



# National Fuel Gas Company Investor Presentation

March 2013

# National Fuel Gas Company

## *Safe Harbor For Forward Looking Statements*

This presentation may contain “forward-looking statements” as defined by the Private Securities Litigation Reform Act of 1995, including statements regarding future prospects, plans, performance and capital structure, anticipated capital expenditures and completion of construction projects, as well as 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. 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.

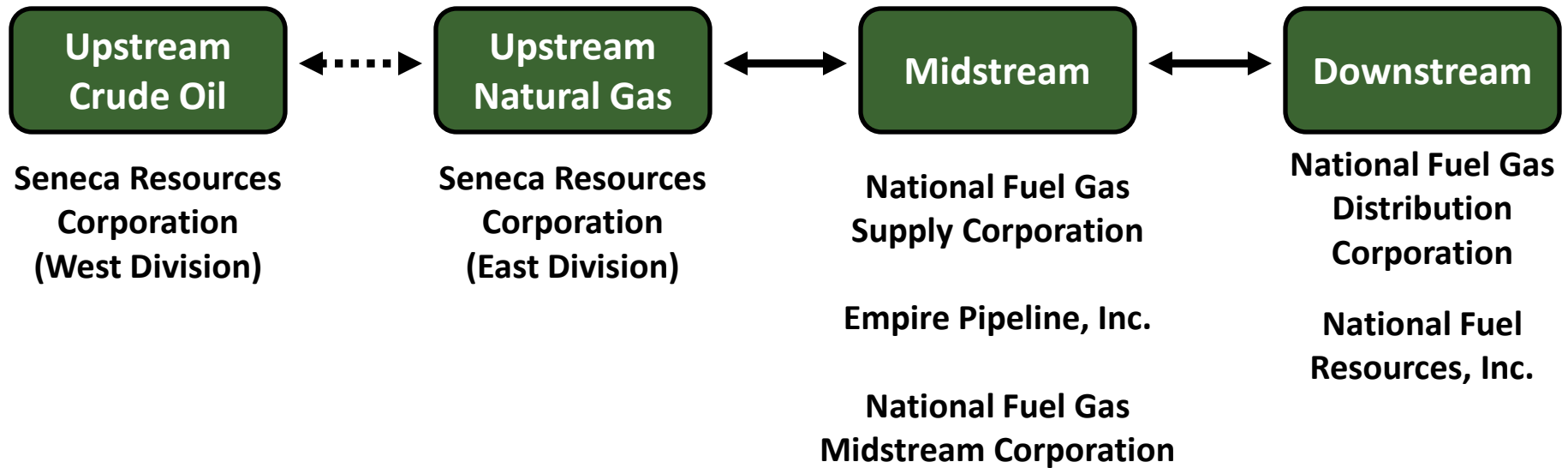
In addition to other factors, the following are important factors that could cause actual results to differ materially from results referred to in the forward-looking statements: factors affecting the Company’s ability to successfully identify, drill for and produce economically viable natural gas and 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; impairments under the SEC’s full cost ceiling test for natural gas and oil reserves; 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; governmental/regulatory actions, initiatives and proceedings, including those involving rate cases (which address, among other things, allowed rates of return, rate design and retained natural gas), environmental/safety requirements, affiliate relationships, industry structure, and franchise renewal; 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, cyber attacks or pest infestation; 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; 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 obligations and costs and plan liabilities; the cost and effects of legal and administrative claims against the Company or activist shareholder campaigns to effect changes at the Company; 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.

Forward-looking statements include estimates of oil and gas quantities. Proved oil and gas reserves are those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible under existing economic conditions, operating methods and government regulations. Other estimates of oil and gas quantities, including estimates of probable reserves, possible reserves, and resource potential, are by their nature more speculative than estimates of proved reserves. Accordingly, estimates other than proved reserves are subject to substantially greater risk of being actually realized. Investors are urged to consider closely the disclosure in our Form 10-K available at [www.nationalfuelgas.com](http://www.nationalfuelgas.com). You can also obtain this form on the SEC’s website at [www.sec.gov](http://www.sec.gov).

For a discussion of the risks set forth above and other factors that could cause actual results to differ materially from results referred to in the forward-looking statements, see “Risk Factors” in the Company’s Form 10-K for the fiscal year ended September 30, 2012 and Form 10-Q for the period ended December 31, 2012. The Company disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date thereof or to reflect the occurrence of unanticipated events.

# National Fuel Gas Company

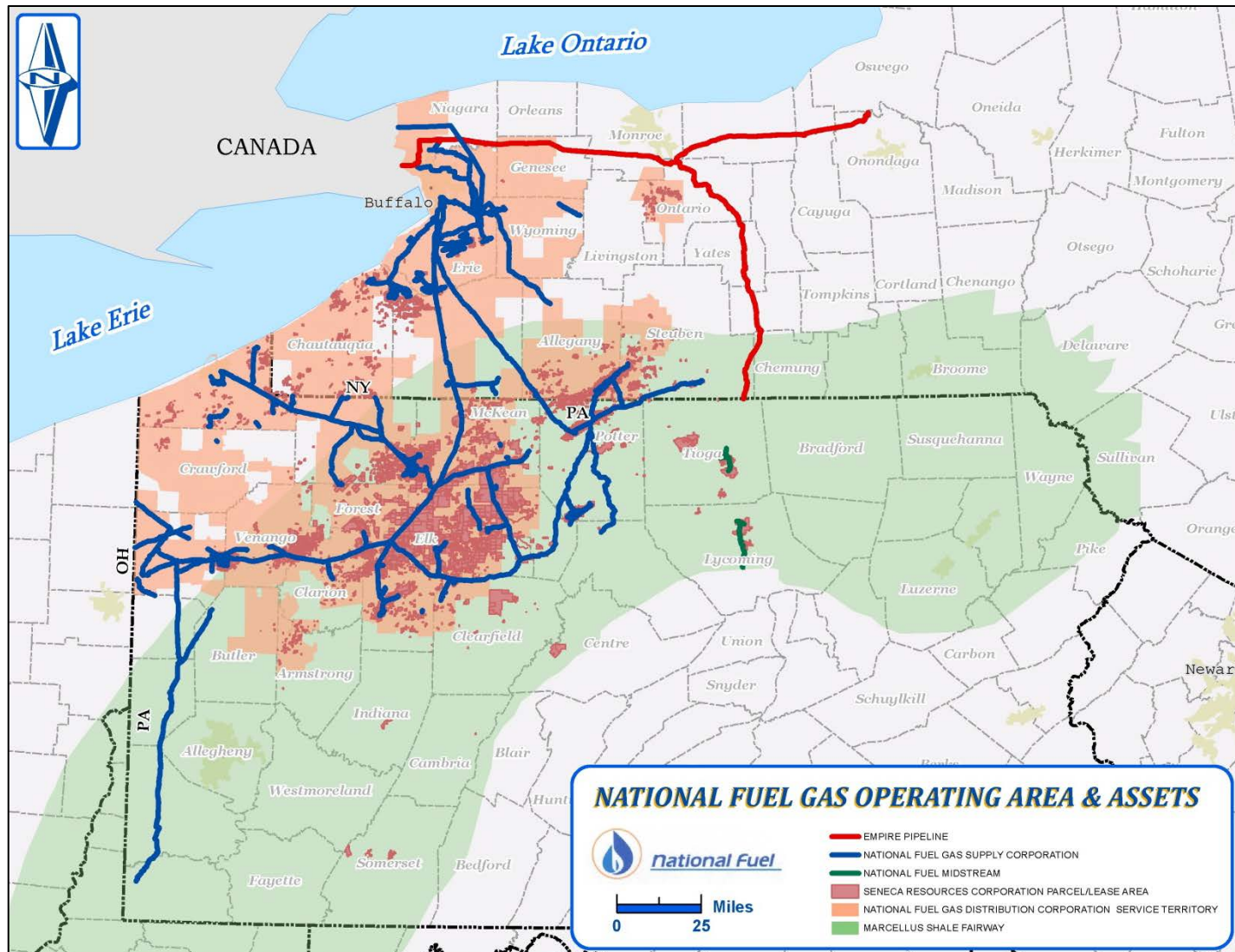
*Our Business Mix Leads to Long-Term Value Creation*



***The strategic, operational and financial benefits, along with capital flexibility and consistent growth opportunities generated by this integrated mix of businesses continues to create significant long-term value for the Company's shareholders in nearly all economic and commodity price scenarios***

# National Fuel Gas Company

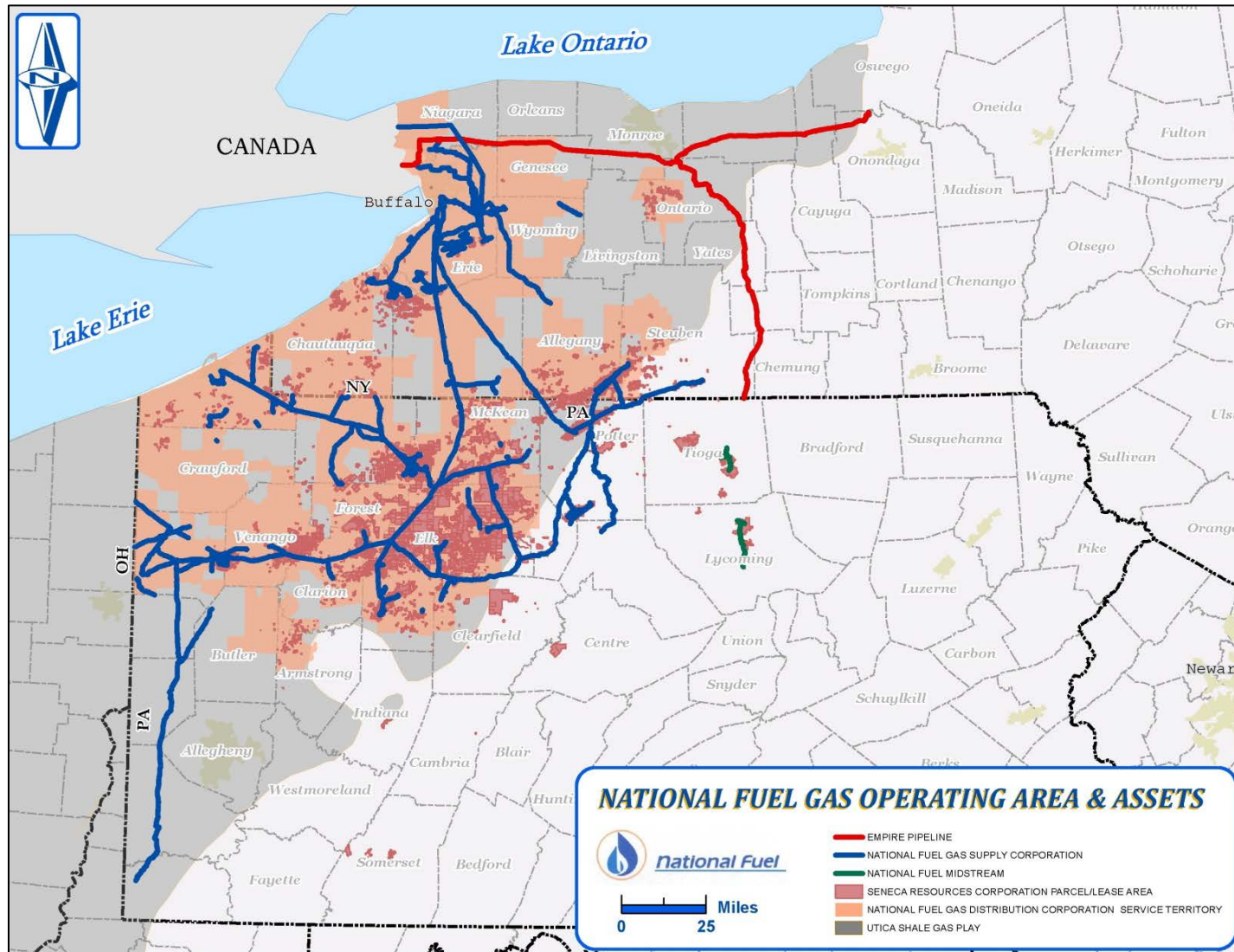
*Integrated Businesses with Significant Marcellus Exposure...*





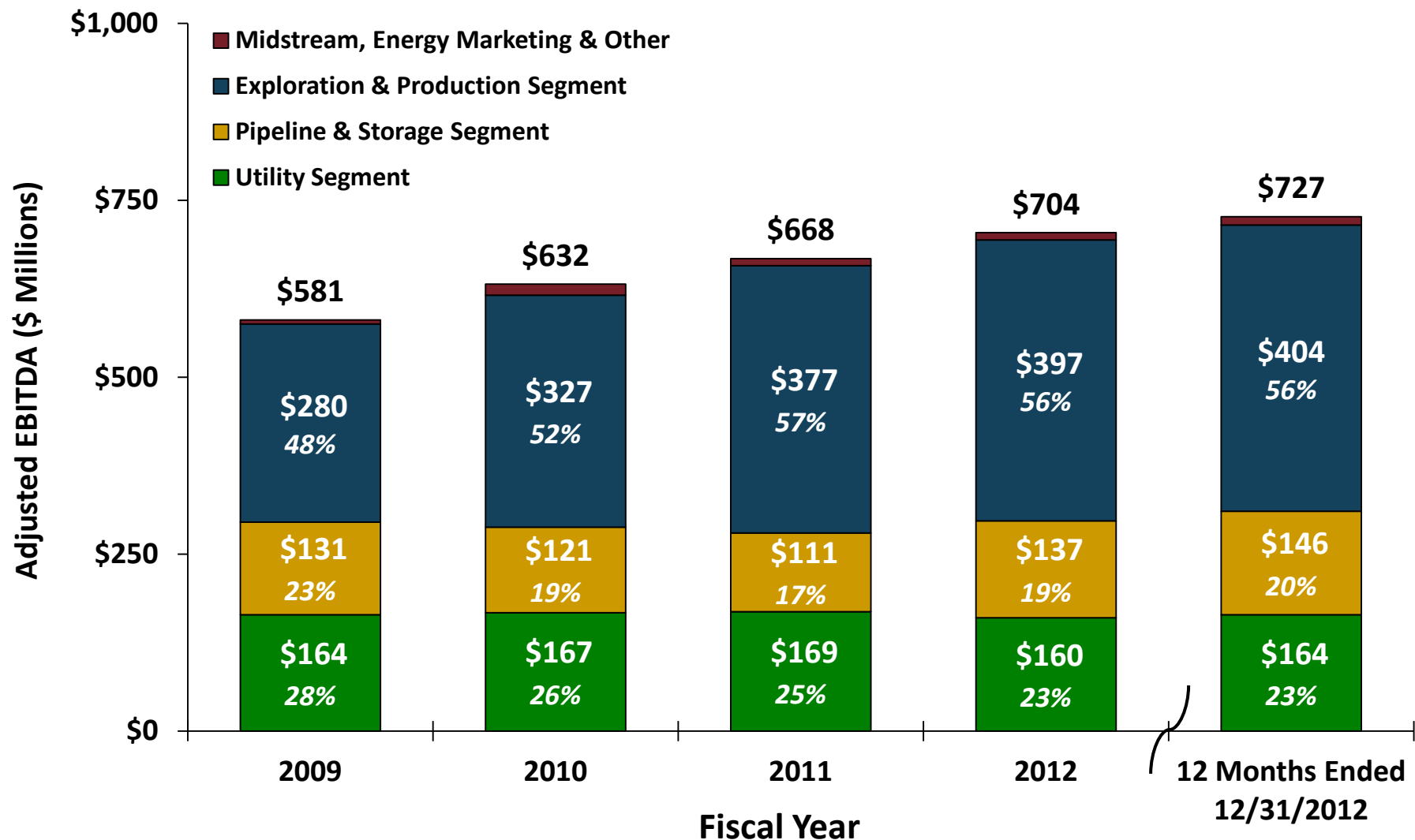
# National Fuel Gas Company

*...And Exposure to Growth from the Utica Shale*



# National Fuel Gas Company

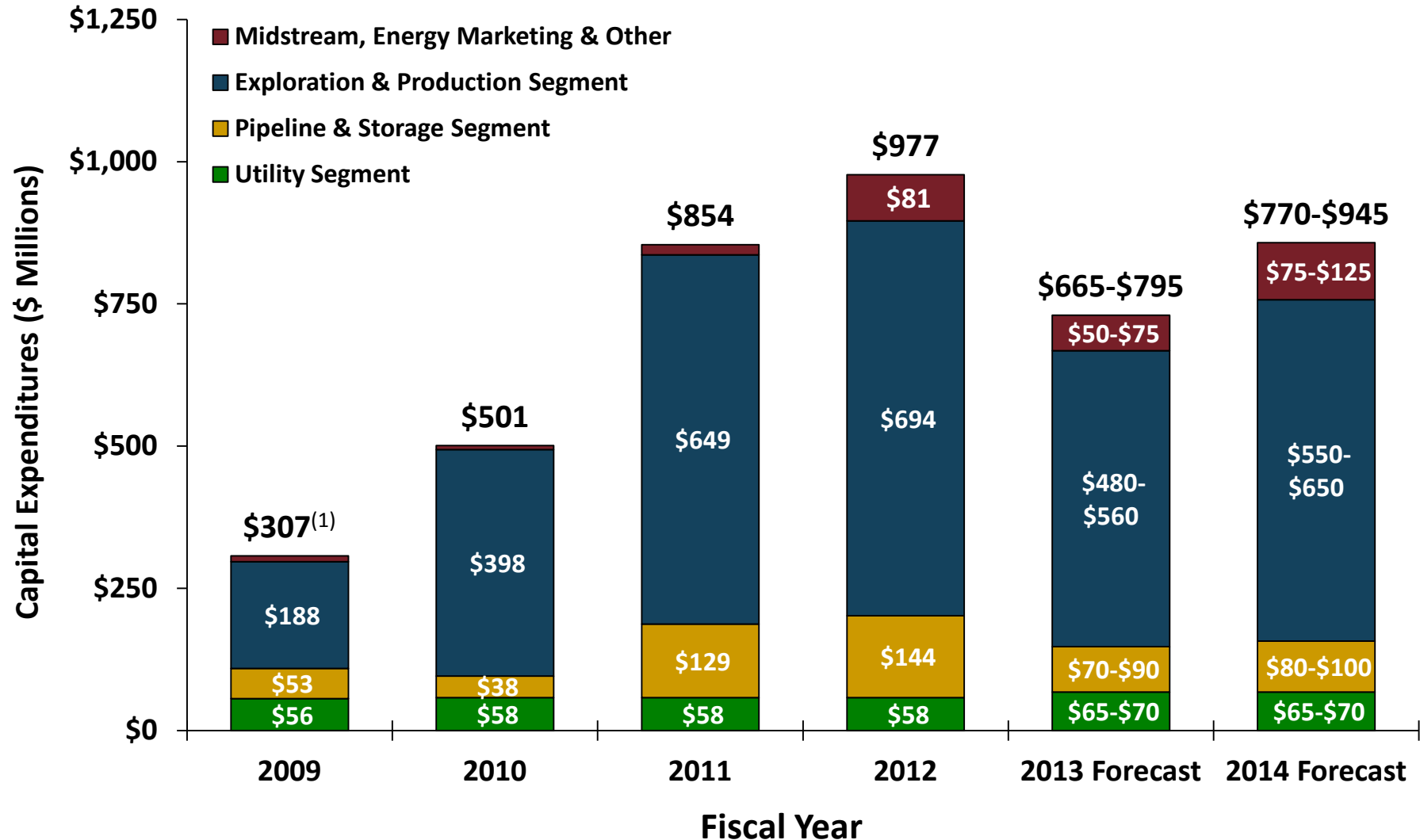
*EBITDA Growth Driven by Stability and Continued Success*



Note: A reconciliation of Adjusted EBITDA to Net Income as presented on the Consolidated Statement of Income and Earnings is included at the end of this presentation.

# National Fuel Gas Company

## *Capital Spending Flexibility to Maintain Financial Strength*



Note: A reconciliation to Capital Expenditures as presented on the Consolidated Statement of Cash Flows is included at the end of this presentation.

