

1500 Ronson Road Iselin, New Jersey 08830 www.middlesexwater.com

NASDAQ:MSEX

Dear Fellow Shareholder:

I am pleased to report that your Board of Directors declared a quarterly cash dividend of \$0.19875 per common share payable September 1, 2016 for shareholders of record as of August 12, 2016. Middlesex Water is proud of its dividend history. The Company has paid cash dividends in varying amounts continually since 1912 and has increased the dividend for 43 consecutive years.

We announced second quarter financial results on August 2, 2016. Consolidated operating revenues for the quarter ended June 30, 2016 increased \$1.1 million to \$32.7 million as compared to the same period in 2015. Net income climbed to \$5.9 million, up from \$5.1 million in 2015. Basic and diluted earnings per share were \$0.36 for the quarter ended June 30, 2016, up from \$0.31 for the same period in 2015.

Revenues in the our Middlesex System in New Jersey increased primarily due to a New Jersey Board of Public Utilities approved rate increase implemented in August 2015, higher weather-driven customer demand in our regulated water utilities in New Jersey and higher water demand from contract customers. In our Delaware regulated water utility, Tidewater Utilities, Inc., revenues decreased due to lower weather-driven customer demand for water, partially offset by the addition of new customers.

In the second quarter, we began a \$12.0 million project to replace aging infrastructure in our Middlesex System. Our Company was recognized in June as a finalist in the Third Annual New York Stock Exchange Governance, Risk & Compliance Leadership Awards for Best-In-House Legal Team at a Small to-Mid-Cap Company and for Distinguished General Counsel. Also in June, our General Counsel, Jay L. Kooper, was recognized by NJBIZ as a 2016 General Counsel of the Year Finalist. We're grateful for this independent validation of the high quality of our team's continuing efforts.

If you have questions about your account or would like to learn how to access your shareholder account online at our transfer agent, Broadridge, please call 1-888-211-0641 or visit http://shareholder.broadridge.com/middlesexwater.

On behalf of the Board of Directors, Officers and employees of the Middlesex Water family of companies, we appreciate your continued confidence and support.

Sincerely,

Dennis W. Doll

Chairman, President and CEO

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