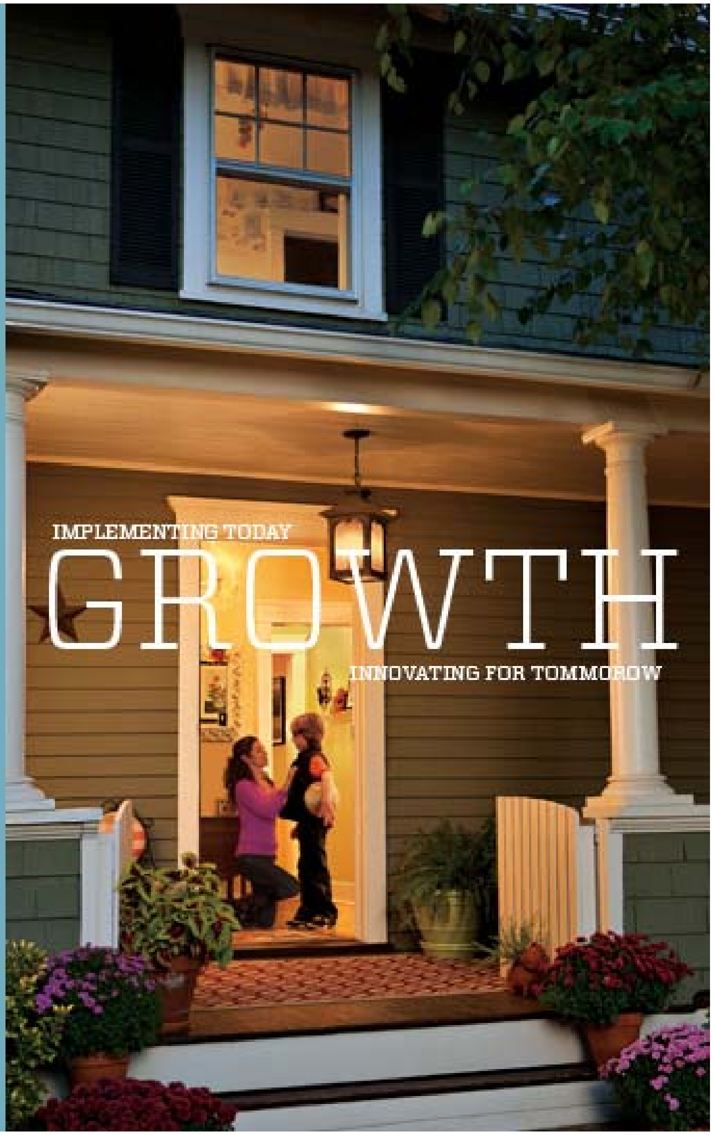
New Jersey Resources Fiscal 2011 Update

Laurence M. Downes

November 23, 2011



Regarding Forward-Looking Statements

Certain statements contained in this presentation are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can also be identified by the use of forward-looking terminology such as “may,” “intend,” “expect,” or “continue” or comparable terminology and are made based upon management’s current expectations and beliefs as of this date concerning future developments and their potential effect upon New Jersey Resources (NJR or the Company). There can be no assurance that future developments will be in accordance with management’s expectations or that the effect of future developments on the Company will be those anticipated by management. NJR cautions persons reading or hearing this presentation that the assumptions that form the basis for forward-looking statements regarding NJR's net financial earnings guidance for fiscal 2012, the contributions expected to net financial earnings by New Jersey Natural Gas Company, (NJNG) NJR Clean Energy Ventures (NJRCEV), Midstream Assets, NJR Energy Services (NJRES) and NJR Home Services (NJRHS), expected contribution by new customers of NJNG to utility gross margin, expected number of new customers of NJNG, the completion of NJRCEV's planned solar projects in fiscal 2012, the approval of NJNG’s natural gas refueling station filing, approval of the proposed extension of The SAVEGREEN Project®, and the AIP II, include many factors that are beyond the Company’s ability to control or estimate precisely.

