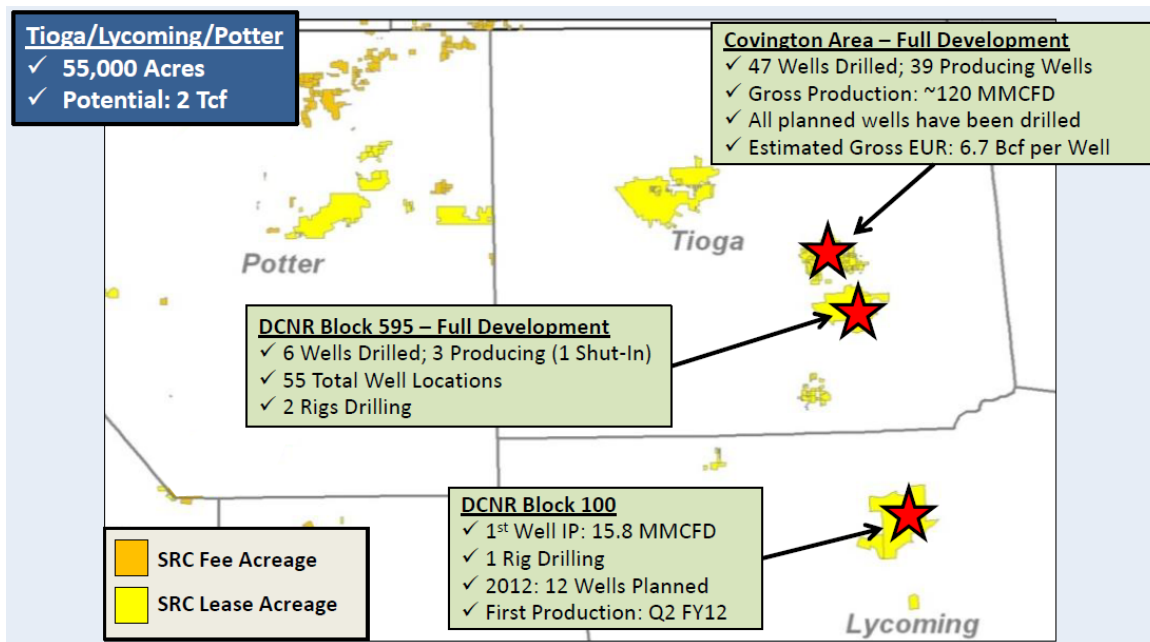


Northeast Pennsylvania Marcellus field trip: Last week, National Fuel Gas hosted a well-attended Marcellus Shale field trip in northeast Pennsylvania (Tioga and Lycoming Counties). If there was one overarching theme to the trip, it was that since National Fuel Gas' acreage is essentially all held by production (or already owns the mineral rights), unlike other operators that leased all their acreage over the last 2-3 years, National Fuel Gas has the flexibility to methodically develop its properties in a cost-efficient manner. Keep in mind that on 80% of National Fuel Gas' acreage, the company owns the mineral interests.



Source: National Fuel Gas

It all starts with pad drilling: Whereas other operators are drilling one well per section (640 acres) to hold acreage, National Fuel Gas is primarily developing its Eastern Marcellus acreage using pad drilling. Utilizing one pad for 8-10 wells has numerous benefits: (1) centralized location allows for cost savings; (2) faster drilling times (less time wasted on moving rigs); and (3) it leaves a smaller environmental footprint. In fact, National Fuel Gas believes that it can develop all of its Lycoming acreage, roughly 80 wells, utilizing only 9-10 pads.

Water cost savings: One of the big benefits of using pad drilling is that the company is able to provide a centralized water system that is piped into the area. Even though Pennsylvania is blessed with a tremendous amount of spring water, more than any other state except Alaska, National Fuel Gas is working hard to save money by recycling its water and minimizing the need to truck water across its acreage. Each hydraulic frac stage normally requires roughly 1,000 water truck deliveries (typical Marcellus well has 12-15 frac stages). National Fuel Gas sources its water from an abandoned coal mine that would otherwise pollute a trout stream. The company pipes the water to its pads, thus removing the need to truck the water. Eliminating this need saves roughly \$120,000 per well.

State-of-the-art rigs utilized for pad drilling: The rig that we toured was the Ensign 125 rig. Impressively, this state-of-the-art rig could walk in a circle, providing more than enough flexibility to smoothly move from one well spot to the next, typically spaced within ~10 feet of each other on a pad. Having the flexibility to slide rigs over and drill another well bore saves a significant amount of time as well as drilling dollars. Transporting the rig and preparing new drilling pads can slow down the drilling operations by several days and possibly weeks.

