NATIONAL FUEL GAS CO

Filed by

NEW MOUNTAIN VANTAGE, L.P.

FORM DFAN14A

(Additional Proxy Soliciting Materials - Non-Management (definitive))

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Address	6363 MAIN STREET WILLIAMSVILLE, NY 14221-5887
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Sector	Utilities
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant ☐
Filed by a Party other than the Registrant ☑

Check the appropriate box:

☐ Preliminary Proxy Statement
☐ **Confidential, for Use of the Commission Only (as permitted by Rule14a- 6(e)(2))**
☐ Definitive Proxy Statement
☑ Definitive Additional Materials
☐ Soliciting Material Pursuant to §240.14a-12

NATIONAL FUEL GAS COMPANY

(Name of Registrant as Specified in its Charter)

New Mountain Vantage GP, L.L.C.
New Mountain Vantage, L.P.
New Mountain Vantage (California), L.P.
New Mountain Vantage (Texas), L.P.
New Mountain Vantage Advisers, L.L.C.
New Mountain Vantage (Cayman) Ltd.
New Mountain Vantage HoldCo Ltd.
Mr. Steven B. Klinsky
NMV Special Holdings, LLC
California Public Employees' Retirement System
F. Fox Benton, III
David M. DiDomenico
Frederic V. Salerno

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☑ No fee required
☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

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☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

On January 8, 2008, New Mountain Vantage Advisers, LLC (“Vantage”) issued a press release, a copy of which is attached as Exhibit 1. The press release was also posted to http://www.buildnfgvalue.com .

On January 8, 2008, Vantage began mailing a letter to shareholders of National Fuel Gas Company. A copy of the letter is attached as Exhibit 2.

On January 8, 2008, Vantage posted a disclaimer, a copy of which is attached as Exhibit 3, to http://www.buildnfgvalue.com . The disclaimer replaced the disclaimer that was previously posted to such website.

FOR IMMEDIATE RELEASE

NEW MOUNTAIN VANTAGE FILES DEFINITIVE PROXY MATERIALS TO ELECT THREE NOMINEES TO NFG'S BOARD OF DIRECTORS AND SENDS OPEN LETTER TO NFG SHAREHOLDERS

NEW YORK, January 8, 2008 — New Mountain Vantage Advisers ("Vantage") today mailed the attached letter to National Fuel Gas Company's (NYSE: NFG) shareholders along with its definitive proxy materials in connection with NFG's 2008 Annual Meeting. The letter outlines Vantage's recommendations for building the value of NFG for all shareholders. Vantage strongly urges NFG shareholders to elect its three highly qualified, experienced nominees to the NFG Board of Directors by voting the BLUE proxy card by Internet, telephone or mail today.

"Vantage believes that NFG shareholders need fresh representation on the Board to ensure that the Company fully considers all opportunities to build a stronger, more profitable, higher growth NFG," said David M. DiDomenico, Managing Director of Vantage. "Most importantly, we believe that NFG's E&P business must be repositioned for profitable growth in production and reserves. In addition, we believe that a Master Limited Partnership structure could facilitate new growth opportunities and increase the value of NFG's pipeline business. We also believe NFG should sell its non-core assets and invest the resulting capital in higher growth projects. Finally, we want to see NFG implement improvements to its outmoded corporate governance practices in order to increase management accountability and strengthen shareholders' rights."

"Vantage has sought to work constructively with NFG management for over a year and the adoption of some of our recommendations – such as the accelerated development of Appalachia – has generated strong results for all shareholders. However, most of our recommendations have not been considered," continued Mr. DiDomenico. "We believe NFG's shareholders will be best served by electing to the Board owner-oriented representatives who will give proper consideration to all opportunities to increase shareholder value at NFG."

New Mountain Vantage Advisers is an institutional asset management firm investing on behalf of the pension accounts of more than one million Americans. For more information, go to www.buildnfgvalue.com.

