NEW JERSEY RESOURCES CORPORATION ANNOUNCES HIGHER FISCAL 2002 FIRST-QUARTER EARNINGS, 3-FOR-2 STOCK SPLIT, INCREASE TO SHARE REPURCHASE PLAN

WALL, N.J. – At its annual meeting of shareowners held today, New Jersey Resources Corporation (NYSE: NJR), parent company of New Jersey Natural Gas Company (NJNG), announced: higher fiscal 2002 first-quarter earnings of $1.10 per share, a 10 percent increase compared with last year; a three-for-two stock split and a 500,000 share increase in its share repurchase plan.

Higher First Quarter Earnings

Commenting on the Company's higher first-quarter earnings, Laurence M. Downes, chairman and CEO of NJR said, "The dedication of our employees has allowed the Company to achieve its twenty-first quarter of consecutive earnings growth, despite weather that was the warmest on record. I am extremely proud of their efforts this quarter because once again, we have affirmed our reputation for consistent performance."

Financial and operating highlights during the quarter included:

- **Higher Net Income and Earnings per Share** – NJR earned $19.7 million for the three months ended December 31, 2001, an 11 percent increase compared with last year's results of $17.7 million. Earnings per share increased 10 percent to $1.10, compared with $1.00 last year. NJNG earned $17.1 million, or $.96 per share, during the quarter driven by its continued profitable customer growth, higher off-system and capacity management margins and lower operating and net interest costs, which more than offset the effects of warmer weather. NJR Energy Services Corporation (NJRES), NJR's unregulated wholesale energy services subsidiary, reported a 9 percent increase in earnings to $2.1 million, or $.12 per share, compared with $1.9 million, or $.11 per share last year, reflecting increased capacity management and storage throughput. NJR Home Services Company, an unregulated subsidiary offering home-appliance repair, air conditioning and contract warranty services, contributed $281,000, or $.02 per share, compared with breakeven results last year.

- **Strong Customer Growth** – During the first three months of the fiscal year, NJNG added approximately .8 billion cubic feet (Bcf) of new throughput, which is expected to generate about $2.3 million in gross margin. NJNG expects to maintain its approximately 3 percent annual customer growth rate in fiscal 2002, well above the national average for natural gas distribution companies. About 40 percent of those new customers are expected to convert from other fuels. The Company expects to add approximately 2 Bcf of firm sales representing $6 million of gross margin from customer growth in fiscal 2002.

- **Warm Weather** – Weather for the quarter was 21 percent warmer than normal and 32 percent warmer than last year. NJNG has a weather-normalization clause, which is designed to minimize year-to-year fluctuations on both NJNG's margin and customers' bills that can result from changing weather patterns. Normal weather is based on the 20-year average.

- **Lower Operating and Interest Expenses** – For the three months ended December 31, consolidated operation and maintenance expenses decreased 4 percent reflecting primarily the benefits of last year's early retirement program, lower bad debt expense and general cost control efforts. Net interest charges for the period declined as a result of lower borrowing costs and the recovery of carrying costs on certain regulatory assets, which is included in other income.

- **Wholesale Energy Operations** – Earnings for NJRES during the quarter benefited from increased sales and storage and capacity management opportunities in the natural gas markets. Participation in storage management opportunities such as the Stagecoach storage field is expected to enable NJRES to increase its growth and earnings prospects. NJRES has been engaged as the exclusive marketing agent for Stagecoach, a storage field being developed in upstate New York, which is expected to begin operations in the second quarter of 2002.

- **Off-System Sales and Capacity Management Programs** – For the three months ended December 31, 2001, off-system sales and capacity management programs totaled 26 Bcf, generating $1.6 million in margin, compared with 29 Bcf and $1.3 million in margin last year. NJNG shares margins earned from these off-system sales, capacity release and portfolio-enhancing programs with customers and shareowners. As part of its annual Levelized Gas Adjustment filing in November, NJNG has requested an extension of these programs through 2004.