The factors that could cause actual results to differ materially from NJR’s expectations include, but are not limited to, weather and economic conditions; demographic changes in the NJNG service territory and their effect on NJNG's customer growth; volatility of natural gas and other commodity prices and their impact on NJNG customer usage, NJNG's incentive programs, NJRES' operations and on the Company's risk management efforts; changes in rating agency requirements and/or credit ratings and their effect on availability and cost of capital to the Company; the impact of volatility in the credit markets; the ability to comply with debt covenants; the impact to the asset values and resulting higher costs and funding obligations of NJR's pension and postemployment benefit plans as a result of downturns in the financial markets, a lower discount rate, and impacts associated with the Patient Protection and Affordable Care Act; accounting effects and other risks associated with hedging activities and use of derivatives contracts; commercial and wholesale credit risks, including the availability of creditworthy customers and counterparties, liquidity in the wholesale energy trading market and the Company’s ability to recover all of NJRES’ funds in the MF Global liquidation proceedings; the ability to obtain governmental approvals and/or financing for the construction, development and operation of certain non-regulated energy investments; risks associated with the management of the Company's joint ventures and partnerships; risks associated with our investments in solar energy projects, including the availability of regulatory and tax incentives, logistical risks and potential delays related to construction, permitting, regulatory approvals and electric grid interconnection, the availability of viable projects and NJR's eligibility for federal investment tax credits (ITC), the future market for Solar Renewable Energy Certificates and operational risks related to projects in service; timing of qualifying for ITCs due to delays or failures to complete planned solar energy projects and the resulting effect on our effective tax rate and earnings; the level and rate at which NJNG's costs and expenses are incurred and the extent to which they are allowed to be recovered from customers through the regulatory process; access to adequate supplies of natural gas and dependence on third-party storage and transportation facilities for natural gas supply; operating risks incidental to handling, storing, transporting and providing customers with natural gas; risks related to our employee workforce, including a work stoppage; the regulatory and pricing policies of federal and state regulatory agencies; the costs of compliance with the proposed regulatory framework for over-the-counter derivatives; the costs of compliance with present and future environmental laws, including potential climate change-related legislation; risks related to changes in accounting standards; the disallowance of recovery of environmental-related expenditures and other regulatory changes; environmental-related and other litigation and other uncertainties; and the impact of natural disasters, terrorist activities, and other extreme events. The aforementioned factors are detailed in the “Risk Factors” sections of our Annual Report on Form 10-K to be filed on November 23, 2011, as filed with the Securities and Exchange Commission (SEC) and which is available on the SEC’s website at sec.gov. NJR disclaims any obligation to update and revise statements contained in these materials based on new information or otherwise.

Disclaimer Regarding Non-GAAP Financial Measures

This presentation includes the non-GAAP measures net financial earnings (losses) and utility gross margin. As an indicator of the company's operating performance, these measures should not be considered an alternative to, or more meaningful than, GAAP measures such as cash flow, net income, operating income or earnings per share. Net financial earnings (losses) exclude unrealized gains or losses on derivative instruments related to the company's unregulated subsidiaries and certain realized gains and losses on derivative instruments related to natural gas that has been placed into storage at NJRES. Volatility associated with the change in value of these financial and physical commodity contracts is reported in the income statement in the current period. In order to manage its business, NJR views its results without the impacts of the unrealized gains and losses, and certain realized gains and losses, caused by changes in value of these financial instruments and physical commodity contracts prior to the completion of the planned transaction because it shows changes in value currently as opposed to when the planned transaction ultimately is settled. NJNG's utility gross margin represents the results of revenues less natural gas costs, sales and other taxes and regulatory rider expenses, which are key components of the company's operations that move in relation to each other.

Management uses net financial earnings and utility gross margin as supplemental measures to other GAAP results to provide a more complete understanding of the company's performance. Management believes these non-GAAP measures are more reflective of the company's business model, provide transparency to investors and enable period-to-period comparability of financial performance. For a full discussion of our non-GAAP financial measures, please see Item 7 of our Annual Report on Form 10-K for the fiscal year ended September 30, 2011, filed on November 23, 2011.