Finding a green solution for water disposal: During our tour, one of the more interesting things we observed was a produced water treatment facility that National Fuel Gas is currently testing out. The facility (constructed by Heartland Technology Partners), essentially separates the well flow-back water from brine and other chemicals by evaporating the H₂O and then solidifying the left-over brine and other chemicals from the well, providing a very environmentally safe solution to recycling the well water fluids. The process is still somewhat in the R&D stage but is expected to be fully implemented after National Fuel Gas develops its Lycoming acreage. Another environmentally friendly add-on is that the process is going to be powered by exhaust from a compressor station.

Tioga County Extension progressing nicely: National Fuel Gas' Tioga County Extension project is on schedule to be completed November 1. The \$49 million pipeline project, which connects the Empire Pipeline and the Millennium Pipeline with Tioga County, Pennsylvania, will add 350,000 Dth/d of capacity. The pipeline is fully contracted with 8-10 year contracts (anchor tenants are Talisman and Shell) and is expected to deliver an above-average regulated rate of return due to the historically high tariff rates. Once on-line, the Tioga County Extension and the Line N expansion (in-service Sept. 2011) are forecasted to add incremental revenue totaling \$24 million in FY12 and \$35 million in FY13.

Valuation upside warrants Strong Buy rating. Our current \$95 per share total company NAV analysis, which gives the company no credit for its upper Devonian shale or Utica acreage positions, assumes that only 30% of the company's Western Development acreage (including the EOG joint venture) works. However, considering that EOG Resources has 3-D seismic over a large portion of the 160,000 net JV acreage position and given National Fuel Gas' solid production results on the remaining 530,000 net acres, we expect the company's acreage will ultimately be a lot more successful than our current model gives credit for, thus providing significant upside potential to our current total company NAV estimate. Given the conservatism built into our valuation and the discount at which National Fuel Gas is currently trading compared to our total company NAV estimate, **we are reiterating our Strong Buy rating.**

National Fuel Gas Company

NAV Analysis

(\$ in thousands, except per unit data)

Proved NAV	MMcfe	\$ / Mcfe	Value	\$ / Share
Proved Reserves - Pre-Tax PV10 (1)	699,847	\$ 2.17	\$ 1,518,950	\$ 17.97
YTD 2011 Acquisitions at Cost	42,000	0.55	23,000	0.27
Net Hedging Assets (Liabilities)			43,098	0.51
Proved Reserve Sub-Total	741,847	\$ 2.14	\$ 1,585,048	\$ 18.75
Non-Oil & Gas Assets				
Pipeline & Storage (at 9.0x 2012E EBITDA)			1,077,752	12.75
Utility Segment (at 8.0x 2012E EBITDA)			1,298,510	15.36
Energy Marketing (at 7.0x 2012E EBITDA)			72,685	0.86
Other Assets (at Book Value)			785,878	9.30
Gross Asset Value Excluding Unproved Reserves			\$ 4,819,872	\$ 57.03
Current Assets (4)			482,804	5.71
Current Liabilities (4)			(468,703)	(5.55)
Long-Term Debt & Other Liabilities (4) (5)			(1,850,199)	(21.89)
Proved Net Asset Value (2)			\$ 2,983,774	\$ 35.30
Fully Diluted Shares Outstanding			84,515	
Proved NAV / Share			\$ 35.30	
Current Share Price			\$ 58.03	
Premium (Discount) to Proved NAV / Share			64.4%	
Total Company NAV				
Proved Net Asset Value (2)			\$ 2,983,774	\$ 35.30
Marcellus Eastern Development (3)			2,189,499	25.91
Marcellus Western Development (3)			2,885,510	34.14
Total Company Net Asset Value (2)			\$ 8,058,783	\$ 95.35
Fully Diluted Shares Outstanding			84,515	
Total Company NAV / Share			\$ 95.35	
Current Share Price			\$ 58.03	
Share Price Premium (Discount) to Net Asset Value / Share			-39.1%	
Implied Total Company Reserve Value				
Proved Reserve Sub-Total	741,847	\$ 2.14	\$ 1,585,048	
Undeveloped acreage			2,885,510	
Total Reserves	741,847	\$ 6.03	\$ 4,470,558	

(1) Assumes RJ&A 2011 & 2012 published forecasts

(2) Comparable to Equity Value

(3) Ascribes value to current probable and possible reserves, undeveloped acreage and seismic inventory

