

Reconciliation of Non-GAAP Performance Measures

NEW JERSEY RESOURCES

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

<i>(Unaudited)</i> <i>(Thousands)</i>	Three Months Ended March 31,		Six Months Ended March 31,	
	2009	2008	2009	2008
Net income	\$35,517	\$12,535	\$47,293	\$42,720
Add:				
Unrealized loss on derivative instruments, net of taxes	22,952	69,012	27,074	73,802
Realized loss (gain) from derivative instruments related to natural gas inventory, net of taxes	13,959	(3,549)	30,539	(2,217)
Net financial earnings	\$72,428	\$77,998	\$104,906	\$114,305

WEIGHTED AVERAGE SHARES OUTSTANDING

	2009	2008	2009	2008
BASIC	42,305	41,840	42,238	41,758
DILUTED	42,693	42,099	42,598	42,018

Basic net financial earnings per share	\$1.71	\$1.86	\$2.48	\$2.74
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NJR ENERGY SERVICES

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

<i>(Thousands)</i>	Three Months Ended March 31,		Six Months Ended March 31,	
	2009	2008	2009	2008
Operating revenues	\$472,763	\$687,912	\$935,857	\$1,208,123
Gas purchases	470,201	727,937	937,933	1,222,483
Add:				
Unrealized loss on derivative instruments	29,738	119,218	27,141	127,043
Net realized loss (gain) from derivative instruments related to natural gas inventory	22,894	(5,889)	50,088	(3,629)
Financial margin	\$55,194	\$73,304	\$75,153	\$109,054

A reconciliation of Operating income at NJRES, the closest GAAP financial measurement, to the financial

<i>(Thousands)</i>	Three Months Ended March 31,		Six Months Ended March 31,	
	2009	2008	2009	2008
Operating (loss) income	(\$1,953)	(\$45,303)	(\$11,331)	(\$22,740)
Add:				
Operation and maintenance expense	3,868	5,026	8,228	7,866
Depreciation and amortization	51	53	102	106
Other taxes	596	199	925	408
Subtotal – Gross margin	2,562	(40,025)	(2,076)	(14,360)
Add:				
Unrealized loss on derivative instruments	29,738	119,218	27,141	127,043
Net realized loss (gain) from derivative instruments related to natural gas inventory	22,894	(5,889)	50,088	(3,629)
Financial margin	\$55,194	\$73,304	\$75,153	\$109,054

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

<i>(Thousands)</i>	Three Months Ended		Six Months Ended	
	2009	2008	2009	2008
Net (loss) income	(\$1,011)	(\$25,947)	(\$6,625)	(\$12,797)
Add:				
Unrealized loss on derivative instruments, net of taxes	18,130	73,013	16,547	77,623
Realized loss (gain) from derivative instruments related to natural gas inventory, net of taxes	13,959	(3,549)	30,539	(2,217)
Net financial earnings	\$31,078	\$43,517	\$40,461	\$62,609

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

<i>(Thousands)</i>	Three Months Ended		Six Months Ended	
	2009	2008	2009	2008
Net (loss) income	(\$5,060)	\$4,312	(\$10,744)	\$4,677
Add:				
Unrealized loss (gain) on derivative instruments, net of taxes	4,822	(4,001)	10,527	(3,821)
Net financial earnings	(\$238)	\$311	(\$217)	\$856