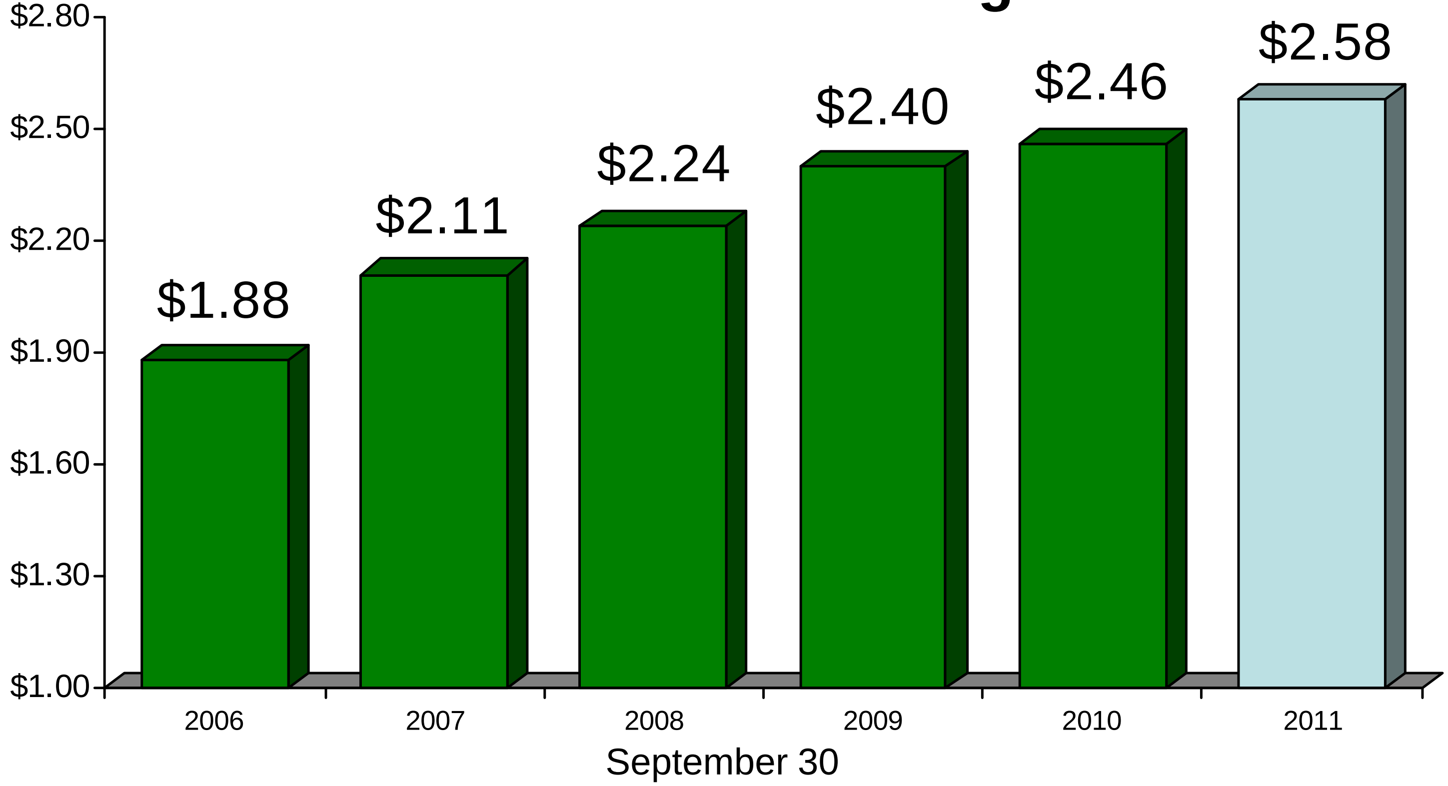
Highlights

- Achieved our 20th consecutive year of net financial earnings (NFE) per share growth
  - $2.58 compared with $2.46 last year, 4.9 percent increase
- Implemented a 5.6 percent dividend increase effective January 3, 2012
  - New annual rate of $1.52 per share
- Strong results from NJNG
  - Steady customer growth
  - Regulatory initiatives
  - BGSS incentive margins
- Continued progress on clean energy strategy
  - Five commercial and 349 residential projects completed and currently in service totaling over 9.8 megawatts (MW)
  - McGraw Hill and others on schedule for fiscal 2012
- Positive earnings contribution from NJRES, Home Services and Midstream

New Jersey Resources

Consistent Financial Performance

Net Financial Earnings



Fiscal 2012 guidance expected to be given with the first fiscal quarter of 2012 earnings announcement

12-Month NFE

($mm)			
Company	FY 2011	FY 2010	Change
New Jersey Natural Gas	$71.3	$70.2	$1.1
NJR Energy Services	18.6	24.8	(6.2)
Midstream Assets	6.8	6.4	0.4
Clean Energy	6.8	(0.6)	7.4
NJRHS	2.4	0.3	2.1
NJR & Other	0.6	0.7	(0.1)
Total	$106.5	$101.8	$4.7
Per basic share	$2.58	$2.46	$0.12

Cash Flow Summary

($ millions)	September 30, 2011	September 30, 2010
Cash Flow from Operations	$250.1	$139.4
Capital Expenditures:		
Utility Plant	(93.6)	(86.6)
Solar Equipment & Other	(75.5)	(3.5)
Cost of Removal	(8.4)	(7.2)
Investments in Equity Investees/other	2.4	(4.0)
Sub-total Capital Expenditures	(175.1)	(101.3)
Financing Activitites		
Common Stock Issued	15.7	7.2
Common Stock Repurchased	(10.2)	(29.7)
Dividends	(58.7)	(53.1)
Debt (Payments) Proceeds, net	(15.3)	2.3
Sub-total Financing Activities	(68.5)	(73.3)
Change in Cash	$6.5	($35.2)