The full text of Vantage's letter to NFG shareholders follows below:

NEW MOUNTAIN VANTAGE ADVISERS, L.L.C.
787 SEVENTH AVENUE, 49 TH FLOOR NEW YORK, NY 10019
TEL: 212-720-0300 FAX: 212-582-2277

January 8, 2008

Dear Fellow Shareholder:

New Mountain Vantage Advisers, together with the California Public Employees' Retirement System (CalPERS), is currently the largest shareholder of National Fuel Gas Company. We currently own 8,078,606 shares, or approximately 9.7% of NFG's outstanding common stock, and have been shareholders for close to two years. We are an institutional asset manager, acting on behalf of investors that include large state pension funds. CalPERS is the nation's largest public pension plan, managing over $250 billion in assets for its more than one million beneficiaries, and is a widely recognized defender of long-term shareholder interests. **We, like you, want to get the most out of our investment—a higher stock price, solid dividend growth, and a healthier and more successful company.**

To ensure that your interests are protected, vote **FOR** our nominees on the **BLUE** proxy card **TODAY** —by telephone, Internet, or by signing, dating and returning the **BLUE** proxy card in the postage-paid envelope provided.

WE BELIEVE YOUR NFG STOCK IS UNDERVALUED

We believe that NFG owns an enviable set of assets in its core businesses: its utility business, its pipeline business and its Appalachian exploration and production (E&P) business. We believe the strength of these core businesses has been obscured by NFG's failed track record in its E&P business, which accounted for roughly 44% of the company's earnings, before interest, taxes, depreciation, and amortization (EBITDA) in fiscal 2007. Our view is that the company's outmoded corporate governance structure has permitted an entrenched management to cause the company to far underperform other energy-oriented companies during the most favorable oil and gas pricing environment in history.

NFG has invested more capital into the E&P business than any other business unit; $750 million in the last 6 years. Nonetheless, NFG's reserves have declined from 1,024 Bcfe (Billions of Cubic Feet Equivalent) at the beginning of 2002 to 491 Bcfe at year end 2007, and production over the same period is off by 46%. Since 1998, NFG has written off more than $450 million in the E&P Segment, as well as launching failed power project ventures in such locations as Bulgaria and the Czech Republic. We believe that for these reasons, NFG's stock currently trades at only an 8.4 times multiple to its trailing 12 months EBITDA as of September 2007 in comparison, for example, to a 17.7 times multiple for Equitable Resources, Inc. which operates in similar lines of business. While energy-related companies like NFG have outperformed the S&P 500 in recent years given the rise in oil and gas prices, NFG's increase in stock price has substantially lagged behind its peers.

For more than a year, we have sought to work constructively with management in order to focus the company's capital budget on its highest return projects and to consider various other strategic recommendations that we believe will increase the value of your investment in NFG.

With the help of technical, financial, legal, and regulatory advisors, such as Schlumberger Data & Consulting, a leading technical consultant in the Appalachian basin, we have identified a number of recommendations for management that we are confident will enhance the value of your investment. NFG's management has slowly begun to adopt some of our recommendations — such as the accelerated development of Appalachia — which has rewarded shareholders. However, most of our key recommendations have not been considered. We believe new directors are needed on the NFG Board to ensure our ideas to build value for all shareholders receive proper consideration.

NFG's E&P BUSINESS SHOULD BE REPOSITIONED FOR GROWTH

NFG's most exciting growth assets are its Appalachian E&P holdings. Appalachia, which is the oldest producing gas basin in the United States, today is believed to still have tremendous untapped reserves. Leading domestic exploration and production companies are increasing their Appalachian investments to take advantage of the undeveloped gas resource in Appalachia with very low costs of operations and proximity to major consuming markets. **NFG is one of the largest landowners in the Appalachian basin, controlling more than 900,000 acres in Pennsylvania and New York; roughly the size of the State of Rhode Island.** NFG has substantial opportunities in at least two plays in the region known as the Upper Devonian/Clinton Medina shallow sands and the Marcellus Shale.

