

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

### WEIGHTED AVERAGE SHARES OUTSTANDING

<b>BASIC</b>	<b>42,049</b>	41,949	<b>42,175</b>	41,822
<b>DILUTED</b>	<b>42,049</b>	41,949	<b>42,547</b>	42,037
<b>Basic net financial earnings per share</b>	<b>\$0.03</b>	(\$0.10)	<b>\$2.52</b>	\$2.64

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

A reconciliation of Operating income at NJRES, the closest GAAP financial measurement, to the financial margin is as follows:

<i>(Thousands)</i>	Three Months Ended June 30,		Nine Months Ended June 30,	
	2009	2008	2009	2008
Operating (loss)	<b>(\$35,329)</b>	(\$25,952)	<b>(\$46,660)</b>	(\$48,692)
Add:				
Operation and maintenance expense	<b>4,703</b>	6,811	<b>12,931</b>	14,677
Depreciation and amortization	<b>51</b>	50	<b>153</b>	156
Other taxes	<b>323</b>	151	<b>1,248</b>	559
Subtotal – Gross margin	<b>(30,252)</b>	(18,940)	<b>(32,328)</b>	(33,300)
Add:				
Unrealized loss on derivative instruments	<b>2,274</b>	38,714	<b>29,415</b>	165,757
Net realized loss (gain) from derivative instruments related to natural gas inventory	<b>22,691</b>	(22,428)	<b>72,779</b>	(26,057)
Financial margin	<b>(\$5,287)</b>	(\$2,654)	<b>\$69,866</b>	\$106,400

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## NJR ENERGY SERVICES (continued)

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

<i>(Thousands)</i>	Three Months Ended		Nine Months Ended	
	June 30,		June 30,	
	2009	2008	2009	2008
Net (loss) income	(\$20,350)	(\$15,546)	(\$26,975)	(\$28,343)
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

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## Retail and Other

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

<i>(Thousands)</i>	Three Months Ended		Nine Months Ended	
	June 30,		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