- **Dividend Increased** – On October 25, 2001, NJR's board of directors authorized a 2.3 percent increase in the NJR's quarterly dividend rate to $.45 per share. The new rate became effective with the January 2002 dividend payment and marked the seventh increase in six years. The Company has paid quarterly dividends since 1952.

Stock Split

The three-for-two split of its outstanding shares of common stock will entitle each shareowner of record at the close of business on February 8, 2002, to receive one additional share of common stock for every two shares of NJR common stock held on that date. After the split, NJR will have approximately 26.7 million shares of common stock outstanding.

“We are taking this action in response to our excellent earnings and stock price performance,” said Mr. Downes. “We want to make our stock accessible to a broader range of investors, improve its marketability and enhance shareowner value.”

Certificates representing the additional shares of common stock will be distributed on or about March 1, 2002, to shareowners of NJR on the record date. Currently held certificates will remain valid and should be retained by shareowners. The Company anticipates that its common stock will begin trading at its post-split price on March 4, 2002, the first business day after the additional shares are distributed to shareowners.

Share Repurchase Plan

NJR also announced that its board of directors authorized an increase in its share repurchase plan from 1.5 million to 2 million shares. Since beginning this plan in 1996, NJR has purchased 1.4 million shares for $48.9 million. “NJR was one of the first companies in the utility industry to offer a repurchase plan, and I am pleased that the board has authorized the increase. This plan gives us enormous financial flexibility and puts an important tool at our disposal which is expected to create value for our shareowners,” said Mr. Downes.

On Thursday, January 24, 2002, at 10:30 a.m. EST, NJR will hold a live teleconference call to discuss first-quarter results. To listen to the call, logon to NJR’s Web site, www.njliving.com and select “Investor Relations” from the sidebar on the left; then click just below the microphone on the right side of the Investor Relations home page.

New Jersey Resources Corporation (NYSE: NJR) provides retail and wholesale energy services to customers in New Jersey and in states from the Gulf Coast to New England. Its principal subsidiary, New Jersey Natural Gas Company (NJNG), is one of the fastest-growing local distribution companies in the United States, serving more than 420,000 customers in New Jersey’s Monmouth and Ocean counties and parts of Morris and Middlesex counties. NJNG maintains a nearly 6,000 mile underground pipeline system and has added approximately 12,000 new customers for the past seven consecutive years, representing 2 billion cubic feet of new firm throughput, annually. NJNG is also a leader in the off-system sales and capacity release markets. Other major operating subsidiaries of NJR include NJR Energy Services and NJR Home Services. For more information about the NJR family of companies, visit www.njliving.com.

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. NJR wishes to caution 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 our expectations include, but are not limited to, weather conditions, economic conditions in NJNG’s service territory, impact of regulation, fluctuations in energy-related commodity prices, conversion activity, other marketing efforts and other uncertainties. More detailed information about these factors is set forth in NJR’s filings with the Securities and Exchange Commission, including NJR’s annual report on Form 10-K filed on December 26, 2001.

The Company does not, by including this statement, assume any obligation to review or revise any particular forward-looking statement referenced herein in light of future events.

NEW JERSEY RESOURCES CORPORATION
CONSOLIDATED FINANCIAL RESULTS

Thousands, except per share data *(Unaudited)*	Three Months Ended December 31, **2001**	2000	Twelve Months Ended December 31, **2001**	2000
Operating Revenues	**$395,831**	$667,487	**$1,776,752**	$1,568,598
Income from Continuing Operations	**$19,681**	$17,709	**$54,288**	$49,474
Net Income	**$19,681**	$17,709	**$54,288**	$50,302
Earnings Per Common Share from Continuing Operations				
Basic	**$1.10**	$1.00	**$3.05**	$2.80
Diluted	**$1.09**	$1.00	**$3.02**	$2.78
Earnings Per Common Share				
Basic	**$1.10**	$1.00	**$3.05**	$2.85
Diluted	**$1.09**	$1.00	**$3.02**	$2.83
Average Shares Outstanding				
Basic	**17,824**	17,628	**17,781**	17,660
Diluted	**18,053**	17,743	**17,947**	17,785

Consolidated Statement of Income

Consolidated Financial Highlights