



## NEW JERSEY RESOURCES REPORTS FISCAL 2009 THIRD-QUARTER EARNINGS; REAFFIRMS EARNINGS GUIDANCE

**WALL, NJ** - New Jersey Resources (NYSE:NJR) today reported earnings for the third quarter of fiscal 2009 and reaffirmed its net financial earnings guidance. Net financial earnings increased \$5.3 million in the third quarter when compared with the same period last year.

A reconciliation of NJR's net income to net financial earnings for the three and nine months ended June 30 in fiscal years 2009 and 2008 is provided below:

<i>(Thousands)</i>	Three Months Ended June 30,		Nine Months Ended June 30,		
	2009	2008	2009	2008	
Net (loss) income	(\$14,335)	(\$7,597)	\$32,958	\$35,123	
Add:					
Unrealized loss on derivative instruments, net of taxes	1,288	17,194	28,362	90,996	
Realized loss (gain) from derivative instruments related to natural gas inventory, net of taxes	14,293	(13,683)	44,832	(15,900)	
Net financial earnings	\$1,246	(\$4,086)	\$106,152	\$110,219	
Weighted Average Shares Outstanding					
Basic	42,049	41,949	42,175	41,822	
Diluted	42,049	41,949	42,547	42,037	
	Basic earnings per share	(\$0.34)	(\$0.18)	\$0.78	\$0.84
	Basic net financial earnings per share	\$0.03	(\$0.10)	\$2.52	\$2.64

Net financial earnings is a financial measure not calculated in accordance with generally accepted accounting principles (GAAP) of the United States as it excludes all unrealized, and certain realized, gains and losses associated with derivative instruments. For further discussion of this financial measure, as well as a reconciliation to the most comparable GAAP measure, please see the explanation below under "Additional Non-GAAP Financial Information."

### • Fiscal 2009 Net Financial Earnings Guidance Reaffirmed

Subject to the factors discussed at the end of this release under "Forward-Looking Statements," NJR is reaffirming its fiscal 2009 net financial earnings guidance in a range of \$2.35 to \$2.45 per basic share. This guidance has been raised twice during the fiscal year to reflect the impact of the base rate case at New Jersey Natural Gas (NJNG), which became effective in October 2008, as well as higher gross margin from incentive programs and lower interest rates.

"We are pleased to report continued strong financial results that reflect the excellent performance of NJNG," said Laurence M. Downes, chairman and CEO of NJR. "Despite a challenging economic environment, we have been able to execute our disciplined financial strategy and provide benefits to our shareowners and customers."

### • New Jersey Natural Gas Earnings Increase 35 Percent

Fiscal 2009 year-to-date net income at NJNG increased 35 percent to \$68.8 million, compared with \$51 million for the first nine months of fiscal 2008. For the third fiscal quarter ended June 30, 2009, net income increased to \$4.1 million, compared with \$147,000 in the same period last year. The impact of the base rate case, as well as increased gross margin from regulated incentive programs, has driven the higher results in both periods.

New customer growth also remains stable through the first nine months of fiscal 2009. NJNG added 4,193 new customers during this period and 460 existing customers converted to natural gas heat and other services. NJNG currently forecasts adding approximately 6,100 new customers and converting 650 existing customers in fiscal 2009. This growth is expected to contribute approximately \$3.6 million to annual utility gross margin.

## • **Several Regulatory Initiatives Approved or Pending**

NJNG recently received approval from the New Jersey Board of Public Utilities (BPU) to implement a series of energy-efficiency programs that will augment those existing through New Jersey's Clean Energy Program (NJCEP). The programs are expected to spur economic activity, including local jobs, while helping to achieve the state's energy-efficiency and greenhouse gas reduction goals. Approximately \$15 million of additional investment will be recognized in rates over a 4-year amortization period and have a rate of return based on the weighted average cost of capital authorized by the BPU in October 2008 of 7.76 percent which includes a return on equity component of 10.3 percent. The program's cost of approximately \$21.1 million, if fully subscribed, will be recovered through a new Energy-Efficiency Rider mechanism, effective August 1, 2009.