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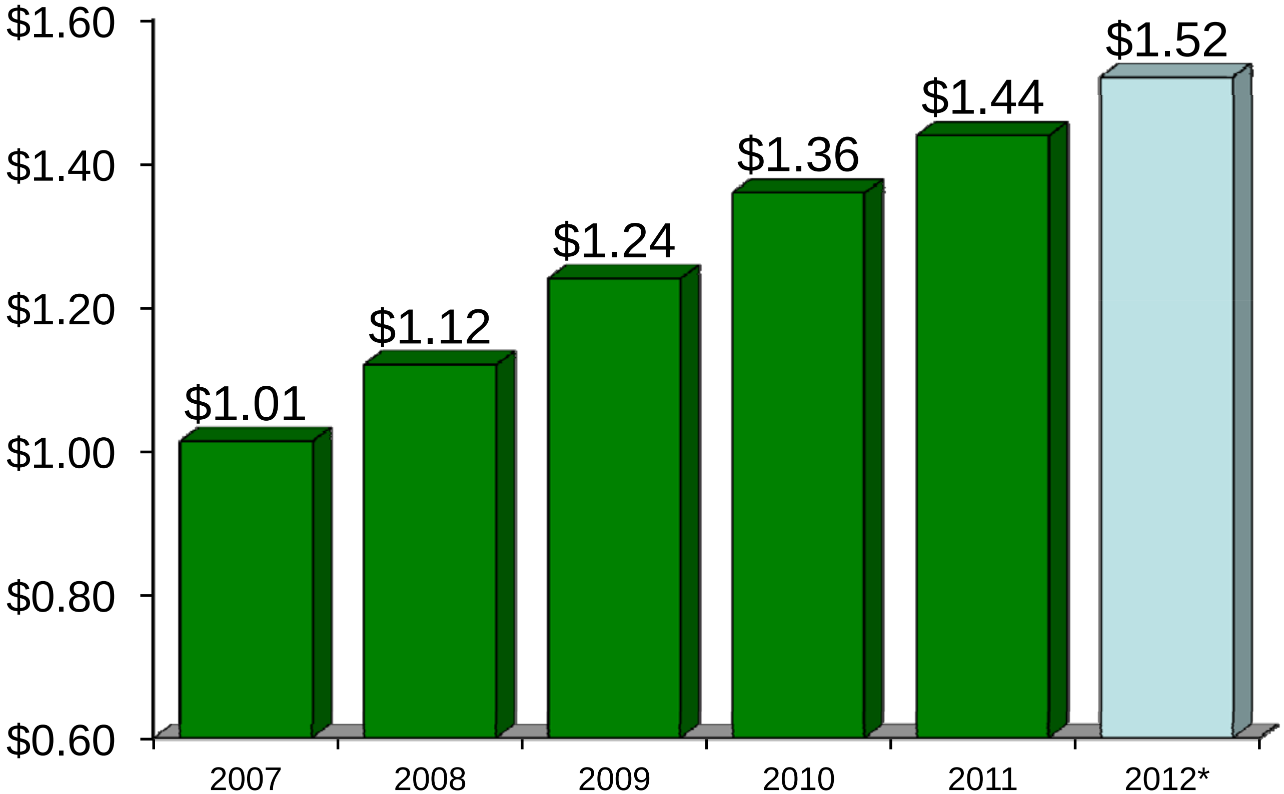
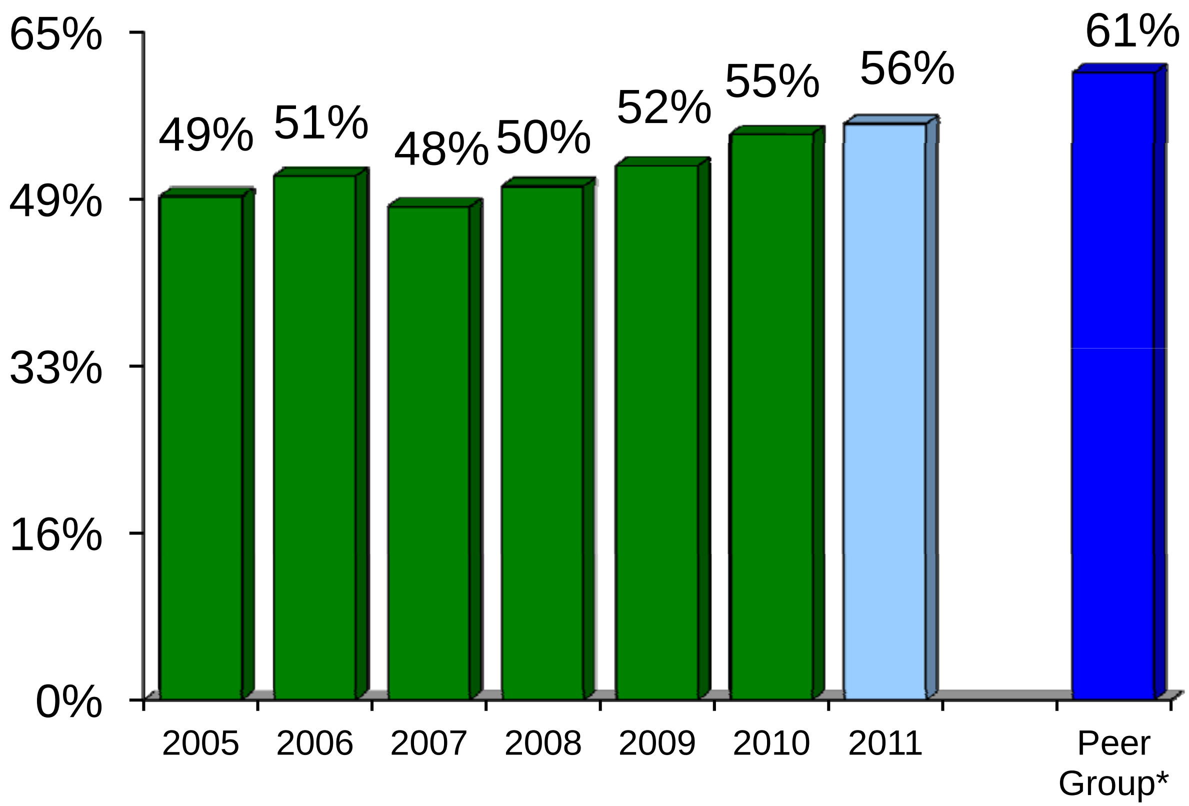
Dividend Growth



