

NATIONAL FUEL GAS CO

FORM 8-K (Current report filing)

Filed 11/09/10 for the Period Ending 11/09/10

Address	6363 MAIN STREET WILLIAMSVILLE, NY 14221-5887
Telephone	716-857-7000
CIK	0000070145
Symbol	NFG
SIC Code	4924 - Natural Gas Distribution
Industry	Natural Gas Utilities
Sector	Utilities
Fiscal Year	09/30

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 9, 2010

NATIONAL FUEL GAS COMPANY

(Exact name of registrant as specified in its charter)

New Jersey
(State or other jurisdiction
of incorporation)

1-3880
(Commission File Number)

13-1086010
(IRS Employer
Identification No.)

6363 Main Street, Williamsville, New York
(Address of principal executive offices)

14221
(Zip Code)

Registrant's telephone number, including area code: (716) 857-7000

Former name or former address, if changed since last report: Not Applicable

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01 Regulation FD Disclosure.

National Fuel Gas Company (the “Company”) will conduct a presentation for financial analysts in New York City on November 9, 2010. The Company also plans to hold meetings with certain industry analysts, money managers and other members of the financial community. A copy of materials to be presented by the Company and provided to participants in the Company’s meetings is furnished as part of this Current Report as Exhibit 99.

Neither the furnishing of the presentation as an exhibit to this Current Report nor the inclusion in such presentation of any reference to the Company’s internet address shall, under any circumstances, be deemed to incorporate the information available at such internet address into this Current Report. The information available at the Company’s internet address is not part of this Current Report or any other report filed or furnished by the Company with the Securities and Exchange Commission.

In addition to financial measures calculated in accordance with generally accepted accounting principles (“GAAP”), the presentation furnished as part of this Current Report as Exhibit 99 contains certain non-GAAP financial measures. The Company believes that such 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. 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.

Certain statements contained herein or in the press release furnished as part of this Current Report, including statements regarding estimated future earnings and statements that are identified by the use of the words “anticipates,” “estimates,” “expects,” “forecasts,” “intends,” “plans,” “predicts,” “projects,” “believes,” “seeks,” “will” and “may” and similar expressions, are “forward-looking statements” as defined by the Private Securities Litigation Reform Act of 1995. There can be no assurance that the Company’s projections will in fact be achieved nor do these projections reflect any acquisitions or divestitures that may occur in the future. While the Company’s expectations, beliefs and projections are expressed in good faith and are believed to have a reasonable basis, actual results may differ materially from those projected in forward-looking statements. Furthermore, each forward-looking statement speaks only as of the date on which it is made. 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: financial and economic conditions, including the availability of credit, and their effect on the Company’s ability to obtain financing on acceptable terms for working capital, capital expenditures and other investments; occurrences affecting the Company’s ability to obtain financing under credit lines or other credit facilities or through the issuance of commercial paper, other short-term notes or debt or equity securities, 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;

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economic disruptions or uninsured losses resulting from terrorist activities, acts of war, major accidents, fires, hurricanes, other severe weather, pest infestation or other natural disasters; changes in demographic patterns and weather conditions; changes in the availability and/or price of natural gas or oil and the effect of such changes on the accounting treatment of derivative financial instruments or the valuation of the Company's natural gas and oil reserves; impairments under the SEC's full cost ceiling test for natural gas and oil reserves; uncertainty of oil and gas reserve estimates; 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, weather conditions, shortages, delays or unavailability of equipment and services required in drilling operations, insufficient gathering, processing and transportation capacity, and the need to obtain governmental approvals and permits and comply with environmental laws and regulations; significant differences between the Company's projected and actual production levels for natural gas or oil; changes in the availability and/or price of derivative financial instruments; changes in the price differentials between oil having different quality and/or different geographic locations, or changes in the price differentials between natural gas having different heating values and/or different geographic locations; changes in laws and regulations to which the Company is subject, including those involving derivatives, taxes, safety, employment, climate change, other environmental matters, and exploration and production activities such as hydraulic fracturing; the nature and projected profitability of pending and potential projects and other investments, and the ability to obtain necessary governmental approvals and permits; significant differences between the Company's projected and actual capital expenditures and operating expenses, and unanticipated project delays or changes in project costs or plans; 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 derivatives, acquisitions, financings, rate cases (which address, among other things, allowed rates of return, rate design and retained natural gas), affiliate relationships, industry structure, franchise renewal, and environmental/safety requirements; unanticipated impacts of restructuring initiatives in the natural gas and electric industries; ability to successfully identify and finance acquisitions or other investments and ability to operate and integrate existing and any subsequently acquired business or properties; changes in 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; significant changes in tax rates or policies or in rates of inflation or interest; significant changes in the Company's relationship with its employees or contractors and the potential adverse effects if labor disputes, grievances or shortages were to occur; changes in accounting principles or the application of such principles to the Company; 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. The Company disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date hereof.

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Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit 99 Furnished presentation materials

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NATIONAL FUEL GAS COMPANY

By: /s/ James R. Peterson

James R. Peterson

Assistant Secretary

Dated: November 9, 2010

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EXHIBIT INDEX

Exhibit Number	Description
99	Furnished presentation materials



**Fiscal 2010
Year-End Analyst Day**
November 9, 2010



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.

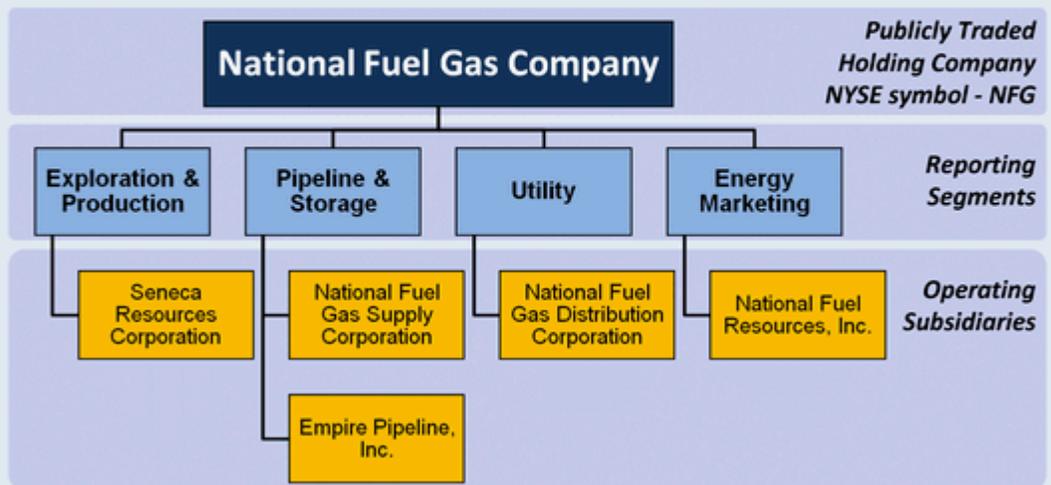
In addition to other factors, the following are important factors that could cause actual results to differ materially from results referred to in the forward-looking statements: financial and economic conditions, including the availability of credit, and their effect on the Company's ability to obtain financing on acceptable terms for working capital, capital expenditures and other investments; occurrences affecting the Company's ability to obtain financing under credit lines or other credit facilities or through the issuance of commercial paper, other short-term notes or debt or equity securities, 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 terrorist activities, acts of war, major accidents, fires, hurricanes, other severe weather, pest infestation or other natural disasters; changes in demographic patterns and weather conditions; changes in the availability and/or price of natural gas or oil and the effect of such changes on the accounting treatment of derivative financial instruments or the valuation of the Company's natural gas and oil reserves; impairments under the SEC's full cost ceiling test for natural gas and oil reserves; uncertainty of oil and gas reserve estimates; 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, weather conditions, shortages, delays or unavailability of equipment and services required in drilling operations, insufficient gathering, processing and transportation capacity, and the need to obtain governmental approvals and permits and comply with environmental laws and regulations; significant differences between the Company's projected and actual production levels for natural gas or oil; changes in the availability and/or price of derivative financial instruments; changes in the price differentials between oil having different quality and/or different geographic locations, or changes in the price differentials between natural gas having different heating values and/or different geographic locations; changes in laws and regulations to which the Company is subject, including those involving derivatives, taxes, safety, employment, climate change, other environmental matters, and exploration and production activities such as hydraulic fracturing; the nature and projected profitability of pending and potential projects and other investments, and the ability to obtain necessary governmental approvals and permits; significant differences between the Company's projected and actual capital expenditures and operating expenses, and unanticipated project delays or changes in project costs or plans; 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 derivatives, acquisitions, financings, rate cases (which address, among other things, allowed rates of return, rate design and retained natural gas), affiliate relationships, industry structure, franchise renewal, and environmental/safety requirements; unanticipated impacts of restructuring initiatives in the natural gas and electric industries; ability to successfully identify and finance acquisitions or other investments and ability to operate and integrate existing and any subsequently acquired business or properties; changes in 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; significant changes in tax rates or policies or in rates of inflation or interest; significant changes in the Company's relationship with its employees or contractors and the potential adverse effects if labor disputes, grievances or shortages were to occur; changes in accounting principles or the application of such principles to the Company; 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.

For a discussion of these risks 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, 2009 and the Company's Forms 10-Q for the quarters ended December 31, 2009, March 31, 2010 and June 30, 2010. 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.

The Securities and Exchange Commission (the "SEC") currently permits the Company, in its filings with the SEC, to disclose only proved reserves that the Company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. The Company uses the terms "probable," "possible," "resource potential" and other descriptions of volumes of reserves or resources potentially recoverable through additional drilling or recovery techniques that the SEC's guidelines would prohibit us from including in filings with the SEC. These estimates are by their nature more speculative than estimates of proved reserves and, accordingly, are subject to substantially greater risk of being actually realized. Investors are urged to consider closely the disclosure in our Form 10-K and Forms 10-Q available at www.nationalfuelgas.com. You can also obtain these forms on the SEC's website at www.sec.gov.

National Fuel Gas Company

Business Segment Reporting



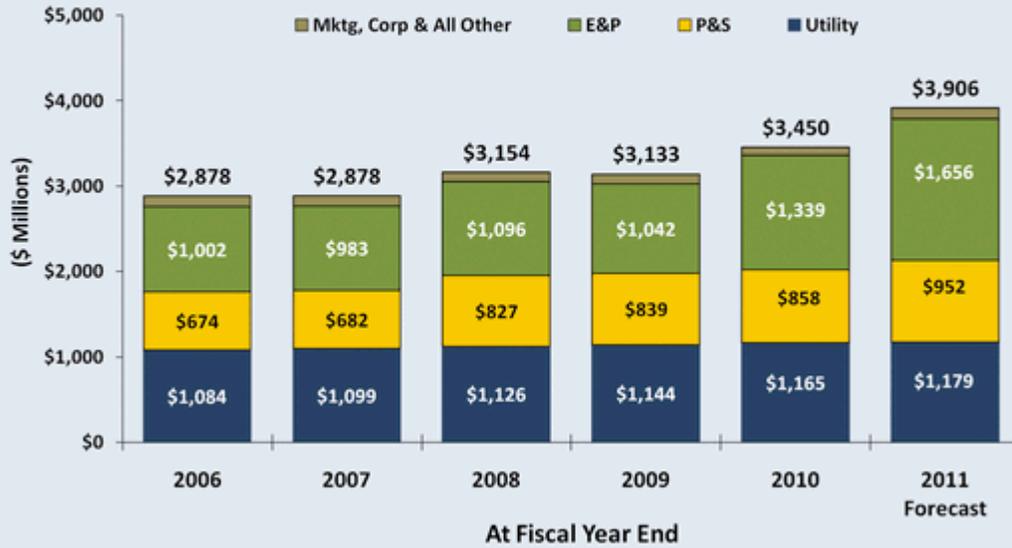
National Fuel Gas Company

Our Businesses

- **Utility**
- **Pipeline & Storage**
- **Exploration & Production**
 - ✓ *Appalachia, California, Gulf of Mexico*
- **Energy Marketing**
- **Midstream**
- ~~**Timber**~~
- ~~**Landfill Gas**~~
- ~~**Gas-Fired Generation**~~

National Fuel Gas Company

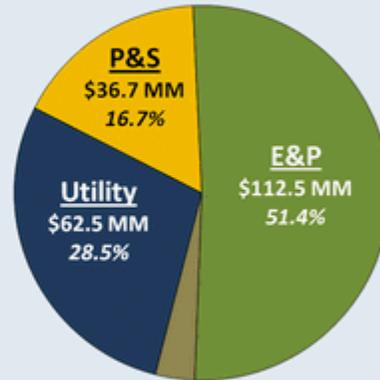
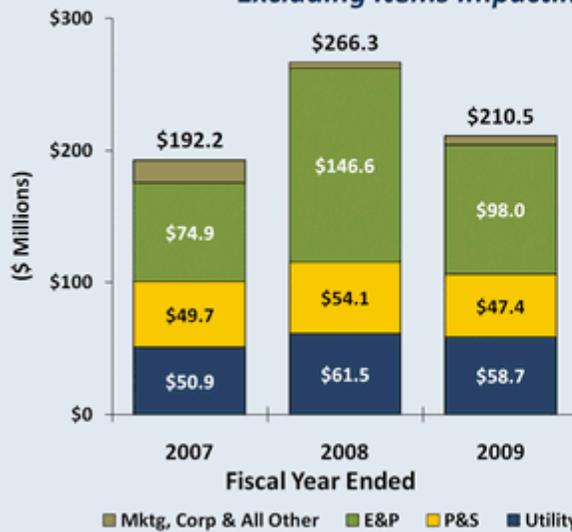
Net Plant by Segment



National Fuel Gas Company

Net Income from Continuing Operations

Excluding Items Impacting Comparability ⁽¹⁾



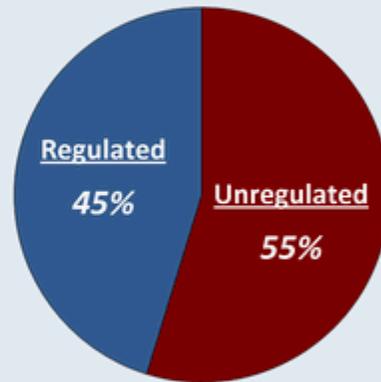
\$219.1 Million
Fiscal Year Ended
September 30, 2010

⁽¹⁾ A reconciliation to GAAP Net Income is included at the end of this presentation.

National Fuel Gas Company

A Balanced Business Model

Net Income from Continuing Operations⁽¹⁾ – Excluding Items Impacting Comparability

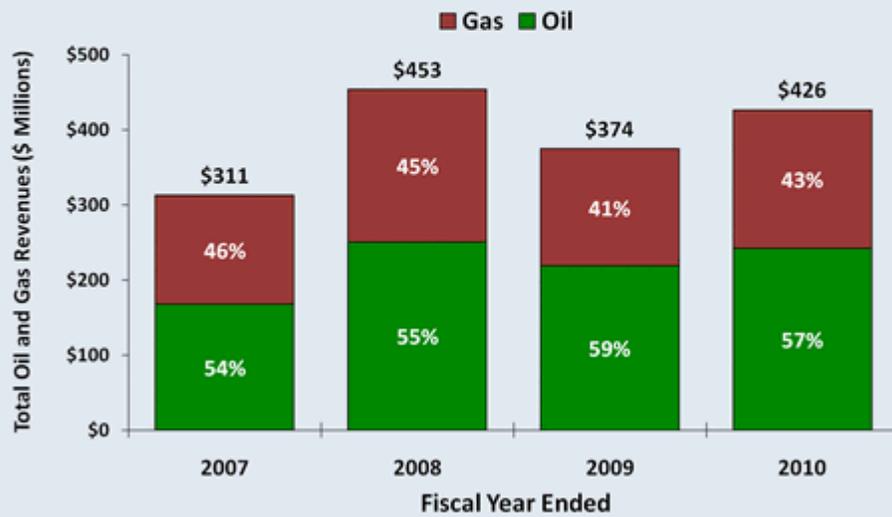


\$219.1 Million
Fiscal Year Ended
September 30, 2010

(1) A reconciliation to GAAP Net Income is included at the end of this presentation.

