oil production," said David F. Smith, President and Chief Executive Officer of National Fuel Gas Company.

"Seneca has grown production from our properties in California for the past two years and this acquisition ensures we will continue that growth," added Matt Cabell, President of Seneca Resources Corporation. "This is a logical bolt-on to our existing California assets. We believe there is significant potential to boost production from the new assets through the same steaming techniques that have allowed us to increase production from our existing properties."

National Fuel is an integrated energy company with $4.2 billion in assets comprising four principal operating segments: Utility, Pipeline and Storage, Exploration and Production, and Energy Marketing. Seneca Resources, the Company's Exploration and Production segment, explores for, develops and purchases natural gas and oil reserves in California, the Appalachian region and in the Gulf Coast region of Texas and Louisiana. Currently, Seneca's efforts are focused on evaluating, exploring and developing reserves in the Appalachian basin, economically producing reserves in California and exploiting opportunities in the shallow waters of the Gulf of Mexico. Additional information about National Fuel and its operations is available at www.nationalfuelgas.com or by calling its Investor Service at 1-800-334-2188.

Analyst Contact: **James C. Welch** **716.857.6987**
Media Contact: **Julie C. Cox** **716.857.7079**