17th consecutive year of dividend growth

** Effective January 3, 2012*

Payout Ratio



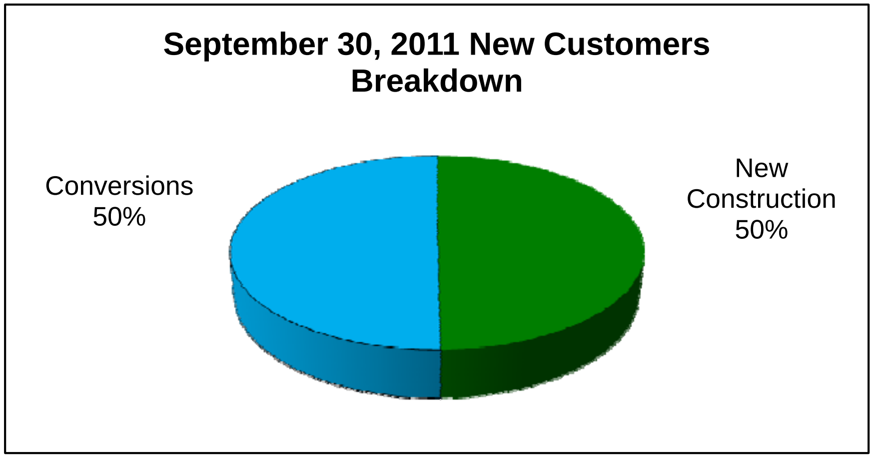
Relatively low payout ratio provides continued dividend growth opportunities

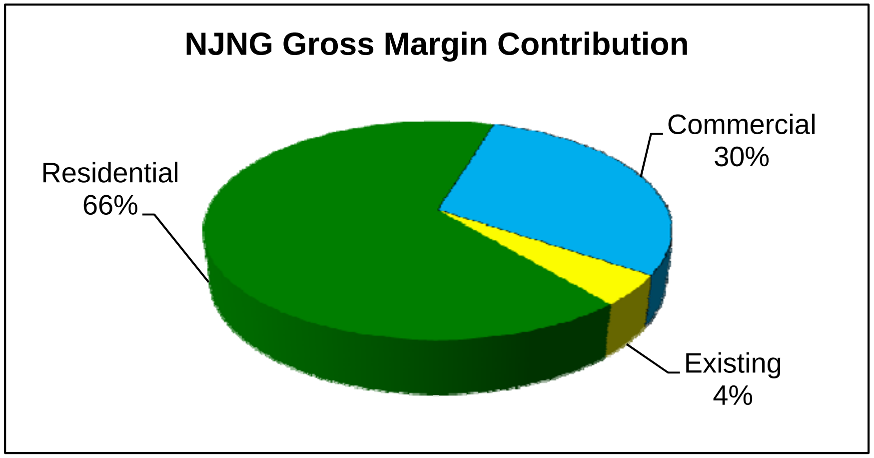
* *Peer group average based on 2011 earnings estimates and indicated dividend from Bloomberg. Peer group: AGL, ATO, LG, NWN, PNY, SJI, SWX, VVC and WGL*