National Fuel Gas Company

Seneca Resources Corporation – Oil and Gas Revenues



National Fuel Gas Company

Peer Group Comparisons

1-Year Total Return

Peer Group	Total Return
Utility Peers	22%
National Fuel	19%
Diversified Peers	9%
E&P Peers	8%

3-Year Total Return

Peer Group	Total Return
National Fuel	20%
Utility Peers	19%
E&P Peers	-10%
Diversified Peers	-27%

5-Year Total Return

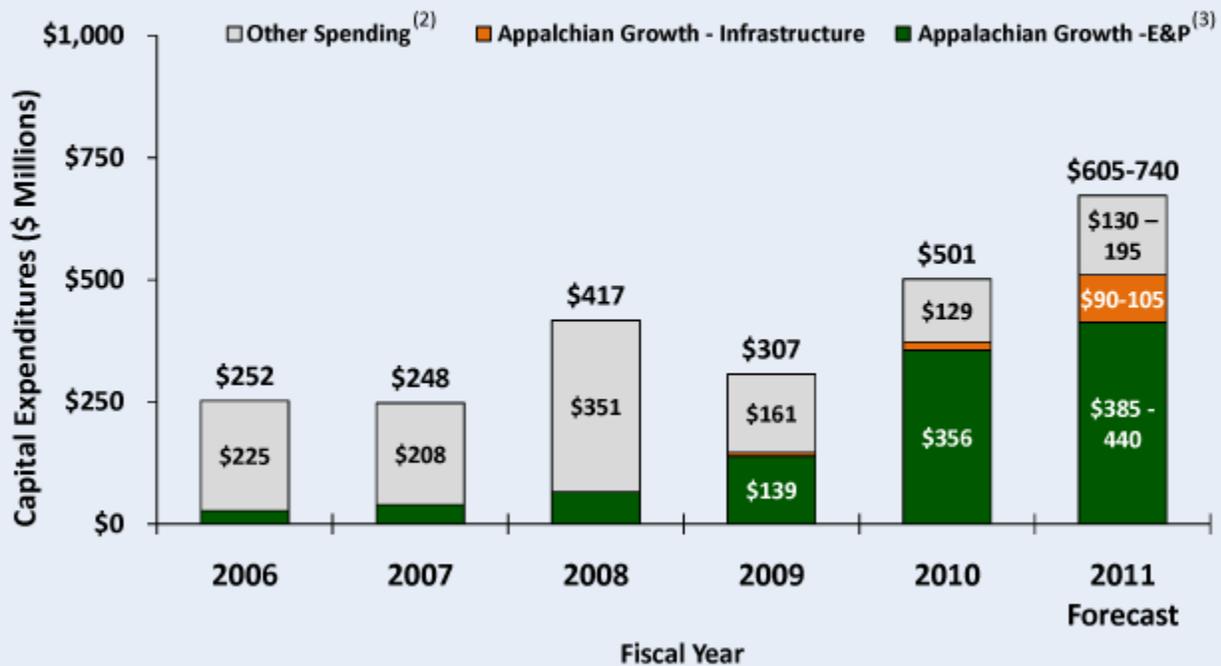
Peer Group	Total Return
National Fuel	74%
Utility Peers	34%
E&P Peers	4%
Diversified Peers	-3%

National Fuel's Diversified business model continues to generate long-term outperformance versus its peer groups by limiting downside risk through economically challenging times and capturing upside growth in an expanding market

All returns are for the period starting October 1, 2006 and ending September 30, 2010. Calculated utilizing Bloomberg L.P. software and peer group averages calculated using an arithmetic mean.
 Diversified Peers: EGN, EP, EGT, MDU, WMB; Utility Peers: AGL, ATO, CPK, NI, NIK, NWN, SWX, WGL;
 E&P Peers: ATLS, BRY, CHK, CNX, COG, CIG, EOG, FETD, FVA, BRC, SFY, SM, SWN, UNT, VQ, XCO

National Fuel Gas Company

Capital Expenditures⁽¹⁾ – An Appalachian Focus



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

(2) Defined as spending related to efforts to drill for, gather, or transport Appalachian sources of natural gas.

(3) Any other maintenance spending in the Appalachian region, plus spending in areas outside of the Appalachian region.

Seneca Resources

Evaluation of JV Opportunities

- Seneca has engaged Jefferies & Company to explore joint-venture opportunities across a broad portion of its acreage, with the following goals:
 - ✓ Ramp up development faster than current aggressive growth plans
 - ✓ Bring forward the earnings stream, where a minority-interest partner pays a significant portion of the early drilling costs, enhancing shareholder value
 - ✓ Continue operating across most of its acreage position
- Seneca's unique Marcellus position provides a competitive advantage for a potential joint-venture partner:
 - ✓ 800,000 net acres in PA – 745,000 in heart of the Marcellus Fairway
 - ✓ Majority of acreage is held in fee, carrying no royalty and no lease expirations
 - ✓ Large, contiguous acreage blocks allow for operating- and cost-efficiency through multi-well pad drilling
- Seneca will forgo joint-venture opportunities that do not enhance shareholder value when compared to its current growth plans

National Fuel Gas Company

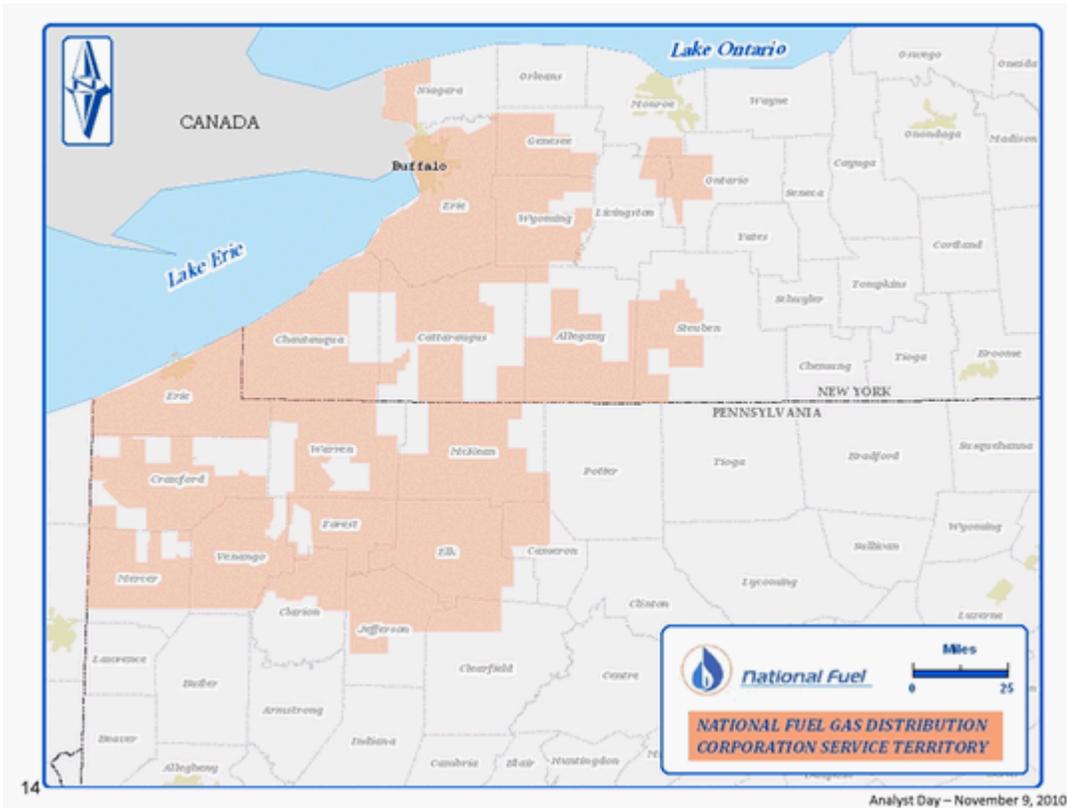
National Fuel Gas Company **Independent Directors – A Wealth of Industry Experience**

*Former Director, President & CEO of Northwest Natural Gas Co.
Vice Chairman of DTE Energy
Director of Northern Border Pipeline Co.
Former Chairman and CEO of Questar Corporation
Former Vice Chairman, COO and Director of Keyspan Corporation
Individual Responsible for DTE's Barnett & Antrim Shale Plays
Former Advisor to the COO of Duke Energy
Former Vice Chairman of PanEnergy Corporation (now part of Spectra)
Founder of Kidder Exploration, an Appalachian E&P Co.
Director of Hess Corporation
Former Chairman & COO of MCN Energy
Former CEO of Michigan Consolidated Gas Co.
Former President, CEO & Director of NUI Corporation
Former Director of the Independent Oil & Gas Assoc. of NY & PA
CEO and Chairman of Moog Inc. for 20+ Years (Major Company in NFG's Service Territory)
Former Vice-Chairman and CFO of Verizon Inc., a Regulated Industry
Director of CMS Energy Corporation
Director of Dynegy, Inc.*

Utility Segment



National Fuel Gas Distribution Corporation



Utility

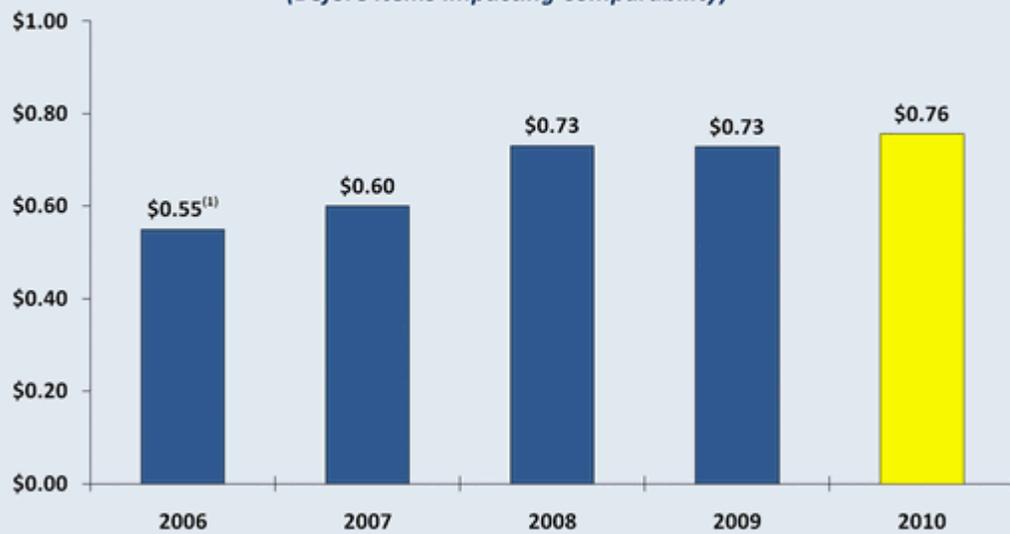
Keys to Continued Success



Utility

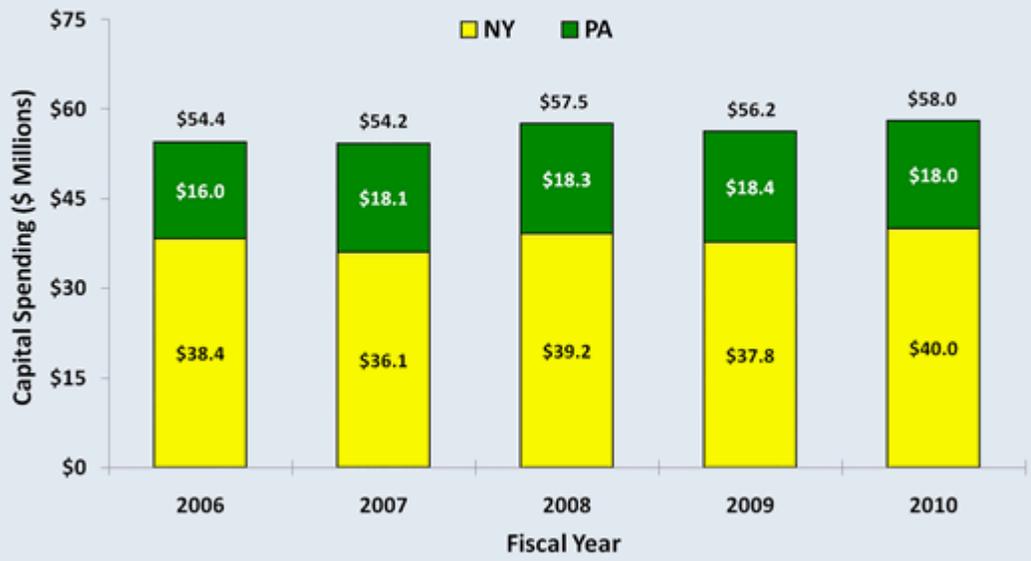
Diluted Earnings per Share

(Before Items Impacting Comparability)

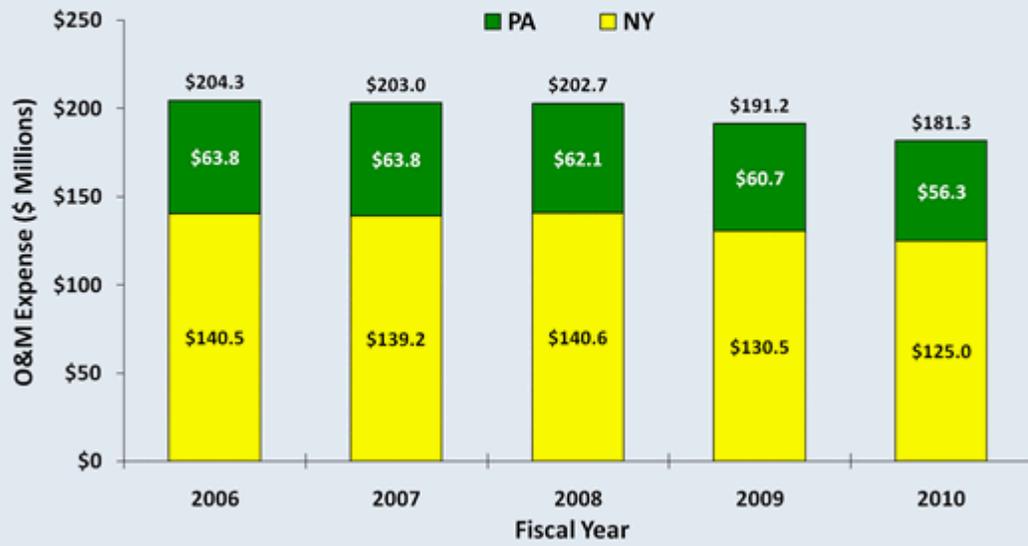


(1) Excludes out-of-period adjustment to symmetrical sharing of \$0.03; including this adjustment, GAAP earnings would be \$0.58.

