National Fuel Announces Changes in Project Schedule for Empire Connector Project

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WILLIAMSVILLE, N.Y.--(BUSINESS WIRE)--July 14, 2006--National Fuel Gas Company ("National Fuel" or "Company") (NYSE: NFG) today announced that its wholly owned subsidiary, Empire State Pipeline ("Empire"), has revised the planned in-service date for the proposed Empire Connector natural gas pipeline to extend beyond November 1, 2007. Empire has aligned this project with the timing of other, related, pipeline expansion projects, all of which are now anticipating an in-service date beyond November 1, 2007 to November 1, 2008, or sooner if feasible.

In a letter recently submitted to the Federal Energy Regulatory Commission ("FERC"), Empire, along with project sponsors of the related pipeline expansion projects, emphasized their request that the FERC issue their respective authorizations no later than November 1, 2006, given the applicants' need to secure multiple permits for construction, acquire line-pipe, compressors, related equipment and contractor construction services, and complete the requisite pre-construction activities.

"We successfully launched this important project in 2004 and it is making excellent progress, thanks primarily to the cooperation and assistance received from landowners along the proposed Empire Connector route and various permitting agencies," said Ronald Kraemer, Vice President of the Empire State Pipeline. "We will continue to work with landowners and stakeholders along the route as we move ahead with this project."* Construction of the pipeline could start as soon as late summer 2007 in an attempt to minimize impacts in certain areas of the pipeline route.*

National Fuel owns and operates the Empire State Pipeline, an existing 24-inch diameter natural gas transmission pipeline that originates at the United States-Canada border at the Chippawa Channel of the Niagara River and extends easterly 157 miles from Buffalo, N.Y. to near Syracuse, N.Y.

Developing the Empire Connector project involves constructing a pipeline southward from this existing line near Rochester, N.Y. to connect with the Millennium Pipeline near Corning, N.Y.* Empire will construct approximately 78 miles of 24-inch diameter pipeline and one compressor station that will produce 20,620 horsepower.*

The pipeline extension will be designed to move 250 million cubic feet (MMcf) of natural gas per day into the Millennium Pipeline and may provide customers on Empire with access to a number of underground storage facilities and local distribution companies' pipeline systems in New York state.* Empire's customers will also have access to abundant and diverse gas supplies at the Dawn hub through Empire's connection with the TransCanada PipeLine system at Chippawa.* The $144 million project is designed to help New York and the Northeast meet their increasing demand for energy.

"The energy industry and its customers continue to struggle with the negative consequences associated with imbalances in the marketplace that brings energy to consumers in the Northeast. Events last year and sustained high energy prices demonstrate the need for new pipeline capacity to diversify the options available for moving new gas supply to where it's consumed," Kraemer added.

KeySpan Energy Corp. (NYSE: KSE), the largest distributor of natural gas in the Northeast, has subscribed for 150 MMcf of natural gas transportation service per day on the Empire and Millennium Pipeline systems.* KeySpan, which serves more than 2.5 million gas customers in the Northeast, is also New York's largest investor-owned electric generator and operates the Long Island Power Authority electric system serving 1.1 million customers.

National Fuel is an integrated energy company with $3.9 billion in assets comprising 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 Web site, www.nationalfuelgas.com, or through its investor information service at 1-800-334-2188. For more information about the Empire Connector, visit the project's website at www.empireconnector.com.

Certain statements contained herein, including statements concerning plans, objectives, goals, projections, strategies and future events or performance, and statements which are designated with an asterisk ("*"), are "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995 and 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 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, oil and coal; 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 the Empire Connector project, 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; changes in the availability and/or price of derivative financial instruments; changes in the price of natural gas or oil; significant changes in tax rates or policies or in rates of inflation or interest; significant changes in the Company's relationship with its employees and contractors and the potential adverse effects if labor disputes, grievances or shortages were to occur; changes in laws and regulations to which the Company is subject, including tax, environmental, safety and employment laws and regulations; or the cost and effects of legal and administrative claims against the Company. 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.

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