Based on Net Financial Earnings

Steady Customer Growth

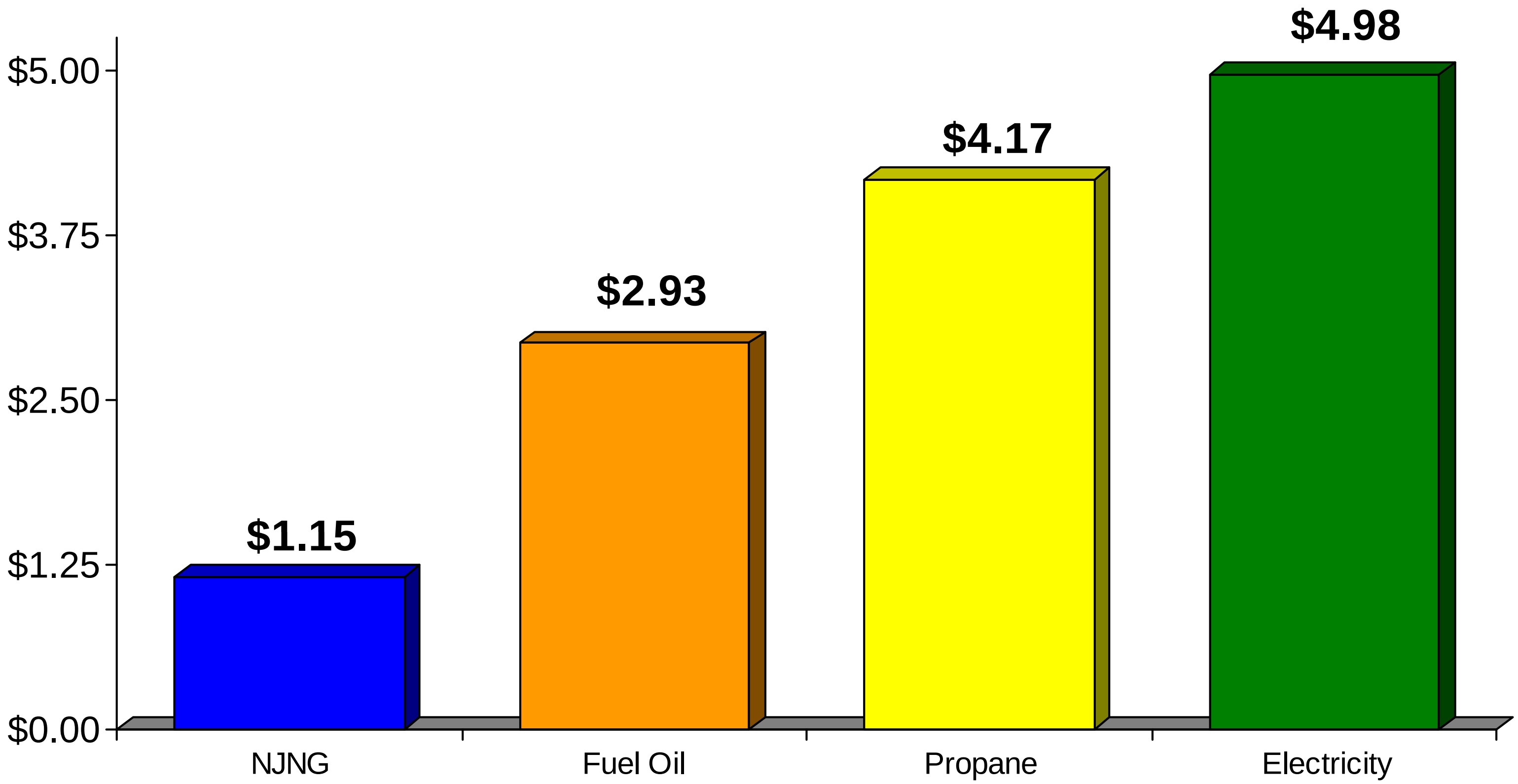
- 6,783 new customers in fiscal 2011, a 10 percent increase over fiscal 2010
- 641 additional existing customer heat conversions
- New customers and existing customer conversions are expected to contribute approximately $3.5 million of new NJNG utility gross margin annually
- Estimate 12,000 to 14,000 new customers over the next two years





New Jersey Resources

Fuel Price Comparison



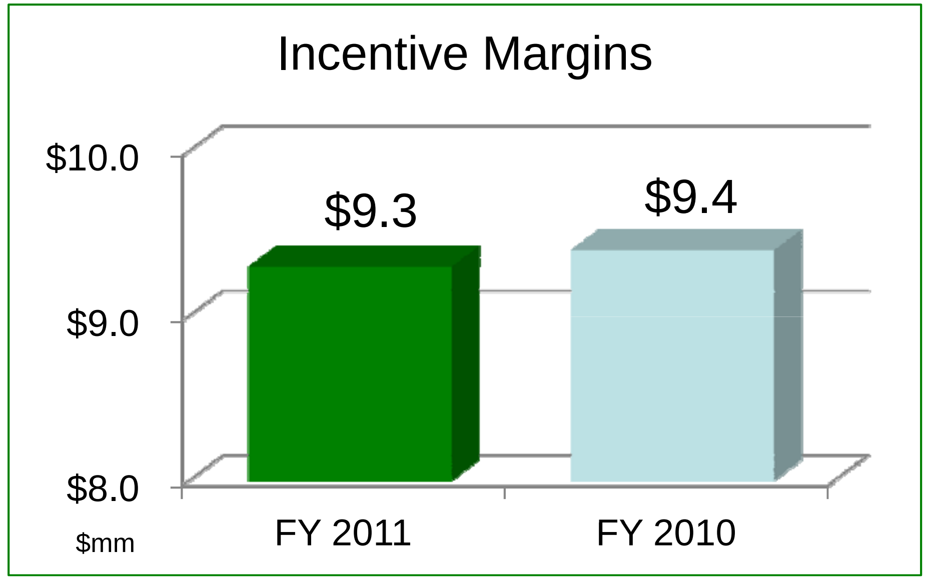
NJNG enjoys a distinct price advantage in its service area