Projects resulting from the previously approved Accelerated Infrastructure Program (AIP) have commenced in Morris, Monmouth and Ocean counties. These projects will create and sustain local jobs while improving the safety and reliability of NJNG's distribution system. Estimated construction costs for the 14 projects in the program are approximately \$70.8 million. As construction proceeds, NJNG will be able to recognize a rate of return based on its authorized weighted average cost of capital of 7.76 percent. The AIP investments are expected to continue through August 31, 2011.

Additionally, NJNG has filed a request with the BPU to extend its Conservation Incentive Program (CIP), originally approved by the BPU in October 2006 for a 3-year pilot, as currently structured until October 1, 2010. Since its inception, the average residential heat customer has reduced their annual usage by 9 percent, or approximately 100 therms. Also, the CIP has recently received a positive evaluation from an independent external third party consultant.

## • **NJR Energy Services Contributes 34 Percent to Net Financial Earnings**

NJR Energy Services (NJRES), NJR's wholesale energy subsidiary, reported net financial earnings for the 9-month period ending June 30, 2009 of \$36 million compared with \$57 million in the same period last year. For the third quarter of fiscal 2009, the net financial loss narrowed to \$4.5 million compared with \$5.6 million in the same period last year. Losses in the third and fourth fiscal quarters are anticipated due to the seasonal use of natural gas while the expenses associated with the transportation and storage portfolio are generally incurred evenly throughout the year. Current economic conditions resulted in a slowing of the wholesale market during the third quarter, due primarily to reduced demand of natural gas for electric generation. The company continues to forecast NJRES' net financial earnings to account for between 30 and 35 percent of NJR's total net financial earnings for the current year.

## • **Steckman Ridge Construction Continues**

Construction activities will continue through the summer at Steckman Ridge and additional facilities are being prepared to support the initial winter season. The Federal Energy Regulatory Commission (FERC) previously authorized the placement of certain injection related facilities at the site into commercial operation and customers have been injecting natural gas inventory since April 2009. There is approximately 4 billion cubic feet (Bcf) of natural gas currently stored at Steckman Ridge.

### **Webcast Information**

NJR will host a live webcast to discuss its financial results today at 9 a.m. ET. A few minutes prior to the webcast, go to [www.njliving.com](http://www.njliving.com) and select "New Jersey Resources" from the top navigation bar. Choose "Investor Relations," then click just below the microphone under the heading "Latest Webcast" on the Investor Relations home page.

### **Forward-Looking Statements**

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. NJR cautions readers that the assumptions forming the basis for forward-looking statements include many factors that are beyond NJR's ability to control or estimate precisely, such as estimates of future market conditions and the behavior of other market participants. Other factors that could cause actual results to differ materially from the company's expectations include, but are not limited to, weather, economic conditions and demographic changes in NJNG's service territory, rate of customer growth, volatility of natural gas commodity prices and its impact on customer usage and NJR Energy Services operations, changes in rating agency requirements and/or credit ratings and their effect on availability and cost of capital to the company, conditions in the credit markets and their potential impact on the company's access to capital and borrowing costs, increased interest costs resulting from failures in the market for auction rate securities, the impact of the company's risk management efforts, including commercial and wholesale credit risks, changes in the costs of providing pension and post-employment benefits to current and former employees, the company's ability to obtain governmental approvals, property rights and/or financing for the construction, development and operation of its non-regulated energy investments, risks associated with the management of the company's joint ventures and partnerships, the impact of regulation (including the regulation of rates), the outcome of any future base rate cases, fluctuations in energy-related commodity prices, customer conversions, other marketing efforts, actual energy usage patterns of NJNG's customers, the pace of deregulation of retail gas markets, access to adequate supplies of natural gas, the regulatory and pricing policies of federal and state regulatory agencies, changes due to legislation at the federal and state level, an adequate number of appropriate counterparties, sufficient liquidity in the energy trading market, the disallowance of recovery of environmental-related expenditures, environmental and other litigation and other uncertainties, the effects and impacts of inflation, change in accounting pronouncements issued by the appropriate

standard setting bodies and terrorist attacks or threatened attacks on energy facilities or unrelated energy companies. NJR does not, by including this paragraph, assume any obligation to review or revise any particular forward-looking statement referenced herein in light of future events. More detailed information about these factors is set forth under the heading "Risk Factors" in NJR's filings with the Securities and Exchange Commission (SEC) including its most recent Form 10-K.