(4) Excludes fair value of derivatives

(5) Excludes deferred taxes

National Fuel Gas Company												
(\$ in thousands, except unit data)												
Pricing & Production	2009	2010	Q111	Q211	Q311	Q411E	2011E	Q112E	Q212E	Q312E	Q412E	2012E
Commodity Price Forecast												
Gas - Henry Hub (\$ / Mmbtu)	\$ 4.69	\$ 4.50	\$ 3.80	\$ 4.11	\$ 4.31	\$ 4.30	\$ 4.13	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
Oil - WTI (\$ / bbl)	\$ 59.45	\$ 76.56	\$ 78.95	\$ 90.41	\$ 103.88	\$ 95.00	\$ 92.06	\$ 95.00	\$ 100.00	\$ 105.00	\$ 105.00	\$ 101.25
Average Price Differential												
(Historical: Post-Hedge, Projected: Pre-Hedge)												
Gas - (\$ / Mcf)	\$ 0.40	\$ 0.52	\$ 0.75	\$ 0.76	\$ 0.56	\$ 0.56	\$ 0.39	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.38
Oil - WTI (\$ / bbl)	\$ (0.70)	\$ (6.14)	\$ 5.02	\$ 5.71	\$ -	\$ -	\$ 0.35	\$ -	\$ -	\$ -	\$ -	\$ (6.58)
Production												
Gas (MMcf)	22,283	30,344	11,030	13,759	12,938	16,080	53,807	17,300	18,415	19,999	21,963	77,677
Oil & Liquids (Mbbbls)	3,373	3,219	770	746	665	675	2,856	685	685	685	685	2,740
Total (MMcfe)	42,521	49,658	15,550	18,235	16,928	20,130	70,943	21,410	22,525	24,109	26,073	94,117
Gas (MMcf/d)	61.0	83.1	119.9	152.9	142.2	174.8	147.4	188.0	202.4	219.8	238.7	212.2
Oil & Liquids (Mbbbls/d)	9.2	8.8	8.4	8.3	7.3	7.3	7.8	7.4	7.5	7.5	7.4	7.5
Total (MMcfe/d)	116.5	136.0	170.1	202.6	186.0	218.8	194.4	232.7	247.5	264.9	283.4	257.2
% Gas	52.4%	61.1%	70.5%	75.5%	76.4%	79.9%	75.8%	80.8%	81.8%	83.0%	84.2%	82.5%
Sequential Change			19.9%	19.1%	-8.2%	17.6%		6.4%	6.4%	7.0%	7.0%	
Yr / Yr Change	4.6%	16.8%	35.7%	54.7%	27.5%	54.2%	42.9%	36.8%	22.2%	42.4%	29.5%	32.3%
Unit Operating Statistics (\$ / Mcfe)												
Revenue, Net of Hedging	\$ 9.00	\$ 8.82	\$ 7.68	\$ 7.54	\$ 7.74	\$ 7.24	\$ 7.53	\$ 7.32	\$ 7.37	\$ 7.37	\$ 7.21	\$ 7.32
Operating Costs	1.47	1.45	1.29	1.30	1.15	1.18	1.23	1.13	1.14	1.14	1.14	1.14
DD&A	2.14	2.14	2.15	2.19	2.08	2.16	2.10	2.07	2.08	2.09	2.09	2.08
SG&A	0.69	0.64	0.72	0.70	0.67	0.60	0.67	0.57	0.55	0.53	0.53	0.54
Cash Taxes	1.26	0.52	0.09	0.12	(0.17)	0.04	0.02	0.08	0.07	0.04	0.04	0.05
Operating Income	\$ 3.44	\$ 4.06	\$ 3.43	\$ 3.22	\$ 3.89	\$ 3.32	\$ 3.46	\$ 3.47	\$ 3.54	\$ 3.57	\$ 3.41	\$ 3.49
Exploration and Production												
Revenue	\$ 281,113	\$ 396,402	\$ 107,665	\$ 134,579	\$ 133,120	\$ 139,777	\$ 515,141	\$ 156,177	\$ 165,456	\$ 177,171	\$ 187,389	\$ 686,193
Net Realized Hedging Income (Loss)	\$ 101,644	\$ 41,625	\$ 12,503	\$ 2,851	\$ (2,146)	\$ 5,954	\$ 19,162	\$ 599	\$ 599	\$ 599	\$ 599	\$ 2,396