The company has had a 96% success rate in the wells it has drilled in shallow sands and its internal rates of return on these projects exceed 30%. Even so, NFG has drilled on average only 107 wells per year for the last five years, far fewer than we and our experts believe is possible. We began urging NFG to significantly increase the number of wells it is drilling beginning in 2006 and, following months of prodding and detailed recommendations, NFG finally announced that it intends to increase investment in Appalachia. However, we believe that even now, NFG continues to set very modest drilling goals for itself given the size and potential of its acreage position.

We also believe the Marcellus Shale may be another enormous opportunity that until very recently was all but ignored by NFG. Two leading E&P players in the region, Range Resources Corp. and Atlas Energy Resources LLC, have recently announced substantial potential reserves in the Marcellus Shale, on smaller acreage positions than NFG has. We believe that NFG's acreage could hold very substantial reserves and could offer an extraordinary opportunity in relation to NFG's present size.

We believe that NFG did not attract the technical talent necessary to exploit the Marcellus Shale on its own, which is why the company last year entered into a joint venture agreement with another operator. As a result, 100,000 acres of this potentially extraordinary resource have been farmed out to a third party who paid nothing up front for the privilege of participating in this valuable opportunity. While another company with a smaller acreage position is expecting to drill as many as 120 wells over the next 18 months in the Marcellus Shale, NFG has stated that it expects the joint venture to drill only 18 wells in calendar year 2008.

We believe these opportunities in Appalachia offer far greater rewards for shareholders than NFG's Gulf of Mexico exploration portfolio, which has received the bulk of NFG's focus and resources over the past five years. NFG has no strategic advantaged acreage position in the Gulf of Mexico and has a track record of high costs and negative reserve growth in that area. We recommend that the Board consider the sale of NFG's Gulf of Mexico properties, particularly in light of the current robust property acquisition market and strong commodity prices. This will allow NFG to "high grade" its portfolio by focusing its E&P segment on the more attractive opportunities in Appalachia.

Similarly, we recommend that NFG consider strategic alternatives for its California E&P properties. This is a large asset that offers strong and stable cash flows, but limited growth opportunities, particularly as compared to NFG's Appalachian assets. Neither the Gulf of Mexico nor the California E&P properties are essential to NFG's core integrated energy system in New York and Pennsylvania. We believe a sale of these assets could generate substantial proceeds that could be reinvested in higher returning projects or distributed to shareholders in the form of a special dividend or share repurchases.

By electing our nominees on the **BLUE** proxy card, shareholders will ensure that they have owner-oriented representatives on the Board who are committed to a strategy of high returns on capital and strong reserve and production growth for NFG's E&P business.

A MASTER LIMITED PARTNERSHIP STRUCTURE FOR CERTAIN NFG ASSETS COULD INCREASE SHAREHOLDER VALUE

We have recommended that NFG's management consider a Master Limited Partnership structure for NFG's pipeline and storage assets and potentially for certain of its exploration and production assets. The MLP structure is used by many other operators in the pipeline and exploration and production industries, and we believe it could increase the value of these assets for NFG shareholders. The tax benefits of the MLP structure were established by the U.S. government to foster investment in precisely the kind of energy assets that NFG owns. It is important to note that the formation of an MLP by NFG does NOT mean that NFG would cease to control these businesses. It is possible, and may be preferable, for any MLPs sponsored by NFG to remain fully consolidated subsidiaries of NFG, but simply to have a lower tax burden.

We believe the MLP structure could lead to increased shareholder value by reducing NFG's corporate tax bill, thereby increasing the amount of after-tax cash flow available to NFG for investment in growing its businesses. The MLP structure could also lower the overall cost of capital of the company's assets, thus enabling an acquisition-oriented growth strategy to complement organic growth projects. Additionally, the sale of publicly traded units of the MLP would provide an additional means to finance further acquisitions. Finally, NFG's General Partner interest in the MLP could create substantial future value for NFG shareholders if the MLP is successful in growing its distributions over time.