(1) Does not include the \$34.9 MM Seneca Resources Corporation's acquisition of Ivanhoe's U.S.-based assets in California, as this was accounted for as an investment in subsidiaries on the Statement of Cash Flows, and was not included in the Exploration & Production segment's Capital Expenditures

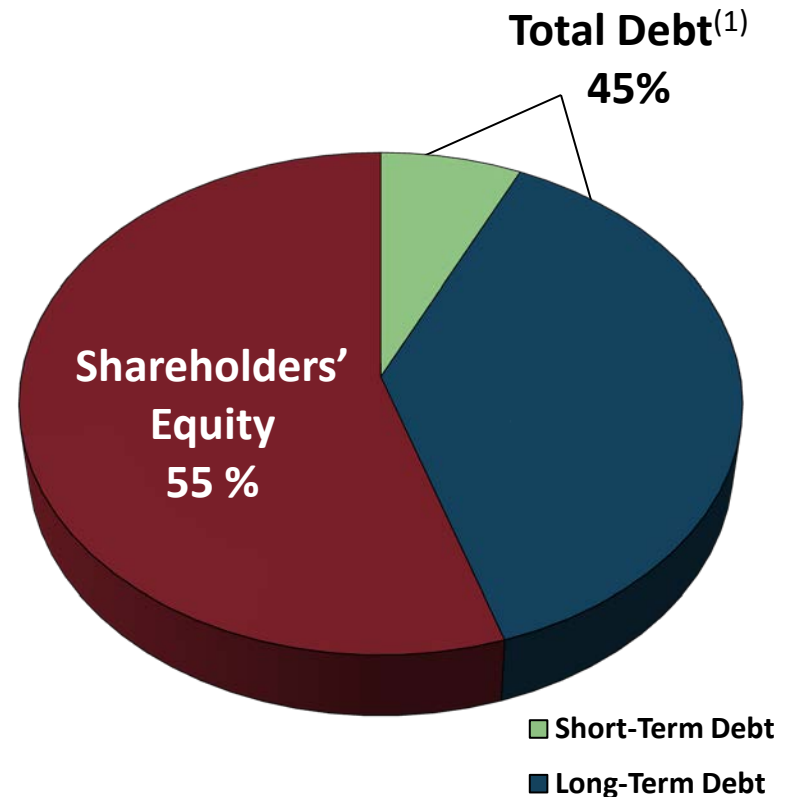
# National Fuel Gas Company

## *Strong Balance Sheet and Liquidity Position*

### Capital Resources

- **Total Short-Term Capacity: \$1,085 Million**
  - **Committed Credit Facility: \$750 Million**
    - **Syndicated facility extends until January 6, 2017**
  - **Uncommitted Lines of Credit: \$335 Million**
    - **\$18.0 million of outstanding short-term notes payable to banks as of December 31, 2012**
- **\$300.0 Million Commercial Paper Program backed by Committed Credit Facility**
  - **\$220.0 million of outstanding commercial paper as of December 31, 2012**

***In February 2013, the Company issued \$500 million in 10-year notes to repay a \$250 maturity and all outstanding short-term debt***



**\$3.653 Billion<sup>(2)</sup>**  
***As of December 31, 2012***

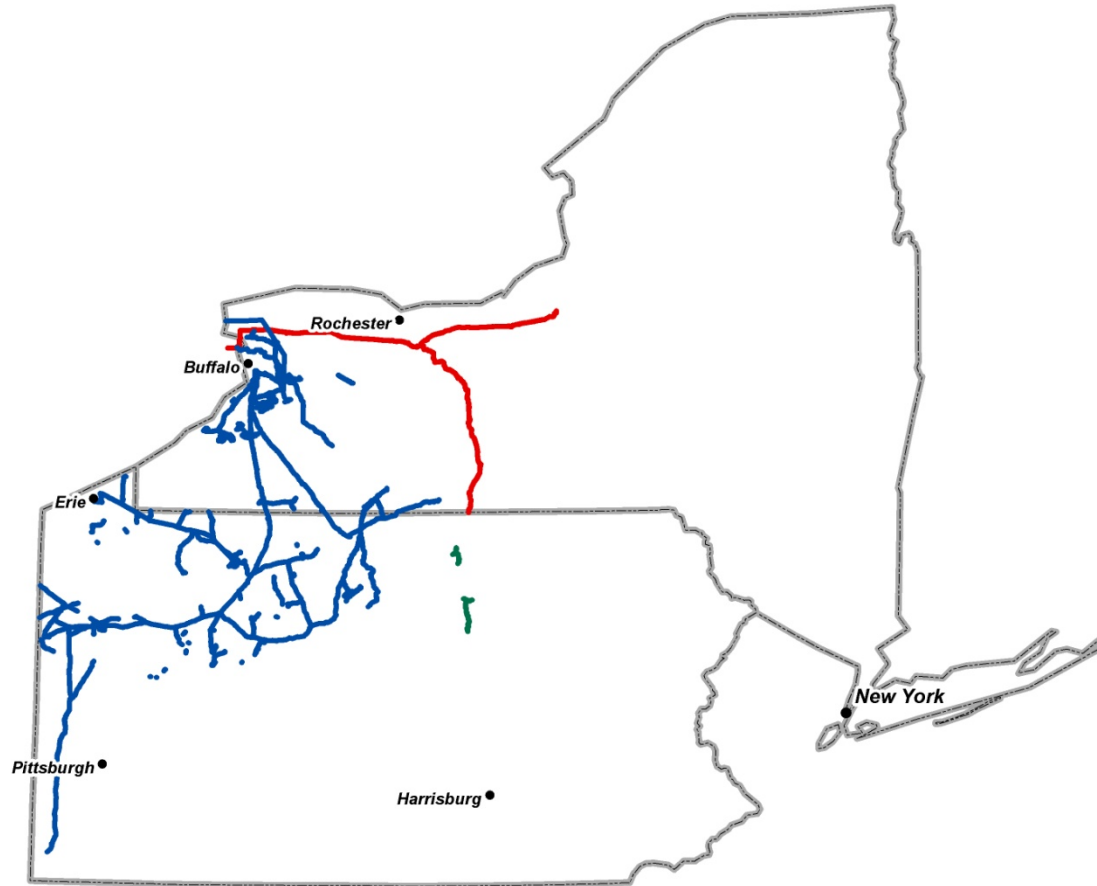
(1) Includes Long-Term Debt of \$1.149 billion, the Current Portion of Long-Term Debt of \$0.250 billion, and Notes Payable to Banks and Commercial Paper of \$0.238 billion, as of December 31, 2012.

(2) Includes Notes Payable to Banks and Commercial Paper of \$238.0 million and Current Portion of Long-Term Debt of \$250.0 million as of December 31, 2012.



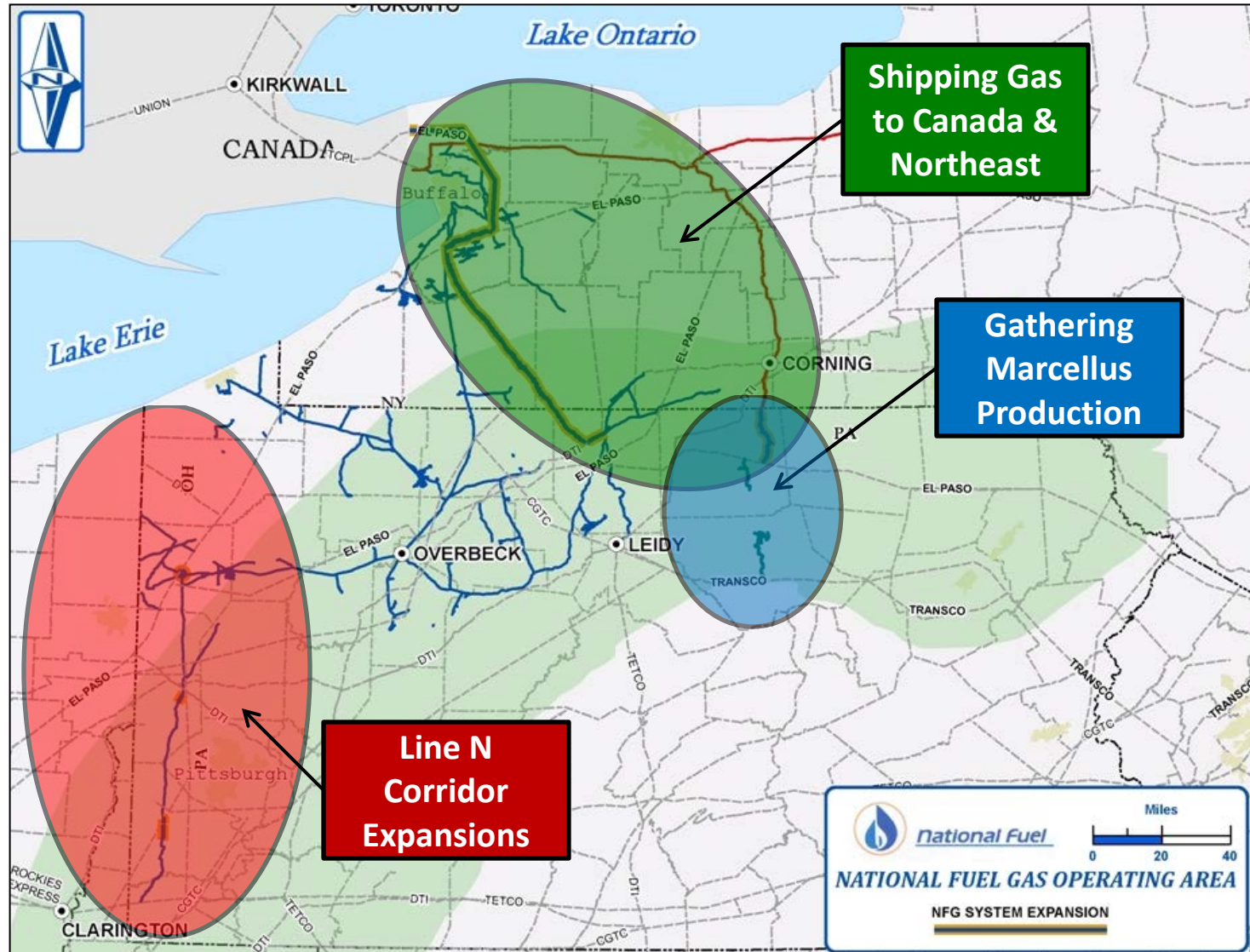
# Midstream Businesses

## *Pipeline & Storage/NFG Midstream*

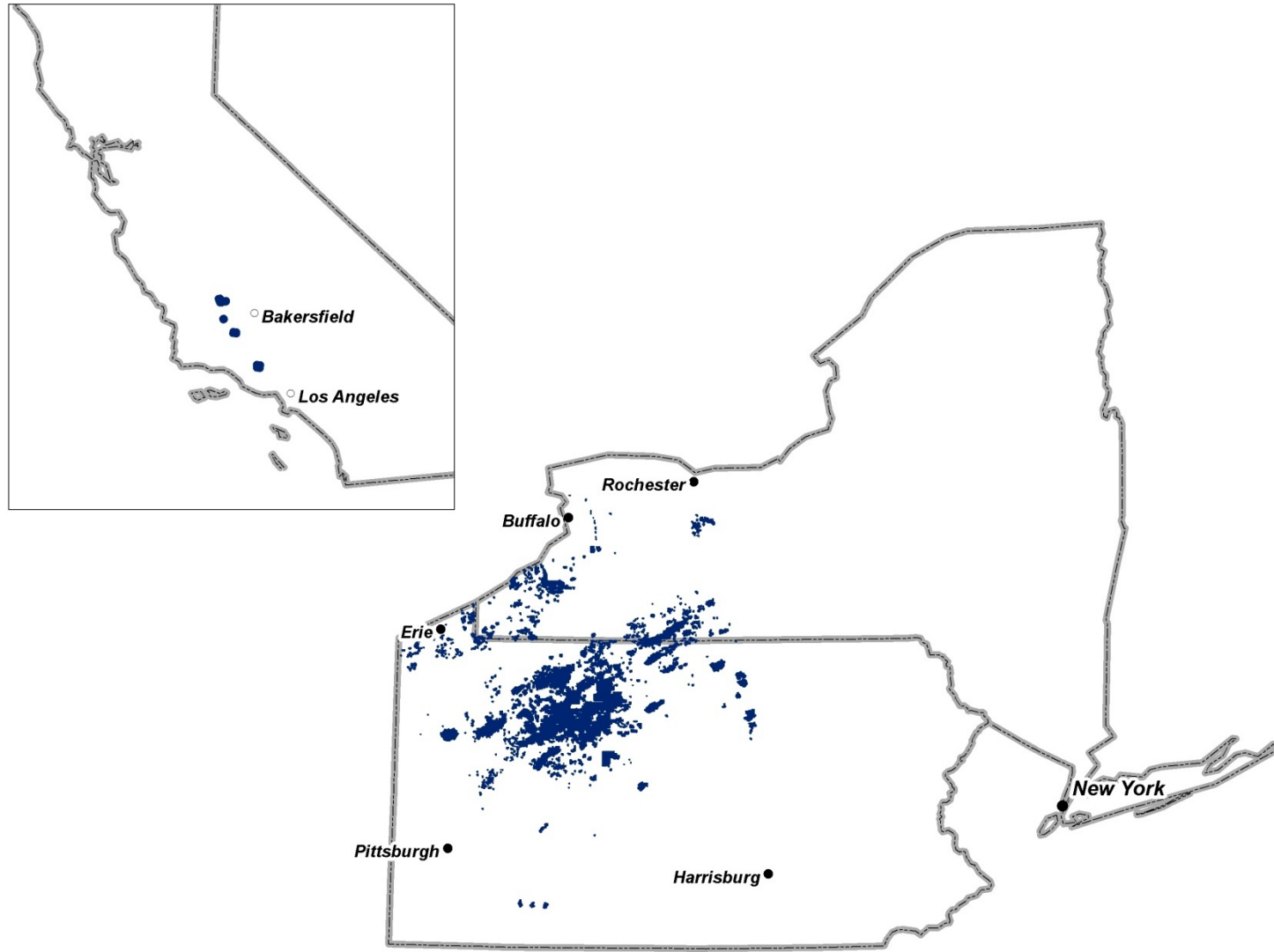


# Midstream Businesses

## *Pipeline Expansions to Transport Appalachian Production*

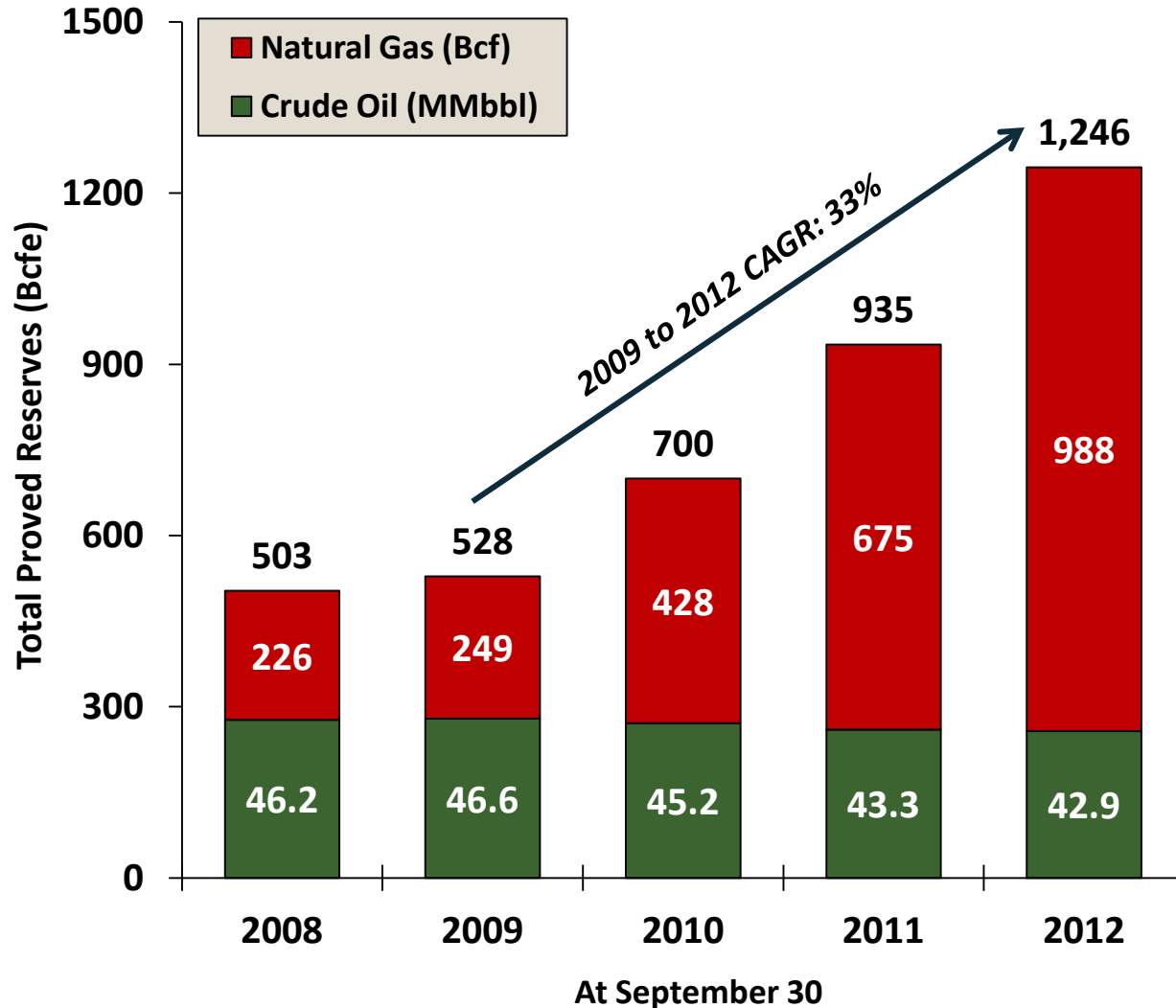


# Exploration & Production



# Seneca Resources

## Another Strong Year of Reserve Growth



Fiscal Years	3-Year F&D Cost <sup>(1)</sup> (\$/Mcf)
2006-2008	\$7.63
2007-2009	\$5.35
2008-2010	\$2.37
2009-2011	\$2.09
2010-2012	\$1.87

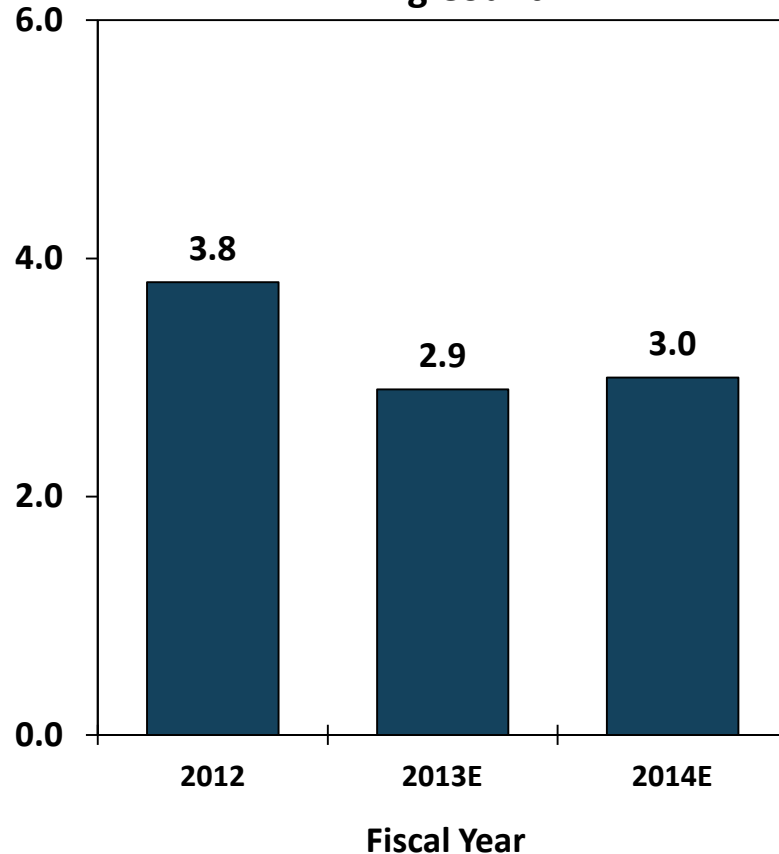
*Seneca has more than doubled its proved reserves since 2009, while maintaining a relatively high percentage of proved developed reserves (67%), given its large resource base*