Source: EIA

Data as of October 2011. Based on 100,000 comparable BTUs

BGSS Incentives

- Off-system sales and capacity release
  - In place since 1992
  - Optimization of capacity contracts
  - Sharing formula of 85 percent customer; 15 percent NJNG
- Storage Incentive (SI)
  - In place since 2004
  - Promotes long-term price stability
  - Promotes cost efficiencies
  - Sharing formula of 80 percent customer; 20 percent NJNG
- Financial Risk Management (FRM)
  - In place since 1997
  - Promote application of risk management techniques
  - Sharing formula of 85 percent customer; 15 percent NJNG



Total customer savings since inception: $542 million

Four-year extension of incentive programs approved - In place through October 2015

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Regulatory Initiatives

Conservation Incentive Program

- In place through September 30, 2013; encourages customer conservation
- Customers have reduced usage and saved over $193 million since inception
- Protects NJNG utility gross margin from declining usage and weather

Accelerated Infrastructure Programs (AIP)

- Extended on March 30, 2011
- Accelerated capital projects to help create jobs and support system reliability
- Project spending:

Program Name	Total Capital Approved ($mm)	Number of Projects	Expected Completion Date	WACC
AIP I	$70.8	14	9/30/2011	7.76%
AIP II	60.2	9	10/31/2012	7.12%
Total	$131.0	23		

Pending Regulatory Initiatives

Natural Gas Refueling Stations

- Filing submitted to the BPU on June 16, 2011
- Potential investment of up to $15 million to fund seven to 10 stations in service area
  - $1.60 per gallon equivalent, based on current prices
  - If approved by the BPU, NJNG would begin construction immediately but no later than December 31, 2012
  - Proposed annual rate recovery of program spending at WACC of 7.76 percent

The SAVEGREEN Project®

- Seeking program extension through December 31, 2012 to invest an additional $25.8 million
  - Existing program has resulted in over $73 million of economic activity in the state
- Over $20 million invested; currently recoverable through rider at WACC of 7.76 percent

Sunlight Advantage™ Program

- Strong customer interest
  - Over 700 leases signed
  - 349 operational in FY 2011
  - Average size 6.9 kilowatts
  - $9.7 million of capital deployed in FY 2011
- Growing installation network of contractors

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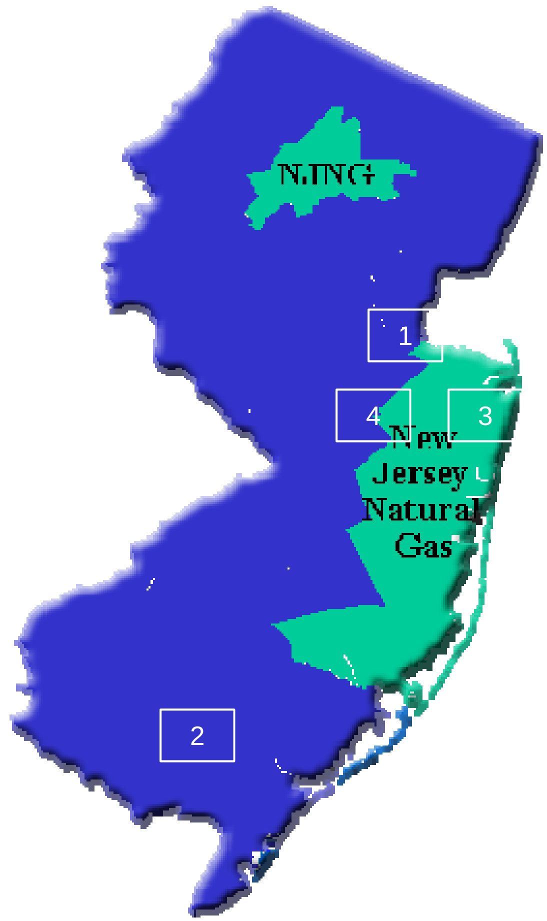
NJRCEV – Commercial Project Update

Project	Map Ref.	Type	Capital (mm)	MW
In Service - Fiscal 2011				
Adler 1-4	1	Rooftop	$18.0	3.9
75% Vineland	2	Ground	19.7	3.5
Sub Total			$37.7	7.4
Planned for Fiscal 2012				
Adler 5-6	1	Rooftop	$6.8	1.3
25% Vineland	2	Ground	4.8	1.2
Manalapan	3	Ground	17.9	3.6
McGraw Hill	4	Ground	60.6	14.1
Sub Total			$90.1	20.2
Grand Total			$127.8	27.6



