

National Fuel Announces Option to Purchase Industrial-zoned Land in the Town of Pendleton For Its Northern Access 2016 Infrastructure Project

(August 31, 2015) WILLIAMSVILLE, N.Y. - After several months of public discussion, meetings, conversations with elected officials and extensive site reviews, National Fuel Gas Supply Corporation and Empire Pipeline, Inc. (collectively, "National Fuel") announce that an option has been secured to purchase a 20-acre, industrially-zoned parcel of land located on Killian Road in the Town of Pendleton from The Tonawandas Sportsmen's Club, Inc. National Fuel will propose this site to the Federal Energy Regulatory Commission ("FERC") as its preferred location for a natural gas compressor station as part of its Northern Access 2016 Project. This pipeline project is designed to transport domestically produced natural gas to ensure reliable, cost-efficient natural gas service for customers throughout the North American pipeline system.

National Fuel has designed and currently operates compressor units at 38 sites across New York and Pennsylvania. Within its Pipeline and Storage businesses, the Company has more than a century's worth of experience in building and operating natural gas facilities and is committed to safely constructing and operating pipeline systems with minimal environmental and community impacts.

Following a public scoping session hosted on May 20, 2015, by the FERC, Town of Pendleton residents suggested that National Fuel consider a non-residentially zoned site for the proposed compressor station. The Killian Road site meets this criterion while also addressing a number of concerns raised by Pendleton residents about National Fuel's previously-filed preferred site. Far fewer residential properties are located within one-half mile of the newly proposed site, the length of nearly 9 football fields, than the site initially filed with FERC - 32 homes from the new site versus 89 from the previously proposed site. The Killian Road site is also located significantly farther away from Starpoint Central Schools campus - 2.8 miles versus 1.3 miles. In addition, this site will eliminate the need for National Fuel to replace the XM-10 pipeline alongside the Frontier Chemical Site as well as allow it to abandon the existing natural gas odorant station off Aiken Road as the function will be incorporated into the new compressor station design.

"National Fuel worked for months to find an alternative site that meets the business needs of the \$451 million infrastructure project while being responsive to issues raised by community stakeholders," said Ronald Kraemer, Vice President of National Fuel Gas Supply Corporation and President of Empire Pipeline, Inc. "The proposed compressor station site is on the western end of Killian Road, a 50-mph road within the industrial zone that is currently occupied by a top soil and landscaping company as well as the popular Sportsman's Club. We are pleased with the result of this diligent search and the cooperative discussions with the site owner. The end result is a site responsive to comments received from the public and elected officials, and an agreement to use all reasonable efforts to design the facility to fit within the character of the community."

As representatives of National Fuel committed months earlier, residents living with one-half mile of the proposed site will be offered a tour of local compressor stations that the Company currently operates, and a public meeting will be held this fall to provide additional information and address questions.

Currently, National Fuel is developing alternative routes for approximately 2 miles of pipeline required by this new station. The Company will work with landowners to minimize impacts along the preferred route. Land agents will be contacting property owners regarding survey activities in the near future.

"As part of the agreement with The Tonawanda Sportsmen's Club, National Fuel will add a restrictive deed covenant that limits development to only 5 to 8 of the purchased 20 acres of land for project use," said David Notaro, President of the board of directors of the Tonawandas Sportsmen's Club.

Kraemer add, "No future development will take place outside of the stipulated 5 to 8 acres. And, in an effort to address perceived concerns, National Fuel has retained a licensed architect to design the facilities housing the

natural gas infrastructure to be consistent with the surrounding area, such as an agricultural design. We felt this was a positive step for the surrounding community and goes well beyond National Fuel's standard design practices."

The Northern Access 2016 project has a slated economic impact that will be significant for New York state, including more than \$11.5 million in estimated annual property tax payments to the counties within which the project will be located. This project will also provide a one-time sales tax impact of approximately \$6.6 million, which will benefit those same counties.

Broken down, Niagara County will receive estimated annual property taxes totaling approximately \$2.8 million and a one-time sales tax impact of an estimated \$2.4 million. The Starpoint Central School District will receive an annual school tax contribution of approximately \$1.587 million and Niagara Wheatfield Schools will receive an estimated \$748,000 annually. These monies, as determined by the local school districts, can be allocated towards capital or infrastructure projects, restoring or enhancing academic programs or staffing levels. As the New York State Comptroller recently announced, forecasted local government property tax increases will be capped at less than 1 percent, the lowest growth in property tax revenue in the tax cap era making for tough decisions for school districts. The Town of Pendleton will receive approximately \$103,000 annually and the Town of Wheatfield will receive an estimated \$25,000 annually. During the construction phase of the project, approximately 1,000 to 1,200 jobs will be created project-wide, more than half from local labor halls, with an additional multiplier effect in other business. Additional jobs within National Fuel, and other local companies, will be sustained once the project is in service.

The Company has a personal stake in the communities where it operates as more than 2,000 employees, their families and 2,270 retirees live across its service territories. In fact, approximately 238 National Fuel employees and retirees, along with their families, reside within Niagara County. With more than 110 years of experience in the natural gas industry, National Fuel is committed to the cities, towns and villages where it does business.

Detailed project information can be found on the National Fuel Northern Access 2016 Project website at www.natfuel.com/supply/NorthernAccess2016/default.aspx.

National Fuel is an integrated energy company reporting financial results for five operating segments: Exploration and Production, Pipeline and Storage, Gathering, Utility, and Energy Marketing. Additional information about National Fuel is available at www.nationalfuelgas.com. The Pipeline and Storage segment's operations are carried out by National Fuel Gas Supply Corporation and Empire Pipeline, Inc. The Pipeline and Storage segment provides natural gas transportation and storage services to affiliated and non-affiliated companies through an integrated system of pipelines and underground natural gas storage fields in western New York and Pennsylvania.

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