(1) Represents a three-year average U.S. finding and development cost

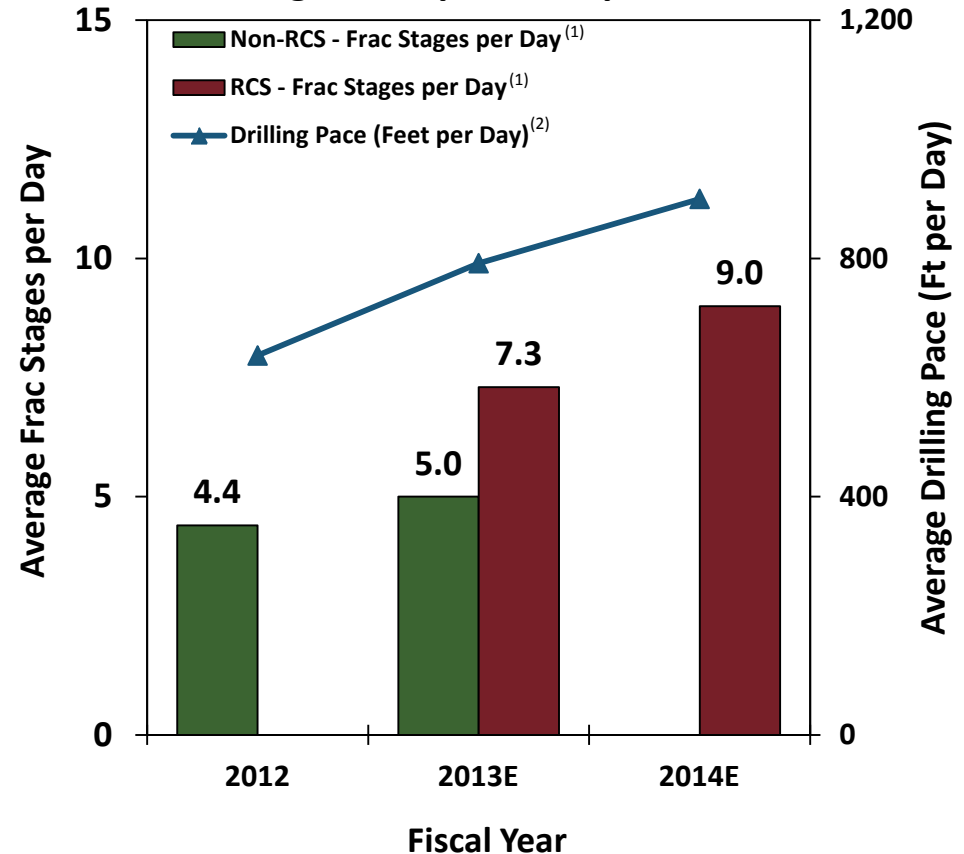
# Seneca Resources

## *Operational Efficiencies Continue to Drive Production Growth*

**Seneca-Operated Appalachian  
Rig Count**



**Drilling & Completion Operations**



***Ongoing efficiency allows for more activity with a flat rig count***

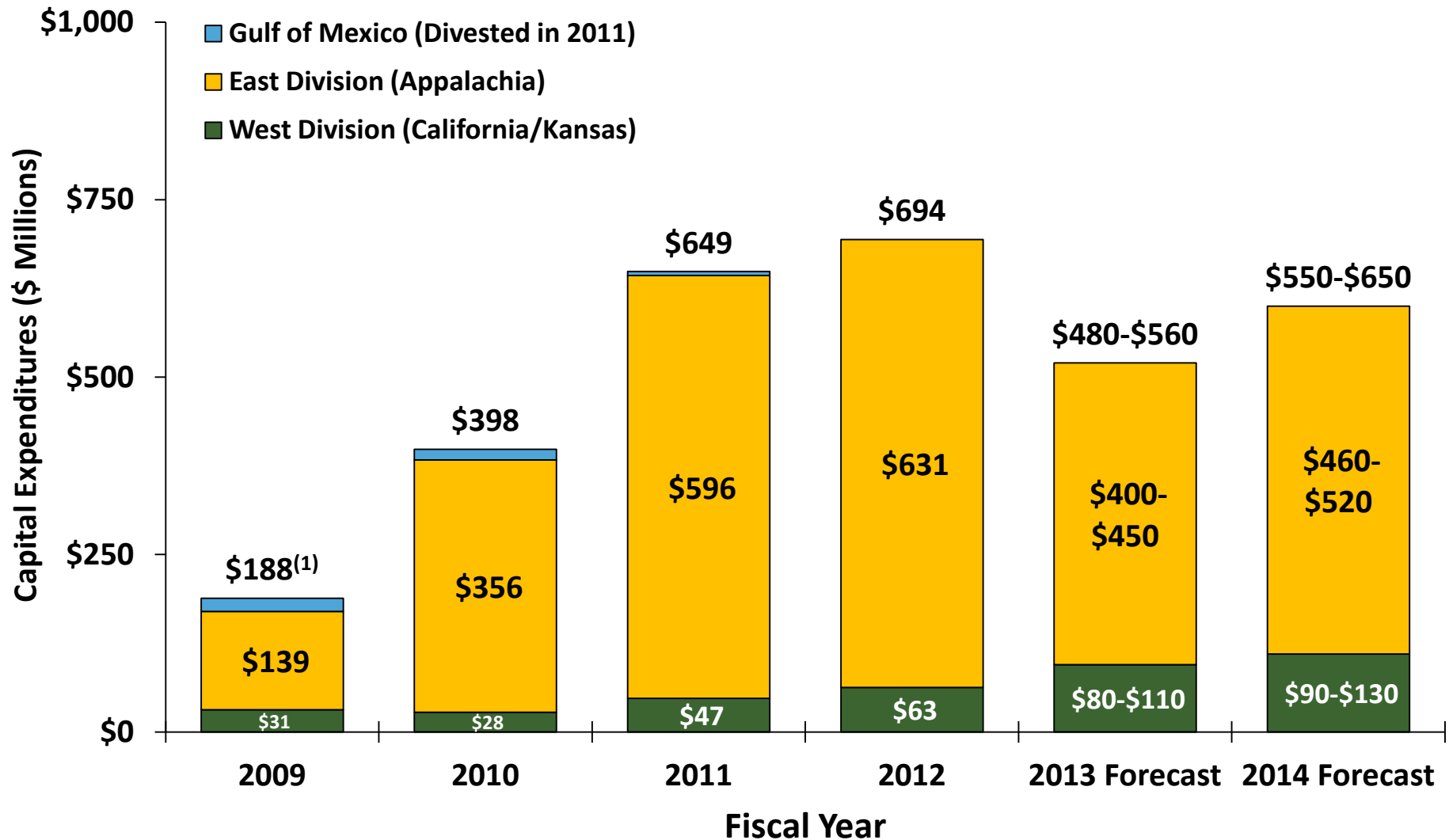
(1) RCS – Reduced Cluster Spacing

(2) Drilling pace represents the average feet drilled per day from the time the well is spud until it reaches total depth (TD)



# Seneca Resources

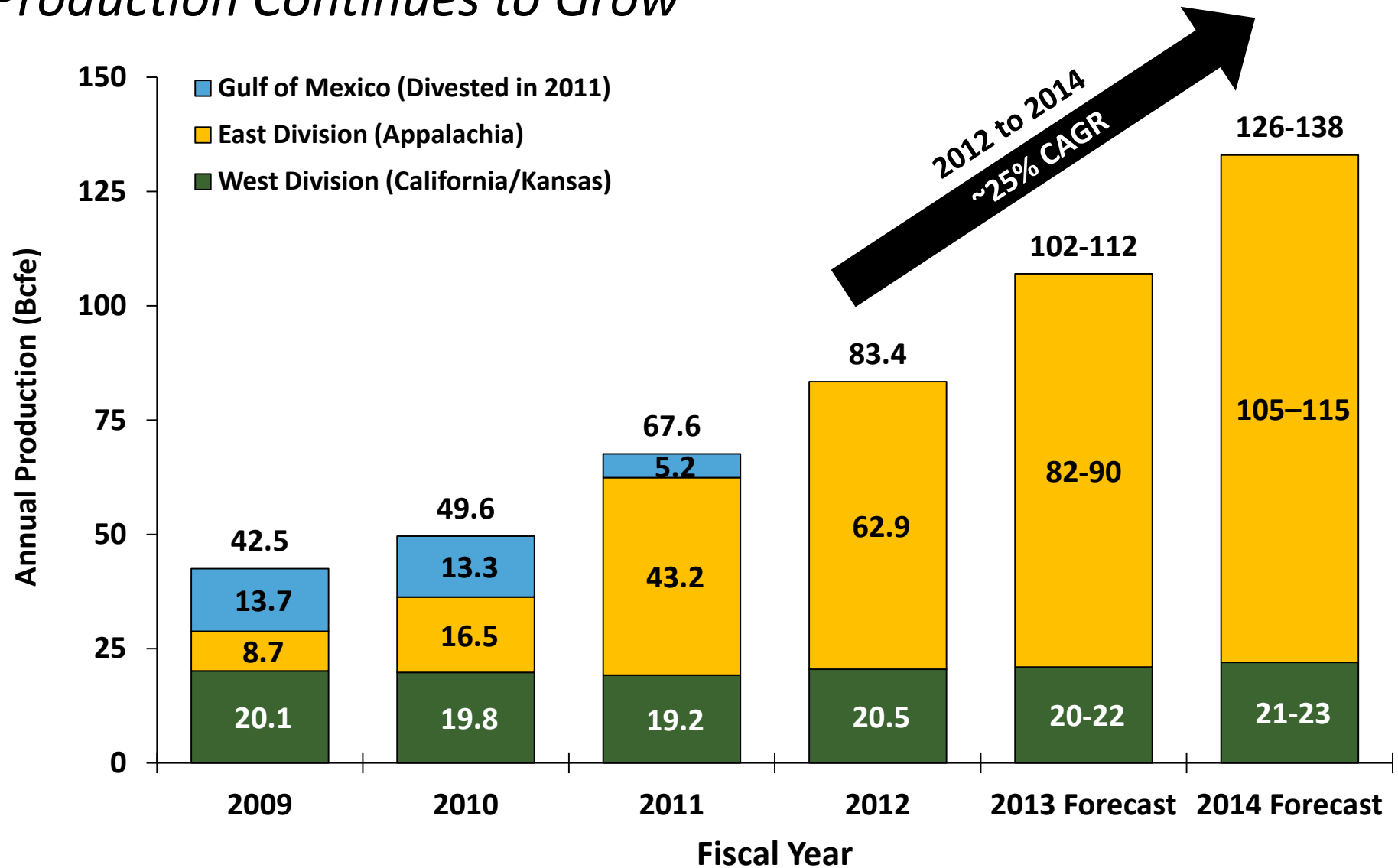
## *Increased Oil Spending and Tempered Marcellus Spending*



(1) Does not include the \$34.9 MM acquisition of Ivanhoe's U.S.-based assets in California, as this was accounted for as an investment in subsidiaries on the Statement of Cash Flows, and was not included in Capital Expenditures

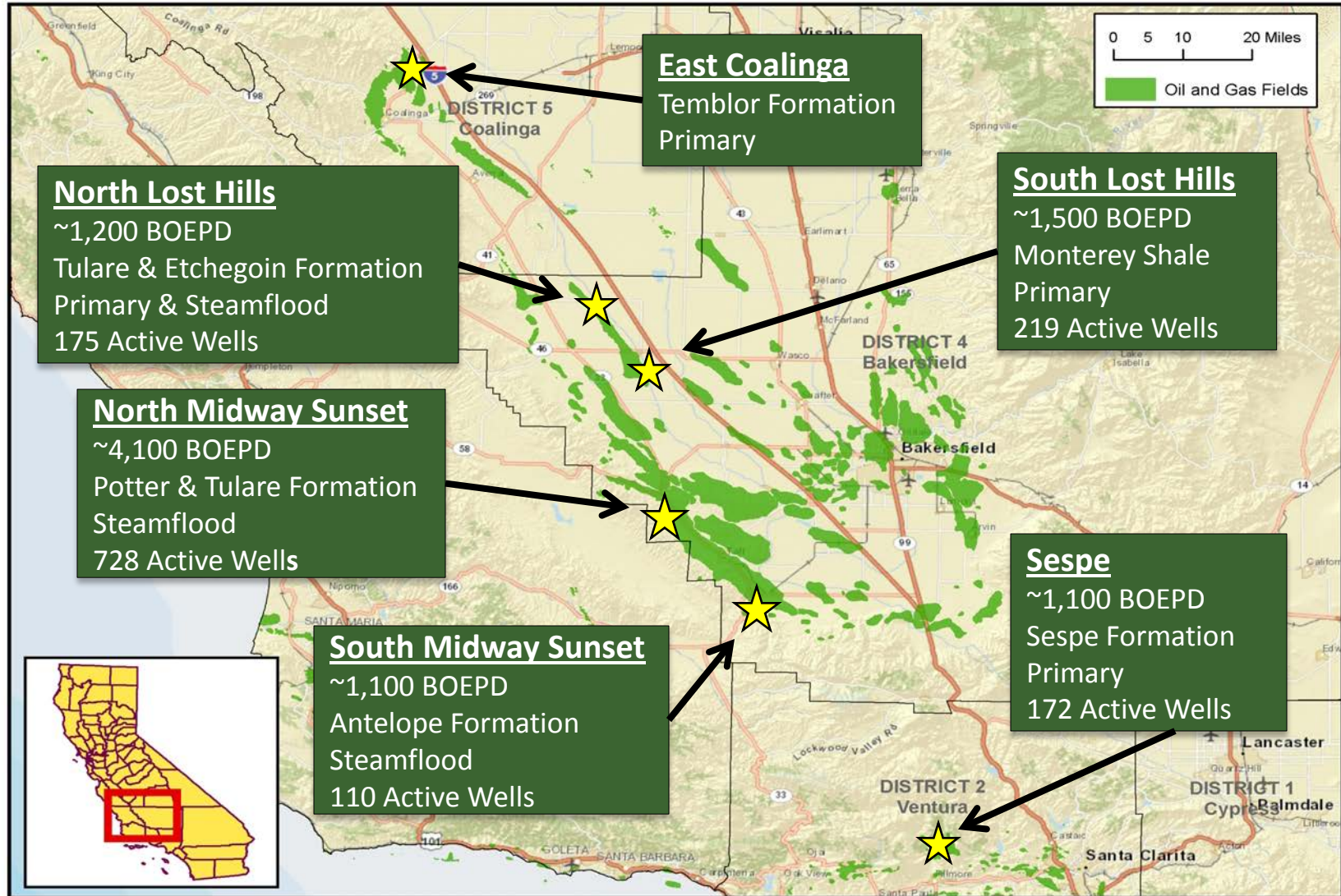
# Seneca Resources

*Production Continues to Grow*



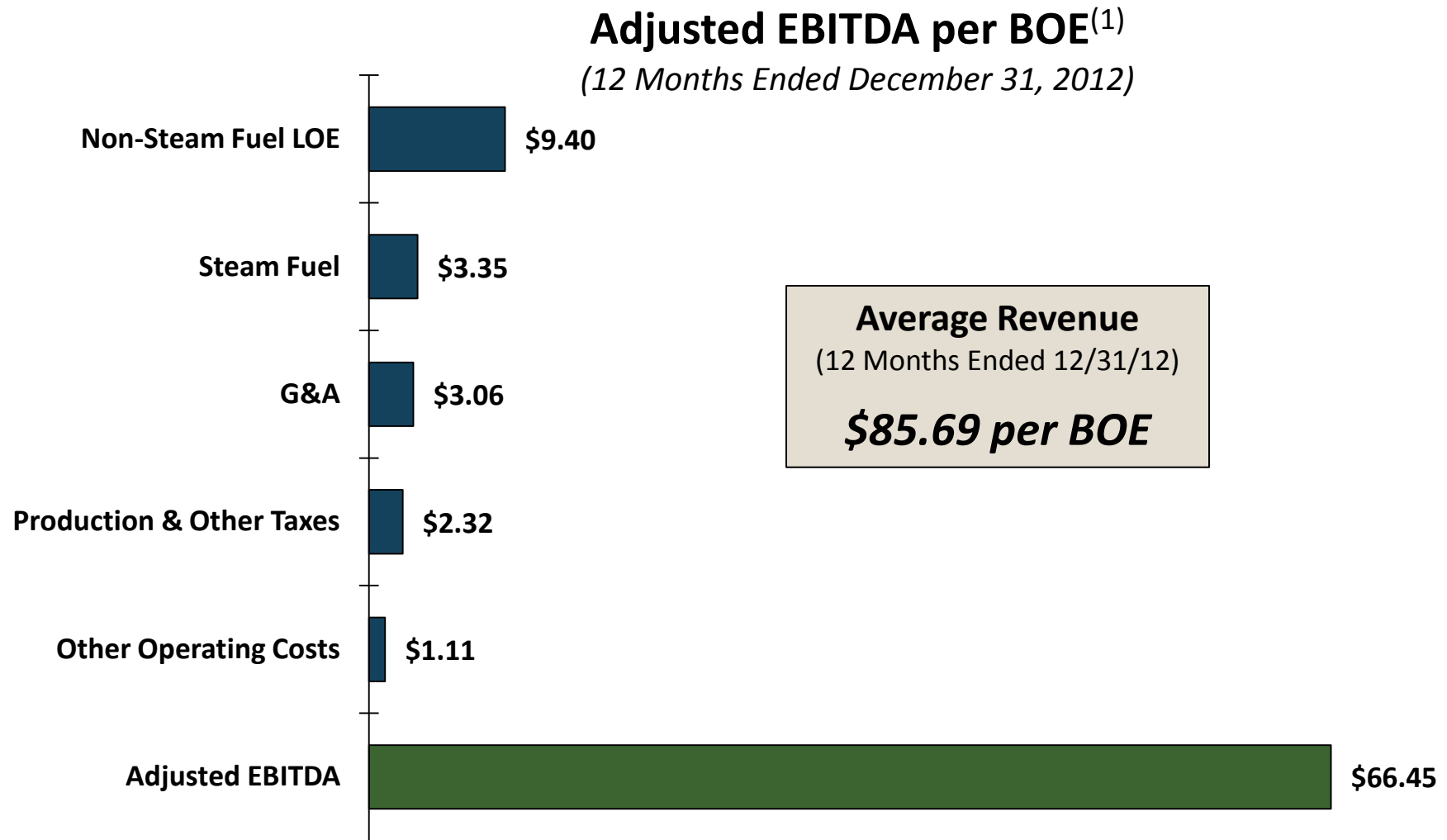
# Seneca Resources

## California: Stable Production Fields



# Seneca Resources

## California: Strong Margins Support Significant Free Cash Flow

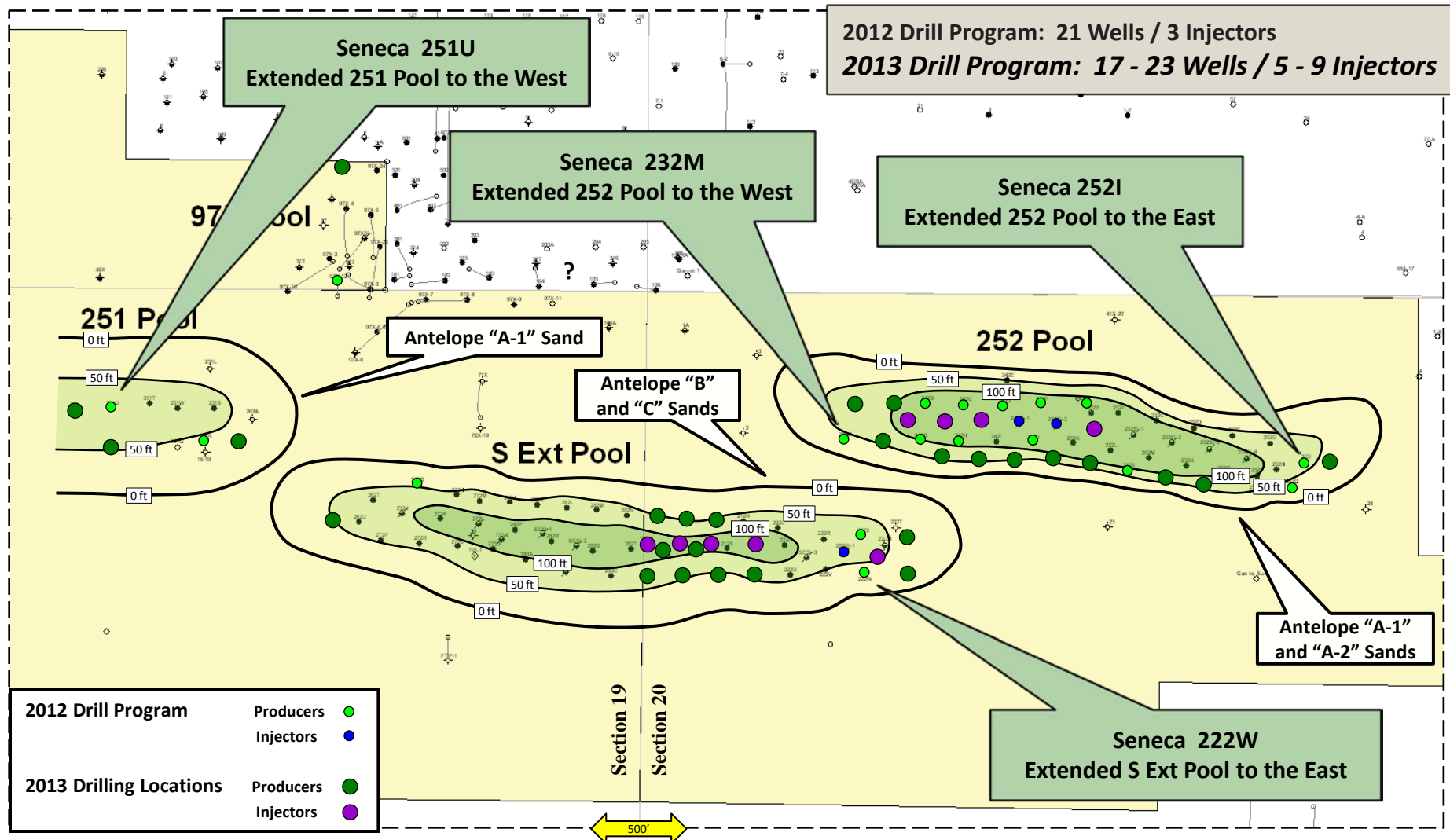


(1) Total production from the Exploration & Production segment's properties in California was 3,374 Mboe for the 12 months ended December 31, 2012.