### **Non-GAAP Financial Information**

This press release includes the non-GAAP measures net financial earnings (losses), financial margin and utility gross margin. A reconciliation of these non-GAAP financial measures to the most directly comparable financial measures calculated and reported in accordance with GAAP, can be found below. As an indicator of the company's operating performance, these measures should not be considered an alternative to, or more meaningful than, operating income as determined in accordance with GAAP.

Net financial earnings (losses) and financial margin exclude unrealized gains or losses on derivative instruments related to the company's unregulated subsidiaries and certain realized gains and losses on derivative instruments related to natural gas that has been placed into storage at NJRES. Volatility associated with the change in value of these financial and physical commodity contracts is reported in the income statement in the current period. In order to manage its business, NJR views its results without the impacts of the unrealized gains and losses, and certain realized gains and losses, caused by changes in value of these financial instruments and physical commodity contracts prior to the completion of the planned transaction because it shows changes in value currently as opposed to when the planned transaction ultimately is settled. NJNG's utility gross margin represents the results of revenues less natural gas costs, sales and other taxes and regulatory rider expenses, which are key components of the company's operations that move in relation to each other. Management uses these non-GAAP financial measures as supplemental measures to other GAAP results to provide a more complete understanding of the company's performance. Management believes these non-GAAP measures are more reflective of the company's business model, provide transparency to investors and enable period-to-period comparability of financial performance. A reconciliation of all non-GAAP financial measures to the most directly comparable financial measures calculated and reported in accordance with GAAP, can be found below. For a full discussion of NJR's non-GAAP financial measures, please see NJR's most recent Form 10-K, Item 7.

### **About New Jersey Resources**

New Jersey Resources, a *Fortune 1000* company, provides natural gas and clean energy services to customers in New Jersey and in states from the Gulf Coast to New England, and Canada. With over \$3 billion in annual revenues, NJR safely and reliably delivers natural gas through more than 6,500 miles of main to nearly half a million customers; develops and manages a diverse portfolio of more than 777,000 dth/d of transportation capacity and nearly 52 Bcf of storage capacity; and provides appliance installation and service to approximately 150,000 homes and businesses. NJR has also made significant investments in the midstream asset sector through equity partnerships, including Steckman Ridge and Iroquois. Through Conserve to Preserve®, NJR is helping customers use less energy and save money. For more information about NJR, visit [www.njliving.com](http://www.njliving.com).

## Reconciliation of Non-GAAP Performance Measures NEW JERSEY RESOURCES

A reconciliation of Net income at NJR to net financial earnings, is as follows:

<i>(Thousands)</i>	Three Months Ended June 30,		Nine Months Ended June 30,	
	2009	2008	2009	2008
Net (loss) income	(\$14,335)	(\$7,597)	\$32,958	\$35,123
Add:				
Unrealized loss on derivative instruments, net of taxes	1,288	17,194	28,362	90,996
Realized loss (gain) from derivative instruments related to natural gas inventory, net of taxes	14,293	(13,683)	44,832	(15,900)
Net financial earnings (loss)	\$1,246	(\$4,086)	\$106,152	\$110,219

### WEIGHTED AVERAGE SHARES OUTSTANDING

	2009	2008	2009	2008
BASIC	42,049	41,949	42,175	41,822
DILUTED	42,049	41,949	42,547	42,037

Basic net financial earnings per share	\$0.03	(\$0.10)	\$2.52	\$2.64
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## NJR ENERGY SERVICES