Gas Management and Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total Net Revenue	\$ 382,757	\$ 438,027	\$ 120,168	\$ 137,430	\$ 130,974	\$ 145,731	\$ 534,303	\$ 156,776	\$ 166,055	\$ 177,770	\$ 187,988	\$ 688,589
Operating Costs & Production Taxes	62,614	71,991	20,179	23,656	19,535	23,826	87,196	24,244	25,648	27,544	29,846	107,311
SG&A	29,376	31,979	11,190	12,798	11,342	12,078	47,408	12,204	12,389	12,778	13,819	51,189
Other Management Expense	11,059	6,597	2,043	1,900	1,252	1,500	6,695	1,500	1,500	1,500	1,500	6,000
DD&A	90,817	106,182	33,667	39,984	36,964	42,273	152,888	44,319	46,852	50,387	54,494	196,052
Impairment	182,811	-	-	-	-	-	-	-	-	-	-	-
Other (Income) Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Exploration and Production - Segment Profit	\$ 6,080	\$ 221,278	\$ 53,089	\$ 59,092	\$ 61,881	\$ 66,054	\$ 240,116	\$ 74,510	\$ 79,666	\$ 85,532	\$ 88,330	\$ 328,037
Exploration and Production - EBITDAX	\$ 279,708	\$ 327,460	\$ 86,756	\$ 99,076	\$ 98,845	\$ 108,327	\$ 393,004	\$ 118,828	\$ 126,518	\$ 135,919	\$ 142,823	\$ 524,089
Pipeline & Storage												
Revenues from External Customers	\$ 137,477	\$ 138,905	\$ 33,513	\$ 39,669	\$ 29,933	\$ 32,537	\$ 135,652	\$ 34,716	\$ 40,925	\$ 22,778	\$ 35,511	\$ 133,929
Intrasegment Revenues	81,796	79,977	19,882	20,632	20,324	20,000	80,838	20,000	20,000	20,000	20,000	80,000
Intrasegment Eliminations	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	\$ 219,273	\$ 218,882	\$ 53,395	\$ 60,301	\$ 50,257	\$ 52,537	\$ 216,490	\$ 54,716	\$ 60,925	\$ 42,778	\$ 55,511	\$ 213,929
Purchased Gas	132	(206)	(33)	7	10	100	84	100	100	100	100	400
Operating Costs	70,813	77,698	18,522	21,462	21,643	21,540	83,167	16,415	19,496	14,972	22,204	73,087
Property, Franchise and Other Taxes	17,470	20,532	5,211	5,397	5,173	5,173	20,954	5,173	5,173	5,173	5,173	20,692
DD&A	35,115	35,930	8,986	9,242	9,567	9,717	37,512	9,867	10,017	10,167	10,317	40,368
Pipeline & Storage - Segment Profit	\$ 95,743	\$ 84,928	\$ 20,709	\$ 24,193	\$ 13,864	\$ 16,007	\$ 74,773	\$ 23,161	\$ 26,139	\$ 12,366	\$ 17,716	\$ 79,382
Pipeline & Storage - EBITDA	\$ 130,858	\$ 120,858	\$ 29,695	\$ 33,435	\$ 23,431	\$ 25,724	\$ 112,285	\$ 33,028	\$ 36,156	\$ 22,533	\$ 28,033	\$ 119,750
Utility Segment												
Revenues from External Customers	\$ 1,097,550	\$ 804,466	\$ 242,842	\$ 361,745	\$ 146,215	\$ 93,589	\$ 844,391	\$ 229,244	\$ 348,914	\$ 119,148	\$ 86,330	\$ 783,636
Intrasegment Revenues	\$ 15,474	\$ 15,325	\$ 4,570	\$ 6,635	\$ 3,475	\$ 6,635	\$ 21,315	\$ 6,635	\$ 6,635	\$ 6,635	\$ 6,635	\$ 26,540
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	\$ 1,113,024	\$ 819,791	\$ 247,412	\$ 368,380	\$ 149,690	\$ 100,224	\$ 865,706	\$ 235,879	\$ 355,549	\$ 125,783	\$ 92,965	\$ 810,176
