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National Fuel Announces Extension of Marcellus Shale Joint Development Agreement with IOG Capital

(June 13, 2016) WILLIAMSVILLE, N.Y. – National Fuel Gas Company (NYSE:NFG) (“National Fuel” or the “Company”) announced today that Seneca Resources Corporation (“Seneca”), its wholly owned exploration and production subsidiary, and IOG CRV - Marcellus, LLC (“IOG”), an affiliate of IOG Capital, LP (“IOG Capital”), and funds managed by affiliates of Fortress Investment Group LLC (“Fortress”), have agreed to a modified extension of their joint development agreement, which includes a commitment to develop additional Marcellus Shale natural gas assets located in Elk, McKean and Cameron counties in north-central Pennsylvania.

Under the terms of the revised joint development agreement, Seneca and IOG commit to jointly participate in a program that will develop a total of 75 Marcellus wells located in the Clermont/Rich Valley area in Pennsylvania. In December 2015, IOG initially committed to developing 42 wells with an option to participate in 38 additional wells if elected prior to July 1, 2016. The total number of wells and pad locations included in the revised joint development agreement were modified to reflect mutually beneficial changes in Seneca's drilling and completions schedule resulting from adjustments to gathering infrastructure plans and other operational factors. To date, 39 of the 75 joint development wells have been either completed and turned to sales or drilled and in the process of being completed, leaving an additional 36 wells to be developed under the revised joint development agreement. IOG was also granted an option to participate in a 7-well Marcellus pad that will be completed prior to December 31, 2017. Should IOG choose to participate in the 7-well Marcellus pad, the total commitment under the joint development agreement would reach 82 wells.

IOG continues to hold an 80 percent working interest in all of the joint development wells, with the remaining 20 percent working interest held by Seneca. As part of the amended agreement, Seneca and IOG agreed to make certain modifications to the royalty structure. Seneca's royalty in the additional 36 wells was reduced from 10 percent to 7.5 percent, resulting in a net revenue interest of 26 percent for Seneca and 74 percent for IOG. Consistent with the initial agreement, Seneca's working interest will increase to 85 percent after IOG achieves a 15 percent internal rate of return.

At Seneca's current Marcellus well costs, which have averaged an industry-leading \$650,000 per 1,000 feet of completed lateral fiscal year-to-date, IOG's obligation on the remaining 36 wells is expected to further reduce Seneca's net capital expenditures by approximately \$35 million in fiscal 2016 and another \$120 million spread across fiscal 2017 and fiscal 2018. In total, IOG is expected to fund

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approximately \$325 million for its 80 percent working interest in the 75 joint development wells, which is approximately \$55 million less than what was projected under the initial joint development agreement. The decrease from the initial agreement is due to the reduction in the total well count and a \$600,000 per well average improvement in Seneca's actual well costs versus initial projections.

Seneca will continue to be the program operator, allowing it to maintain planned activity levels and further optimize Marcellus drilling and completion efficiencies. Production from all joint development wells will be gathered by National Fuel's Gathering segment's Clermont Gathering System. IOG will also continue to share in Seneca's contracted firm sales and firm transportation capacity, including the 490,000 dekatherms per day of capacity on National Fuel's Pipeline & Storage segment's Northern Access project that is expected to be placed in-service by November 2017.

Ronald J. Tanski, President and Chief Executive Officer of National Fuel, stated: "National Fuel is very pleased to extend our relationship with IOG. The joint development arrangement provides a number of operational and financial benefits to both parties. For National Fuel, it allows us to leverage the competitive advantage of our low cost, fee acreage in the Marcellus and reduce the level of capital investment in our upstream business over the next two years, while maintaining operational efficiencies and providing the throughput necessary to support our pipeline expansion projects. Given National Fuel's large Appalachian footprint and the alignment of our strategic goals, we think there could be additional opportunities to work with IOG in the future to accelerate value creation for our shareholders."

Marc Rowland, Founder and Senior Managing Director of IOG Capital, stated: "IOG and its partners look forward to this expanded joint development program with Seneca. Seneca has proven to be an effective cost efficient operator since the establishment of our agreement at the end of 2015. IOG's capital permits operators to realize the full value of their proven assets through development drilling, by reducing the initial capital expenditure burden, and retaining the long term value of a project."

Capital Expenditure Guidance Update

The Company is revising its fiscal 2016 capital expenditure guidance to reflect the impact of the joint development agreement. The Company's Exploration & Production segment's fiscal 2016 capital budget is now expected to be in the range of \$120 million to \$160 million, at the midpoint a \$35 million reduction from the previous guidance range of \$150 million to \$200 million. Consequently, the Company's total consolidated capital expenditure guidance for fiscal 2016 is now a range of \$415 million to \$505 million.

The Company does not expect the revised joint development agreement to have a material impact on Seneca's production guidance or the Company's consolidated earnings per share guidance in fiscal 2016.

National Fuel is a diversified energy company headquartered in Western New York that operates an integrated collection of natural gas and oil assets across five business segments: Exploration and Production, Pipeline and Storage, Gathering, Utility, and Energy Marketing. Additional information about National Fuel is available at www.nationalfuelgas.com.

IOG Capital, LP is a Dallas, Texas based energy investment firm that manages oil and gas real assets partnered with funds managed by affiliates of Fortress Investment Group LLC (NYSE: FIG), and other institutional investors. Founded in 2014, IOG now has approximately \$1 billion in accessible capital. The Firm seeks to invest in upstream development oil and gas projects located onshore in the United States through non-operated joint development agreements and traditional joint operating agreements. Additional information about IOG Capital is available at www.iogcapital.com.

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Jefferies LLC acted as the exclusive financial advisor to Seneca for this transaction and Kirkland & Ellis acted as legal counsel. Jackson Walker, LLP acted as legal counsel for IOG.

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: impairments under the SEC’s full cost ceiling test for natural gas and oil reserves; changes in the price of natural gas or oil; 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; 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; 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; 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 price differential 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 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, cyber attacks or pest infestation; significant differences between the Company’s projected and actual capital expenditures and operating expenses; 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

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obligations and costs and plan liabilities; 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 thereof.

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