The following table is a computation of financial margin at NJRES:

<i>(Thousands)</i>	Three Months Ended June 30,		Nine Months Ended June 30,	
	2009	2008	2009	2008
Operating revenues	\$283,439	\$801,628	\$1,219,296	\$2,009,751
Gas purchases	313,691	820,568	1,251,624	2,043,051
Add:				
Unrealized loss on derivative instruments	2,274	38,714	29,415	165,757
Net realized loss (gain) from derivative instruments related to natural gas inventory	22,691	(22,428)	72,779	(26,057)
Financial margin	(\$5,287)	(\$2,654)	\$69,866	\$106,400

<i>(Thousands)</i>	2009	2008	2009	2008
	Net (loss) income	(\$20,350)	(\$15,546)	(\$26,975)
Add:				
Unrealized loss on derivative instruments, net of taxes	1,573	23,599	18,120	101,222
Realized loss (gain) from derivative instruments related to natural gas inventory, net of taxes	14,293	(13,683)	44,832	(15,900)
Net financial (loss) earnings	(\$4,484)	(\$5,630)	\$35,977	\$56,979

## Retail and Other

A reconciliation of Retail and Other Net income to net financial earnings, is as follows:

<i>(Thousands)</i>	Three Months Ended June 30,		Nine Months Ended June 30,	
	2009	2008	2009	2008
Net income (loss)	\$1,881	\$7,802	(\$8,863)	\$12,479
Add:				
Unrealized (gain) loss on derivative instruments, net of taxes	(285)	(6,405)	10,242	(10,226)
Net financial earnings	\$1,596	\$1,397	\$1,379	\$2,253

NEW JERSEY RESOURCES  
CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended		Nine Months Ended	
	June 30,		June 30,	
<i>(Thousands, except per share data)</i>	2009	2008	2009	2008
<b>OPERATING REVENUES</b>	<b>\$441,052</b>	<b>\$1,000,439</b>	<b>\$2,179,872</b>	<b>\$2,989,122</b>
<b>OPERATING EXPENSES</b>				
Gas purchases	400,783	945,629	1,881,058	2,696,248
Operation and maintenance	38,436	34,187	112,209	100,971
Regulatory rider expenses	6,280	5,925	40,585	35,879
Depreciation and amortization	7,880	9,680	22,749	28,600
Energy and other taxes	11,739	10,711	67,353	58,245
Total operating expenses	465,118	1,006,132	2,123,954	2,919,943
<b>OPERATING (LOSS) INCOME</b>	<b>(24,066)</b>	<b>(5,693)</b>	<b>55,918</b>	<b>69,179</b>
Other income	1,179	237	3,095	3,305
Interest expense, net	5,187	5,182	15,953	19,684
<b>(LOSS) INCOME BEFORE INCOME TAXES</b>	<b>(28,074)</b>	<b>(10,638)</b>	<b>43,060</b>	<b>52,800</b>
Income tax (benefit) provision	(12,262)	(2,663)	12,880	19,225
Equity in earnings, net of tax	1,477	378	2,778	1,548
<b>NET (LOSS) INCOME</b>	<b>(\$14,335)</b>	<b>(\$7,597)</b>	<b>\$32,958</b>	<b>\$35,123</b>
<b>EARNINGS PER COMMON SHARE</b>				
BASIC	(\$0.34)	(\$0.18)	\$0.78	\$0.84
DILUTED	(\$0.34)	(\$0.18)	\$0.77	\$0.84
<b>DIVIDENDS PER COMMON SHARE</b>	<b>\$0.31</b>	<b>\$0.28</b>	<b>\$0.93</b>	<b>\$0.83</b>
<b>AVERAGE SHARES OUTSTANDING</b>				
BASIC	42,049	41,949	42,175	41,822
DILUTED	42,049	41,949	42,547	42,037