Purchased Gas	713,174	428,376	136,774	224,274	68,667	35,564	465,279	110,037	216,327	48,851	32,805	408,020
Operating Costs	191,192	181,315	45,217	58,808	42,524	37,083	183,632	42,458	42,766	34,397	34,397	197,842
Property, Franchise and Other Taxes	44,215	42,772	10,941	12,960	11,031	10,500	45,432	10,500	10,500	10,500	10,500	42,000
Other Income (Expense)	39,675	40,369	10,241	10,382	10,363	10,463	41,449	10,563	10,663	10,763	10,863	42,852
DD&A	124,768	126,959	44,239	61,956	17,105	6,614	129,914	62,321	39,839	12,903	4,399	119,462
Utility Segment - Segment Profit	\$ 164,443	\$ 167,328	\$ 54,480	\$ 72,338	\$ 27,468	\$ 17,077	\$ 171,363	\$ 72,884	\$ 50,502	\$ 23,666	\$ 15,262	\$ 162,314
Utility Segment - EBITDA	\$ 164,443	\$ 167,328	\$ 54,480	\$ 72,338	\$ 27,468	\$ 17,077	\$ 171,363	\$ 72,884	\$ 50,502	\$ 23,666	\$ 15,262	\$ 162,314
Energy Marketing												
Revenues from External Customers	\$ 397,764	\$ 344,802	\$ 53,652	\$ 121,321	\$ 71,746	\$ 41,699	\$ 288,418	\$ 54,189	\$ 122,534	\$ 72,463	\$ 42,116	\$ 291,302
Intrasegment Revenues	\$ 558	-	-	-	156	-	\$ 156	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	\$ 398,322	\$ 344,802	\$ 53,652	\$ 121,321	\$ 71,902	\$ 41,699	\$ 288,574	\$ 54,189	\$ 122,534	\$ 72,463	\$ 42,116	\$ 291,302
Purchased Gas	380,676	325,027	50,559	109,445	67,711	40,031	267,746	50,899	115,096	68,065	39,560	273,620
Operations and Maintenance	6,014	6,148	1,558	1,582	1,415	1,750	6,305	1,776	1,803	1,830	1,857	7,266
Property, Franchise and Other Taxes	41	54	7	18	8	8	41	8	8	8	8	32
DD&A	42	43	9	9	9	9	36	9	9	9	9	36
Energy Marketing - Segment Profit	\$ 11,549	\$ 13,530	\$ 1,519	\$ 10,267	\$ 2,759	\$ (99)	\$ 14,446	\$ 1,496	\$ 5,618	\$ 2,552	\$ 682	\$ 10,348
Energy Marketing - EBITDA	\$ 11,591	\$ 13,573	\$ 1,528	\$ 10,276	\$ 2,768	\$ (90)	\$ 14,482	\$ 1,505	\$ 5,627	\$ 2,561	\$ 691	\$ 10,384
Other												
Revenues from External Customers	\$ 41,410	\$ 41,839	\$ 549	\$ 472	\$ 2,810	\$ 5,000	\$ 8,831	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 20,000
Intrasegment Revenues	\$ 3,890	\$ 2,315	\$ 1,678	\$ 2,538	\$ 1,873	\$ -	\$ 6,089	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	\$ 45,300	\$ 44,154	\$ 2,227	\$ 3,010	\$ 4,683	\$ 5,000	\$ 14,920	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 20,000
Purchased Gas	8,456	4,167	49	-	-	100	149	100	100	100	100	400
Operations and Maintenance	35,546	25,053	1,055	1,129	944	944	4,072	944	944	944	944	3,776
Property, Franchise and Other Taxes	1,500	1,622	217	183	90	90	580	90	90	90	90	360
Other (Income) Expenses	-	-	-	-	-	-	-	-	-	-	-	-
DD&A	7,066	8,407	221	207	203	203	834	203	203	203	203	812
Other - Segment Profit</												