NFG has stated that it looked into the possibility of an MLP for the company's pipeline and storage assets and concluded not to pursue the structure at this time. This conclusion appears to be at odds with the findings and actions of many leading players in the pipeline and storage industry. By electing our nominees on the **BLUE** proxy card, NFG shareholders would have owner-oriented Board representatives committed to reviewing all corporate structuring alternatives to increase shareholder value.

NFG SHOULD SELL NON-CORE ASSETS TO FOCUS ON BUILDING VALUE IN ITS CORE BUSINESSES

We believe that NFG should explore the sale of its non-core operations. Specifically, we think that NFG should sell its timber and saw mill assets, its landfill gas business and the Horizon Power assets. We believe that these non-core operations divert management attention from NFG's core operations and have no bearing on NFG's ability to deliver reliable service to its utility or pipeline customers. They also contribute very little to NFG's earnings. We believe that selling these businesses could bring NFG substantial funds, which could then be used to reinvest in NFG's core businesses. This could increase the value of your investment or could be distributed to shareholders in the form of a special dividend or large share repurchase program.

NFG'S BOARD AND MANAGEMENT SHOULD BE HELD ACCOUNTABLE TO SHAREHOLDERS

We believe that good governance and accountability are essential to long term share price performance. If elected, we will urge the entire Board to hold itself and management strictly accountable for NFG's performance. The Company should eliminate its staggered board so that all of its directors are elected by NFG's shareholders every year. We believe that NFG should also separate the positions of CEO and Chairman, eliminate its "poison pill" anti-takeover defense and provide shareholders with the opportunity to approve any future poison pill. By electing our nominees on the **BLUE** proxy card, you will have owner-oriented Board representatives who will seek to ensure that NFG shareholders' rights are protected.

WE NEED YOUR SUPPORT TO ENSURE THAT THESE OPPORTUNITIES ARE THOROUGHLY EXPLORED

We believe that NFG is a good company with excellent prospects. However, we believe there are significant opportunities to build a stronger, more profitable NFG while continuing to grow NFG's regular quarterly dividend to shareholders. We are committed to working toward that goal. We believe that a more valuable NFG will benefit all NFG's stakeholders – its owners, employees, retirees and customers. Therefore, we urge you to elect our nominees, who will fully and properly consider all appropriate value-enhancing strategies.

YOUR VOTE IS IMPORTANT TO THE FUTURE OF NFG—VOTE THE BLUE PROXY TODAY!

To ensure that your Board has directors focused on increasing shareholder value, we urge you to vote **FOR** our highly experienced, dedicated nominees on the enclosed **BLUE** proxy card **TODAY** —by telephone, Internet or by signing, dating and returning the **BLUE** proxy card in the postage-paid envelope provided.

In the meantime, we invite you to learn more about our recommendations and ideas for the company by visiting our website at www.buildnfgvalue.com.

Very truly yours,

NEW MOUNTAIN VANTAGE ADVISERS, L.L.C.

Your Vote Is Important, No Matter How Many Or How Few Shares You Own.

If you have questions about how to vote your shares, or need additional assistance, please contact the firm assisting us in the solicitation of proxies:

INNISFREE M&A INCORPORATED
Shareholders call Toll-Free: (877) 456-3422
Banks and Brokers Call Collect: (212) 750-5833

IMPORTANT

We urge you NOT to sign any White proxy card sent to you by NFG.
If you have already done so, you have every legal right to change your vote by using the enclosed **BLUE** proxy card to vote **TODAY** —by telephone, by Internet, or by signing, dating and returning the **BLUE** proxy card in the postage-paid envelope provided.