Note: A reconciliation of Exploration & Production West Division Adjusted EBITDA to Exploration & Production Segment Net Income is included at the end of this presentation.

# Seneca Resources

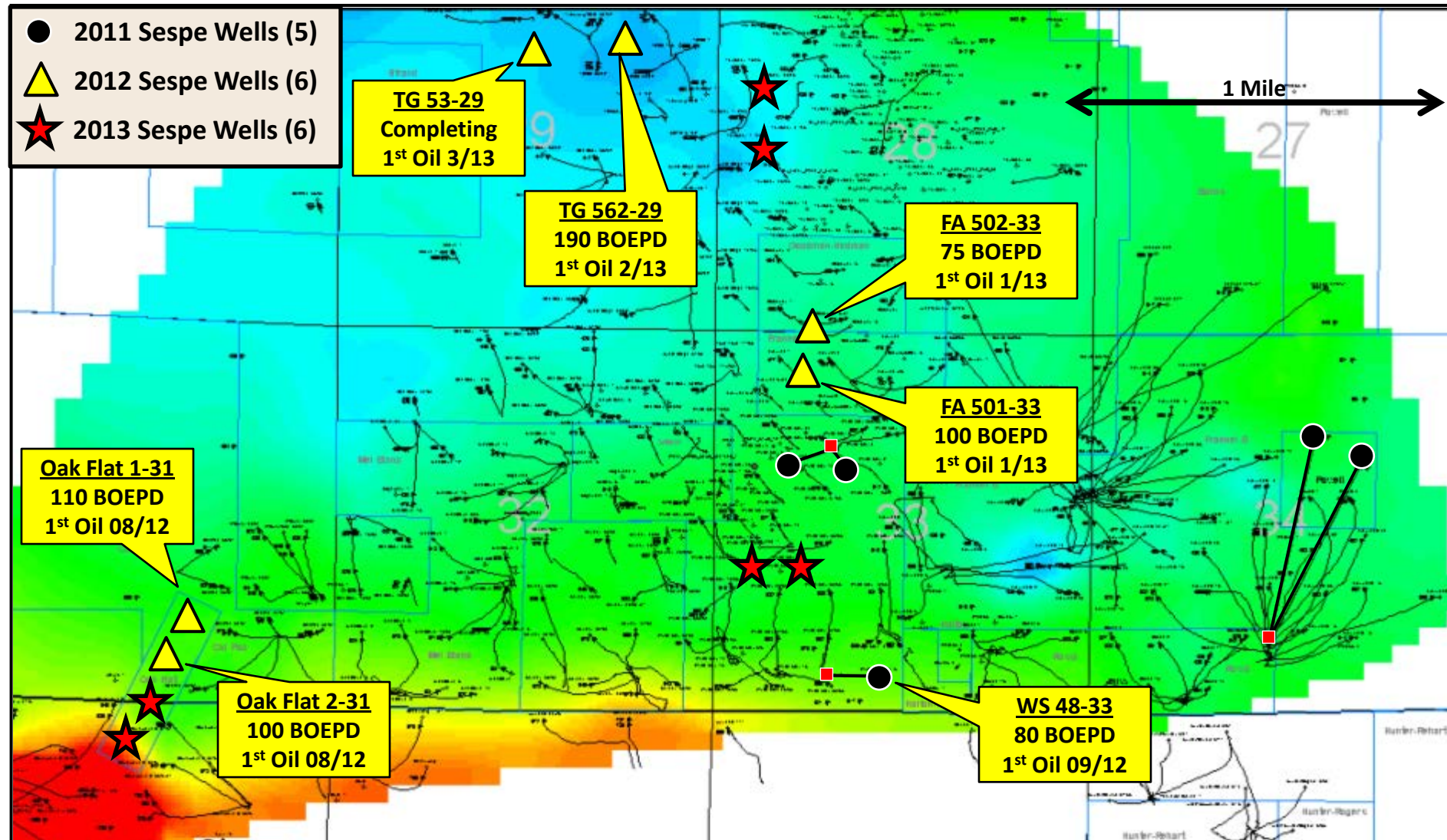
## California: Midway Sunset South Activity Update





# Seneca Resources

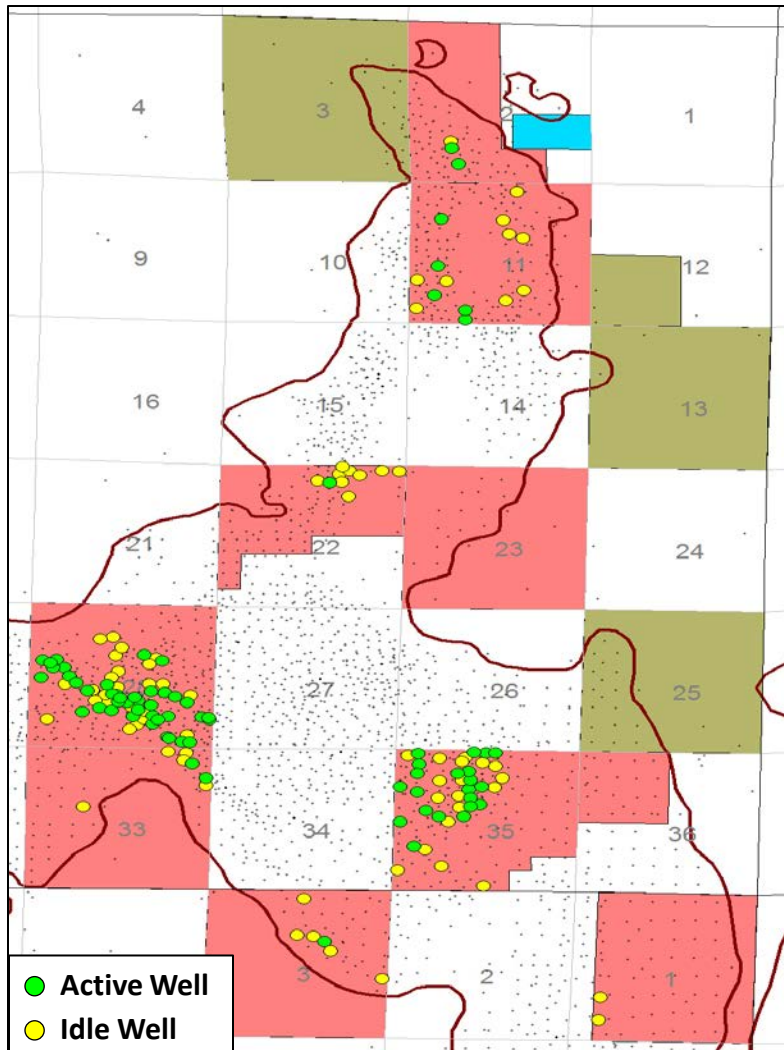
## California: Sespe Field – Drilling Programs and Results



"X" SANDS ISOCHORE (Thickness)

# Seneca Resources

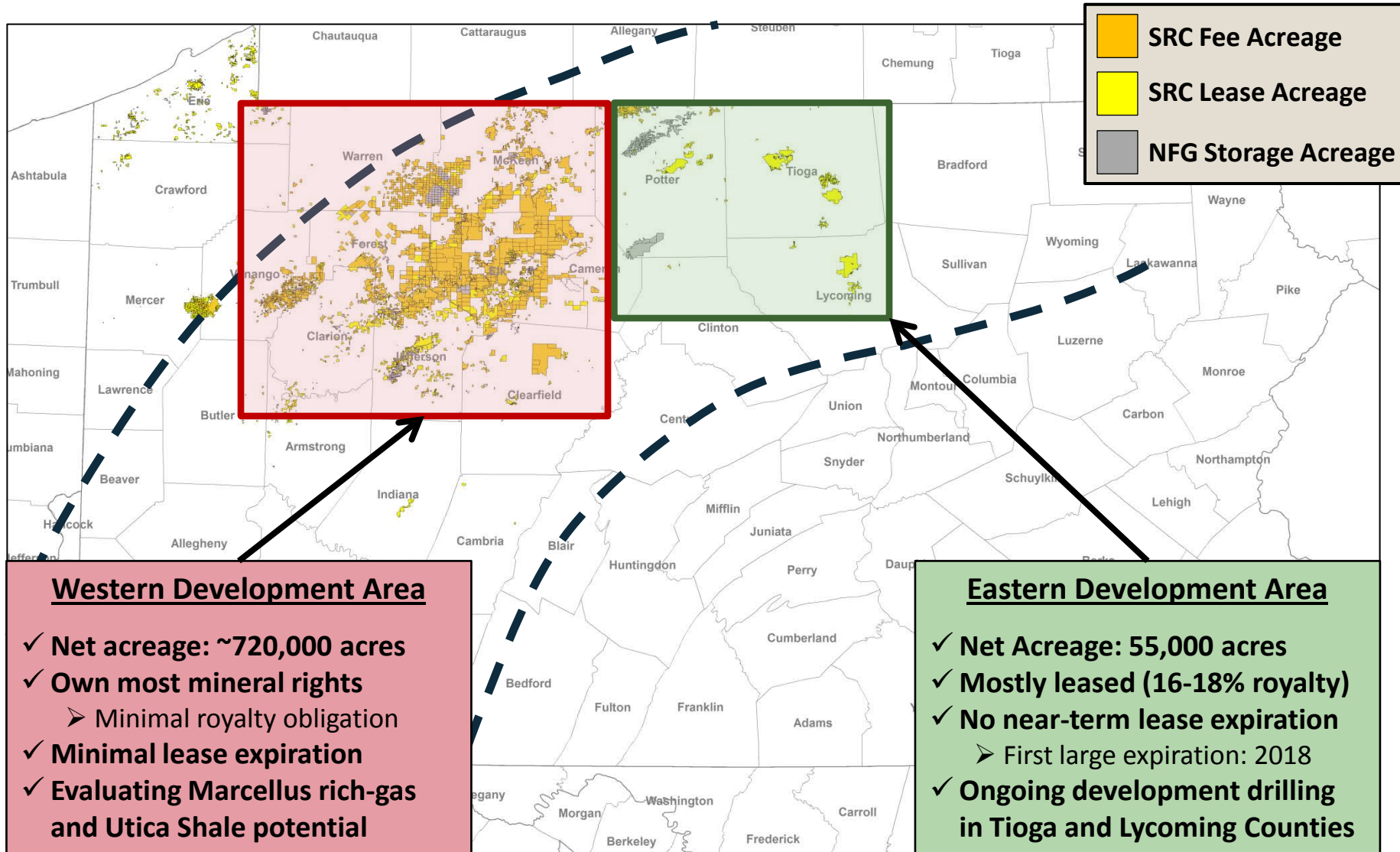
## California: East Coalinga Overview



- Seneca became operator on January 30, 2013
  - ✓ Previous Operator: Chevron
  - ✓ 7,764 net acres
  - ✓ ~170 wells (60 active)
  - ✓ ~250 BOPD
- \$30 million capital commitment over first three years
  - ✓ \$100 million of potential opportunities over the next five to seven years
- 2013 Plans
  - ✓ Drill ~12 evaluation wells across acreage block
  - ✓ Place ~50% of currently idled wells back on production
  - ✓ Upgrade surface facilities

# Seneca Resources

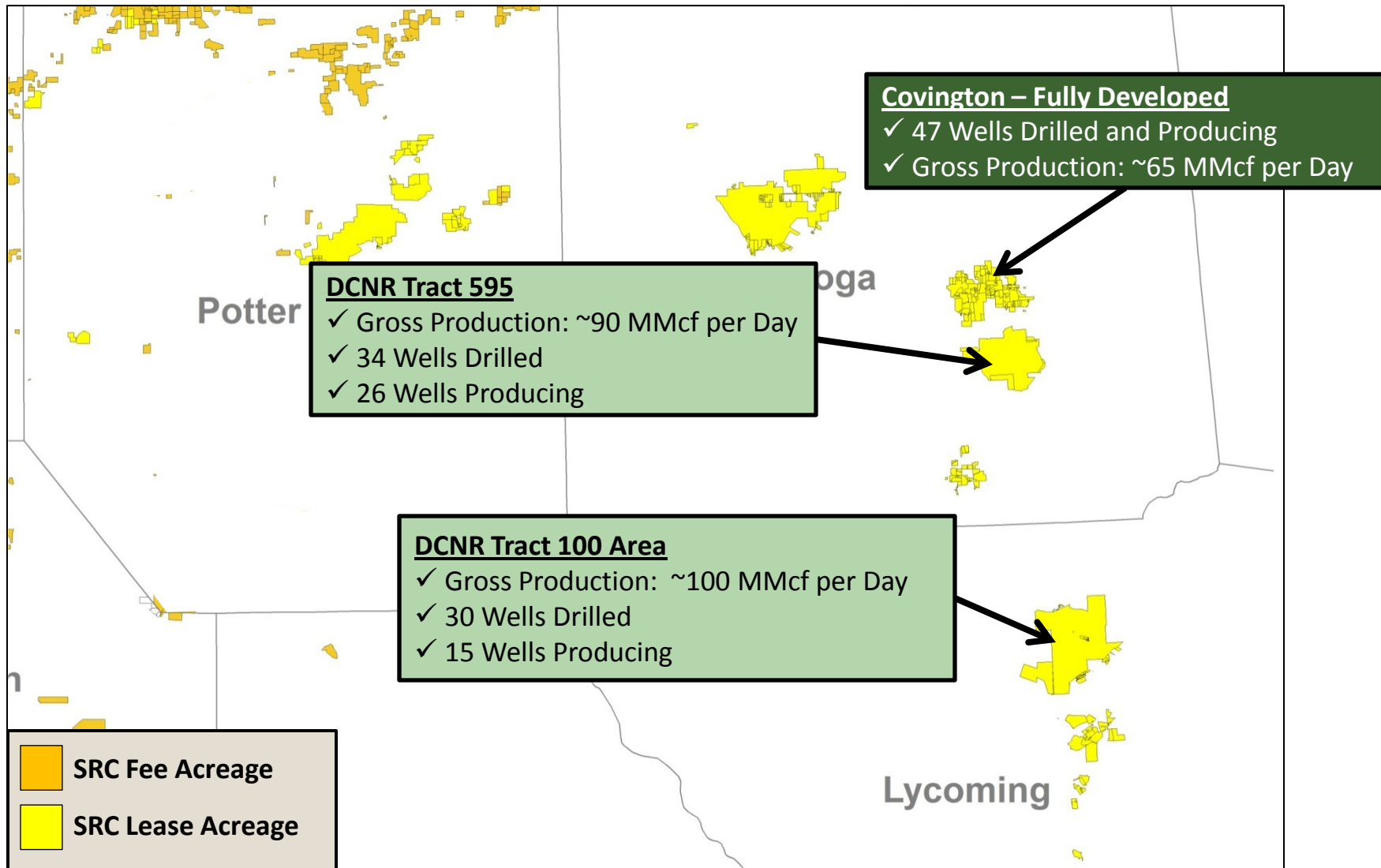
## *Expansive Pennsylvania Acreage Position*





# Seneca Resources

## *Eastern Development Area (EDA)*



# Seneca Resources

*Lycoming and Tioga Counties Are Highly Productive Areas*

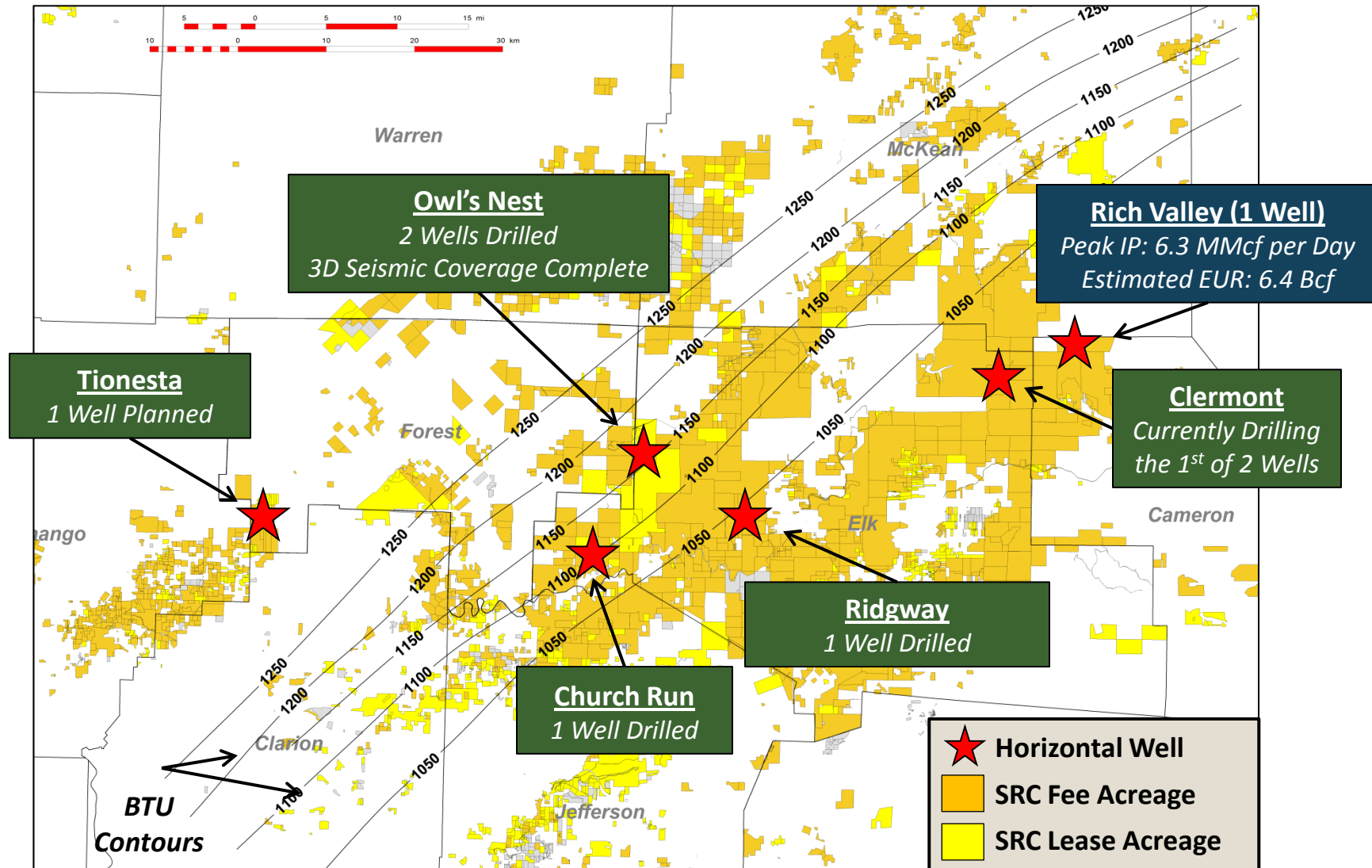
Development Area	Producing Well Count	Average IP Rate (MMcf/d)	Average 7-Day (MMcf/d)	Average 30-Day (MMcf/d)	Average EUR per Well (Bcf)	Average Lateral Length	EUR per 1,000' of Lateral (Bcfe)
<b>Covington</b> <i>Tioga County</i>	<b>47</b>	<b>5.2</b>	<b>4.7</b>	<b>4.1</b>	<b>5.3</b>	<b>4,049'</b>	<b>1.30</b>
<b>Tract 595<sup>(1)</sup></b> <i>Tioga County</i>	<b>19</b>	<b>6.9</b>	<b>6.0</b>	<b>5.1</b>	<b>7.5</b>	<b>4,455'</b>	<b>1.68</b>
<b>Tract 100</b> <i>Lycoming County</i>	<b>14</b>	<b>15.4</b>	<b>13.3</b>	<b>10.3</b>	<b>11.0</b>	<b>5,256'</b>	<b>2.09</b>

(1) Seven new wells on Tract 595 began production in February 2013 and are awaiting sufficient production history to include within the table