National Fuel Gas Company												
(\$ in thousands, except unit data)												
Summary Income Statement	2009	2010	Q111	Q211	Q311	Q411E	2011E	Q112E	Q212E	Q312E	Q412E	2012E
Total Revenue (net)	\$ 2,057,852	\$ 1,768,914	\$ 450,948	\$ 660,881	\$ 380,979	\$ 346,457	\$ 1,839,265	\$ 507,825	\$ 711,329	\$ 425,061	\$ 384,845	\$ 2,029,060
Total Costs and Expenses												
Purchased Gas	1,001,781	662,640	163,038	306,595	112,725	75,795	658,153	161,136	331,623	117,116	72,565	682,440
Operating and Maintenance												
Property, Franchise and Other Taxes	402,408	396,849	97,450	116,721	95,977	98,791	408,939	99,201	139,429	101,499	103,447	443,577
Depreciation, Depletion and Amortization	72,164	75,886	19,736	23,798	20,179	21,028	84,741	21,438	21,670	21,963	22,219	87,291
Total Costs and Expenses	\$ 1,476,353	\$ 1,135,375	\$ 280,224	\$ 447,114	\$ 228,881	\$ 195,614	\$ 1,151,833	\$ 281,776	\$ 492,723	\$ 240,578	\$ 198,231	\$ 1,213,308
Operating Income	\$ 581,499	\$ 633,539	\$ 170,724	\$ 213,767	\$ 152,098	\$ 150,842	\$ 687,431	\$ 226,049	\$ 218,607	\$ 184,482	\$ 186,614	\$ 815,752
Other Income (Expense)												
Income from Unconsolidated Subsidiaries	3,365	2,489	(1,100)	479	(77)	(77)	(775)	(77)	(77)	(77)	(77)	(308)
Other Income (Expense)	6,130	3,638	993	52,824	1,890	950	56,657	950	950	950	950	3,800
Interest Income	5,775	3,731	884	68	325	325	1,602	325	325	325	325	1,300
Interest Expense	(79,419)	(87,190)	(20,192)	(17,926)	(17,876)	(21,023)	(77,017)	(23,090)	(24,531)	(26,690)	(29,551)	(103,862)
Other Interest (Expense)	(7,497)	(6,777)	(1,401)	(1,454)	(1,159)	(1,456)	(5,470)	(1,456)	(1,456)	(1,456)	(1,456)	(5,824)
Income (Loss) Before Taxes	\$ 509,853	\$ 549,430	\$ 149,908	\$ 247,758	\$ 135,201	\$ 129,561	\$ 662,428	\$ 202,701	\$ 193,818	\$ 157,534	\$ 156,805	\$ 710,858
Current Income Taxes	(53,641)	(26,049)	(1,452)	(2,226)	2,799	(791)	(1,670)	(1,631)	(1,493)	(1,017)	(957)	(5,098)
Deferred Income Taxes	(2,521)	111,777	36,600	69,910	33,816	24,840	165,166	51,220	46,875	31,956	30,062	160,113
Income (Loss) from Continuing Operations	\$ 453,691	\$ 635,158	\$ 185,056	\$ 315,442	\$ 171,816	\$ 153,610	\$ 825,924	\$ 252,290	\$ 239,200	\$ 188,473	\$ 185,910	\$ 865,873
Income (Loss) from Discontinued Operations	-	6,009	-	-	-	-	-	-	-	-	-	-
Cum. Effect of Change in Accounting Principle	-	-	-	-	-	-	-	-	-	-	-	-
Net Income (Loss)	\$ 453,691	\$ 641,167	\$ 185,056	\$ 315,442	\$ 171,816	\$ 153,610	\$ 825,924	\$ 252,290	\$ 239,200	\$ 188,473	\$ 185,910	\$ 865,873
Non-Operating Adjustments												
Non-Recurring Items Included in Segment Profit	109,766	-	-	-	-	-	-	-	-	-	-	-
Non-Recurring Items Below Segment Profit	-	-	-	(31,550)	-	-	(31,550)	-	-	-	-	-
Tax Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Operating Earnings (from Cont. Ops.)	\$ 100,708	\$ 225,913	\$ 58,543	\$ 115,611	\$ 46,891	\$ 41,078	\$ 262,123	\$ 84,702	\$ 77,518	\$ 52,844	\$ 49,713	\$ 264,777
Plus: DD&A	173,410	191,809	53,313	60,011	57,293	62,852	233,469	65,148	67,931	71,716	76,073	280,868
Plus: Deferred Taxes (Incl Non-Op Tax Adj)	(2,521)	134,679	36,600	69,910	33,816	24,840	165,166	51,220	46,875	31,956	30,062	160,113
Plus: Other	195,665	(3,987)	3,543	2,160	2,872	-	8,575	-	-	-	-	-
Operating Cash Flow	\$ 467,262	\$ 548,414	\$ 151,999	\$ 247,692	\$ 140,872	\$ 128,770	\$ 669,333	\$ 201,070	\$ 192,324	\$ 156,516	\$ 155,848	\$ 705,758
Weighted Average Basic Shares	79,649	81,393	82,223	82,401	82,687	83,420	82,683	83,420	83,420	83,420	83,420	83,420
Weighted Average Fully Diluted Shares	80,518	82,670	83,420	83,674	83,762	84,515	83,848	84,515	84,515	84,515	84,515	84,515
Earnings (Loss) / Share												
Basic	\$ 1.26	\$ 2.78	\$ 0.71	\$ 1.40	\$ 0.57	\$ 0.49	\$ 3.17	\$ 1.02	\$ 0.93	\$ 0.63	\$ 0.60	\$ 3.17
Reported Fully Diluted	\$ 1.25	\$ 2.73	\$ 0.70	\$ 1.38	\$ 0.56	\$ 0.49	\$ 3.13	\$ 1.00	\$ 0.92	\$ 0.63	\$ 0.59	\$ 3.13
Operating Fully Diluted	\$ 2.61	\$ 2.66	\$ 0.70	\$ 1.00	\$ 0.56	\$ 0.49	\$ 2.75	\$ 1.00	\$ 0.92	\$ 0.63	\$ 0.59	\$ 3.13
Operating CFPS	\$ 7.17	\$ 6.56	\$ 1.82	\$ 2.58	\$ 1.68	\$ 1.52	\$ 7.61	\$ 2.38	\$ 2.28	\$ 1.85	\$ 1.84	\$ 8.35
EBITDAX	\$ 581,499	\$ 633,539	\$ 170,724	\$ 213,768	\$ 152,099	\$ 150,842	\$ 687,433	\$ 226,049	\$ 218,607	\$ 184,482	\$ 186,614	\$ 815,752