Utility Capital Spending



Utility O&M Expense



Utility

Excellent Customer Service

Customer Service Performance	NY Goal	NY Actual ⁽¹⁾	PA Actual ⁽¹⁾
Telephone Response (within 30 seconds)	74.0%	89.1%	92.3%
Customer Satisfaction:			
Residential	85.1%	92.4%	89.5%
Commercial	86.0%	90.7%	
PSC Complaints (per 100,000 Customers)	2.1	0.1	N/A
Estimated Meter Reading	Not to Exceed 15.9%	13.2%	10.2%
Adjusted Bills	Not to Exceed 1.9%	1.1%	1.4%
New Service Gas Installations Installed within 10 Days	98.0%	99.9%	99.7%
Non-Emergency Field Appointments Kept	98.0%	99.2%	99.4%

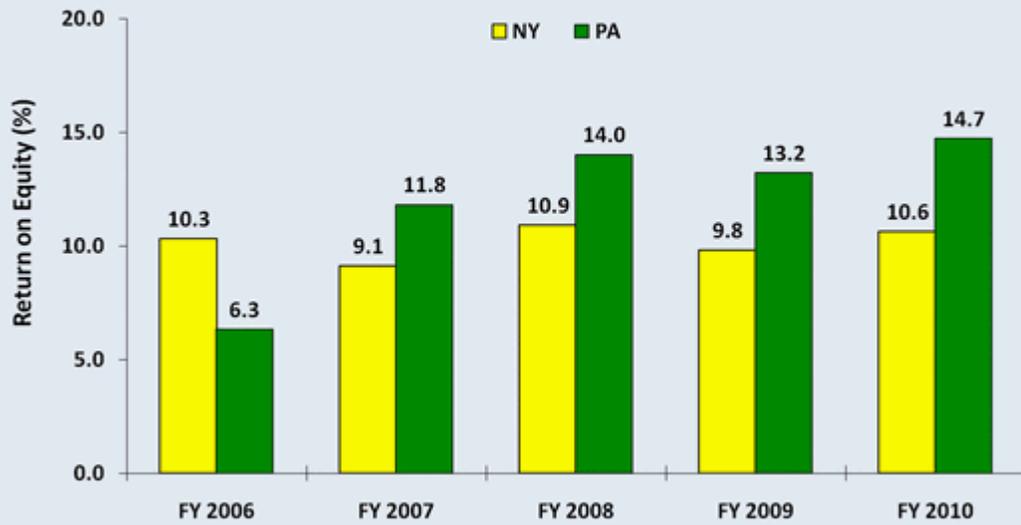
⁽¹⁾ 12-months ended September 30, 2010

Utility

Rate Mechanisms

New York	Pennsylvania
<ul style="list-style-type: none">➤ Revenue Decoupling➤ Customer Choice / POR➤ Merchant Function Charge➤ 90/10 Sharing (large volume users)➤ Weather Normalization➤ Low Income Rates	<ul style="list-style-type: none">➤ Low Income Rates➤ Customer Choice / POR➤ Merchant Function Charge <p><u>Under Consideration:</u></p> <ul style="list-style-type: none">➤ Revenue Decoupling

Utility Return on Equity⁽¹⁾

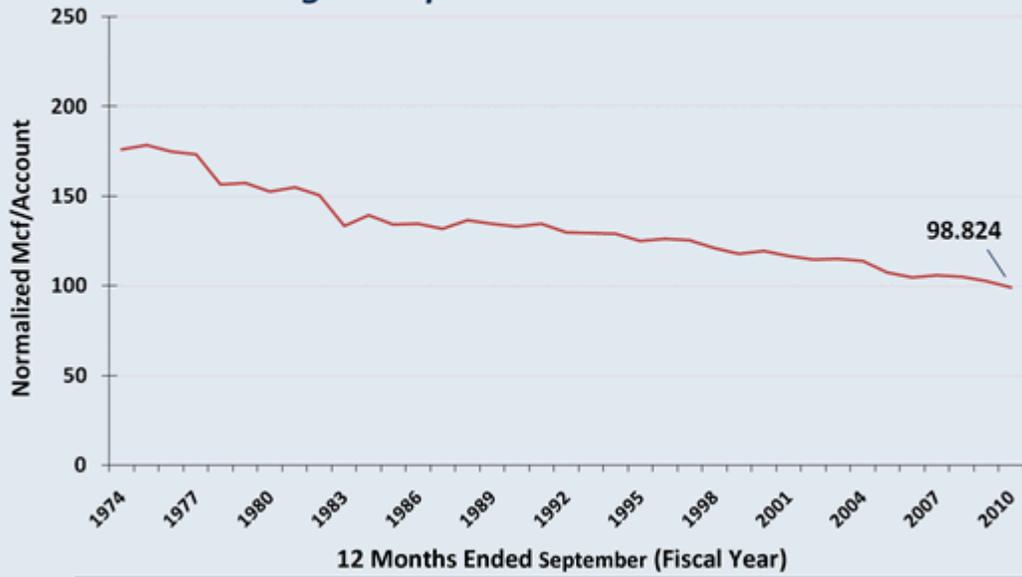


(1) Calculated using Average Total Comprehensive Shareholder Equity.

Utility Challenges

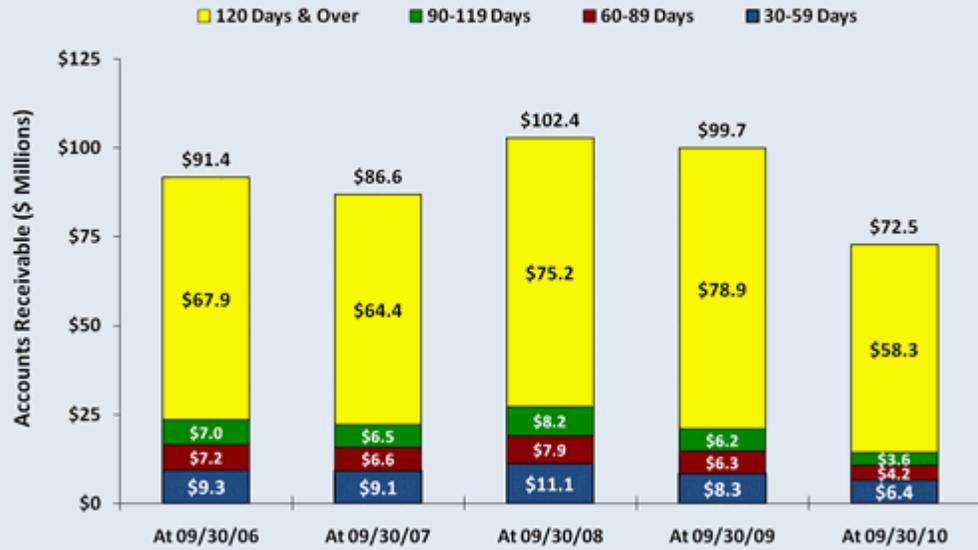
Utility

Average Use per Residential Customer



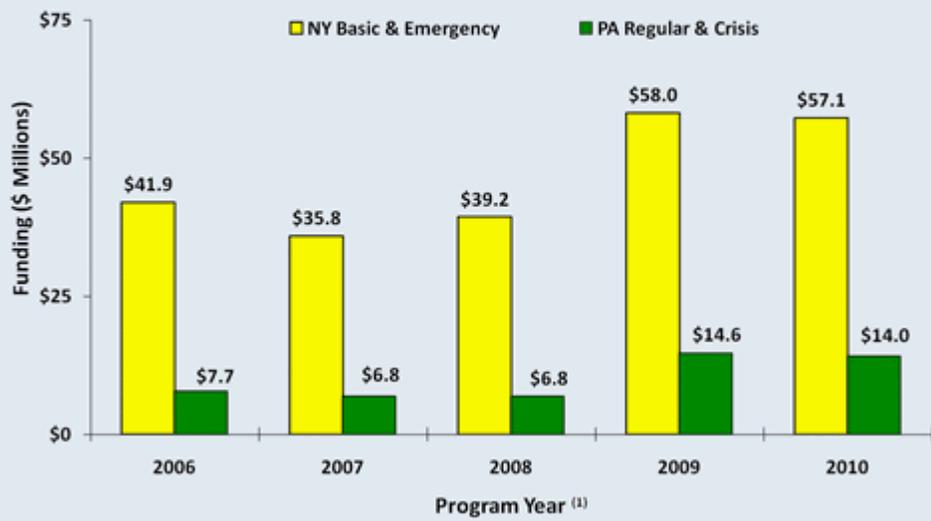
Utility

Accounts Receivable – Customer ⁽¹⁾



(1) All values include Purchase of Receivables ("POR") Program

Utility HEAP/LIHEAP



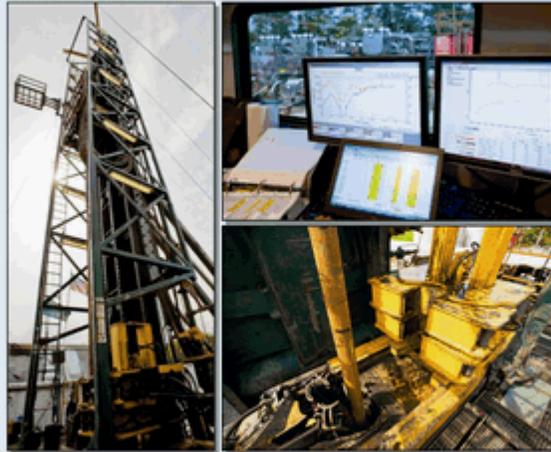
[1] Program year runs from November to May

Utility

2011



Exploration & Production



Seneca Resources Corporation

Seneca Resources

Fiscal 2010 Highlights

Production

- Increased annual production by 17% to 49.7 BCFE

Reserve Replacement

- Replaced 445% of production

Finding & Development Cost

- F&D Cost decreased to approximately \$1.80 per Mcfe

Marcellus Exit Rate

- Marcellus net production at fiscal year end 2010 was 53 MMcfe per day

Seneca-Operated IP Rates

- 6.6 MMcfe per day IP rates across all Seneca-operated wells
- 8.5 MMcfe per day IP rates in Tioga and Lycoming county Seneca-operated wells

EOG Joint-Venture Results

- Large Frac IPs in Clearfield County have averaged 8.2 MMcfe per day

Exploration & Production

Fiscal 2010 Year End Proved Reserves

East - Appalachia

Reserves: 333 Bcfe (48%)

FY '10 Production: 16.5 Bcfe (33%)



West - California

Reserves: 333 Bcfe (47%)

(55.5 MMBoe)

FY '10 Production: 19.8 Bcfe (40%)

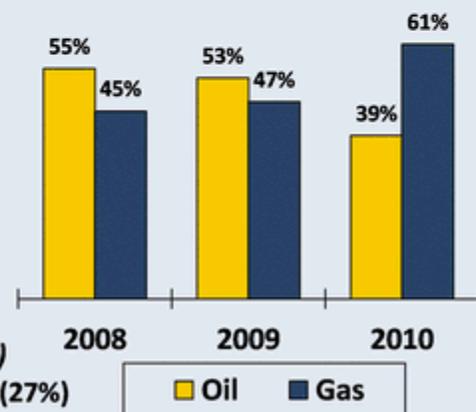
Gulf of Mexico

Reserves: 34 Bcfe (5%)

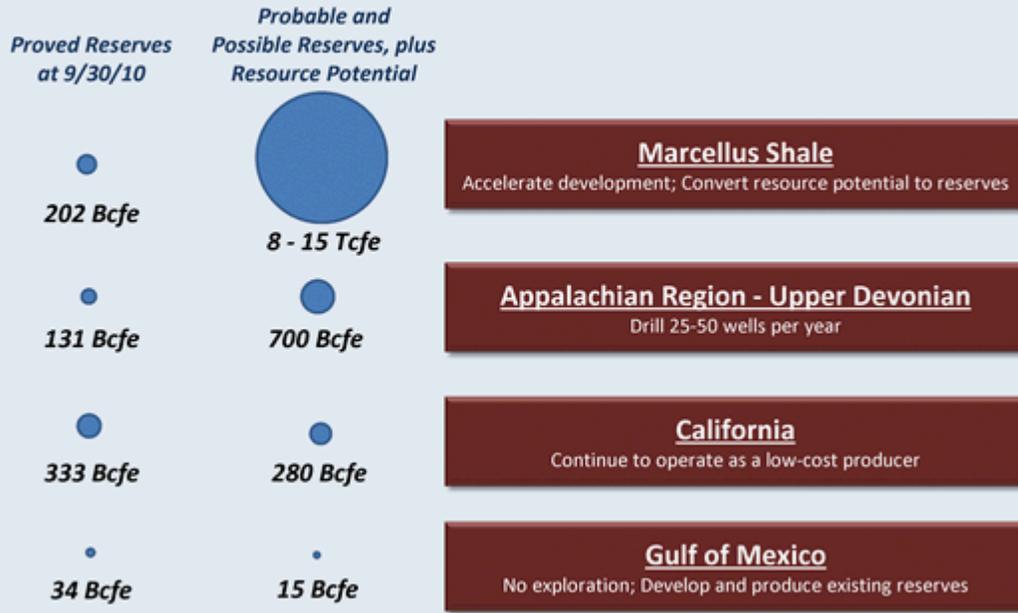
FY '10 Production: 13.4 Bcfe (27%)