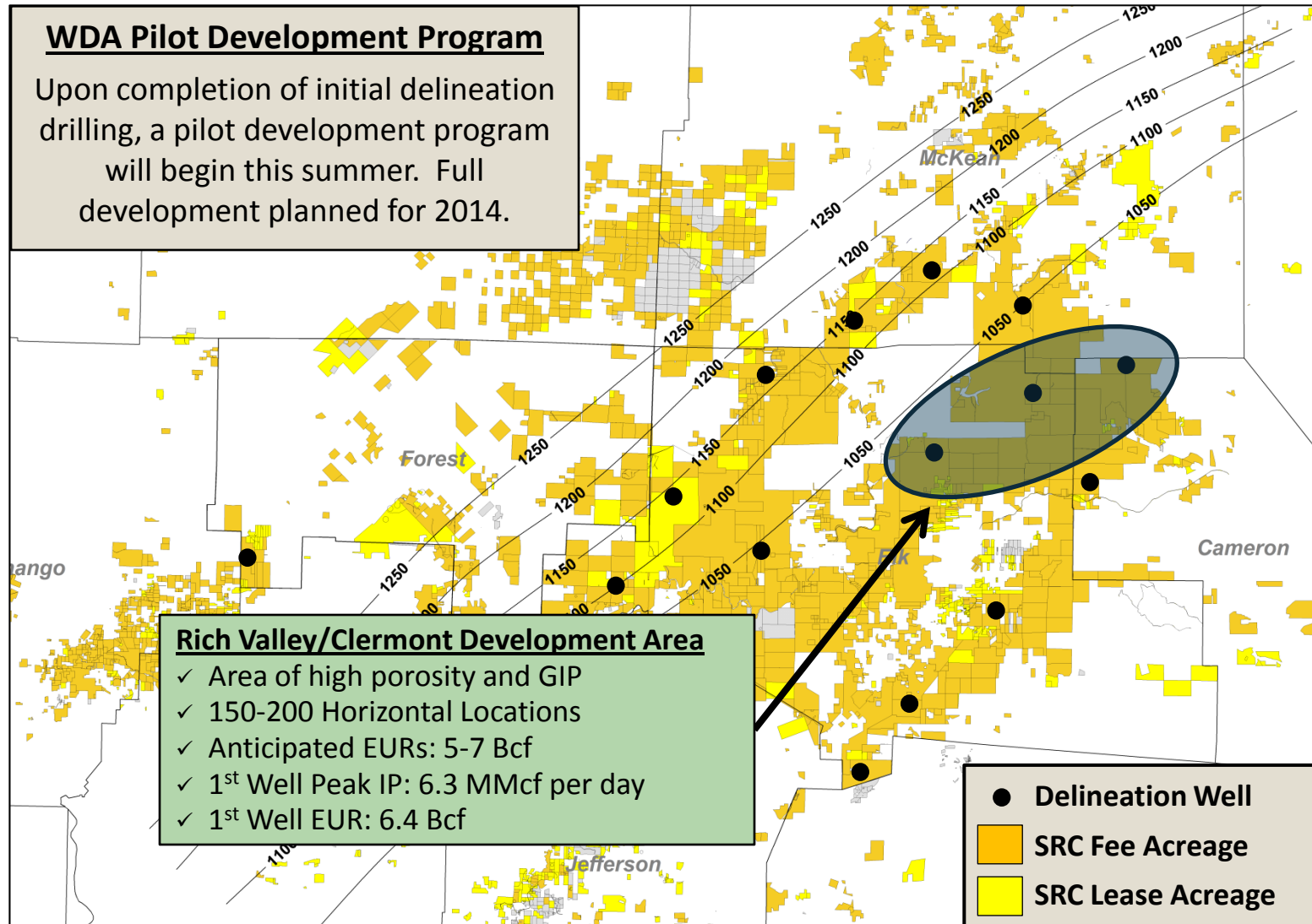
# Seneca Resources

## Fiscal 2013 Western Development Area Delineation Program



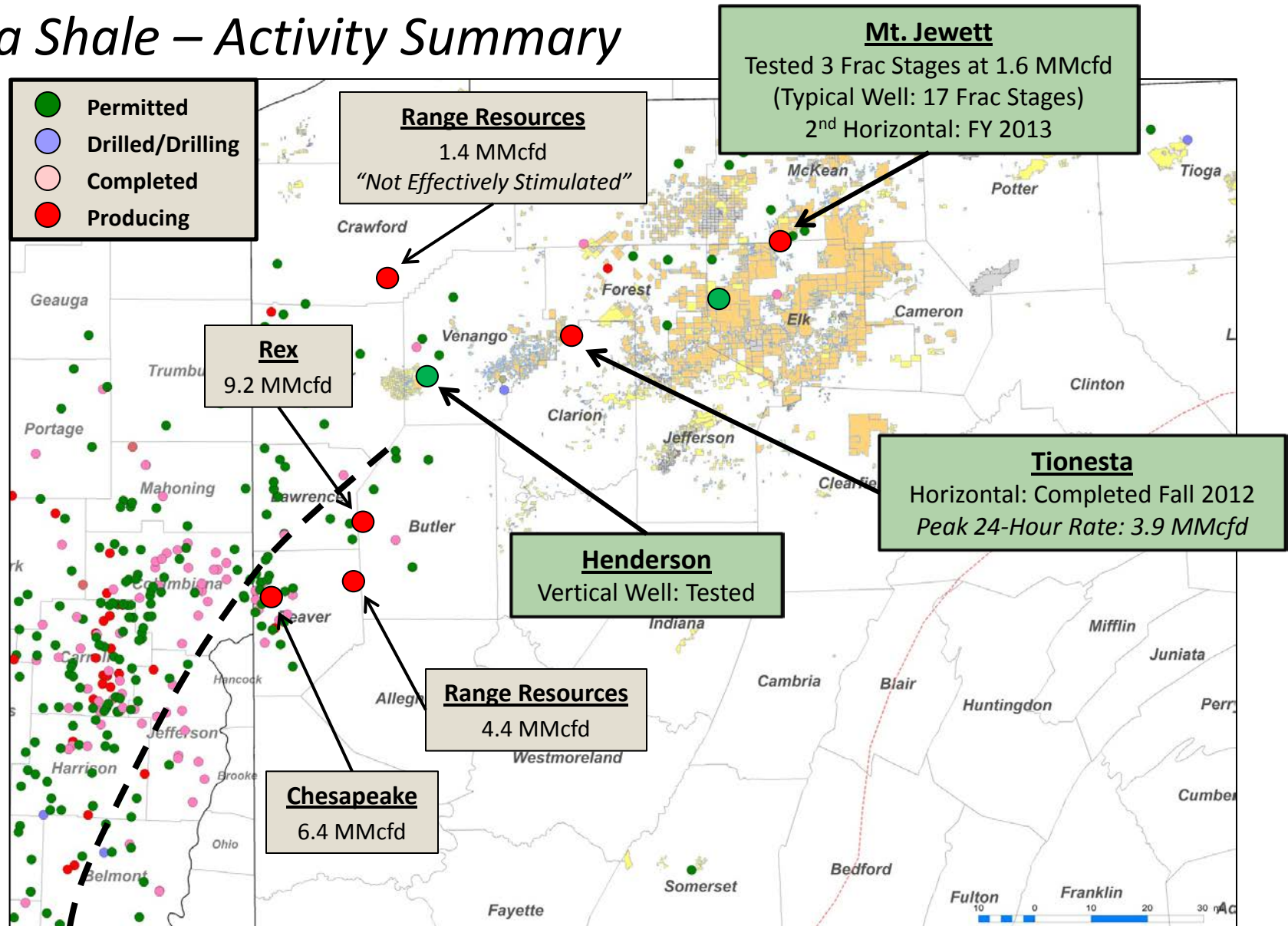
# Seneca Resources

## *Rich Valley/Clermont Development Area*



# Seneca Resources

## Utica Shale – Activity Summary

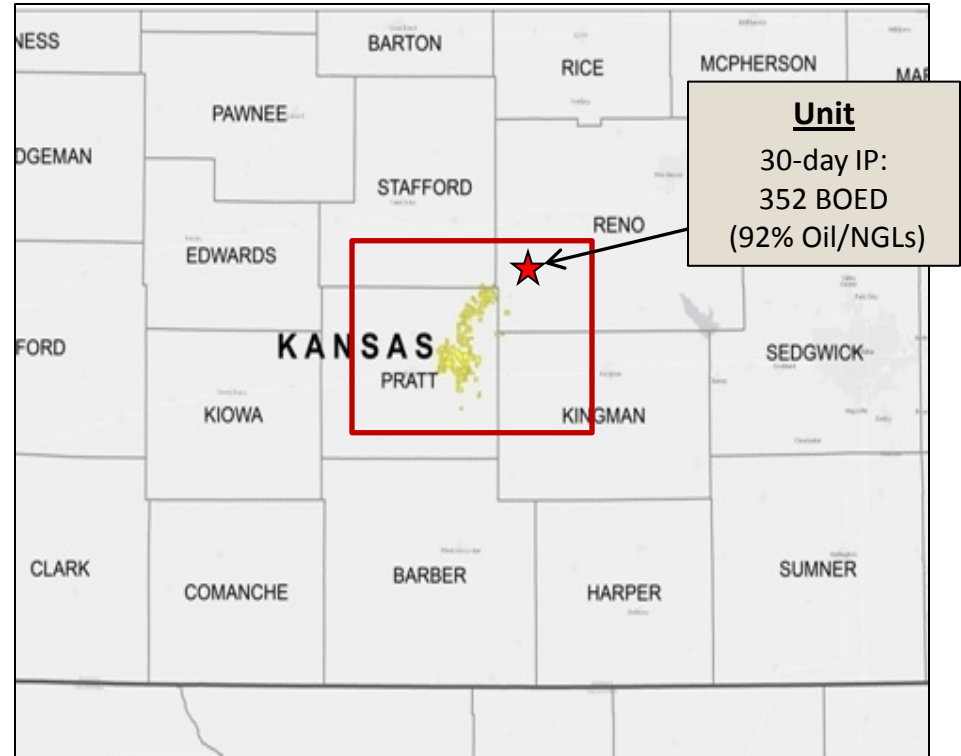


# Seneca Resources

## *Initial Entry into the Mississippian Lime Play in Kansas*

### Total Net Acres: 9,300

- 100% working interest in 4,600 gross acres
- 25% net working interest in 18,500 gross acres
- 2013: Participate in 3 to 5 gross horizontal wells
  - ✓ 1<sup>st</sup> Well Spud: FY2013 – Q3



**The initial entry into the Mississippian Lime play furthers the Company's goal of maintaining a significant contribution from oil-producing properties**

# National Fuel Gas Company

## *Capital Deployment Has Led to Significant Accomplishments*

### 136% Increase in Proved Reserves Since 2009

- Total oil and gas proved reserves reached 1,246 Bcfe at September 30, 2012, with a 3-year average F&D cost of \$1.87/Mcfe

### 96% Production Growth Since 2009

- Despite the 2011 sale of its offshore Gulf of Mexico properties, Seneca has increased production from 42.5 Bcfe in 2009 to 83.4 Bcfe in 2012

### 31% Increase in Pipeline & Storage Adjusted EBITDA since Fiscal 2011

- As a result of major Appalachian pipeline expansions, Adjusted EBITDA reached \$146 million for the last 12 months and new projects will continue to drive growth beyond fiscal 2013

### 44.3 Bcfe in 2012 NFG Midstream Gathering Volumes

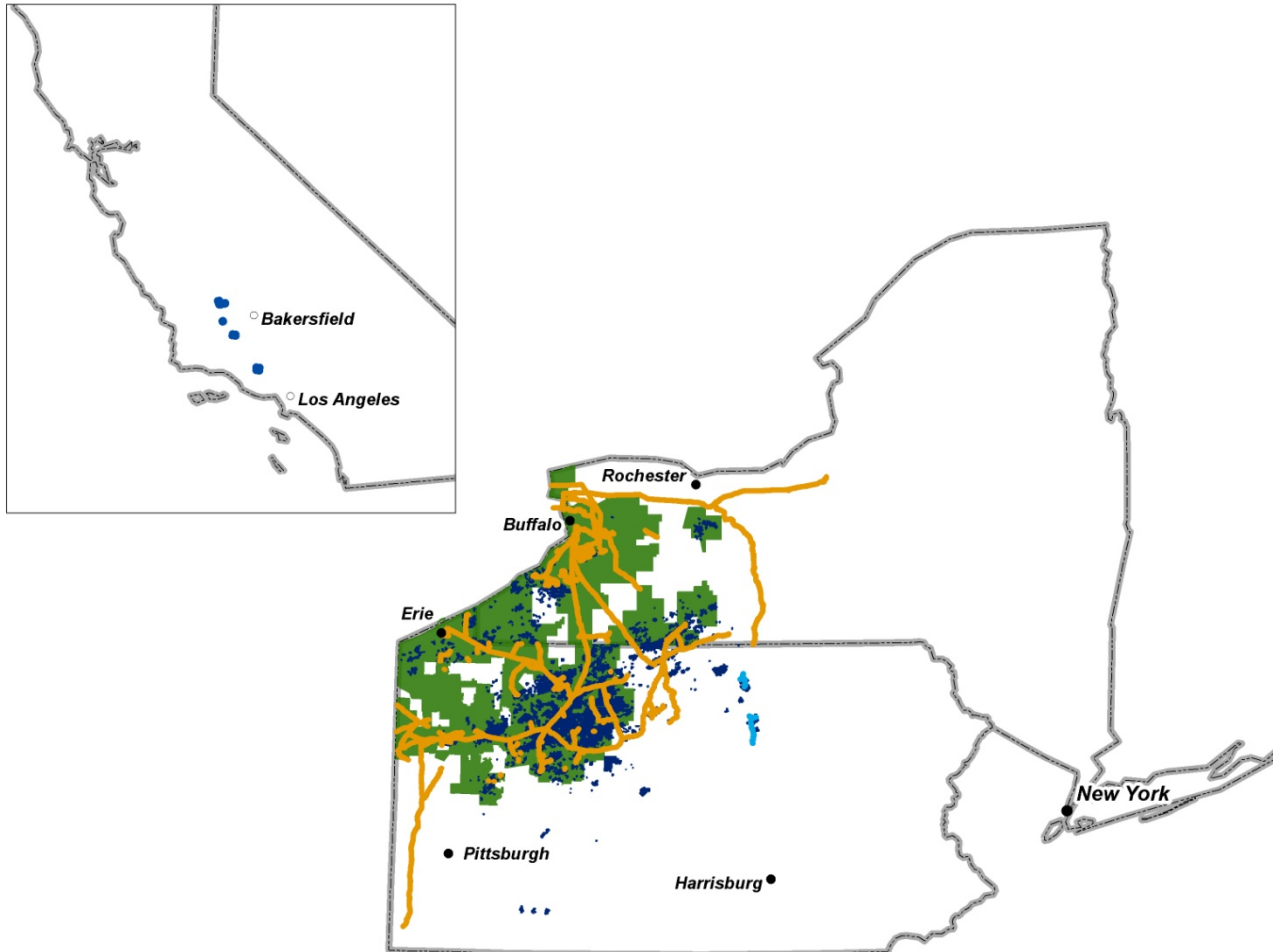
- NFG Midstream gathered more than 44 Bcfe of volumes for Seneca Resources, eliminating the need to rely upon and provide payment to third party infrastructure operators

Note: A reconciliation of Adjusted EBITDA to Net Income as presented on the Consolidated Statement of Income and Earnings is included at the end of this presentation.



# National Fuel Gas Company

## Appendix



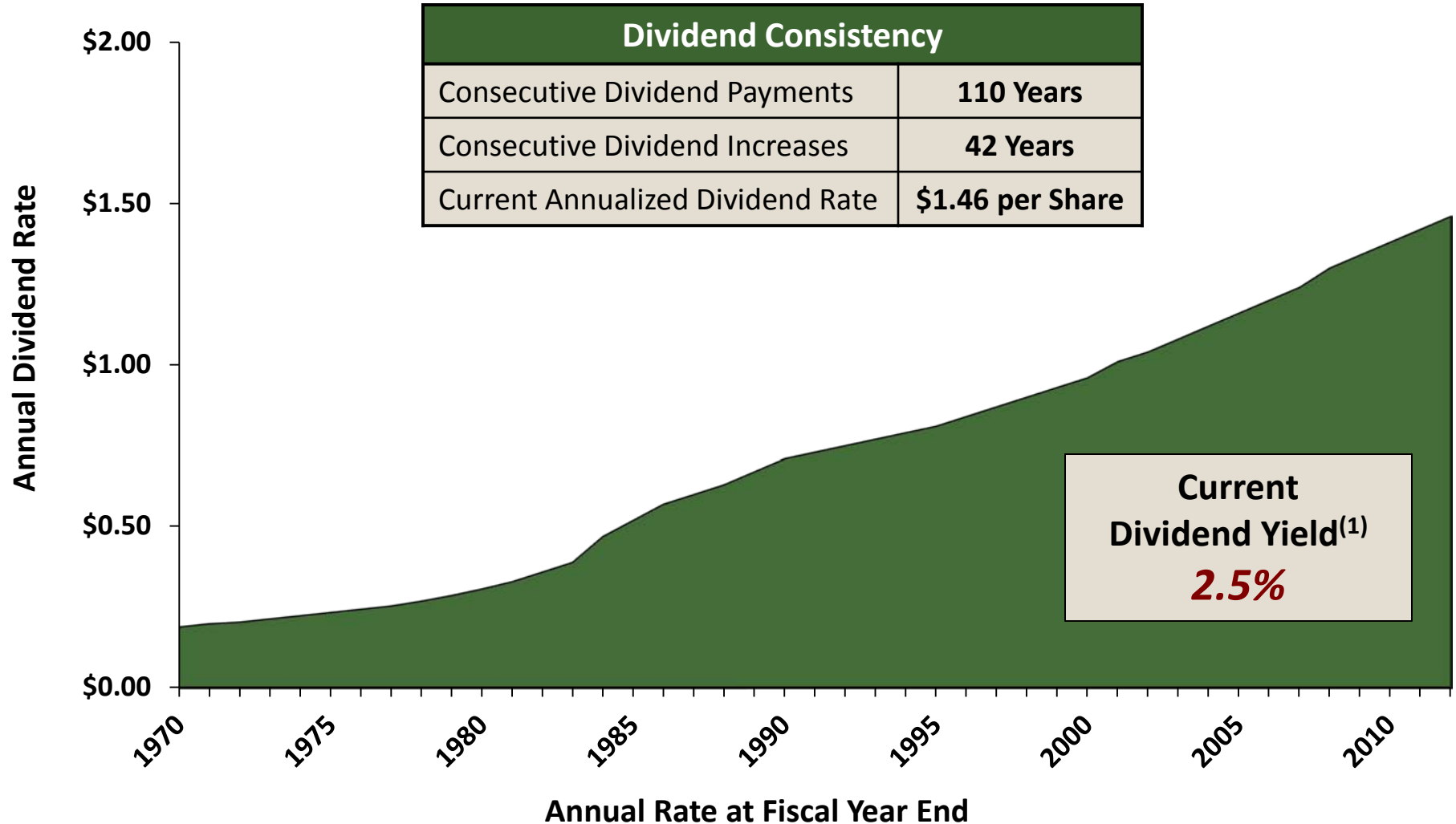
# National Fuel Gas Company

## *Fiscal Year 2013 Earnings Guidance Drivers*

	2013 Forecast
<b>GAAP Earnings per Share</b>	<b>\$2.75 - \$3.00</b>
<b>Exploration &amp; Production Drivers</b>	
Total Production (Bcfe)	102 - 112
DD&A Expense	\$2.10 - \$2.25
LOE Expense	\$0.90 - \$1.10
G&A Expense	\$58 - \$62 MM
<b>Pipeline &amp; Storage Drivers</b>	
O&M Expense	+3%
Revenue	\$255 - \$265 MM
<b>Utility Drivers</b>	
O&M Expense	+3%
Normal Weather in PA	
<b>Energy Marketing Drivers</b>	
Operating Income	\$5 - \$10 MM