Company Citations

Company Name	Ticker	Exchange	Currency	Closing Price	RJ Rating	RJ Entity
EOG Resources, Inc.	EOG	NYSE	\$	89.85	3	RJ & Associates

Notes: Prices are as of the most recent close on the indicated exchange and may not be in US\$. See Disclosure section for rating definitions. Stocks that do not trade on a U.S. national exchange may not be approved for sale in all U.S. states. NC=not covered.

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Strong Buy (SB1) Expected to appreciate, produce a total return of at least 15%, and outperform the S&P 500 over the next six to 12 months. For higher yielding and more conservative equities, such as REITs and certain MLPs, a total return of at least 15% is expected to be realized over the next 12 months.

Outperform (MO2) Expected to appreciate and outperform the S&P 500 over the next 12-18 months. For higher yielding and more conservative equities, such as REITs and certain MLPs, an Outperform rating is used for securities where we are comfortable with the relative safety of the dividend and expect a total return modestly exceeding the dividend yield over the next 12-18 months.

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Market Perform (MP3) The stock is expected to perform generally in line with the S&P/TSX Composite Index over the next twelve months and is potentially a source of funds for more highly rated securities.

Underperform (MU4) The stock is expected to underperform the S&P/TSX Composite Index or its sector over the next six to twelve months and should be sold.

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Strong Buy (SB1) Expected to appreciate and produce a total return of at least 25.0% over the next twelve months.

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Market Perform (MP3) Expected to perform in line with the underlying country index.

Underperform (MU4) Expected to underperform the underlying country index.

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Market Perform (3) Expected to perform generally in line with the Stoxx 600 over the next 12 months.

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	Coverage Universe Rating Distribution			Investment Banking Distribution		
	RJA	RJL	RJ LatAm	RJA	RJL	RJ LatAm
Strong Buy and Outperform (Buy)	58%	76%	37%	15%	58%	25%
Market Perform (Hold)	37%	23%	53%	4%	39%	0%
Underperform (Sell)	5%	2%	9%	2%	0%	0%

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Growth (G) Low to average risk equities with sound financials, more consistent earnings growth, possibly a small dividend, and the potential for long-term price appreciation.

Aggressive Growth (AG) Medium or higher risk equities of companies in fast growing and competitive industries, with less predictable earnings and acceptable, but possibly more leveraged balance sheets.

High Risk (HR) Companies with less predictable earnings (or losses), rapidly changing market dynamics, financial and competitive issues, higher price volatility (beta), and risk of principal.

Venture Risk (VR) Companies with a short or unprofitable operating history, limited or less predictable revenues, very high risk associated with success, and a substantial risk of principal.

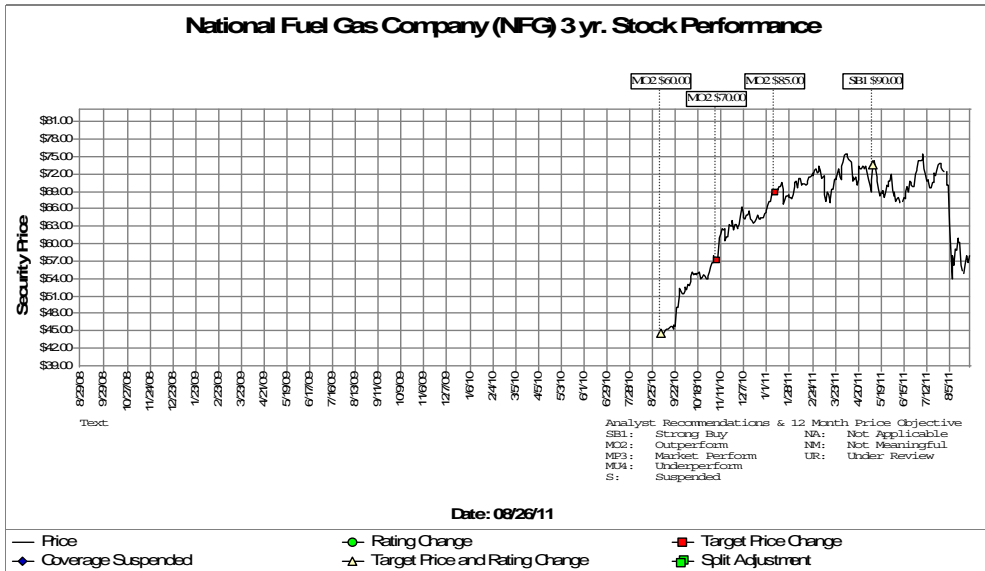
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Target Prices: The information below indicates our target price and rating changes for NFG stock over the past three years.