Proved Reserves @ 9/30

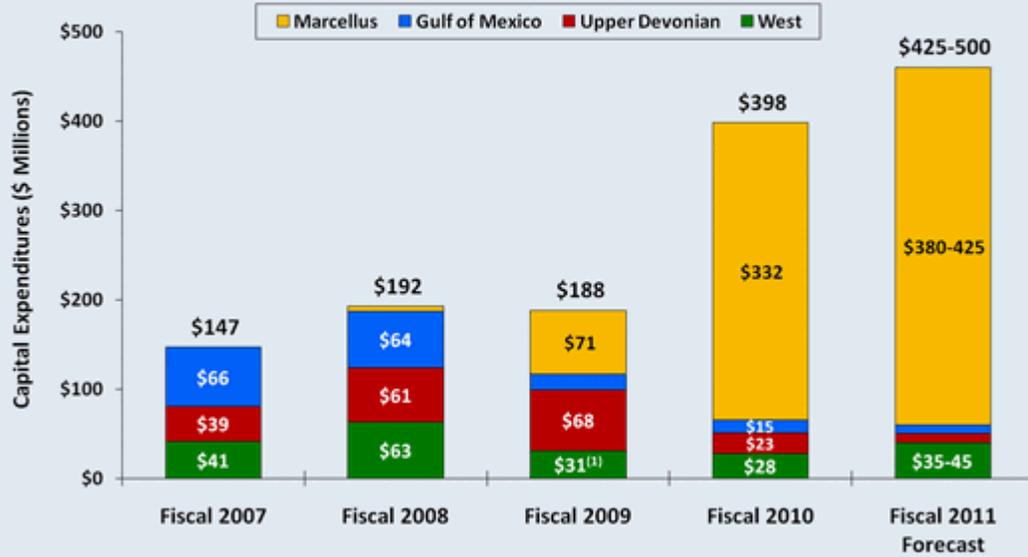
503 Bcfe **528 Bcfe** **700 Bcfe**



Exploration & Production

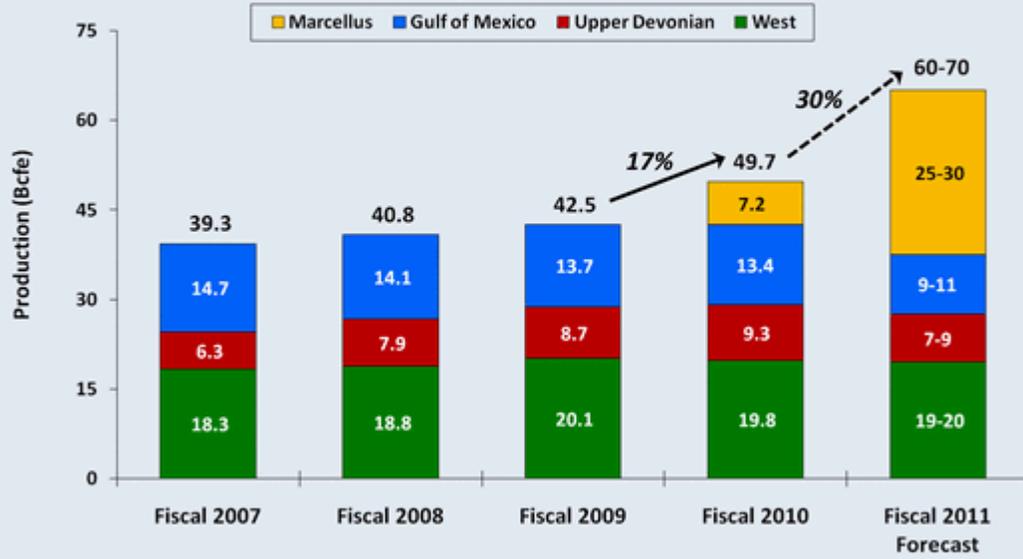


Exploration & Production Capital Expenditures by Region

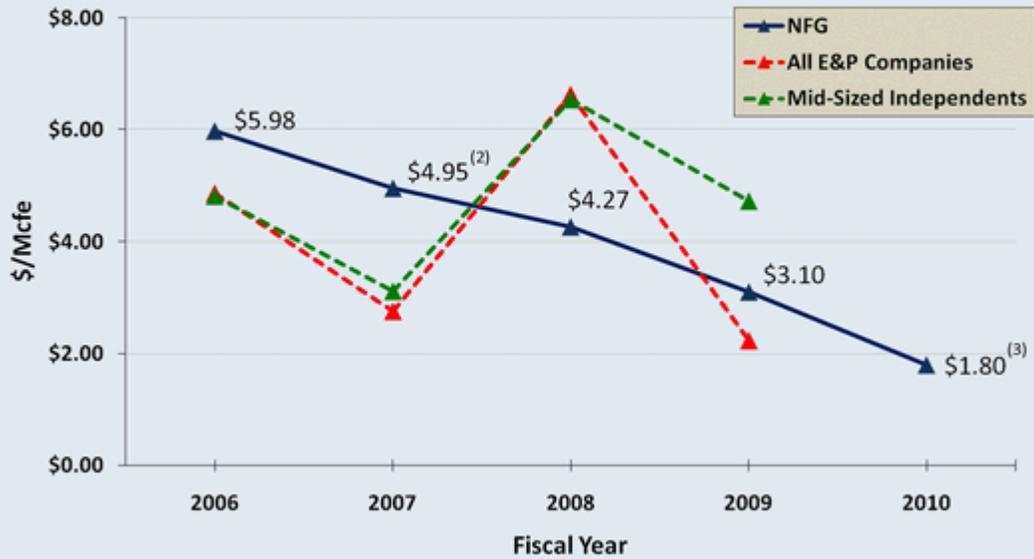


⁽¹⁾ Does not include the \$34.9MM acquisition of Ivanhoe's US-based assets in California, as this was accounted for as an investment in subsidiaries on the Statement of Cash Flows, and was not included in Capital Expenditures.

Exploration & Production *Annual Production by Region*



Exploration & Production Finding & Development Cost ⁽¹⁾



(1) 2006 – 2009 Finding and Development cost information was obtained from IHS Herold, Inc.
 (2) National Fuel's 2007 finding and development cost is adjusted for revisions due to a change in reserve auditors.
 (3) National Fuel's 2010 finding and development cost was calculated internally.

Exploration & Production

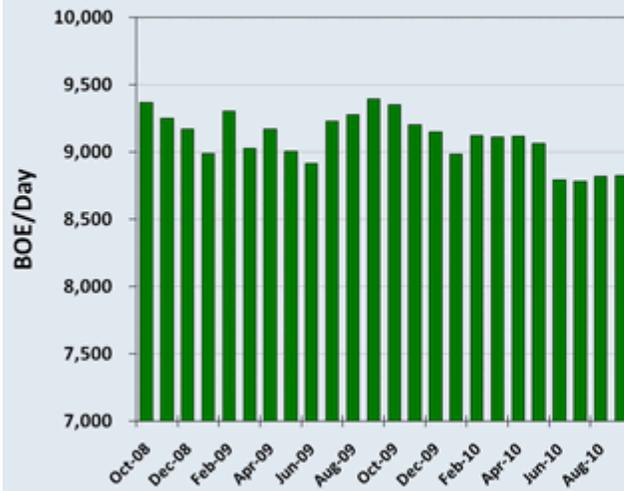


California

Seneca's California Properties



California Average Daily Production



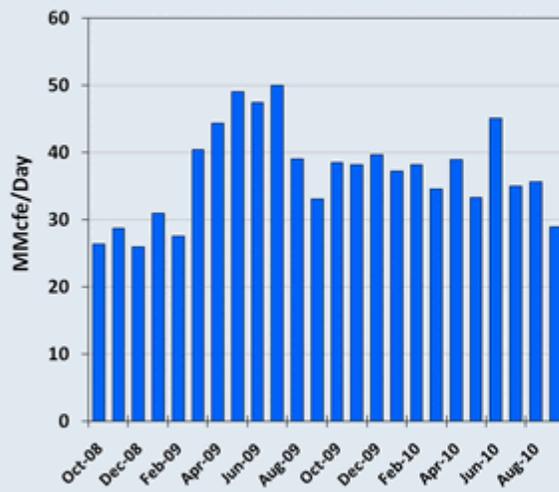
- Modest capital spending to maintain production
- Pursue additional bolt-on acquisitions
- 2011 Plans:
 - CapEx - \$40 MM
 - 50 Development wells
 - Two 5-acre in-fill wells at Sespe

Exploration & Production



Gulf of Mexico

Gulf of Mexico Average Daily Production



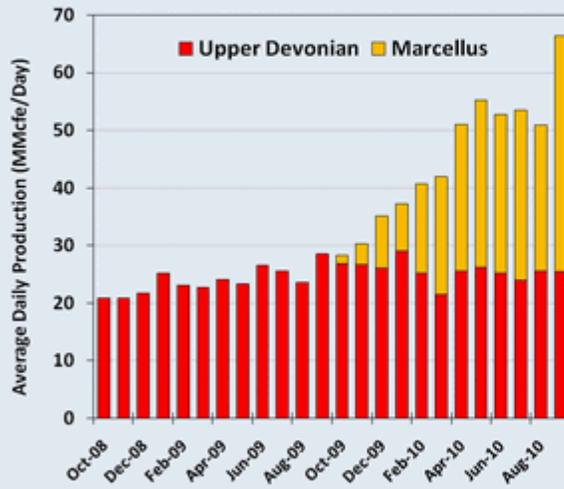
- Minimal capital spending
- Expect production decline in 2011

Exploration & Production



East Division

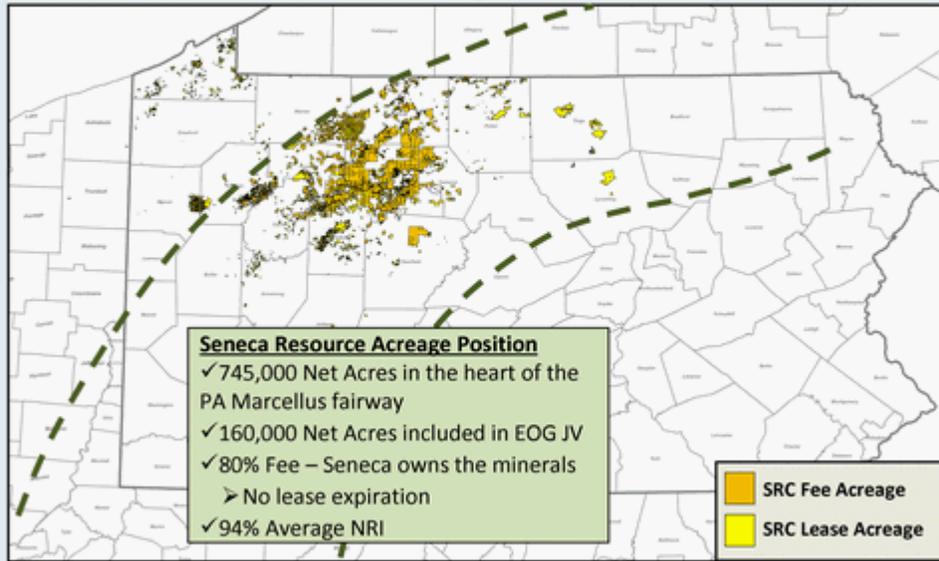
East Division Average Daily Production



- Rapid growth in the East Division as Marcellus is ramping up
- Expect significant production increase in Q1

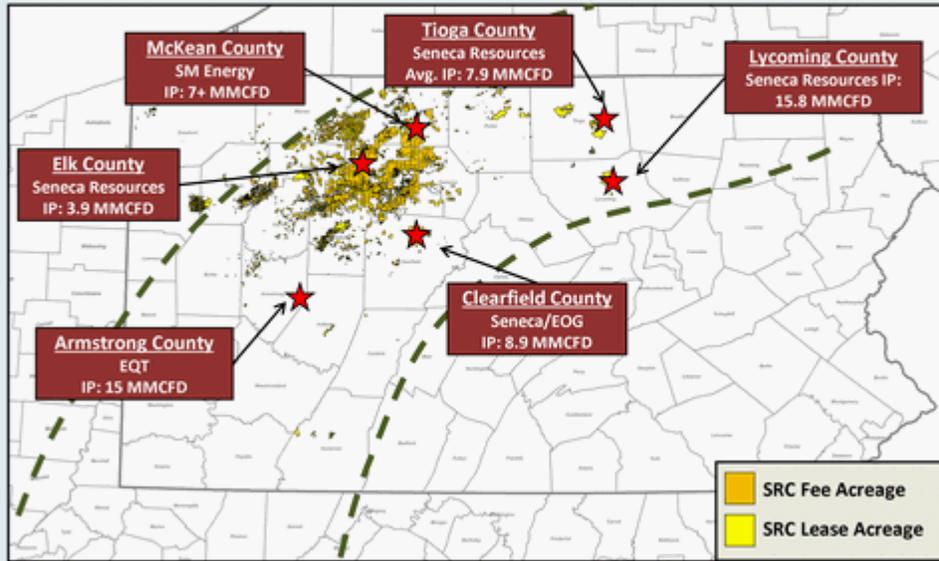
Marcellus Shale

Seneca's Pennsylvania Acreage



Marcellus Shale

Recent Well Results Validate Seneca's Position

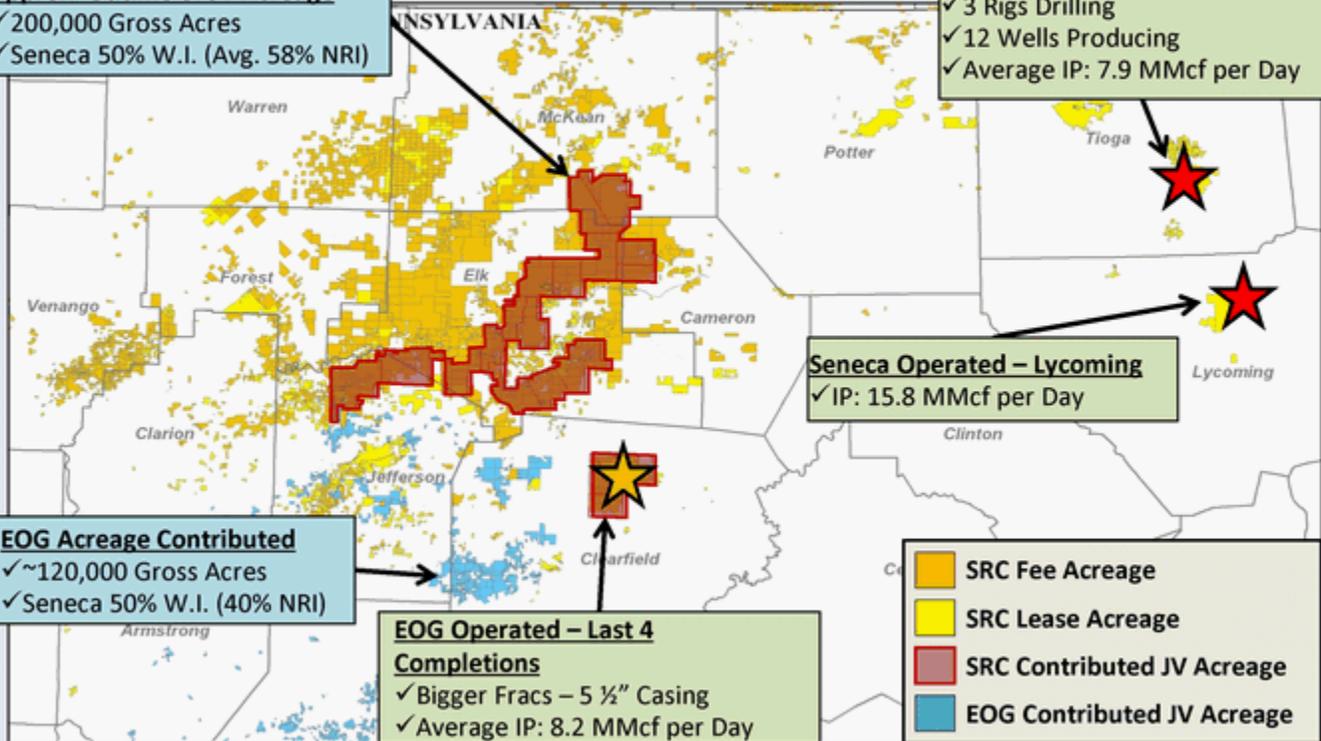


Marcellus Shale

Recent Activity

Approx. Outline of JV Acreage
 ✓ 200,000 Gross Acres
 ✓ Seneca 50% W.I. (Avg. 58% NRI)

Seneca Operated – Tioga
 ✓ 3 Rigs Drilling
 ✓ 12 Wells Producing
 ✓ Average IP: 7.9 MMcf per Day



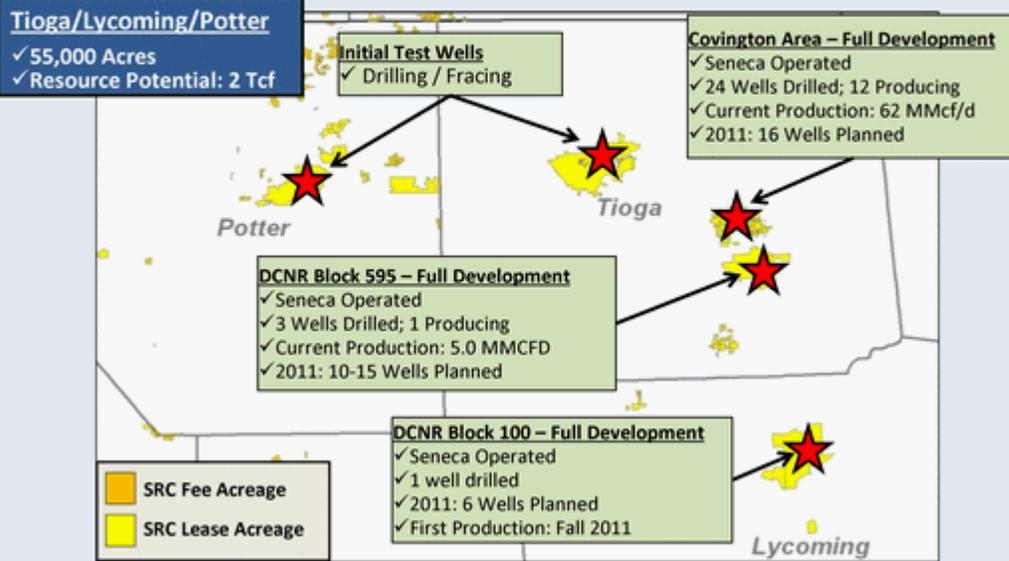
Seneca Operated – Lycoming
 ✓ IP: 15.8 MMcf per Day