# National Fuel Gas Company

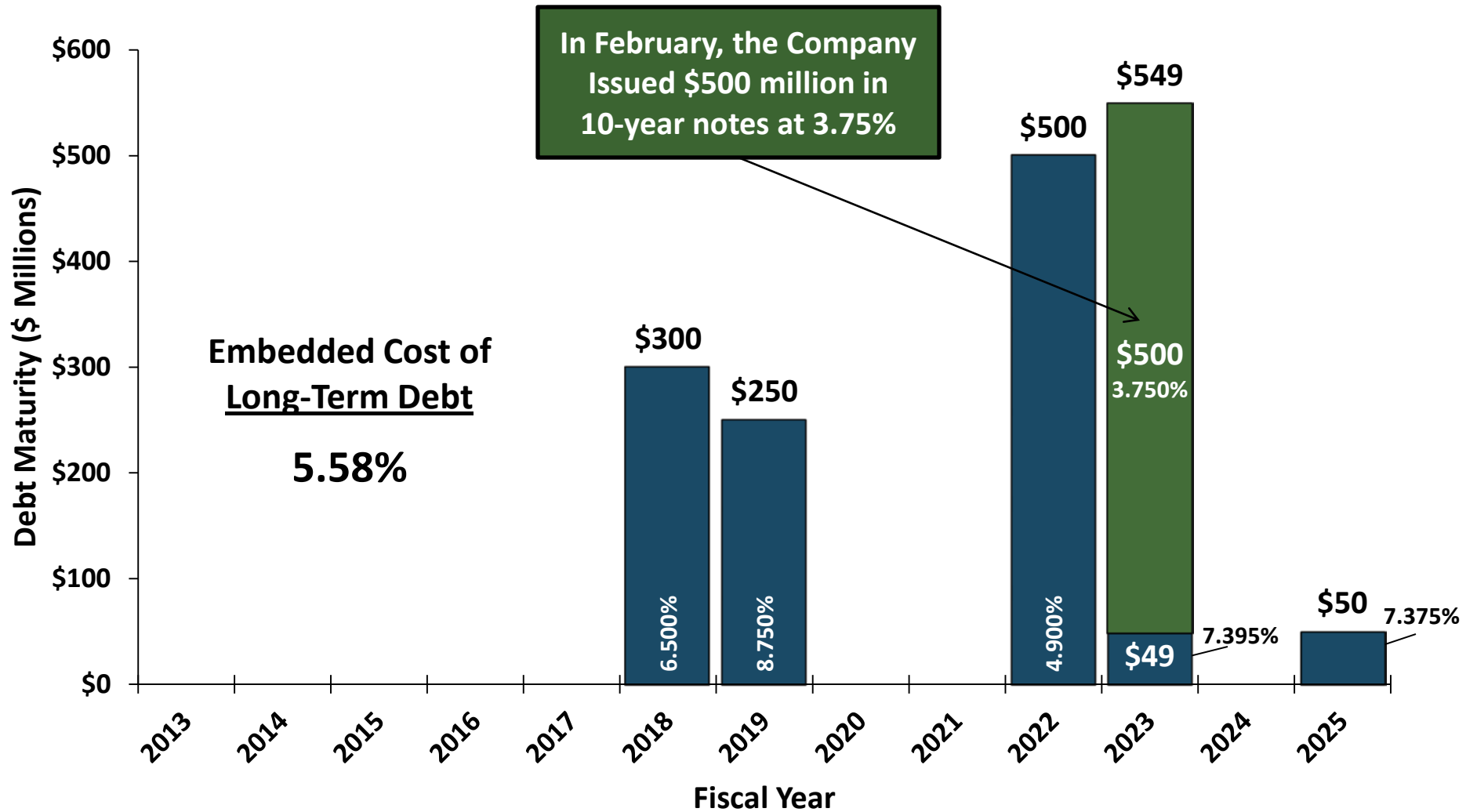
## Dividend Track Record



(1) As of March 12, 2013

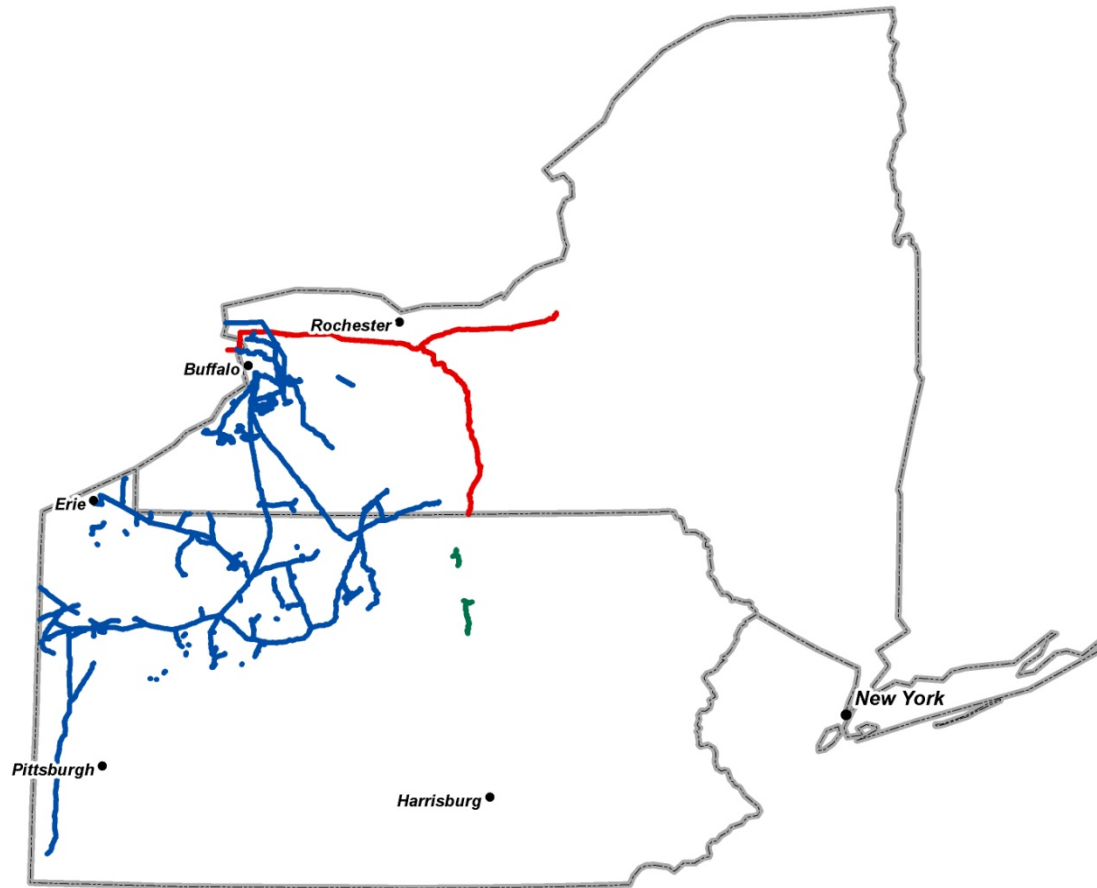
# National Fuel Gas Company

## *No Debt Maturities Until Fiscal 2018*



# Midstream Businesses

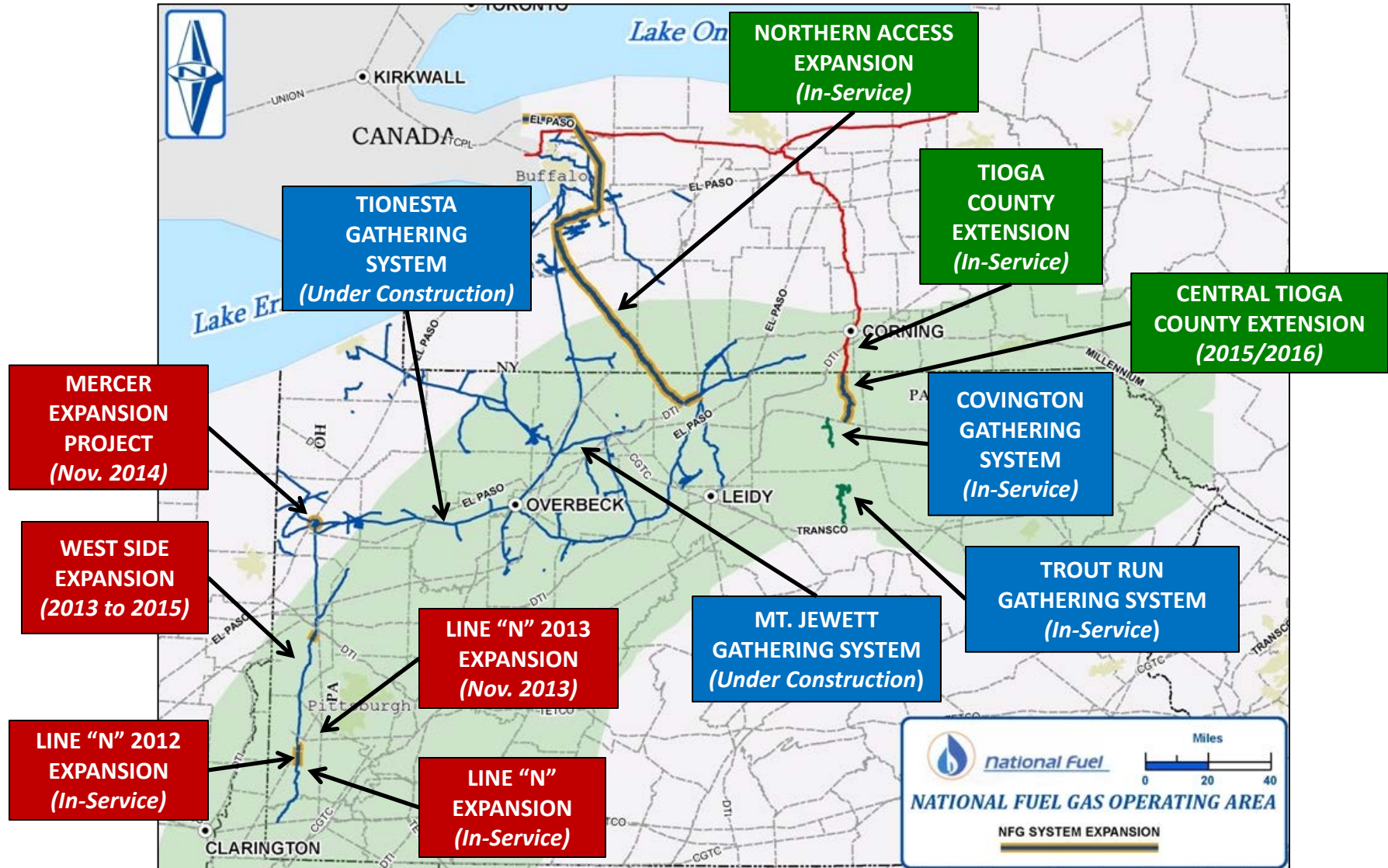
## Appendix





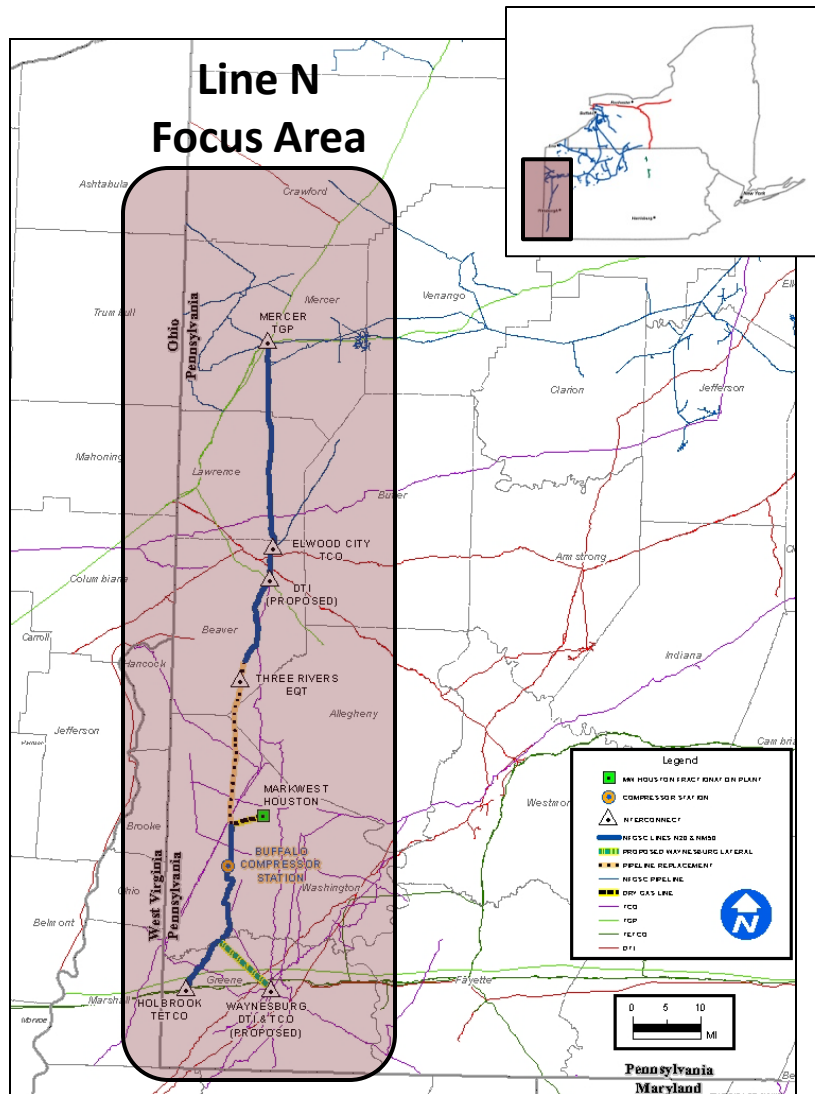
# Midstream Businesses

## *A Closer Look at the Expansion Progress*



# Midstream Businesses

## *Pursuing Additional Opportunities Near the Line N Corridor*



- Activity in the Marcellus and Utica shales along the Pennsylvania/Ohio border continues to remain robust
- NFG Supply Corporation's Line N system is well-positioned for continued expansion
- NFG Midstream Corporation is focused on building new high-pressure wet and dry gas gathering systems
- Significant expansion opportunities may be present in the next few years
  - **2013:** Smaller pipeline expansions
  - **2014+:** Larger expansion projects, possibly including an integrated wet gas solution, with NFG Midstream focused on the high-pressure wet gas gathering systems and NFG Supply transporting dry gas on its interstate system

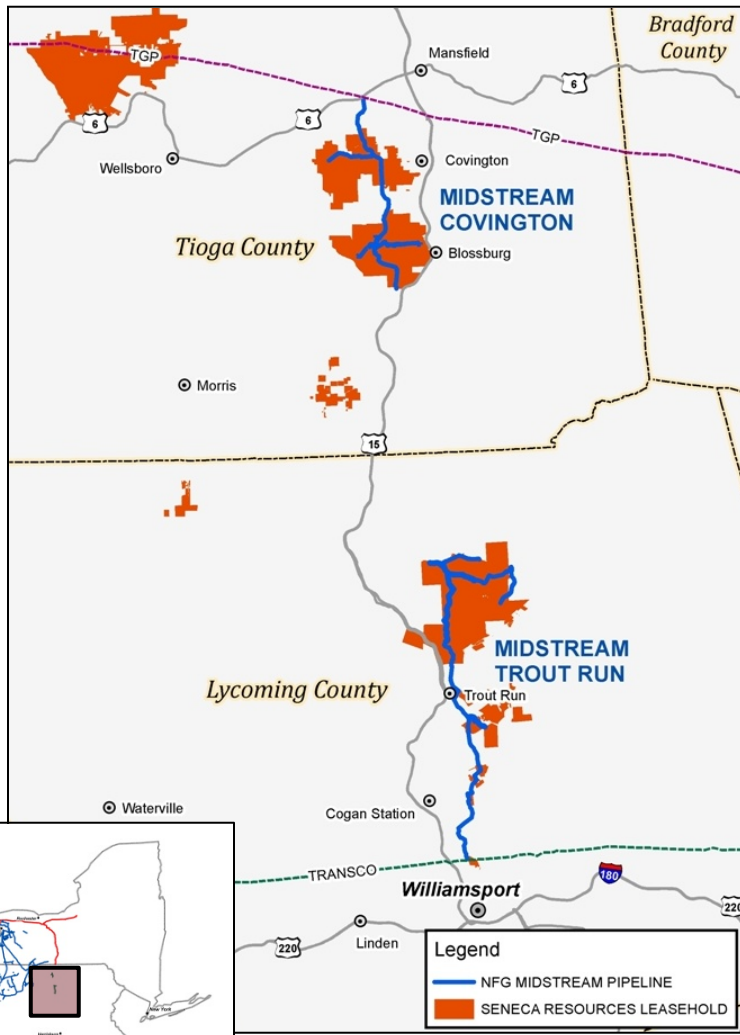
# Midstream Businesses

## *Regulated Interstate Expansion Initiatives (Pipeline & Storage)*

Project Name	Capacity (Dth/D)	Est. CapEx	In-Service	Market	Status
Lamont Compressor Station	90,000	\$14 MM	2010/2011	Fully Subscribed	<b>Completed – Two Phases</b>
Line “N” Expansion	160,000	\$22 MM	10/2011	Fully Subscribed	<b>Completed</b>
Tioga County Extension	350,000	\$58 MM	11/2011	Fully Subscribed	<b>Completed</b>
Northern Access Expansion	320,000	\$77 MM	11/2012	Fully Subscribed	<b>Completed</b>
Line “N” 2012 Expansion	163,000	\$41 MM	11/2012	Fully Subscribed	<b>Completed</b>
Line “N” 2013 Expansion	30,000	~\$5 MM	11/2013	Fully Subscribed	Executed Precedent Agreement
Mercer Expansion Project	105,000	~\$30 MM	11/2014	Fully Subscribed	Executed Precedent Agreement
West Side Expansion	95,000+	TBD	2013 to 2015	OS Concluded	Negotiating Precedent Agreements
Central Tioga County Extension	260,000	~\$150MM	2015/2016	OS Concluded	Discussions with anchor shipper
West to East	~425,000	~\$290 MM	~2016	29% Subscribed	Marketing continues with producers in various stages of exploratory drilling
<b>Total Firm Capacity: ~1,998,000+ Dth/D</b>					
<b>Capital Investment: ~\$687+ MM</b>					

# Midstream Businesses

## *NFG Midstream is Focused on Serving Appalachian Producers*



- Midstream's gathering systems are critical to unlock remote, but highly productive Marcellus acreage
- History of operational success and efficiency within Pennsylvania
- Current focus is on developing and expanding gathering infrastructure for both Seneca and other producers in the Appalachian Basin

# Midstream Businesses

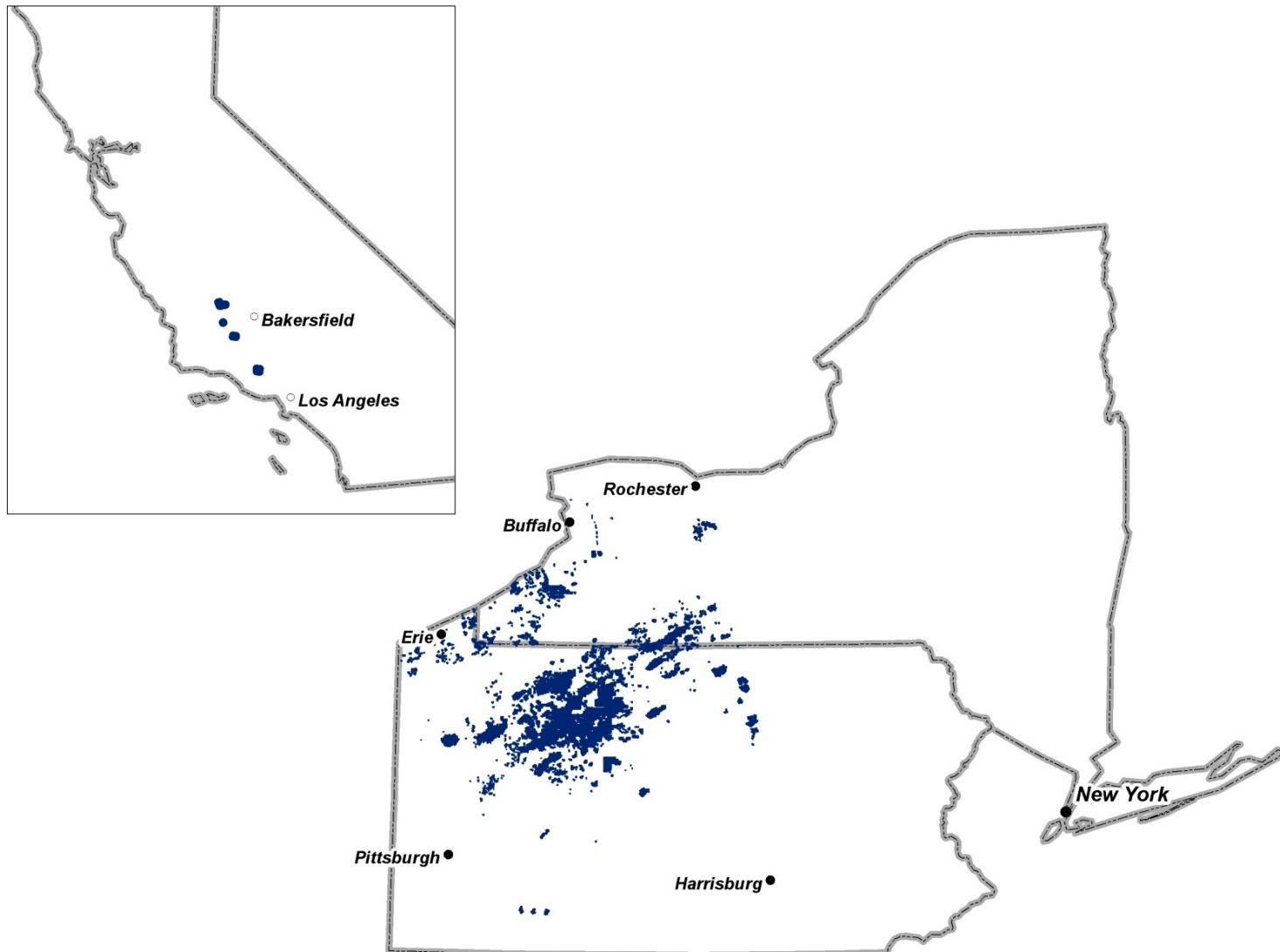
## Gathering Expansion Initiatives (NFG Midstream)