## NEW JERSEY RESOURCES

<i>(Thousands, except per share data)</i>	Three Months Ended June 30,		Nine Months Ended June 30,	
	2009	2008	2009	2008
<b>Operating Revenues</b>				
New Jersey Natural Gas	\$148,826	\$179,511	\$958,995	\$940,689
NJR Energy Services	283,439	801,628	1,219,296	2,009,751
Retail and Other	8,832	19,344	3,828	38,834
<i>Sub-total</i>	441,097	1,000,483	2,182,119	2,989,274
Intercompany Eliminations	(45)	(44)	(2,247)	(152)
<i>Total</i>	\$441,052	\$1,000,439	\$2,179,872	\$2,989,122
<b>Operating Income (Loss)</b>				
New Jersey Natural Gas	\$9,709	\$7,552	\$121,426	\$98,365
NJR Energy Services	(35,329)	(25,952)	(46,660)	(48,692)
Retail and Other	1,470	12,707	(19,032)	19,506
<i>Sub-total</i>	(24,150)	(5,693)	55,734	69,179
Intercompany Eliminations	84	—	184	—
<i>Total</i>	(\$24,066)	(\$5,693)	\$55,918	\$69,179
<b>Net Income (Loss)</b>				
New Jersey Natural Gas	\$4,134	\$147	\$68,796	\$50,987
NJR Energy Services	(20,350)	(15,546)	(26,975)	(28,343)
Retail and Other	1,881	7,802	(8,863)	12,479
<i>Total</i>	(\$14,335)	(\$7,597)	\$32,958	\$35,123
<b>Net Financial Earnings (Loss)</b>				
New Jersey Natural Gas	\$4,134	\$147	\$68,796	\$50,987
NJR Energy Services	(4,484)	(5,630)	35,977	56,979
Retail and Other	1,596	1,397	1,379	2,253
<i>Total</i>	\$1,246	(\$4,086)	\$106,152	\$110,219
<b>Throughput (Bcf)</b>				
NJNG, Core Customers	9.5	9.9	60.6	58.3
NJNG, Off System/Capacity Management	13.6	5.6	45.9	26.8
NJRES Fuel Mgmt. and Wholesale Sales	80.6	72.9	234.6	216.0
<i>Total</i>	103.7	88.4	341.1	301.1
<b>Common Stock Data</b>				
Yield at June 30	3.3%	3.4%	3.3%	3.4%
Market Price				
High	\$37.57	\$34.63	\$42.37	\$34.71
Low	\$30.79	\$30.95	\$21.90	\$29.22
Close at June 30	\$37.04	\$32.65	\$37.04	\$32.65
Shares Out. at June 30	41,950	41,969	41,950	41,969
Market Cap. at June 30	\$1,553,828	\$1,370,288	\$1,553,828	\$1,370,288