EOG Acreage Contributed
 ✓ ~120,000 Gross Acres
 ✓ Seneca 50% W.I. (40% NRI)

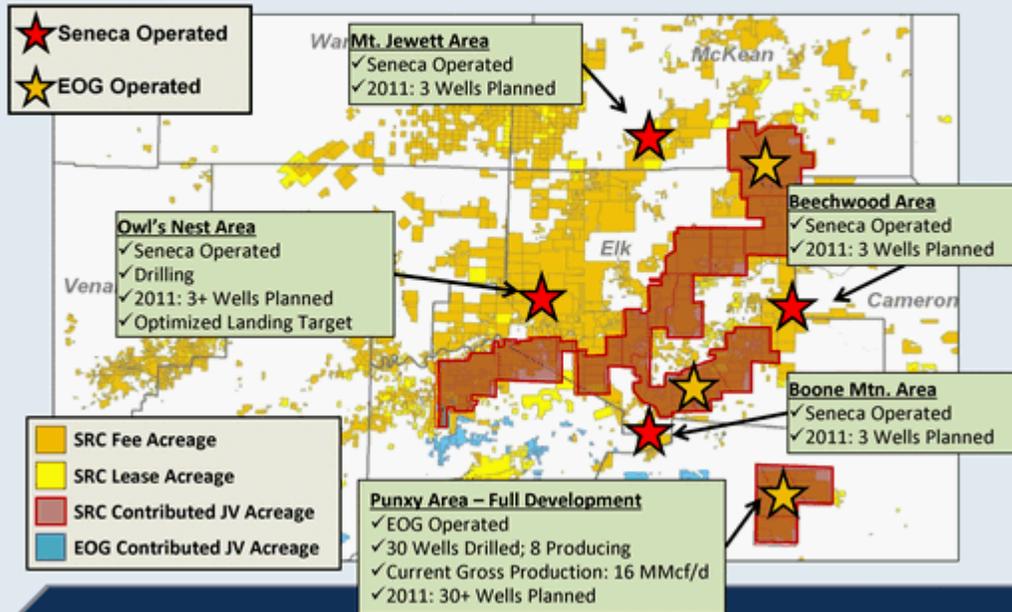
EOG Operated – Last 4 Completions
 ✓ Bigger Fracs – 5 ½" Casing
 ✓ Average IP: 8.2 MMcf per Day

SRC Fee Acreage
 SRC Lease Acreage
 SRC Contributed JV Acreage
 EOG Contributed JV Acreage

Marcellus Shale Eastern Development Area

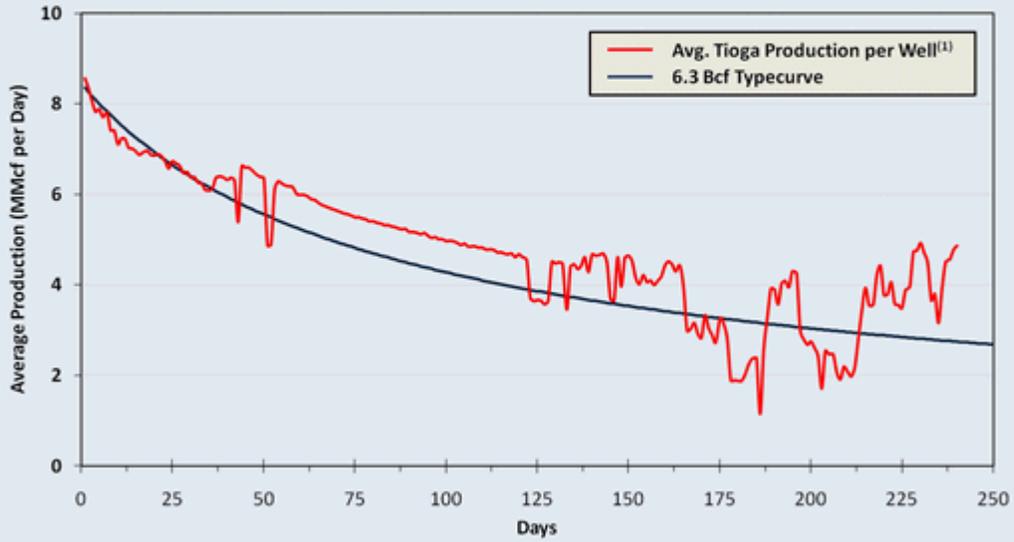


Marcellus Shale Western Development Area



Tioga County Decline Curves

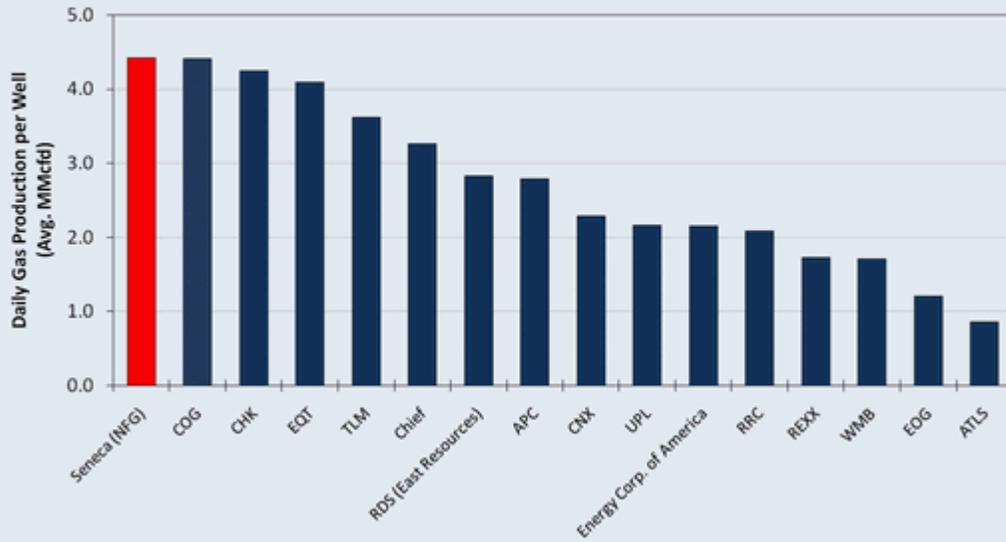
Longer Lateral Wells Outpacing Original Decline Curve



(1) Chart data represents horizontal well production from wells with lateral lengths greater than 3,000 feet

Marcellus Shale

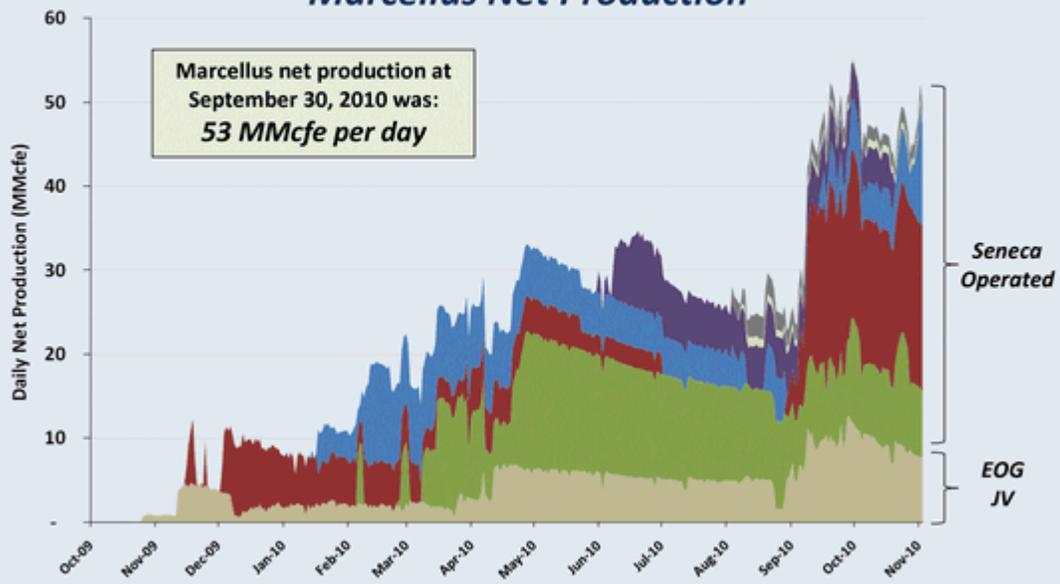
*Pennsylvania Average Daily Gas Production per Horizontal Well
(Companies with at least 5 horizontal wells producing)*



Source: All data represents Marcellus Shale gas production from July 1, 2009 through June 30, 2010 for companies with at least five producing horizontal wells within the State of Pennsylvania and was provided by the Pennsylvania Department of Environmental Protection. The data was retrieved on November 4, 2010.

Marcellus Shale

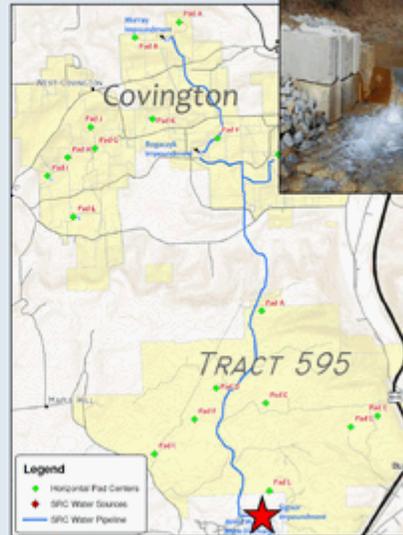
Marcellus Net Production



Marcellus Shale

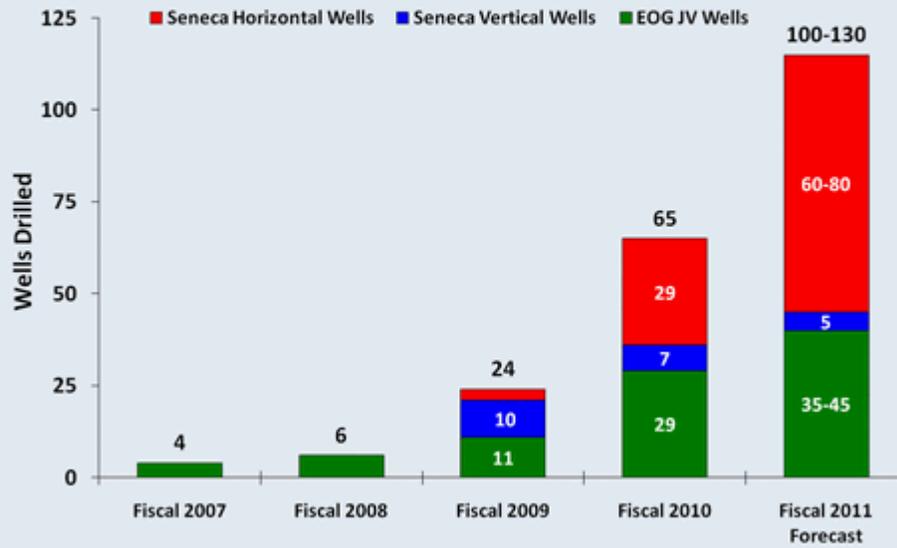
Centralized Water System

- Recovering water discharged from an abandoned coal mine which was adversely impacting a local trout stream
- Authorized by SRBC to withdraw approximately 500,000 gallons per day of mine discharge
- Water pipeline system supplies frac water for Seneca in Tioga County (90 wells)
- Can supply water for 3 fracs per month
- System Cost: ~\$3.7 Million
- Cost Savings: ~\$120,000 per well
 - Pay Out: 31 Wells
- Other Benefits:
 - ✓ Improved stream quality
 - ✓ Substantial reduction of water truck activity
 - ✓ No need to withdraw water elsewhere



Marcellus Shale

Wells Drilled per Year

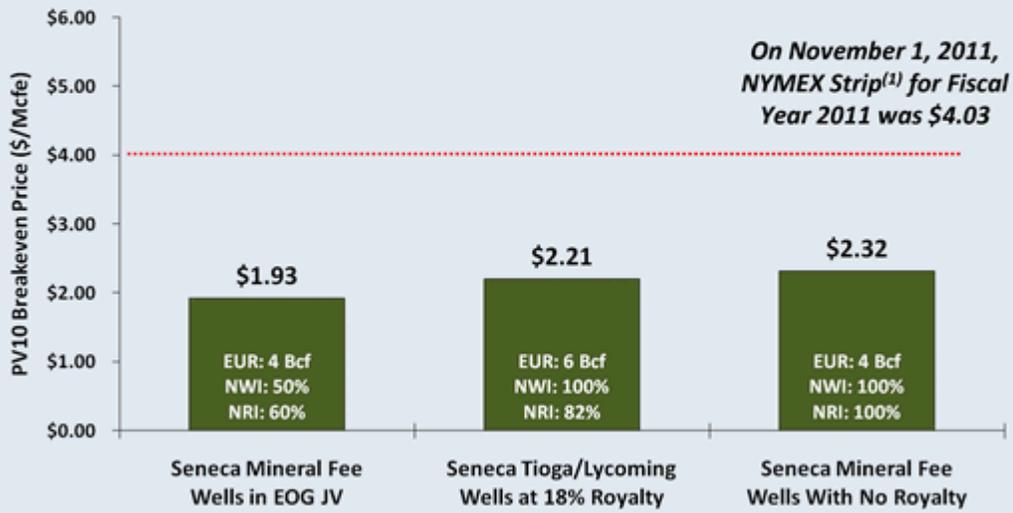


Marcellus Shale

Pre-Tax IRR Comparison

Description	EUR	Well Cost (\$ MM)	Net Working Interest	Net Revenue Interest	Pre-Tax IRR (NYMEX - \$/MMBtu)		
					\$4.00	\$5.00	\$6.00
Seneca Tioga County Wells at 18% Royalty	6 Bcf	\$4.6	100%	82%	63%	100+%	100+%
Seneca Mineral Fee Wells in EOG JV	4 Bcf	\$4.0	50%	60%	68%	100+%	100+%
Seneca Mineral Fee Wells – No Royalty	4 Bcf	\$4.0	100%	100%	46%	75%	100+%
Competitor Well with 15% Royalty Rate	4 Bcf	\$4.0	100%	85%	30%	51%	78%

Marcellus Shale Breakeven Pricing at PV10



(1) The NYMEX strip prices for fiscal year 2011 include the settlement prices for the October 2010 and November 2010 contracts.