Contacts
Investors:
INNISFREE M&A INCORPORATED
Shareholders may call toll-free: (877) 456-3422
Institutional Investors, Banks and Brokers may call collect: (212) 750-5833

Media:
Brunswick Group
Nina Devlin/Steve Lipin
(212) 333-3810

Additional Information

New Mountain Vantage Advisers, L.L.C. and related parties, together with the California Public Employees' Retirement System, and their nominees (collectively, the "Participants") filed a definitive proxy statement with the Securities and Exchange Commission on January 7, 2008, in connection with the Participants' solicitation of proxies for the 2008 Annual Meeting of the shareholders of National Fuel Gas Company (the "Company") and began the process of mailing the Participants' definitive proxy statement and BLUE proxy card to shareholders. Detailed information regarding the Participants can be found in the definitive proxy statement filed by the Participants. Shareholders of the Company are advised to read the Participants' definitive proxy statement and other documents relating to the solicitation of proxies by the Participants because they contain important information. The definitive proxy statement and other documents relating to the solicitation of proxies by the Participants are available at no charge at the website of the Securities and Exchange Commission at http://www.sec.gov or by contacting Innisfree M&A Incorporated by telephone at 1-877-456-3422 or by e-mail at info@innisfreema.com.

Exhibit 2

NEW MOUNTAIN VANTAGE ADVISERS, L.L.C.

787 SEVENTH AVENUE, 49TH FLOOR NEW YORK, NY 10019
TEL: 212-720-0300 FAX: 212-582-2277

January 8, 2008

Dear Fellow Shareholder:

New Mountain Vantage Advisers, together with the California Public Employees’ Retirement System (CalPERS), is currently the largest shareholder of National Fuel Gas Company. We currently own 8,078,606 shares, or approximately 9.7% of NFG’s outstanding common stock, and have been shareholders for close to two years. We are an institutional asset manager, acting on behalf of investors that include large state pension funds. CalPERS is the nation’s largest public pension plan, managing over $250 billion in assets for its more than one million beneficiaries, and is a widely recognized defender of long-term shareholder interests. **We, like you, want to get the most out of our investment—a higher stock price, solid dividend growth, and a healthier and more successful company.**

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NFG has invested more capital into the E&P business than any other business unit; $750 million in the last 6 years. Nonetheless, NFG’s reserves have declined from 1,024 Bcfe (Billions of Cubic Feet Equivalent) at the beginning of 2002 to 491 Bcfe at year end 2007, and production over the same period is off by 46%. Since 1998, NFG has written off more than $450 million in the E&P Segment, as well as launching failed power project ventures in such locations as Bulgaria and the Czech Republic. We believe that for these reasons, NFG’s stock currently trades at only an 8.4 times multiple to its trailing 12 months EBITDA as of September 2007 in comparison, for example, to a 17.7 times multiple for Equitable Resources, Inc. which operates in similar lines of business. While energy-related companies like NFG have outperformed the S&P 500 in recent years given the rise in oil and gas prices, NFG’s increase in stock price has substantially lagged behind its peers.

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In the meantime, we invite you to learn more about our recommendations and ideas for the company by visiting our website at www.buildnfgvalue.com.

Very truly yours,

NEW MOUNTAIN VANTAGE ADVISERS, L.L.C.

Your Vote Is Important, No Matter How Many Or How Few Shares You Own.

If you have questions about how to vote your shares, or need additional assistance, please contact the firm assisting us in the solicitation of proxies:

INNISFREE M&A INCORPORATED
Shareholders call Toll-Free: (877) 456-3422
Banks and Brokers Call Collect: (212) 750-5833

IMPORTANT

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by Internet, or by signing, dating and returning the **BLUE** proxy card
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Exhibit 3