## NEW JERSEY NATURAL GAS

<i>(Unaudited)</i> <i>(Thousands, except customer &amp; weather data)</i>	Three Months Ended		Nine Months Ended	
	2009	2008	2009	2008
<b>Utility Gross Margin</b>				
Operating revenues	\$148,826	\$179,511	\$958,995	\$940,689
Less:				
Gas purchases	87,169	125,060	631,712	653,196
Energy and other taxes	9,830	9,030	61,208	53,137
Regulatory rider expense	6,280	5,926	40,585	35,879
<b>Total Utility Gross Margin</b>	<b>\$45,547</b>	<b>\$39,495</b>	<b>\$225,490</b>	<b>\$198,477</b>
<b>Utility Gross Margin and Operating Income</b>				
Residential	\$28,488	\$26,080	\$150,235	\$137,667
Commercial, Industrial & Other	9,051	7,455	40,398	40,478
Firm Transportation	5,987	4,639	24,838	15,438
<b>Total Firm Margin</b>	<b>43,526</b>	<b>38,174</b>	<b>215,471</b>	<b>193,583</b>
Interruptible	81	96	236	358
<b>Total System Margin</b>	<b>43,607</b>	<b>38,270</b>	<b>215,707</b>	<b>193,941</b>
Off System/Capacity Management/FRM/Storage Incentive	1,940	1,225	9,783	4,836
BPU Settlement	-	-	-	(300)
<b>Total Utility Gross Margin</b>	<b>45,547</b>	<b>39,495</b>	<b>225,490</b>	<b>198,477</b>
Operation and maintenance expense	27,351	21,637	79,137	69,417
Depreciation and amortization	7,668	9,488	22,120	28,053
Other taxes not reflected in gross margin	819	818	2,907	2,642
<b>Operating Income</b>	<b>\$9,709</b>	<b>\$7,552</b>	<b>\$121,426</b>	<b>\$98,365</b>
<b>Throughput (Bcf)</b>				
Residential	5.8	5.6	40.5	37.8
Commercial, Industrial & Other	1.2	1.3	9.1	8.3
Firm Transportation	1.5	1.4	8.4	8.0
<b>Total Firm Throughput</b>	<b>8.5</b>	<b>8.3</b>	<b>58.0</b>	<b>54.1</b>
Interruptible	1.0	1.6	2.6	4.2
<b>Total System Throughput</b>	<b>9.5</b>	<b>9.9</b>	<b>60.6</b>	<b>58.3</b>
Off System/Capacity Management	13.6	5.6	45.9	26.8
<b>Total Throughput</b>	<b>23.1</b>	<b>15.5</b>	<b>106.5</b>	<b>85.1</b>
<b>Customers</b>				
Residential	439,442	438,094	439,442	438,094
Commercial, Industrial & Other	28,837	29,308	28,837	29,308
Firm Transportation	18,892	15,876	18,892	15,876
<b>Total Firm Customers</b>	<b>487,171</b>	<b>483,278</b>	<b>487,171</b>	<b>483,278</b>
Interruptible	44	46	44	46
<b>Total System Customers</b>	<b>487,215</b>	<b>483,324</b>	<b>487,215</b>	<b>483,324</b>
Off System/Capacity Management*	29	32	29	32
<b>Total Customers</b>	<b>487,244</b>	<b>483,356</b>	<b>487,244</b>	<b>483,356</b>
<b>Degree Days</b>				
Actual	475	485	4,753	4,378
Normal	563	574	4,707	4,775
Percent of Normal	84.4%	84.5%	101.0%	91.7%

\*The number of customers represents those active during the last month of the period.

## NJR ENERGY SERVICES

<i>(Unaudited)</i> <i>(Thousands, except customer)</i>	Three Months Ended		Nine Months Ended	
	June 30,		June 30,	
	2009	2008	2009	2008
Operating Revenues	\$283,439	\$801,628	\$1,219,296	\$2,009,751
Gas Purchases	313,691	820,568	1,251,624	2,043,051
Gross Margin	(30,252)	(18,940)	(32,328)	(33,300)
Operation and maintenance expense	4,703	6,811	12,931	14,677
Depreciation and amortization	51	50	153	156
Energy and other taxes	323	151	1,248	559
<i>Operating (Loss) Income</i>	<i>(\$35,329)</i>	<i>(\$25,952)</i>	<i>(\$46,660)</i>	<i>(\$48,692)</i>
Net (Loss) Income	(\$20,350)	(\$15,546)	(\$26,975)	(\$28,343)
Financial Margin	(\$5,287)	(\$2,654)	\$69,866	\$106,400
Net Financial (Loss) Earnings	(\$4,484)	(\$5,630)	\$35,977	\$56,979
Gas Sold and Managed (Bcf)	80.6	72.9	234.6	216.0

## RETAIL AND OTHER

Operating Revenues	\$8,832	\$19,344	\$3,828	\$38,834
Operating Income (Loss)	\$1,470	\$12,707	(\$19,032)	\$19,506
Net Income (Loss)	\$1,881	\$7,802	(\$8,863)	\$12,479
Net Financial Earnings	\$1,596	\$1,397	\$1,379	\$2,253
Total Customers at June 30	147,979	147,678	147,979	147,678

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