Seneca Resources

Marcellus Shale Summary

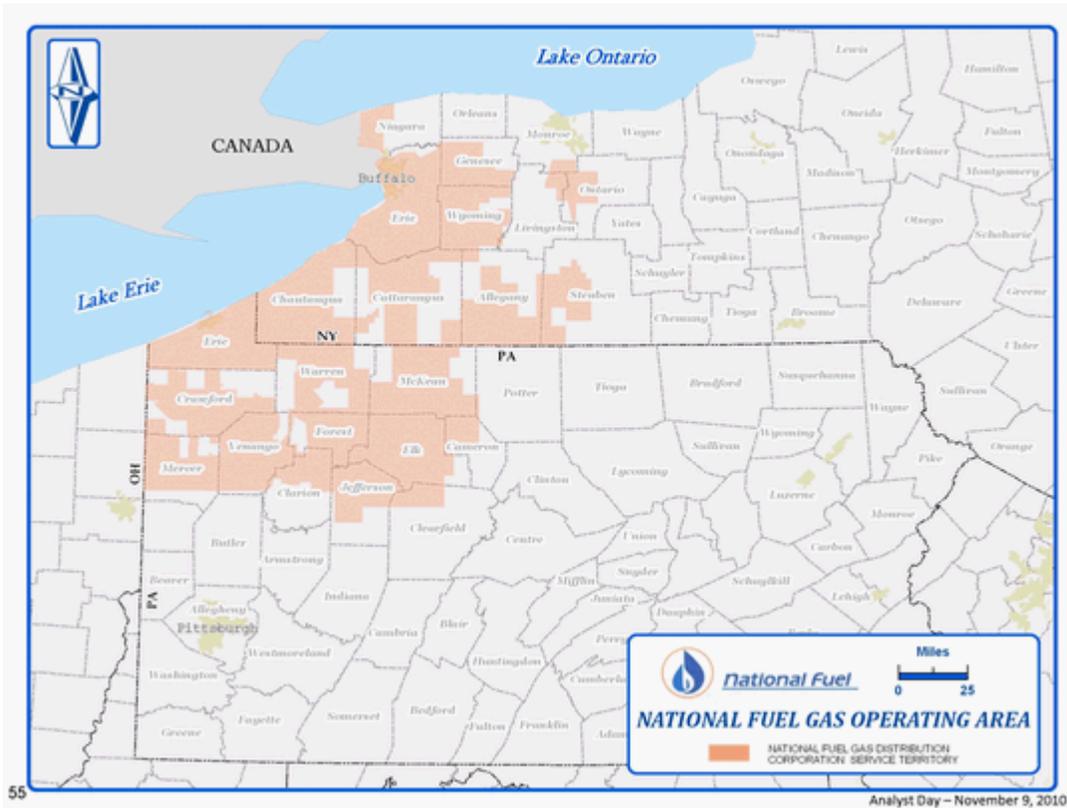
- Continuing to achieve high IP rates and showing slow decline
- Fourth horizontal rig is on location
 - ✓ Will have 3 rigs in East and 1 in West for 1st half of FY2011
- EOG Program is picking up and showing improvement
 - ✓ First “big fracs” came on at high rate
 - ✓ Infrastructure constrained in Clearfield County
- Marcellus production will continue to grow rapidly
 - ✓ Fiscal Year 2010 exit rate was 53 MMCFD
 - ✓ Expect net 100+ MMCFD by fiscal year end 2011 (9/30/2011)
- Explore joint-venture opportunities

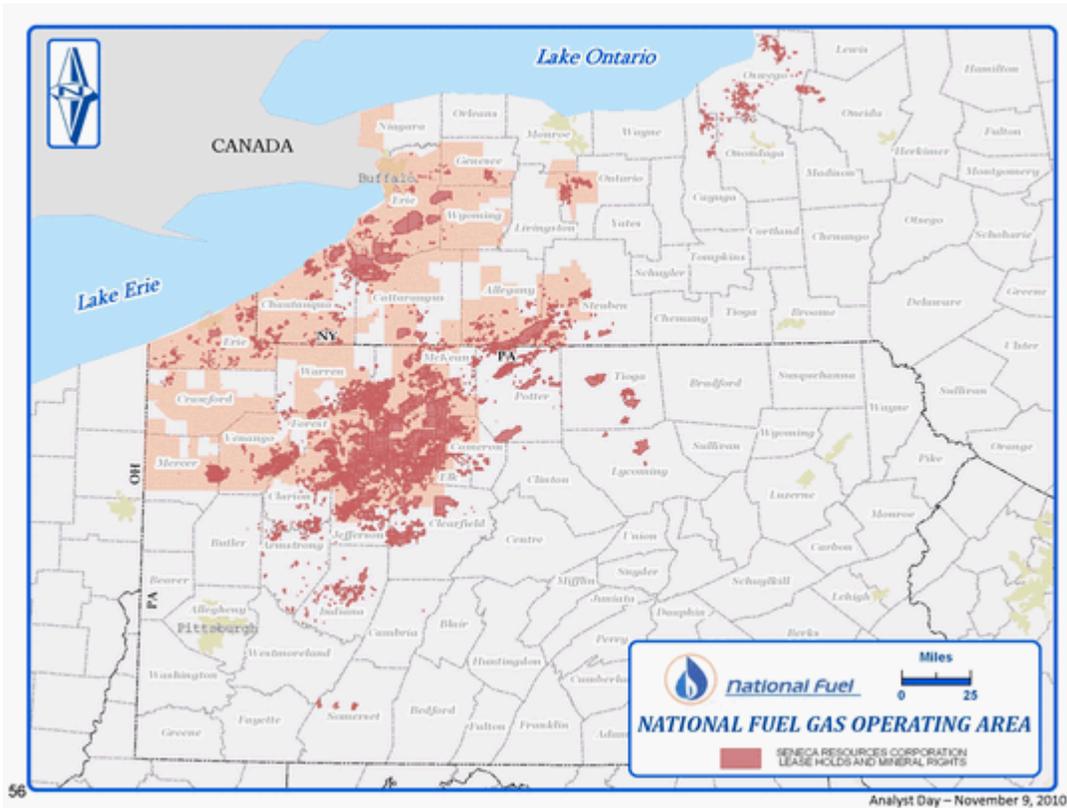
Pipeline & Storage / Midstream

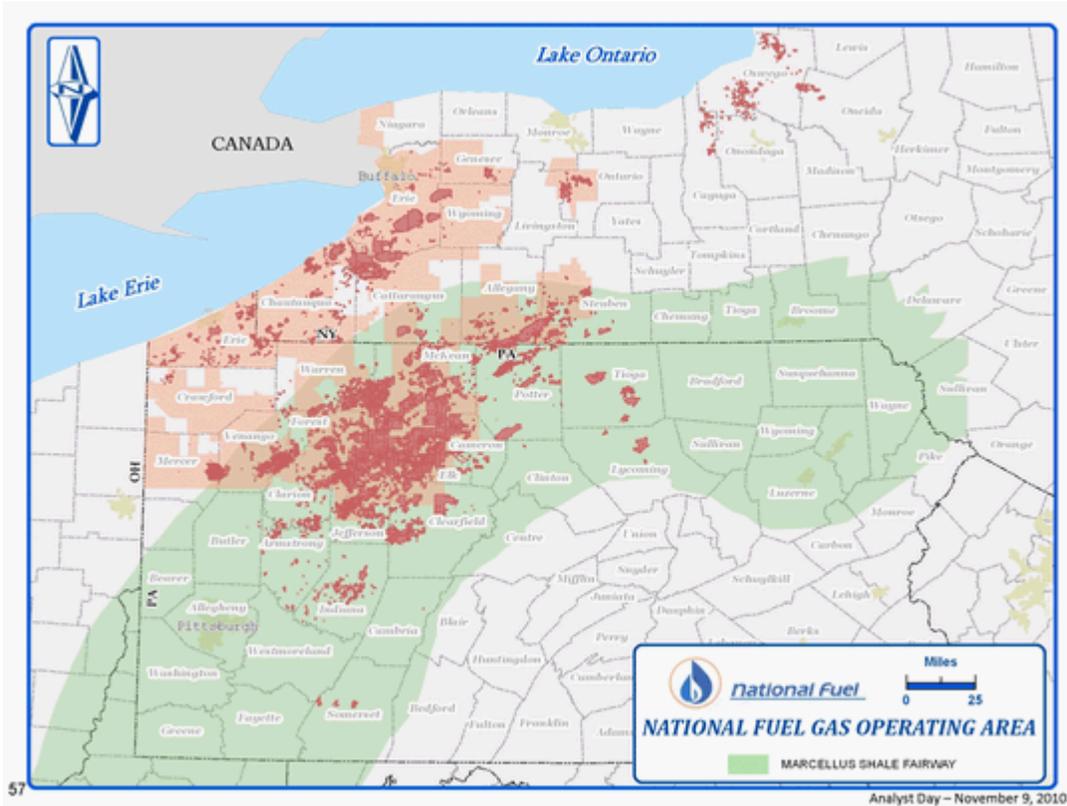


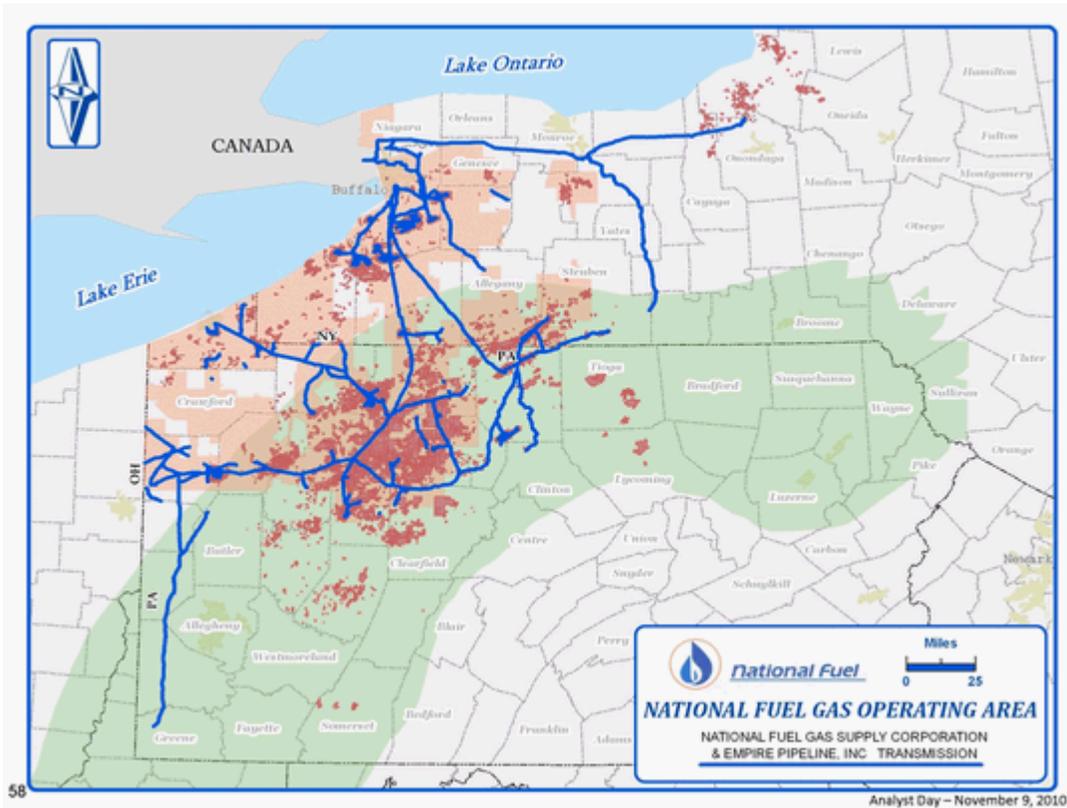
*National Fuel Gas Supply Corporation
Empire Pipeline, Inc.*

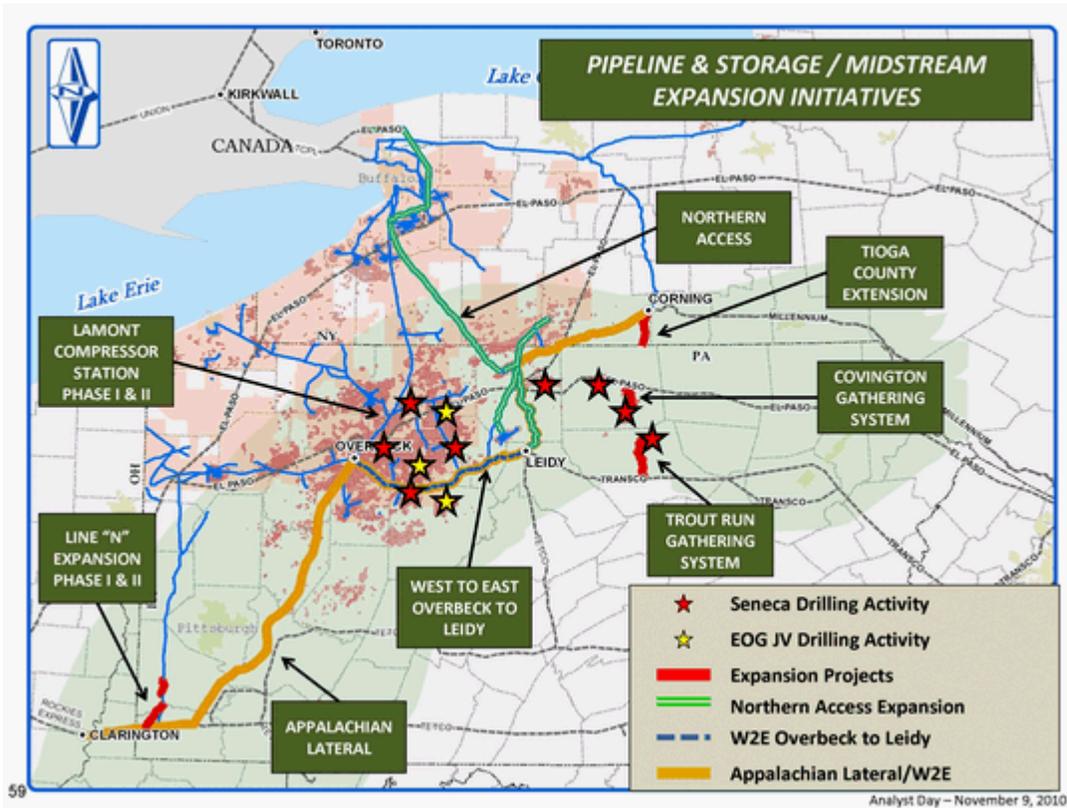
National Fuel Gas Midstream Corporation









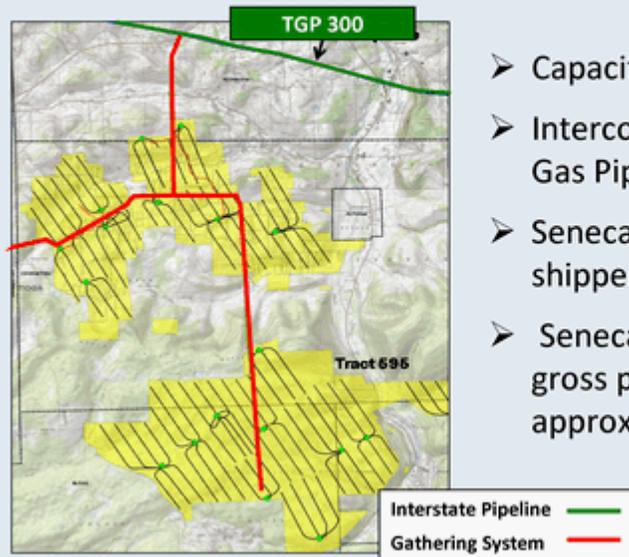


Pipeline & Storage/Midstream Expansion Initiatives

Project Name	Capacity (Dth/D)	Est. CapEx	In-Service Date	Status
Covington Gathering System	145,000	\$16 MM	11/17/09	Completed – Flowing into TGP 300 Line
Lamont Compressor Station	40,000	\$6 MM	6/15/10	Completed – Flowing into TGP 300 Line
Lamont Phase II Project	50,000	\$7 MM	~ 07/2011	Executed precedent agreements
Line "N" Expansion	160,000	\$23 MM	~ 09/2011	Filed FERC 7(c) application on 6/11/10. Negotiating final precedent agreement for 10,000 Dth/day
Tioga County Extension	350,000	\$46 MM	~ 09/2011	Filed FERC 7(c) filing on August 23, 2010
Trout Run Gathering System	250,000	\$27 MM	Fall 2011	Preliminary work has begun
Northern Access Expansion	320,000	\$60 MM	Late 2012	Executed precedent agreement
Line "N" Phase II Expansion	~195,000	\$40 MM	~ 11/2012	Executed precedent agreement for 150,000 Dth/day
W2E Overbeck to Leidy	425,000	\$260 MM	2013	Pursuing post-Open season requests for remaining 300,000 Dth/day

