NJR REPORTS RECORD FISCAL YEAR-TO-DATE AND SECOND-QUARTER EARNINGS PER SHARE

WALL, N.J. - New Jersey Resources Corporation (NYSE: NJR) today reported a 5.9 percent increase in earnings per share from continuing operations to a record $2.87, for the six months ended March 31, 2001, compared with $2.71 last year. Fiscal second-quarter earnings per share from continuing operations increased 3.3 percent to a record $1.86, compared with $1.80 last year. The increase in earnings was attributable to profitable customer growth and improved unregulated results.

"Profitable customer growth at New Jersey Natural Gas Company remains the cornerstone of our earnings growth. We are now well on our way to achieving our tenth consecutive year of earnings growth, which would be the longest streak in our industry," said Laurence M. Downes, chairman and CEO of NJR. "Based on our performance to date and forecasts for the balance of the fiscal year, we believe that we will achieve the upper end of our goal of 7 to 9 percent earnings-per-share growth in fiscal 2001. Through the hard work and creativity of our employees, we continue to demonstrate our commitment to providing exceptional value for our customers and shareowners," Mr. Downes said.

Financial and operating highlights during the quarter included:

- Higher Net Income and Earnings per Share - For the six months ended March 31, NJR earned $50.7 million, or $2.87 per share from continuing operations, compared with $48 million, or $2.71 per share, last year. NJR earned $33 million, or $1.86 per share, for the three months ended March 31, compared with $31.8 million, or $1.80 per share, last year. Strong customer growth at New Jersey Natural Gas Company (NJNG) and higher results at NJR's unregulated wholesale energy services subsidiary, NJR Energy Services Company (NJRES) contributed to the improved results. NJRES reported an increase in earnings to $3.1 million, or $.18 per share, for the six months ended March 31, compared with $2.1 million, or $.12 per share, last year, as increased sales volumes and higher natural gas prices generated higher margins. Fiscal 2000 results also included income from discontinued operations of $828,000, or $.05 per share, representing actual proceeds and expenses from its 1995 exit from the natural gas and oil exploration and production business. Earnings for the six months ended March 31, 2001 included a charge of $1.3 million, or $.08 per share, related to the adoption of Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Investments and Hedging Activities."

- Strong Customer Growth - During the first six months of the fiscal year, NJNG added 7,541 new customers, an increase of 11 percent over the comparable period last year. The total included 2,493 customers who converted to natural gas from oil, electricity or propane. Another 630 NJNG customers added natural gas heat to their existing service, up 19 percent over last year. NJNG's goal is to add a total of approximately 12,500 new customers in fiscal 2001, maintaining its annual customer growth rate of 3 percent, which is well above the national average for natural gas distribution companies. New customers are expected to add more than $6.0 million in new margin in fiscal 2001. NJNG sold and transported a total of 48 billion cubic feet (Bcf) of natural gas to firm customers during the six-month period, up 17 percent from last year.

- Cold Weather - For the six months ended March 31, weather was 7 percent colder than normal and 15 percent colder than last year. Weather for the quarter was 2 percent colder than normal and 8 percent colder than last year. "Normal" weather is based on 20-year average temperatures. The impact of the weather is significantly offset by NJNG's weather normalization clause, which is designed to smooth out year-to-year fluctuations that may result from changing weather patterns on both NJNG's gross margin and customers' bills. As a result of the colder-than-normal weather, NJNG deferred $3.2 million of margin during the first six months of the fiscal year for future refund to customers.

- Off-System and Capacity Management Programs - For the six months ended March 31, off-system sales and capacity management programs totaled 54.6 Bcf, generating $3.5 million in margin, compared with 68.4 Bcf and $2.9 million in margin last year. The decline in volume was attributable to the cold weather, as more supplies were needed for core customers. NJNG shares margins earned from these off-system sales, capacity release and other portfolio-enhancing programs with customers and shareowners. As a result, customers received $10.7 million in credits through the Levelized Gas Adjustment (LGA) clause component of rates during the first six months of fiscal 2001. Based on current sales and projections through the end of the fiscal year, NJNG customers are expected to receive over $20 million in savings to be applied to their gas costs through NJNG's LGA clause. This would bring the total amount saved by NJNG customers to nearly $161 million, since beginning these programs in 1992.

- Regulatory Affairs - On March 15, the New Jersey Board of Public Utilities (BPU) approved additional 2 percent LGA increases for April, May, June and July. Additionally, the BPU established a separate Gas Cost Underrecovery

Adjustment (GCUA) mechanism to recoup gas cost underrecovery balances over a three-year period. NJNG will recover carrying costs associated with gas cost underrecoveries at an annualized interest rate of 5.5 percent.

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 417,000 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 had added approximately 12,000 new customers annually for the past six consecutive years. 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. NJR wishes to caution persons reading this press release that the assumptions forming the basis for forward-looking statements, such as earnings goals and growth projections, include many factors that are estimates of future market conditions. These include, but are not limited to, the behavior of other market participants, weather conditions, economic conditions in NJNG's service territory, changes in state regulation, fluctuations in energy-related commodity prices, conversion activity, other marketing efforts and other uncertainties.

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.

CONSOLIDATED FINANCIAL RESULTS

Thousands, except per-share data *(Unaudited)*	Three Months Ended March 31, **2001**	2000	Six Months Ended March 31, **2001**	2000
Operating Revenues	**$890,035**	$368,988	**$1,557,522**	$632,426
Income from Continuing Operations	**$33,030**	$31,841	**$50,739**	$48,012
Net Income	**$33,030**	$32,669	**$50,739**	$48,840
Earnings Per Common Share - Basic				
Income from Cont. Operations	**$1.86**	$1.80	**$2.87**	$2.71
Net Income	**$1.86**	$1.85	**$2.87**	$2.75
Earnings Per Common Share - Diluted				
Income from Cont. Operations	**$1.85**	$1.79	**$2.85**	$2.69
Net Income	**$1.85**	$1.84	**$2.85**	$2.74
Average Shares Outstanding				
Basic	**17,716**	17,684	**17,672**	17,732
Diluted	**17,818**	17,787	**17,782**	17,850

CONSOLIDATED STATEMENTS OF INCOME

CONSOLIDATED FINANCIAL HIGHLIGHTS