Project Name	Capacity (Mcf/D)	Est. CapEx	In-Service Date	Market	Comments
Covington Gathering System	220,000	\$40 MM	Multiple Phases - Most In-Service	<b>Capacity Available</b> [Marketing to Third Parties]	<b>Completed</b> – Flowing into TGP 300 Line. This includes ~\$10 million of current and future spending to build pipeline to connect additional wells
Trout Run Gathering System	466,000	\$185 MM	May 2012	<b>Capacity Available</b> [Marketing to Third Parties]	<b>Completed</b> – Flowing into Transco Leidy Line. This includes ~\$90 million of current and future spending to build compression and pipeline to connect additional wells
Tionesta Gathering System	10,000	\$2.1 MM	FY2013 Q2	Fully Subscribed	Under Construction
Mt. Jewett Gathering System	10,000	\$3.9 MM	FY2013 Q2	Fully Subscribed	Under Construction
<b>Total Firm Capacity: ~706,000 Mcf/D</b>					
<b>Capital Investment: ~\$231 MM</b>					



# Exploration & Production

## Appendix



# Seneca Resources

## *Hedge Positions and Strategy*

***Seneca has hedged approximately 69% of its forecasted production for Fiscal 2013***

Natural Gas Swaps	Volume (Bcf)	Average Hedge Price
Fiscal 2013	48.9	\$4.57 / Mcf
Fiscal 2014	51.0	\$4.24 / Mcf
Fiscal 2015	23.8	\$4.12 / Mcf
Fiscal 2016	17.9	\$4.07 / Mcf
Fiscal 2017	17.9	\$4.07 / Mcf

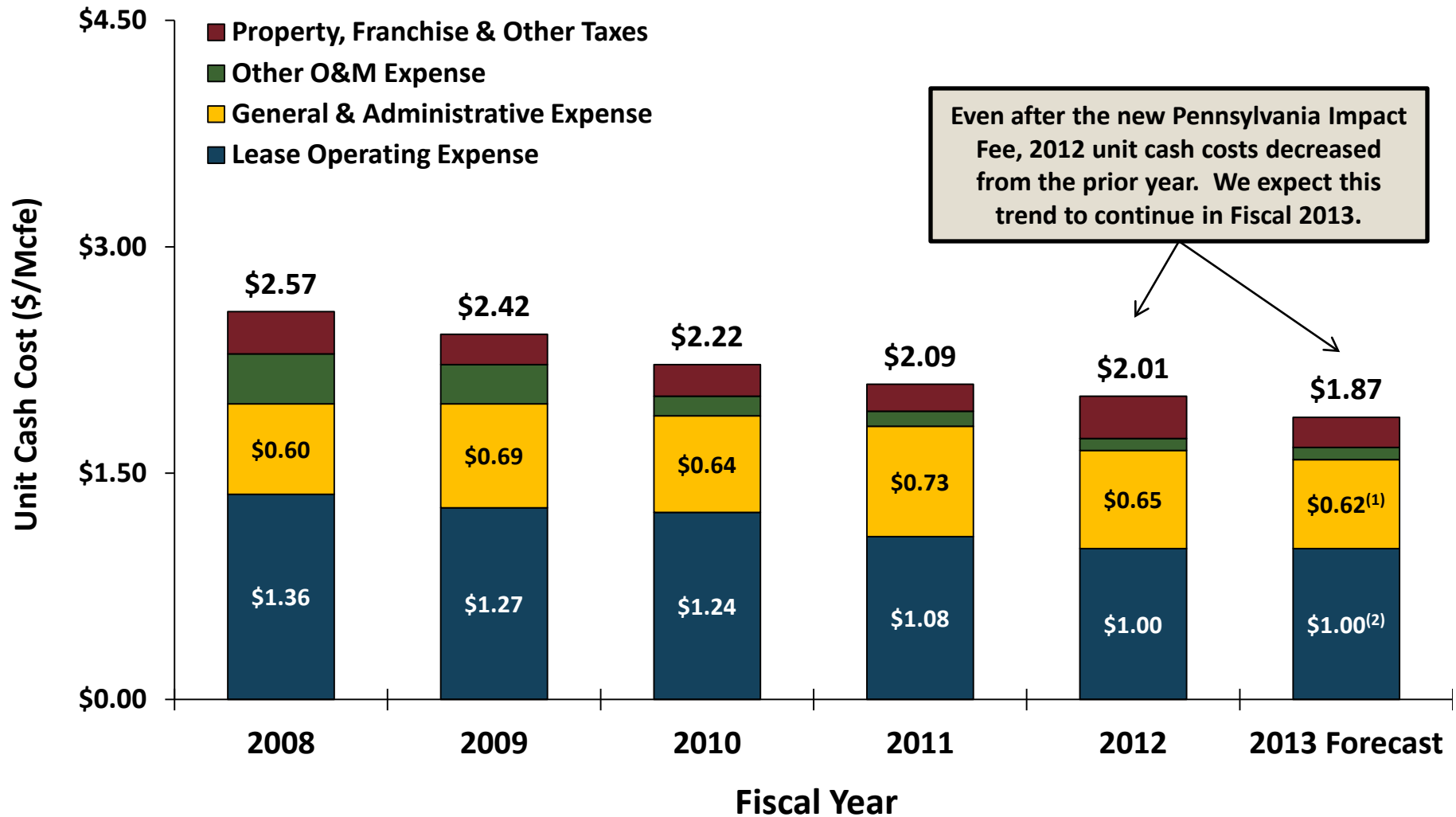
Oil Swaps	Volume (MMBbl)	Average Hedge Price
Fiscal 2013	1.3	\$94.92 / Bbl
Fiscal 2014	1.5	\$100.01 / Bbl
Fiscal 2015	0.5	\$92.54 / Bbl
Fiscal 2016	0.3	\$86.09/Bbl

***Most hedges executed at sales point to eliminate basis risk***

Note: Fiscal 2013 hedge positions are for the remaining nine months of the fiscal year

# Seneca Resources

*Continuing to Focus on Improving Its Cost Structure*



- (1) Represents the midpoint of current General & Administrative Expense guidance of \$58 to \$62 million, divided by the midpoint of current production guidance of 95 to 107 Bcfe
- (2) Represents the midpoint of current Lease Operating Expense Guidance of \$0.90 to \$1.10 per Mcfe

# Seneca Resources

## *California: Stable Production and Increasing Cash Flows*



- **Net Acreage: 18,418 Acres**
- **Net Wells: 1,478**
- **Oil Gravity: 12 – 37° Api**
- **NRI: 87.64**

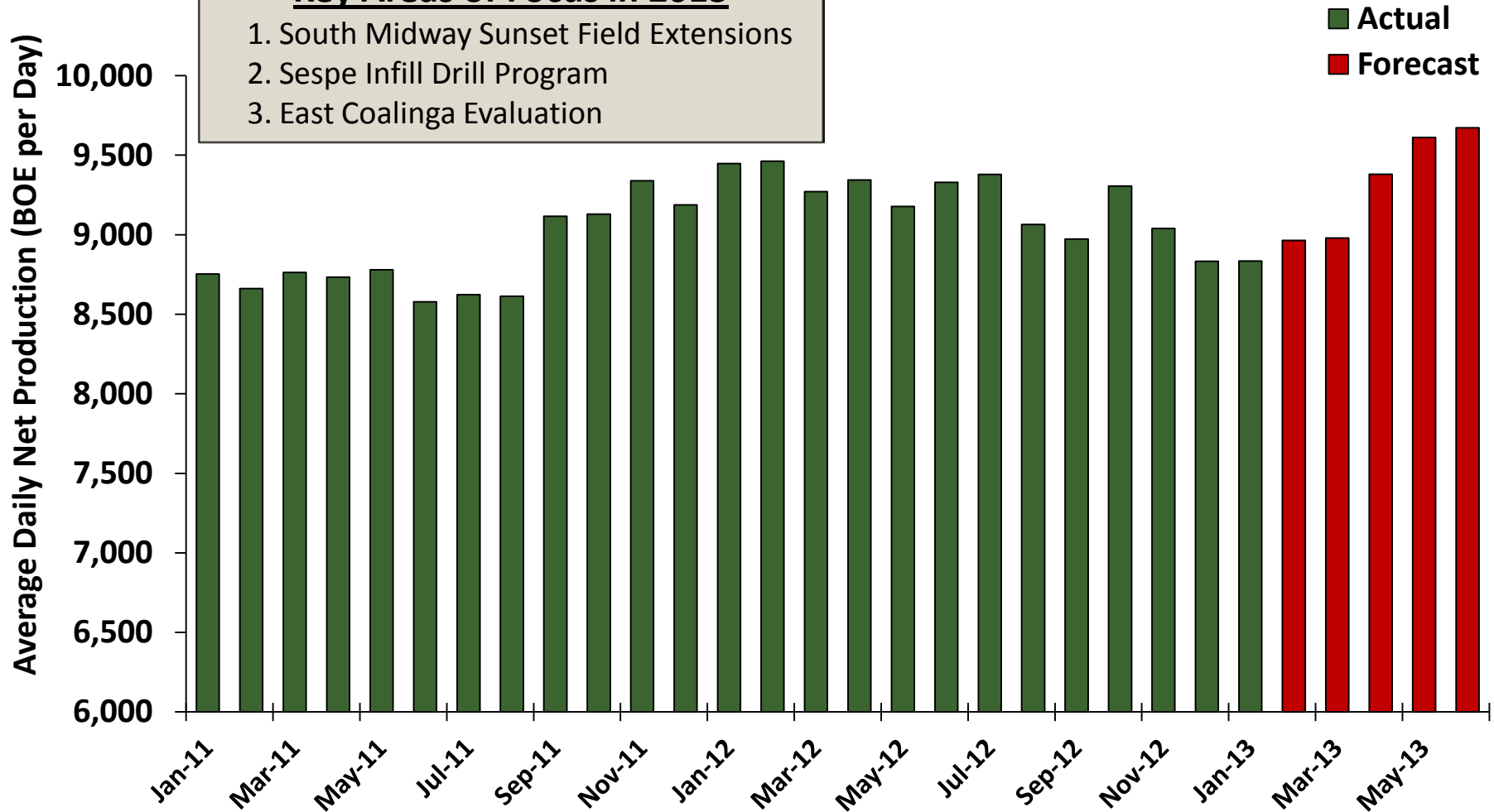
Rank	Company	California 2011 BOEPD
1	Occidental	164,796
2	Chevron	163,153
3	Aera (Shell/Exxon)	149,974
4	Plains Exploration	36,775
5	Venoco Inc.	18,988
6	Berry Petroleum	18,872
<b>7</b>	<b>Seneca Resources</b>	<b>9,209</b>
8	Macpherson Oil	9,022
9	E&B Natural Resources	5,992
10	ExxonMobil	3,238

# Seneca Resources

## California: Recent Initiatives Driving Near-Term Growth

### Key Areas of Focus in 2013

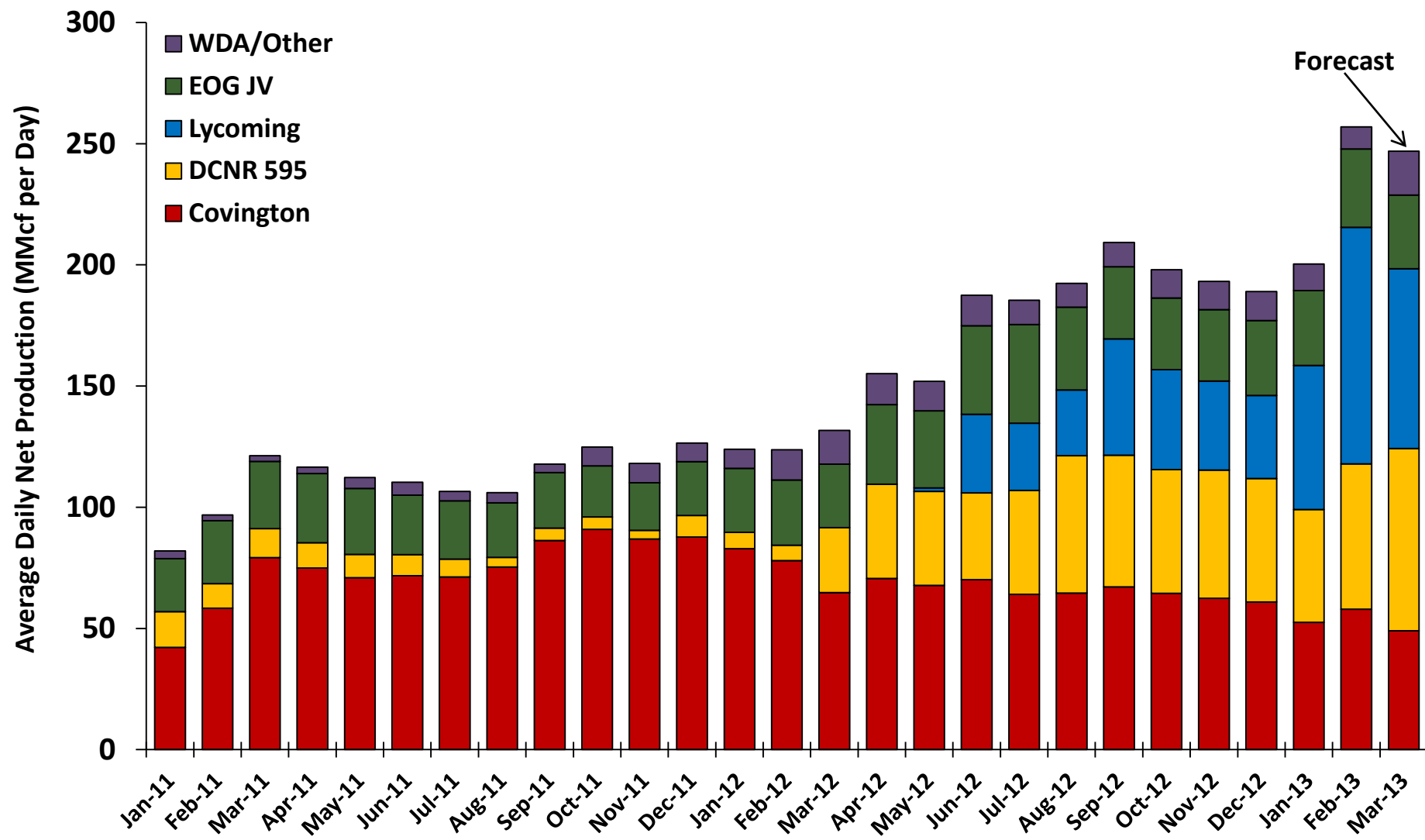
1. South Midway Sunset Field Extensions
2. Sespe Infill Drill Program
3. East Coalinga Evaluation