- On January 7, 2008, New Mountain Vantage, L.P., a Delaware limited partnership ("NMV"), New Mountain Vantage (California), L.P., a Delaware limited partnership ("NMVC"), New Mountain Vantage (Texas), L.P., a Delaware limited partnership ("NMVT"), New Mountain Vantage (Cayman) Ltd., a Cayman Islands exempt limited company ("NMV Offshore", and collectively, the "Proponents"), and, New Mountain Vantage GP, L.L.C., a Delaware limited liability company ("Vantage GP"), New Mountain Vantage Advisers, L.L.C., a Delaware limited liability company ("Vantage" or "New Mountain Vantage"), New Mountain Vantage HoldCo Ltd., a Cayman Islands exempt limited company ("NMV Offshore HoldCo"), Mr. Steven B. Klinsky (collectively, the Proponents and such other entities and persons, the "NMV Entities"), NMV Special Holdings, LLC, a Delaware limited liability company ("NMVSH"), and the California Public Employees' Retirement System, a unit of the California State and Consumer Services Agency charged with oversight of the Public Employees' Retirement Fund ("CalPERS"), (NMV Entities, NMVSH and CalPERS, collectively, the "Reporting Persons", and together with the Nominees (as defined below) the "Participants") filed a Definitive Proxy Statement with the Securities and Exchange Commission ("SEC") in connection with the 2008 Annual Meeting of Shareholders of National Fuel Gas Company ("NFG" or the "Company") soliciting proxies to vote for the election of F. Fox Benton, III, David M. DiDomenico, and Frederic V. Salerno (the "Nominees") as Directors for the Company and began the process of mailing the Definitive Proxy Statement and BLUE proxy card to shareholders.
- This Web site is for general information purposes only. It does not have regard to the specific investment objective, financial situation, suitability or the particular need of any specific person who reads this Web site, and should not be taken as advice on the merits of any investment decision. The views expressed herein are those of Vantage and are based on or derived from publicly available information.
- Except as provided in the Schedule 13D filed with the SEC on October 30, 2006, as amended ("Schedule 13D"), relating to the common stock of NFG, the Participants are not acting together with any other person for the purpose of acquiring, holding, voting or disposing of securities of NFG. Any intention of any other person to act together with the Participants for any of these purposes is expressly disclaimed by the Participants.
- Except for historical information contained in this Web site, this Web site, including the analyses and views of Vantage and Schlumberger Data & Consulting ("Schlumberger") contained herein, include forward-looking statements with respect to, among other things, the operating performance of NFG. These statements may be identified by the use of forward-looking terminology such as the words "expects," "intends," "believes," "anticipates" and other terms with similar meaning indicating possible future events or actions or potential impact on the business or shareholders of NFG. Vantage's views and these forward-looking statements are based solely on publicly available information and on various assumptions that are inherently subject to significant economic, competitive, and other risks and uncertainties that could cause actual results to differ materially, and have been included solely for illustrative purposes. These risks and uncertainties include, among others,

the ability to successfully solicit sufficient proxies to elect the Proponents' Nominees to the NFG'S board of directors, the ability of the Proponents' Nominees to influence the management of NFG and to improve the operating performance of NFG, and risk factors associated with the business of NFG, as described by NFG on Form 10-K for the fiscal year ended September 30, 2006, and in other periodic reports of NFG, which are available at no charge at the website of the SEC at www.sec.gov . Accordingly, you should not rely upon forward-looking statements as a prediction of actual results. Vantage recognizes that there may be confidential information in the possession of NFG that could lead NFG to disagree with Vantage's conclusions. Other shareholders or potential shareholders of NFG should make their own determination concerning an investment in NFG. Vantage reserves the right to change any of its views expressed herein at any time as it deems appropriate. Vantage disclaims any obligations to update the information contained herein.

- Vantage and its affiliates manage funds that are in the business of trading — buying and selling — public securities. It is possible that there will be developments in the future that cause Vantage to change its position regarding the Company and possibly increase, reduce, dispose of, or change the form of its investments in the Company.

Additional Information

- The Definitive Proxy Statement contains detailed information about the Participants, including the Nominees. Investors and security holders may obtain the Definitive Proxy Statement and other relevant documents free of charge by contacting the Proponents' proxy solicitor, Innisfree M&A Incorporated, toll-free at (877) 456-3422 or by e-mail at info@innisfreema.com . Banks and Brokers may call collect at 212-750-5833. The proxy statement will also be available through the web site maintained by the SEC at www.sec.gov . In addition to the Definitive Proxy Statement, the Proponents may file other proxy information with the SEC. NFG SHAREHOLDERS ARE ADVISED TO READ THE DEFINITIVE PROXY STATEMENT AND OTHER MATERIALS RELATED TO THE PROXY SOLICITATION BECAUSE THEY CONTAIN IMPORTANT INFORMATION.