Midstream Corporation

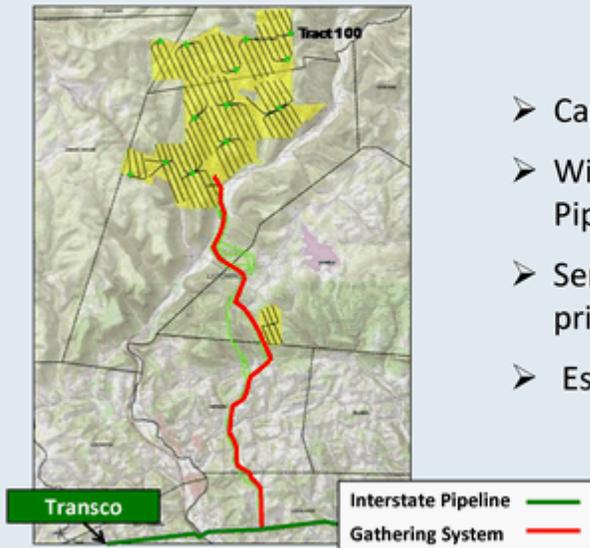
Covington Gathering System – Tioga County



- Capacity: 146,000 Dth/d
- Interconnects with Tennessee Gas Pipeline in Tioga County
- Seneca Resources is the sole shipper
- Seneca is currently shipping gross production of approximately 60 MMcf per day

Midstream Corporation

Trout Run Gathering System – Lycoming County



- Capacity: 250,000 Dth/d
- Will Interconnect with Transco Pipeline in Lycoming County
- Seneca Resources will be the primary shipper
- Estimated In-Service: Fall 2011

Pipeline & Storage *Challenges & Opportunities*

Challenges

NFGSC Contract Turnbacks

Supply has received capacity turnbacks on expiring contracts, decreasing future revenue by:

FY11: ~\$4.5 Million
FY12: ~\$6.0 Million

Empire Unsold Capacity

~100,000 Dth/d of capacity remains unsold after the construction of the Empire Connector in 2008

Opportunities

Expansion Projects

Both Supply and Empire have significant pipeline expansion projects planned to transport gas out of the Marcellus. Yearly revenue from these expansion projects is forecasted to total:

FY11: ~\$0.2 Million
FY12: ~\$32.0 Million

Energy Marketing



National Fuel Resources

National Fuel Resources

Fiscal 2010 Highlights

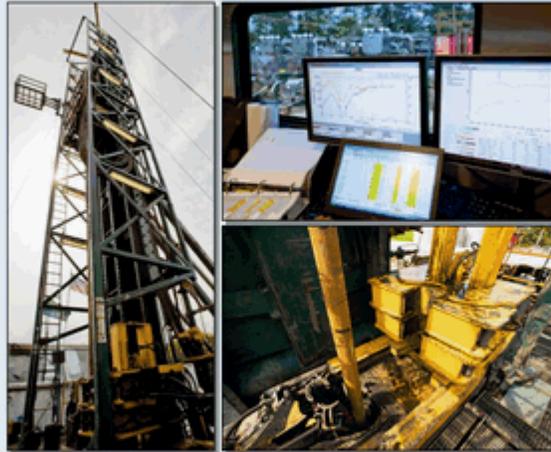
- Recently launched a residential marketing campaign on RG&E and NYSEG
 - ✓ Further diversify customer pool in areas where commercial, industrial and wholesale customers already exist
- Falling natural gas futures prices have led to increased customer price lock-ins over most customer groups
- NFR continued to be a significant customer of both NFGSC and Empire
- Increased competition in Pennsylvania, potentially due to PAPUC initiatives to expand customer choice programs

National Fuel Resources

Fiscal 2011 Expectations

- Strong focus on growth of new residential and small commercial customer pools on RG&E and NYSEG using POR programs
- Expand residential customer program in NFGDC's Pennsylvania territory with the recently adopted POR program
- Monitor development of Marcellus production and position NFR to ensure diverse and reliable supplies at minimal cost structure
- Continue to evaluate strategic acquisition of pipeline capacity in NFR territories

National Fuel Gas Company



Corporate & Financial Highlights

National Fuel Gas Company

2011 EPS Guidance & Sensitivity

NFG & Subsidiaries

Fiscal 2011

Preliminary Earnings per Share (Diluted) Guidance⁽¹⁾

	Range
Consolidated Earnings	\$2.40 - \$2.70 ⁽¹⁾

Earnings per Share Sensitivity to Changes from \$4.00/MMBtu for natural gas and \$80.00/Bbl for crude oil⁽¹⁾

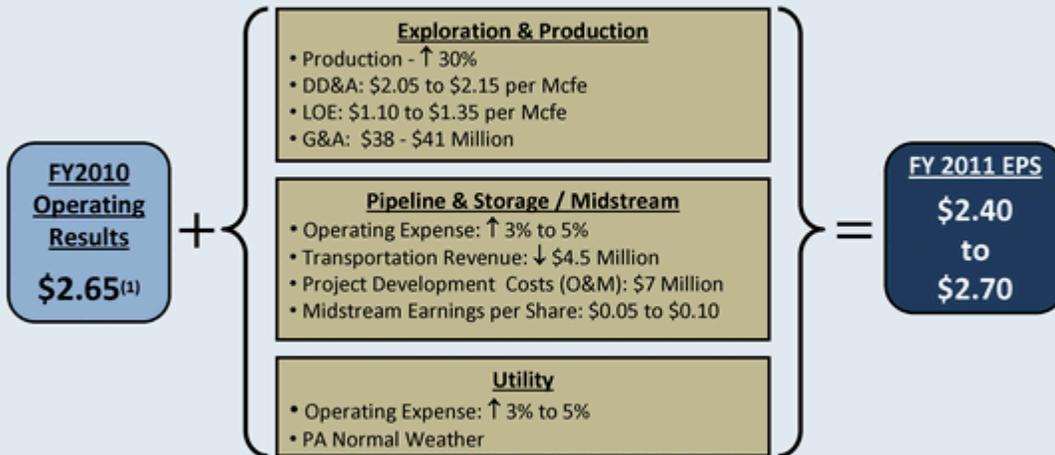
\$1 change per MMBtu gas		\$5 change per Bbl oil	
Increase	Decrease	Increase	Decrease
+\$0.19	-\$0.19	+\$0.05	-\$0.05

On November 4, 2010, the Company updated its fiscal 2011 earnings guidance utilizing flat commodity pricing of \$4.00 per MMBtu for natural gas and \$80.00 per Bbl for crude oil, and adjusting for basis differential

**Seneca Resources
Preliminary
Production Guidance:
60 to 70 Bcfe**

National Fuel Gas Company

Fiscal Year 2011 Earnings Guidance – Key Drivers



NYMEX Pricing

Gas: \$4.00/MMBtu | Oil: \$80.00/Bbl

(1) Excludes gain on disposal of discontinued operations of \$0.07 and earnings from discontinued operations of \$0.01, including these items GAAP earnings were \$2.73.

National Fuel Gas Company

Looking Beyond Fiscal 2011...

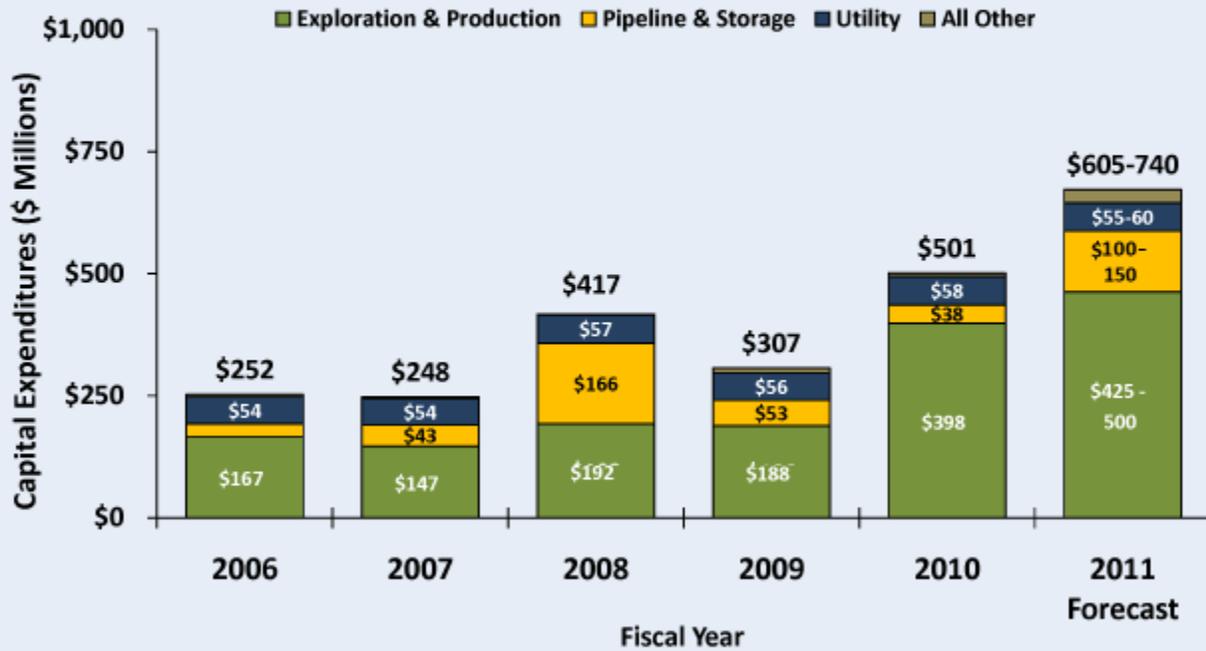
- **Exploration & Production**
 - ✓ Marcellus = Substantial growth engine
 - ✓ West = Stable production and cash flows
 - ✓ Gulf = Produce out assets

- **Pipeline & Storage / Midstream**
 - ✓ Major expansion projects on line starting in late 2011
 - ✓ Rate case in Supply Corporation in early fiscal 2012

- **Utility**
 - ✓ Limited opportunities for growth
 - ✓ Maintain focus on O&M costs

National Fuel Gas Company

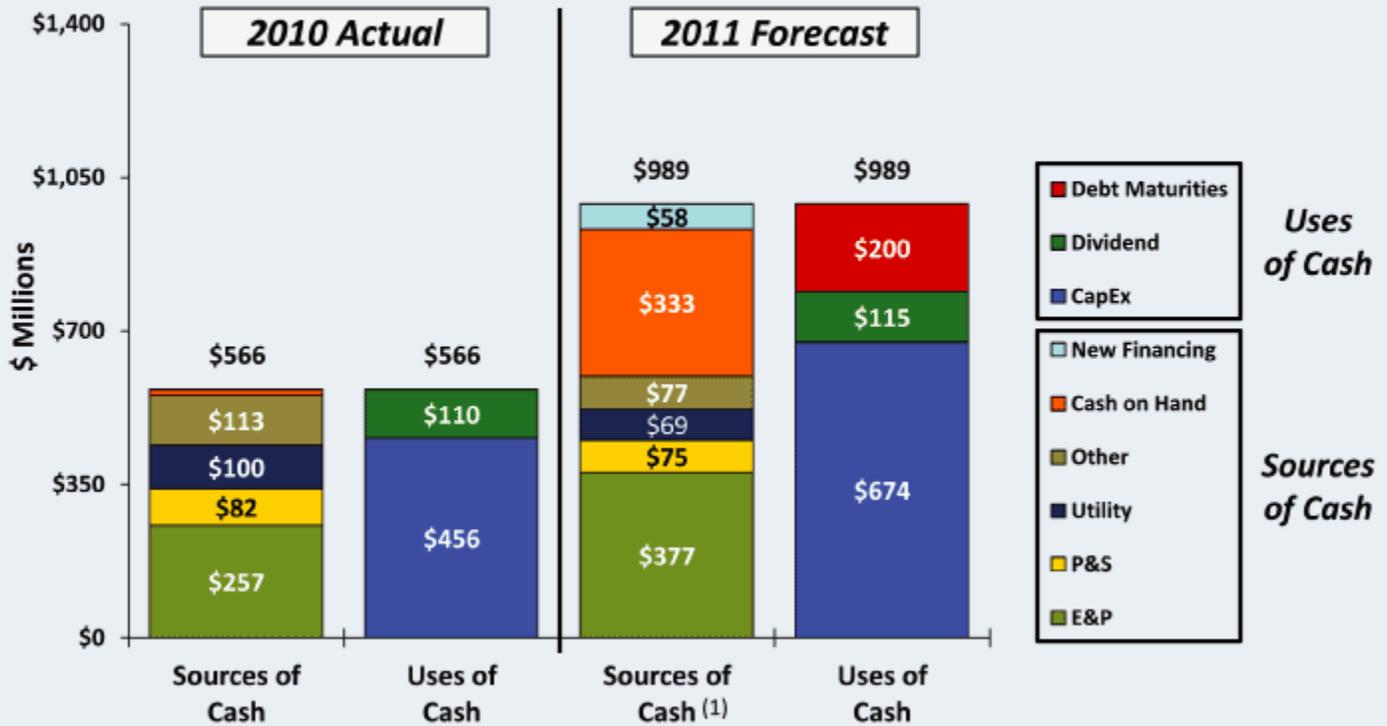
Capital Expenditures⁽¹⁾ from Continuing Operations



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

National Fuel Gas Company

Sources and Uses of Cash



(1) For its fiscal 2011 earnings forecast, the Company is using flat commodity pricing of \$4.00 per MMBtu for natural gas and \$80.00 per Bbl for crude oil, and adjusting for basis differential.
 (2) NFG Consolidated sources of cash includes cash from operations for all of the Company's segments.

National Fuel Gas Company

Seneca Oil and Gas Hedge Positions

Natural Gas Swaps	Volume (Bcf)	Average Hedge Price
Fiscal 2011	19.9	\$6.76 / Mcf
Fiscal 2012	14.6	\$7.03 / Mcf
Fiscal 2013	3.8	\$6.65 / Mcf

Oil Swaps	Volume (MMBbl)	Average Hedge Price
Fiscal 2011	1.6	\$70.26 / Bbl
Fiscal 2012	1.1	\$70.55 / Bbl
Fiscal 2013	0.3	\$75.94 / Bbl

NYMEX Strip Prices (at 11/01/10)	Natural Gas	Oil
Fiscal 2011 ⁽¹⁾	\$4.03	\$83.83
Fiscal 2012	\$4.85	\$87.53
Fiscal 2013	\$5.24	\$88.32

For fiscal year 2011, Seneca's has hedged 45% of their forecasted production

(1) The NYMEX strip prices for fiscal year 2011 include the settlement prices for the October 2010 and November 2010 contracts.