# Seneca Resources

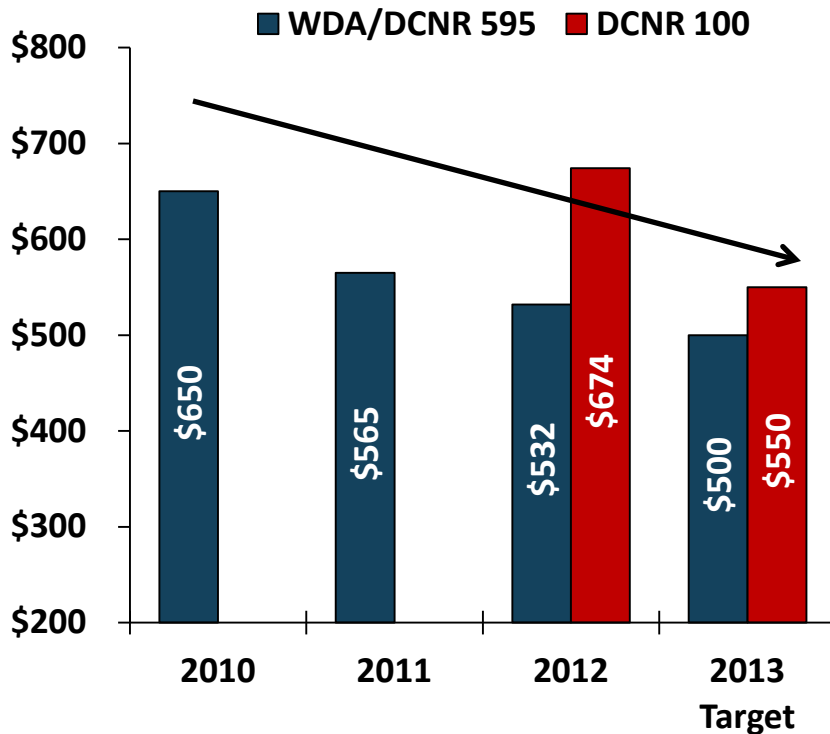
## *Ramping Marcellus Shale Production*



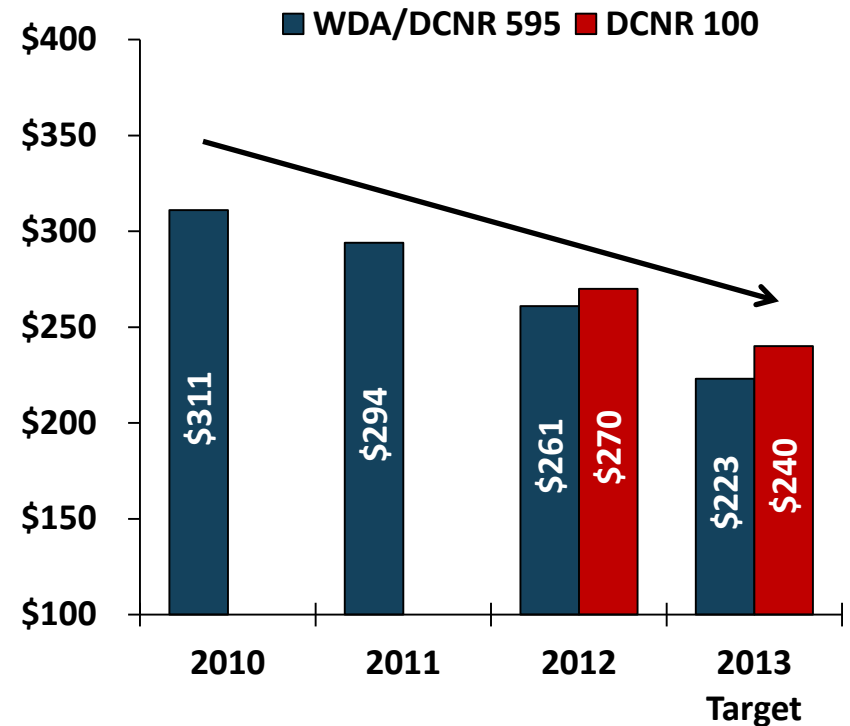
# Marcellus Shale

## Targeting Continued Cost Reductions

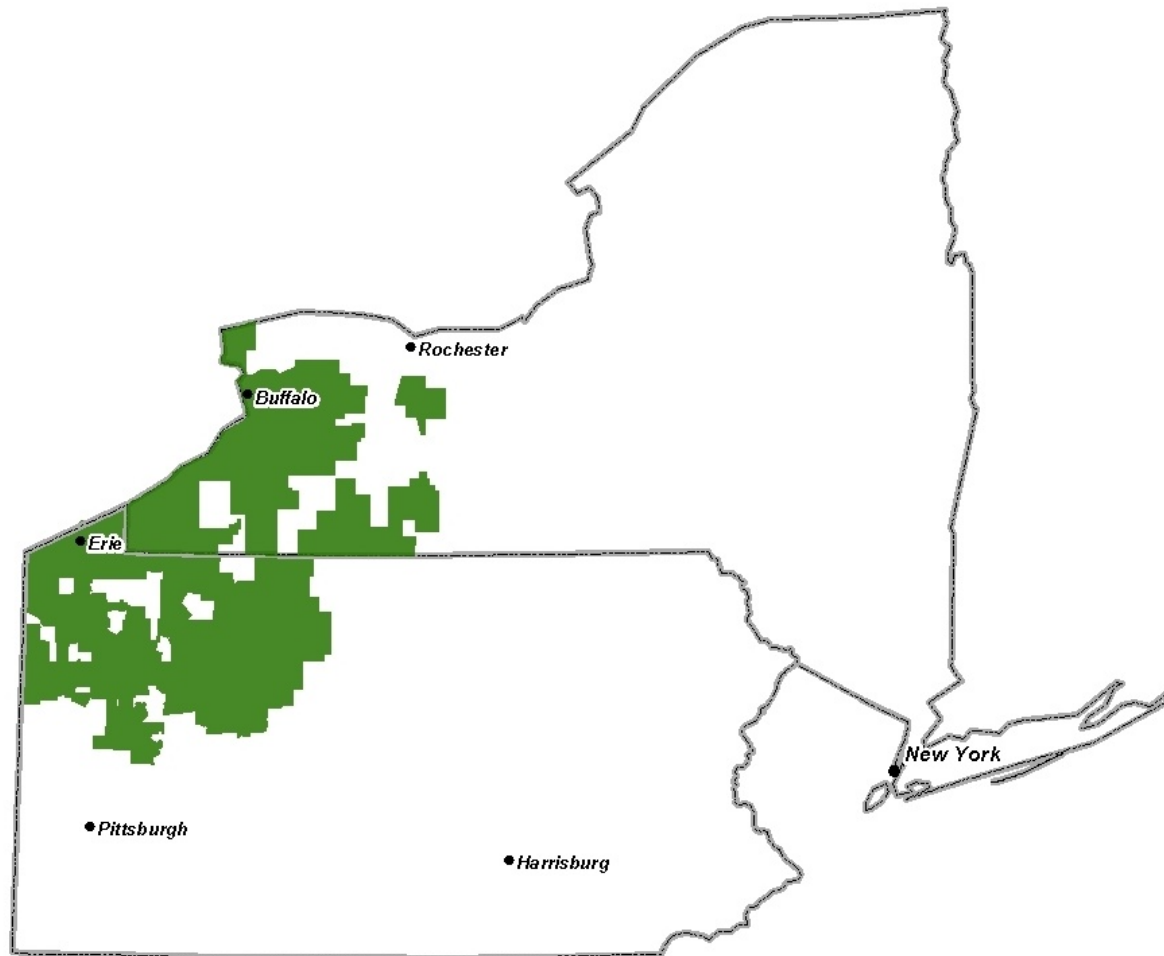
### Drilling Cost per Lateral Foot



### Completion Cost per Stage (\$000)<sup>(1)</sup>

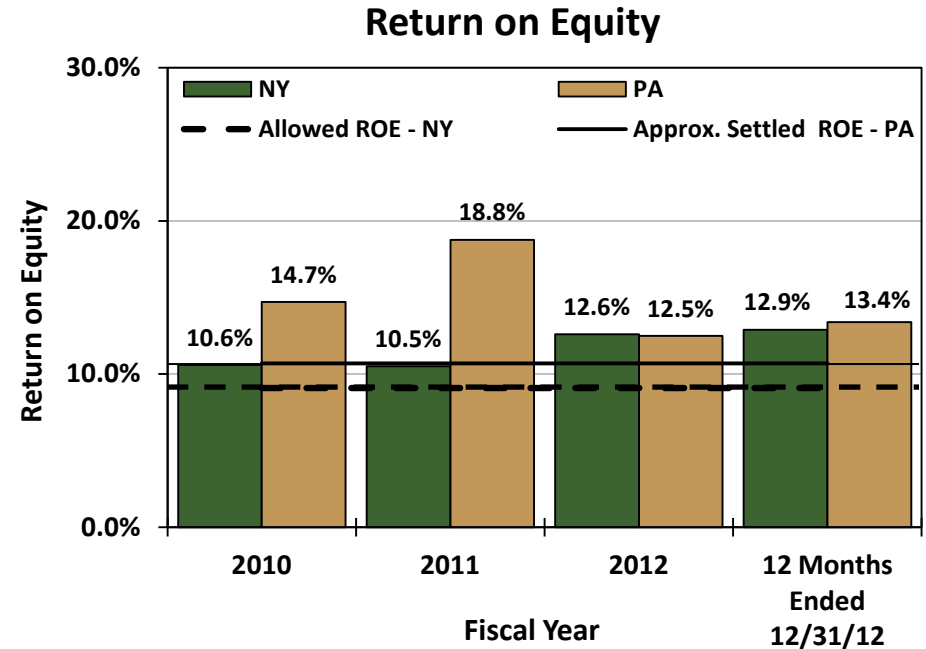
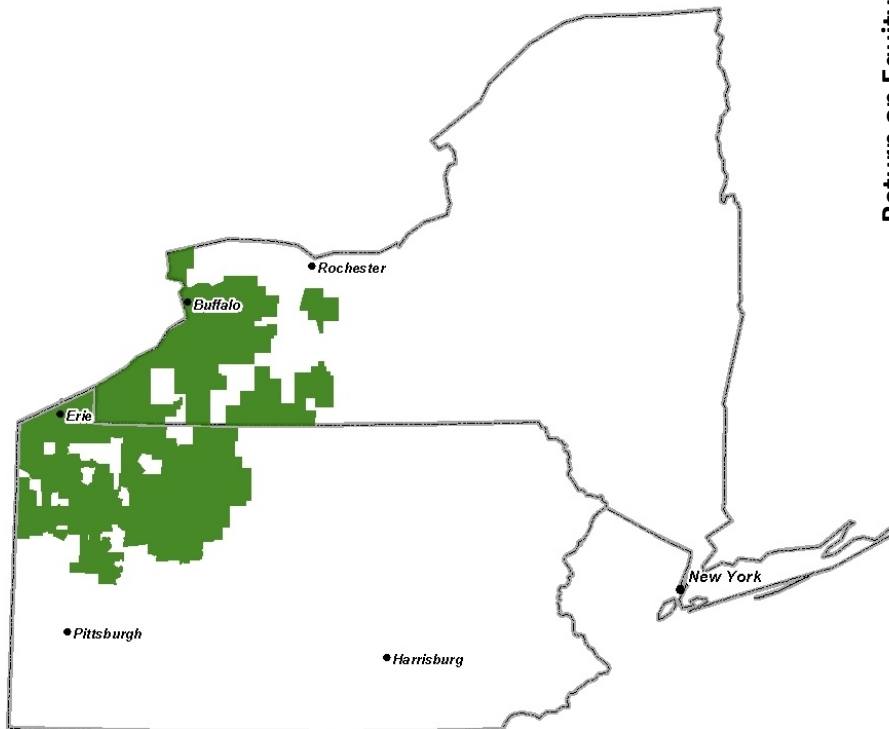


(1) Completion Cost per Stage is for horizontal wells completed utilizing a standard completion design, not a Reduced Cluster Spacing (RCS) completion design.



# Utility

## *Providing Financial Stability*



### Rate Mechanisms

#### New York & Pennsylvania

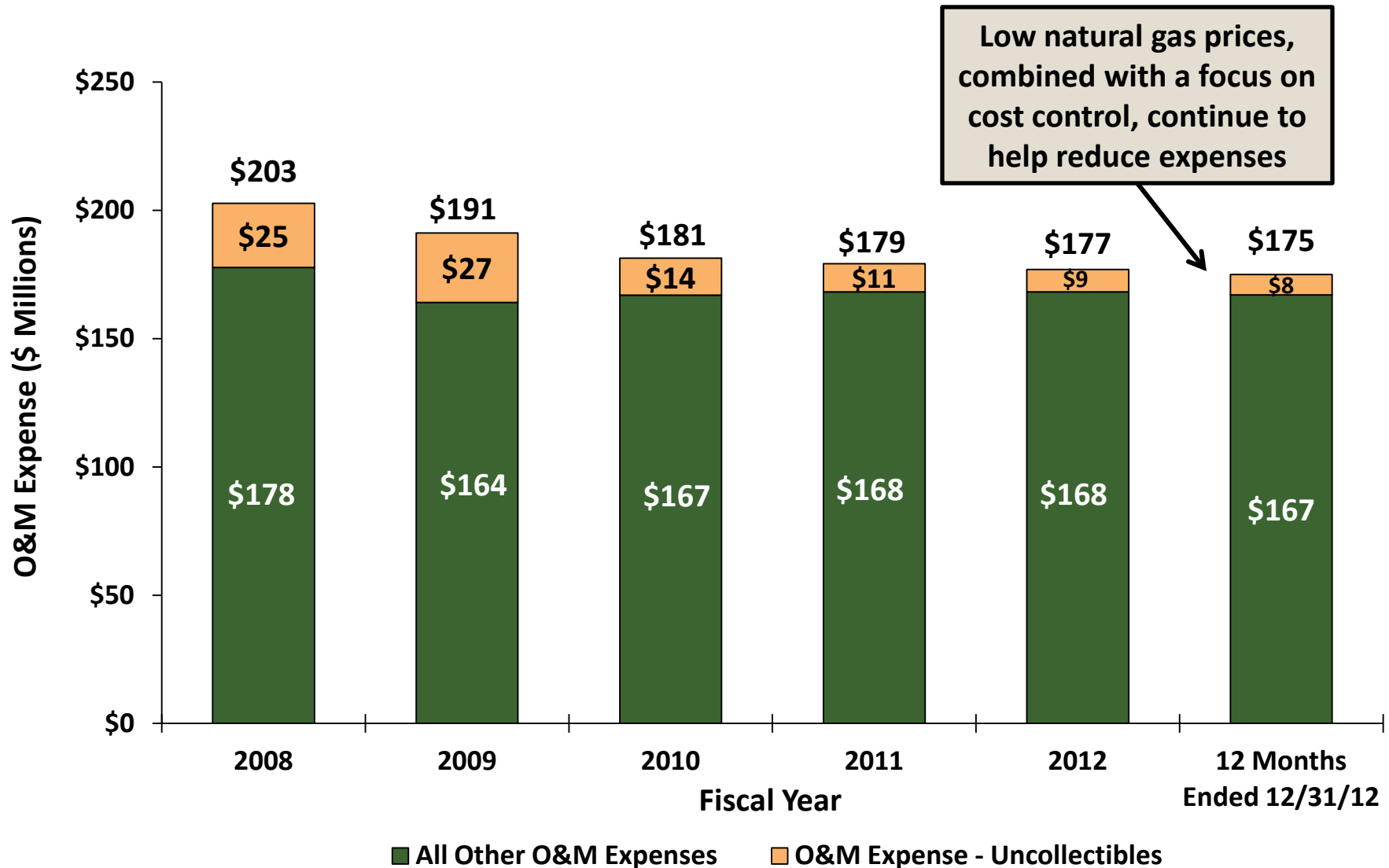
- Low Income Rates
- Choice Program/POR
- Merchant Function Charge

#### New York only

- Revenue Decoupling
- 90/10 Sharing
- Weather Normalization

# Utility

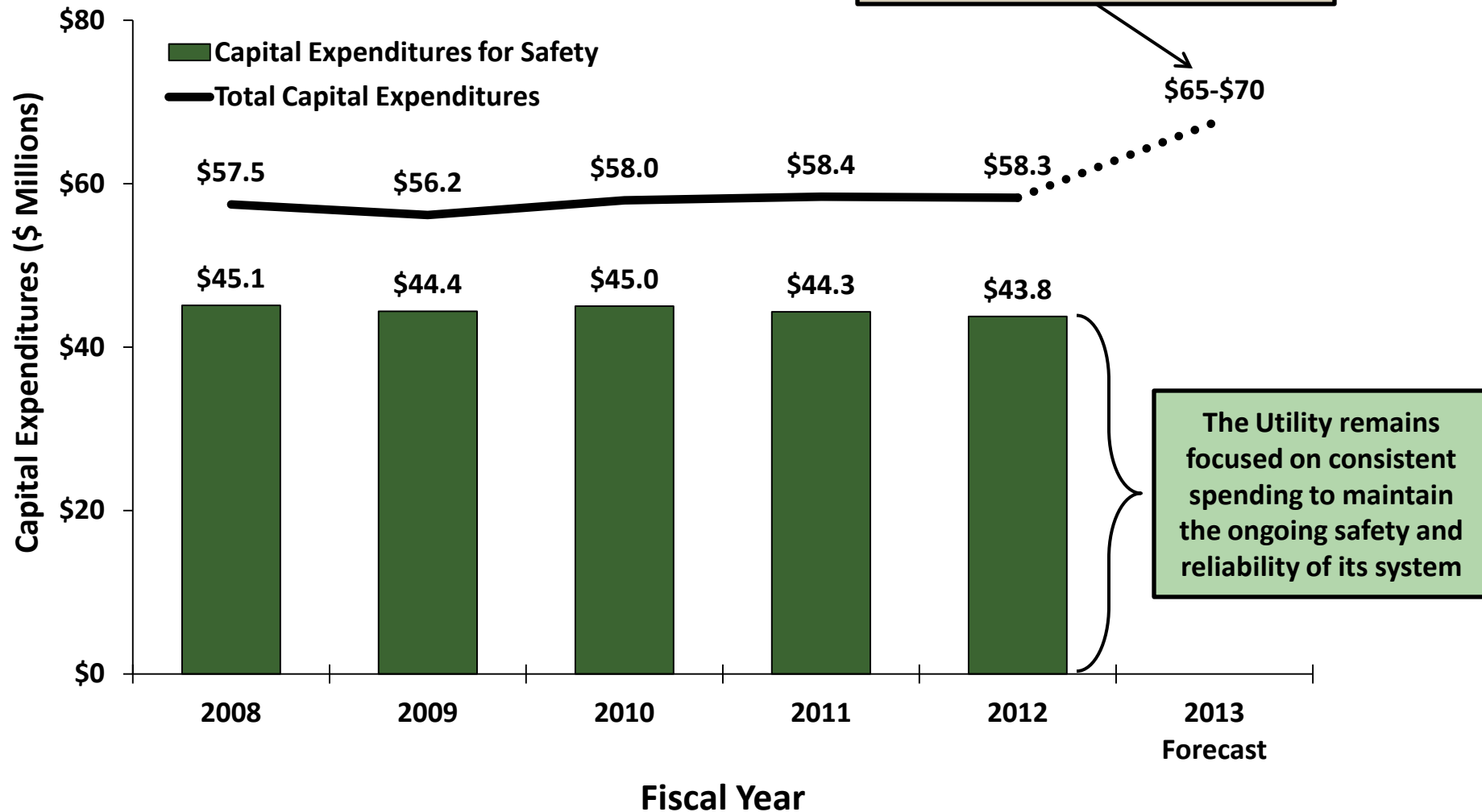
## *Continued Cost Control Helps Provide Earnings Stability*





# Utility

## *Strong Commitment to Safety*



# National Fuel Gas Company

## *Comparable GAAP Financial Measure Slides and Reconciliations*

This presentation contains certain non-GAAP financial measures. For pages that contain non-GAAP financial measures, pages containing the most directly comparable GAAP financial measures and reconciliations are provided in the slides that follow.

The Company believes that its non-GAAP financial measures are useful to investors because they provide an alternative method for assessing the Company's operating results in a manner that is focused on the performance of the Company's ongoing operations, or on earnings absent the effect of certain credits and charges, including interest, taxes, and depreciation, depletion and amortization. The Company's management uses these non-GAAP financial measures for the same purpose, and for planning and forecasting purposes. The presentation of non-GAAP financial measures is not meant to be a substitute for financial measures prepared in accordance with GAAP.

**Reconciliation of Exploration & Production West Division Adjusted EBITDA  
to Exploration & Production Segment Net Income  
(\$ Thousands)**

	<b>12 Months Ended December 31, 2012</b>
Exploration & Production - West Division Adjusted EBITDA	\$ 224,201
Exploration & Production - All Other Divisions Adjusted EBITDA	180,063
<b>Total Exploration &amp; Production Adjusted EBITDA</b>	<b>\$ 404,264</b>
Minus: Pennsylvania Impact Fee Related to Prior Fiscal Years	(6,206)
Minus: Exploration & Production Net Interest Expense	(31,020)
Minus: Exploration & Production Income Tax Expense	(76,111)
Minus: Exploration & Production Depreciation, Depletion & Amortization	(198,064)
<b>Exploration &amp; Production Net Income</b>	<b>\$ 92,863</b>
Exploration & Production Net Income	\$ 92,863
Pipeline & Storage Net Income	67,500
Utility Net Income	62,115
Energy Marketing Net Income	4,235
Corporate & All Other Net Income	609
<b>Consolidated Net Income</b>	<b>\$ 227,322</b>

**Reconciliation of Adjusted EBITDA to Consolidated Net Income**  
**(\$ Thousands)**

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>12-Months Ended 12/31/12</b>
Exploration & Production - West Division Adjusted EBITDA	\$ 171,572	\$ 187,838	\$ 187,603	\$ 226,897	\$ 224,201
Exploration & Production - All Other Divisions Adjusted EBITDA	108,139	139,624	189,854	170,232	180,063
Total Exploration & Production Adjusted EBITDA	\$ 279,711	\$ 327,462	\$ 377,457	\$ 397,129	\$ 404,264
<b>Total Adjusted EBITDA</b>					
Exploration & Production Adjusted EBITDA	\$ 279,711	\$ 327,462	\$ 377,457	\$ 397,129	\$ 404,264
Utility Adjusted EBITDA	164,443	167,328	168,540	159,986	164,386
Pipeline & Storage Adjusted EBITDA	130,857	120,858	111,474	136,914	146,147
Energy Marketing Adjusted EBITDA	11,589	13,573	13,178	5,945	6,065
Corporate & All Other Adjusted EBITDA	(5,575)	2,429	(2,960)	4,140	5,849
<b>Total Adjusted EBITDA</b>	<b>\$ 581,025</b>	<b>\$ 631,650</b>	<b>\$ 667,689</b>	<b>\$ 704,114</b>	<b>\$ 726,711</b>
<b>Total Adjusted EBITDA</b>	<b>\$ 581,025</b>	<b>\$ 631,650</b>	<b>\$ 667,689</b>	<b>\$ 704,114</b>	<b>\$ 726,711</b>
Minus: Net Interest Expense	(81,013)	(90,217)	(75,205)	(82,551)	(85,375)
Plus: Other Income	9,762	6,126	5,947	5,133	5,212
Minus: Income Tax Expense	(52,859)	(137,227)	(164,381)	(150,554)	(153,379)
Minus: Depreciation, Depletion & Amortization	(170,620)	(191,199)	(226,527)	(271,530)	(281,314)
Minus: Impairment of Oil and Gas Properties (E&P)	(182,811)	-	-	-	-
Plus/Minus: Income/(Loss) from Discontinued Operations, Net of Tax (Corp. & All Other)	(2,776)	6,780	-	-	-
Plus: Gain on Sale of Unconsolidated Subsidiaries (Corp. & All Other)	-	-	50,879	-	-
Plus: Elimination of Other Post-Retirement Regulatory Liability (P&S)	-	-	-	21,672	21,672
Minus: Pennsylvania Impact Fee Related to Prior Fiscal Years (E&P)	-	-	-	(6,206)	(6,206)
Rounding	-	-	-	(1)	2
<b>Consolidated Net Income</b>	<b>\$ 100,708</b>	<b>\$ 225,913</b>	<b>\$ 258,402</b>	<b>\$ 220,077</b>	<b>\$ 227,322</b>

**Reconciliation of Segment Capital Expenditures to Consolidated Capital Expenditures**  
(\$ Thousands)

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013 Forecast</b>
<b>Capital Expenditures from Continuing Operations</b>					
Exploration & Production Capital Expenditures	\$ 188,290	\$ 398,174	\$ 648,815	\$ 693,810	\$480,000-560,000
Pipeline & Storage Capital Expenditures - Expansion	52,504	37,894	129,206	144,167	\$70,000-90,000
Utility Capital Expenditures	56,178	57,973	58,398	58,284	\$65,000-70,000
Marketing, Corporate & All Other Capital Expenditures	9,829	7,311	17,767	81,133	\$50,000-75,000
<b>Total Capital Expenditures from Continuing Operations</b>	<b>\$ 306,801</b>	<b>\$ 501,352</b>	<b>\$ 854,186</b>	<b>\$ 977,394</b>	<b>\$665,000-795,000</b>
<b>Capital Expenditures from Discounted Operations</b>					
All Other Capital Expenditures	216	\$ 150	\$ -	\$ -	\$ -
<b>Plus (Minus) Accrued Capital Expenditures</b>					
Exploration & Production FY 2012 Accrued Capital Expenditures	\$ -	\$ -	\$ -	\$ (38,861)	\$ -
Exploration & Production FY 2011 Accrued Capital Expenditures	-	-	(103,287)	103,287	-
Exploration & Production FY 2010 Accrued Capital Expenditures	-	(78,633)	78,633	-	-
Exploration & Production FY 2009 Accrued Capital Expenditures	(9,093)	19,517	-	-	-
Pipeline & Storage FY 2012 Accrued Capital Expenditures	-	-	-	(2,696)	-
Pipeline & Storage FY 2011 Accrued Capital Expenditures	-	-	(7,271)	7,271	-
Pipeline & Storage FY 2008 Accrued Capital Expenditures	16,768	-	-	-	-
All Other FY 2012 Accrued Capital Expenditures	-	-	-	(11,000)	-
All Other FY 2011 Accrued Capital Expenditures	-	-	(1,389)	1,389	-
All Other FY 2009 Accrued Capital Expenditures	(715)	715	-	-	-
<b>Total Accrued Capital Expenditures</b>	<b>\$ 6,960</b>	<b>\$ (58,401)</b>	<b>\$ (33,314)</b>	<b>\$ 59,390</b>	<b>\$ -</b>
Eliminations	\$ (344)	\$ -	\$ -	\$ -	\$ -
<b>Total Capital Expenditures per Statement of Cash Flows</b>	<b>\$ 313,633</b>	<b>\$ 443,101</b>	<b>\$ 820,872</b>	<b>\$ 1,036,784</b>	<b>\$665,000-795,000</b>