Update Date	Closing Price	Target Price	Rating
5/10/11	73.48	90.00	1
1/12/11	68.84	85.00	2
11/8/10	57.16	70.00	2
9/7/10	44.71	60.00	2

Valuation Methodology: Our valuation methodology for National Fuel Gas is centered on a target multiple of enterprise value to projected forward year EBITDA and also takes into consideration our estimate of the company's total company net asset value (NAV).

The information below indicates target price and rating changes for other subject companies included in this research.



Update Date	Closing Price	Target Price	Rating
12/22/08	64.96	NM	3
12/1/08	85.02	95.00	2
11/5/08	84.16	100.00	2
10/13/08	59.59	75.00	2
9/8/08	95.78	117.00	2
8/29/08	105.34	135.00	2

Valuation Methodology: For EOG Resources, Inc., our valuation methodology focuses primarily on enterprise value to prior-year proved reserves, enterprise value to forward EBITDAX multiple, and price to proved net asset value per share. We also consider these valuation metrics in relation to the company's peer group. We believe these valuation metrics are useful when considered in conjunction with the company's debt to book capitalization ratio, reserves to production ratio (i.e., reserve life), and our assessments of the company's risk profile,

drilling inventory depth, production growth profile, and forward-looking production growth per debt-adjusted share. Our analysis often requires us to estimate the company's capital structure at certain future dates. We calculate the 12-month target price based on an enterprise value to forward EBITDAX multiple.

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Specific Investment Risks Related to the Industry or Issuer

Oil and Gas Price Volatility

Profitability of companies producing crude oil and natural gas is directly affected by changes in oil and gas prices. These prices are influenced by a multitude of regional, national and global factors, many of which are outside the control of companies in the industry. Supply-related factors include industrywide levels of capital spending and production decisions by OPEC. Demand-related factors include macroeconomic conditions.

Company-Specific Risks for National Fuel Gas Company

National Fuel Gas is subject to many of the same risks as a typical U.S. independent producer, including commodity price fluctuations, operating risks, exploration risks, potential increases in oilservice costs, timing and control risk for non-operated prospects, and financial risks.

National Fuel Gas is Structured as a Holding Company

National Fuel Gas is structured as a holding company and, therefore, has no significant assets other than the stock of its operating subsidiaries. National Fuel Gas relies exclusively on repayments of principal and interest on intercompany loans made by the company to its operating subsidiaries and income from dividends and other cash flow from the subsidiaries. Such operating subsidiaries may not generate sufficient net income to pay dividends or generate sufficient cash flow to make payments of principal or interest on such intercompany loans.

Gas and Oil Price Volatility

Prices for natural gas and oil fluctuate widely, and National Fuel Gas' revenues, profitability, and future growth depend substantially on prevailing prices for gas and oil. Also, lower oil and gas prices can influence the company's cash flow and capital available to reinvest in drilling projects, which could impact National Fuel Gas' ability to grow its operations. To manage commodity price volatility, in the normal course of its business, National Fuel Gas will periodically enter into hedging transactions to secure pricing on its oil and gas production. Occasionally, as part of its proactive hedging philosophy, National Fuel Gas will settle hedging transactions prior to maturity if the company believes that prices have moved to unsustainable levels.

Future Acquisition Risk

Acquisitions (particularly of leaseholds) are an important part of National Fuel Gas' business model, and future transactions are likely. Even though the company has previously been successful in executing and integrating many acquisitions, the success of future transactions or the availability of favorable future opportunities is difficult to predict. Ultimate transaction prices, project economics, form of consideration, future production profile, and other factors can all affect future profitability of National Fuel Gas' stock price performance.

Dividends Are Not Guaranteed

Although National Fuel Gas has demonstrated a long history of paying dividends, the actual amount of cash distributed to shareholders may fluctuate and will depend on National Fuel Gas' operating performance.

Regulation Risk

National Fuel Gas' business operations, especially its utility business, are subject to federal, state, and local laws and regulations. These laws and regulations are subject to change and could significantly impact the company's ability to generate cash flow and operate profitably. In addition, compliance with environmental laws and regulations could require unexpected capital expenditures at the company's facilities or delay or cause the cancellation of expansion projects.

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