National Fuel Gas Company

Capital Structure



(1) At September 30, 2010, Comprehensive Shareholders' Equity, Long-Term Debt and the Current Portion of Long-Term Debt totaled \$2.995 Billion as presented on the Company's Balance Sheet, of which \$1.049 Billion was Long-Term Debt, \$0.2 Billion was the Current Portion of Long-Term Debt and \$1.746 Billion was Comprehensive Shareholders' Equity.
 (2) At September 30, 2011, forecasted Total Capitalization is \$3.002 Billion, of which \$0.899 Billion is Long-Term Debt, \$0.150 Billion is the Current Portion of Long-Term Debt, \$0.058 Billion is Short-Term Debt, and \$1.896 Billion is Comprehensive Shareholders' Equity.

National Fuel Gas Company

Capital Resources & Credit Ratings

Capital Resources

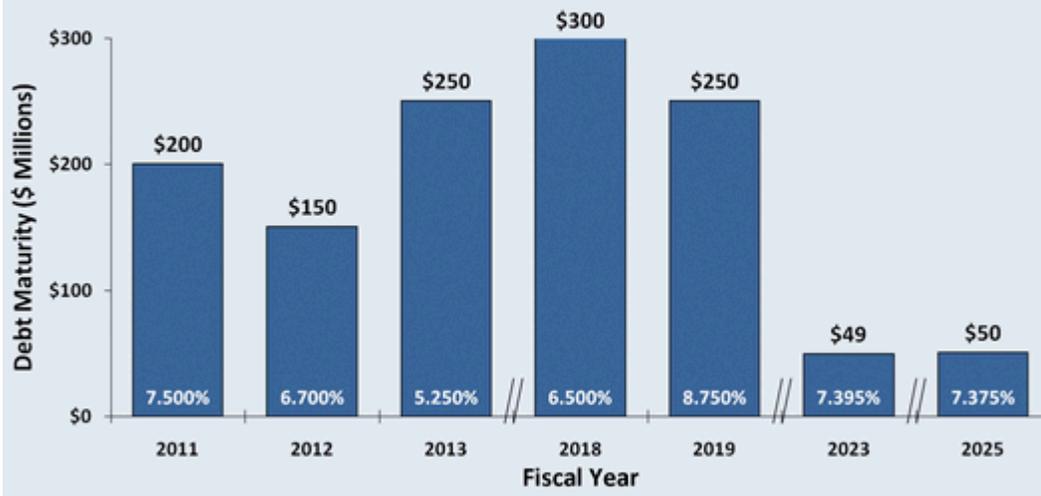
- \$300.0 MM Commercial Paper Program and \$405 MM in Uncommitted Credit Facilities – Aggregate of \$705.0 MM
- \$300.0 MM Committed Credit Facility through September 2013 – backs Commercial Paper Program

CURRENT CREDIT RATINGS

RATING AGENCY	RATING
FITCH	BBB+
MOODY'S	Baa1
STANDARD & POOR'S	BBB

National Fuel Gas Company

Debt Maturity Schedule

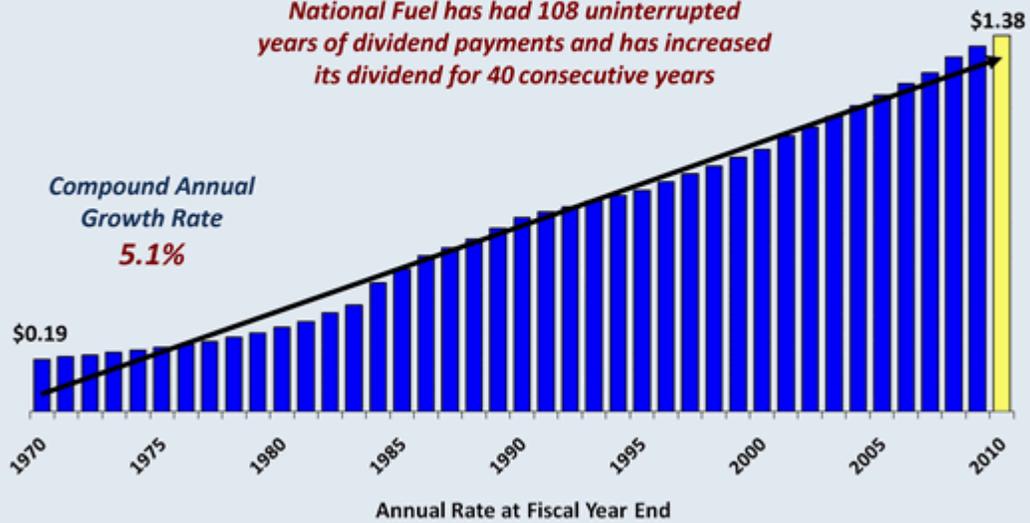


Total Long-Term Debt Outstanding At September 30, 2010: \$1.249 B

National Fuel Gas Company

Dividend Growth

National Fuel has had 108 uninterrupted years of dividend payments and has increased its dividend for 40 consecutive years



National Fuel Gas Company

Key Takeaways

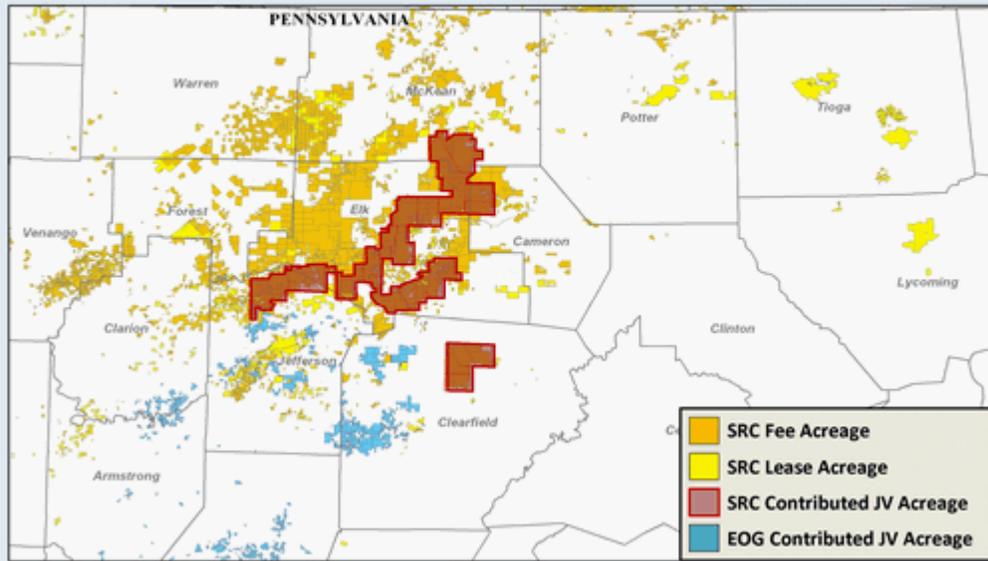
- **High-Quality Marcellus Acreage Position**
 - ✓ 745,000 net acres with a resource potential of 8-15 Tcfe
 - ✓ Recent well results validate the quality of our acreage
 - ✓ Fee ownership results in superior economics

- **Balanced Business Model**
 - ✓ Regulated segments support dividend and are not sensitive to commodity prices
 - ✓ Sizable oil production provides earnings stability

- **Strong Financial Position**
 - ✓ Simple balance sheet
 - ✓ Well capitalized
 - ✓ Significant internally generated cash flows

Appendix

Marcellus Shale *Recent Activity*



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. 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 GAAP Net Income to Income From Continuing Operations
Excluding Items Impacting Comparability
(\$ Thousands)**

	FY 2007	FY 2008	FY 2009	FY 2010
GAAP Net Income				
E&P Segment GAAP Net Income	\$ 210,669	\$ 146,612	\$ (10,238)	\$ 112,531
P&S Segment GAAP Net Income	56,386	54,148	47,358	36,703
Utility Segment GAAP Net Income	50,886	61,472	58,664	62,473
Marketing Segment GAAP Net Income	7,663	5,889	7,166	8,816
Corporate & All Other GAAP Net Income	11,851	607	(2,242)	5,390
Total GAAP Net Income	\$ 337,455	\$ 268,728	\$ 100,708	\$ 225,913
Discontinued Operations				
(Income) Loss from Operations, Net of Tax (Corporate & All Other)	\$ (427)	\$ (1,821)	\$ 2,776	\$ (470)
Gain on Disposal, Net of Tax (Corporate & All Other)	-	-	-	(6,310)
(Income) Loss from Operations, Net of Tax (Exploration & Production)	(15,479)	-	-	-
Gain on Disposal, Net of Tax (Exploration & Production)	(120,301)	-	-	-
(Income) Loss from Discontinued Operations, Net of Tax	\$ (136,207)	\$ (1,821)	\$ 2,776	\$ (6,780)
Items Impacting Comparability				
Reversal of reserve for preliminary project costs (P&S)	\$ (4,787)	\$ -	\$ -	\$ -
Resolution of purchased gas contingency (Marketing)	(2,344)	-	-	-
Discontinuance of hedge accounting (P&S)	(1,888)	-	-	-
Gain on sale of turbine (Corporate & All Other)	-	(586)	-	-
Gain on life insurance policies (Corporate & All Other)	-	-	(2,312)	-
Impairment of investment partnership (Corporate & All Other)	-	-	1,085	-
Impairment of oil and gas properties (E&P)	-	-	108,207	-
Total Items Impacting Comparability	\$ (9,019)	\$ (586)	\$ 106,980	\$ -
Income from Continuing Operations excluding Items Impacting Comparability				
E&P Segment Operating Income	\$ 74,889	\$ 146,612	\$ 97,969	\$ 112,531
P&S Segment Operating Income	49,711	54,148	47,358	36,703
Utility Segment Operating Income	50,886	61,472	58,664	62,473
Marketing Segment Operating Income	5,319	5,889	7,166	8,816
Corporate & All Other Operating Income	11,424	(1,800)	(693)	(1,390)
Total Income from Continuing Operations excluding Items Impacting Comparability	\$ 192,229	\$ 266,321	\$ 210,464	\$ 219,133

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

	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011 Forecast</u>
Capital Expenditures from Continuing Operations						
Exploration & Production Capital Expenditures	\$ 166,535	\$ 146,687	\$ 192,187	\$ 188,290	\$ 398,174	\$425,000-500,000
Pipeline & Storage Capital Expenditures	26,023	43,226	165,520	52,504	37,894	\$100,000-150,000
Utility Capital Expenditures	54,414	54,185	57,457	56,178	57,973	\$55,000-60,000
Marketing, Corporate & All Other Capital Expenditures	5,334	3,414	1,614	9,829	7,311	\$25,000-30,000
Total Capital Expenditures from Continuing Operations	<u>\$ 252,306</u>	<u>\$ 247,512</u>	<u>\$ 416,778</u>	<u>\$ 306,801</u>	<u>\$ 501,352</u>	<u>\$605,000-740,000</u>
Capital Expenditures from Discontinued Operations						
Exploration & Production Capital Expenditures	\$ 41,768	\$ 29,129	\$ -	\$ -	\$ -	\$ -
All Other Capital Expenditures	85	87	131	216	150	-
Total Capital Expenditures from Discontinued Operations	<u>\$ 41,853</u>	<u>\$ 29,216</u>	<u>\$ 131</u>	<u>\$ 216</u>	<u>\$ 150</u>	<u>\$ -</u>
Plus (Minus) Accrued Capital Expenditures						
Exploration & Production FY 2010 Accrued Capital Expenditures	\$ -	\$ -	\$ -	\$ -	\$ (55,546)	\$ -
Exploration & Production FY 2009 Accrued Capital Expenditures	-	-	-	(9,093)	9,093	-
Pipeline & Storage FY 2008 Accrued Capital Expenditures	-	-	(16,768)	16,768	-	-
All Other FY 2009 Accrued Capital Expenditures	-	-	-	(715)	715	-
Total Accrued Capital Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,768)</u>	<u>\$ 6,960</u>	<u>\$ (45,738)</u>	<u>\$ -</u>
Eliminations	\$ -	\$ -	\$ (2,407)	\$ (344)	\$ -	\$ -
Total Capital Expenditures per Statement of Cash Flows	<u>\$ 294,159</u>	<u>\$ 276,728</u>	<u>\$ 397,734</u>	<u>\$ 313,633</u>	<u>\$ 455,764</u>	<u>\$605,000-740,000</u>

Reconciliation of Appalachian Growth Capital Expenditures to
Consolidated Capital Expenditures
(\$ Millions)

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011 Forecast
Appalachian Growth Capital Expenditures from Continuing Operations⁽¹⁾						
Exploration & Production Capital Expenditures - East Division	\$ 27.0	\$ 39.1	\$ 65.8	\$ 138.6	\$ 355.7	\$385-440
Pipeline & Storage Appalachian Expansion Capital Expenditures	-	-	-	-	10.3	\$65-75
Midstream Capital Expenditures	-	-	-	7.4	6.5	\$25-30
Total Appalachian Capital Expenditures from Continuing Operations	\$ 27.0	\$ 39.1	\$ 65.8	\$ 146.0	\$ 372.5	\$475-545
Other Capital Expenditures from Continuing Operations						
Exploration & Production Capital Expenditures	\$ 139.5	\$ 107.6	\$ 126.4	\$ 49.7	\$ 42.5	\$40-60
Pipeline & Storage Capital Expenditures	26.0	43.2	165.5	52.5	27.6	\$35-75
Utility Capital Expenditures	54.4	54.2	57.5	56.2	58.0	\$55-60
Marketing, Corporate & All Other Capital Expenditures	5.3	3.4	1.6	2.3	0.8	\$ -
Total Other Capital Expenditures from Continuing Operations	\$ 225.2	\$ 208.4	\$ 351.0	\$ 160.7	\$ 128.9	\$130-195
Capital Expenditures from Discontinued Operations						
Exploration & Production Capital Expenditures	\$ 41.8	\$ 29.1	\$ -	\$ -	\$ -	\$ -
All Other Capital Expenditures	0.1	0.1	0.1	0.2	0.1	-
Total Capital Expenditures from Discontinued Operations	\$ 41.9	\$ 29.2	\$ 0.1	\$ 0.2	\$ 0.1	\$ -
Plus (Minus) Accrued Capital Expenditures						
Exploration & Production FY 2010 Accrued Capital Expenditures	\$ -	\$ -	\$ -	\$ -	\$ (55.5)	-
Exploration & Production FY 2009 Accrued Capital Expenditures	-	-	-	(9.1)	9.1	-
Pipeline & Storage Accrued Capital Expenditures	-	-	(16.8)	16.8	-	-
All Other Accrued Capital Expenditures	-	-	-	(0.7)	0.7	-
Total Accrued Capital Expenditures	\$ -	\$ -	\$ (16.8)	\$ 7.0	\$ (45.7)	\$ -
Eliminations	-	-	(2.4)	(0.3)	-	-
Total Capital Expenditures per Statement of Cash Flows	\$ 294.1	\$ 276.7	\$ 397.7	\$ 313.6	\$ 455.8	\$605-740

(1) Defined as spending related to efforts to drill for, gather, or transport Appalachian sources of natural gas.