New Jersey Resources

NJRES and Midstream Investment Updates

NJRES

- Value of capacity and storage has been affected by changing markets and additional supplies
  - Continued focus on a long-option strategy
  - Disciplined risk management
  - Increased focus on producer services in the Marcellus
- Contributed $18.6 million to FY 2011 NFE vs. $24.8 million last year

Midstream

- Overall, midstream assets contributed $6.8 million to FY 2011 NFE vs. $6.4 million last year
  - Iroquois contributed $2.7 million
- Approximately 30 percent of Steckman Ridge capacity under long-term contracts

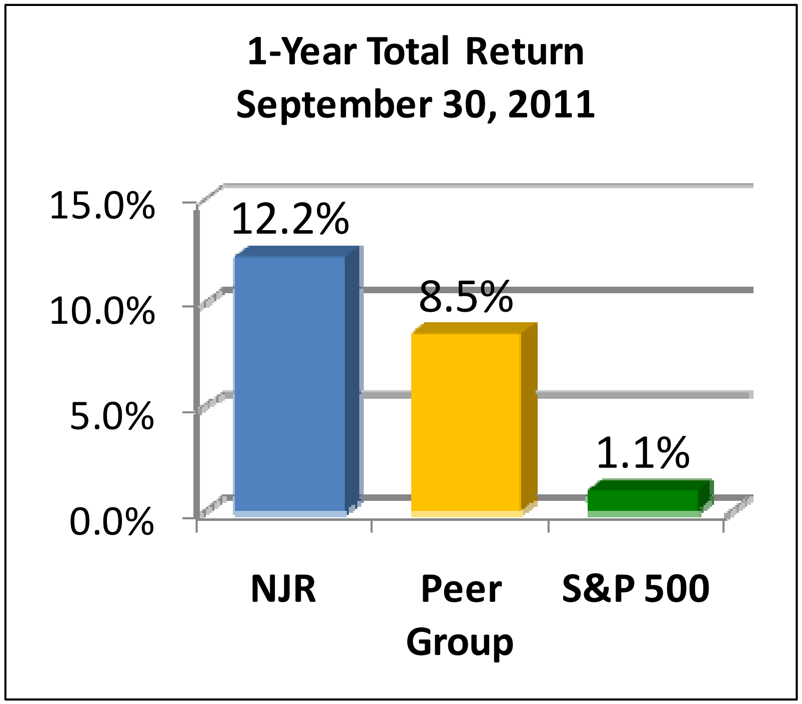
Key Fiscal 2012 Assumptions

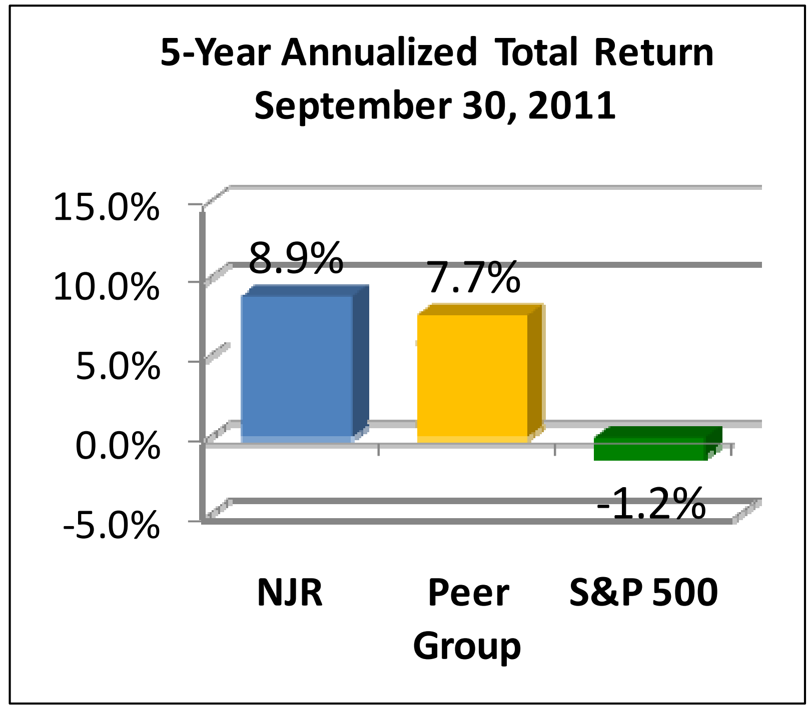
- Utility capital expenditures totaling $121.2 million
  - Includes $49.9 million for AIP

- Continued steady customer growth at NJNG
  - About 6,500 new customers
  - Margin of $3.5 million annually

- ITC-eligible clean energy capital expenditures estimated at $104.3 million
  - Commercial - $90.1 million
  - Residential - $14.2 million

Total Return to Shareowners





New Jersey Resources
Fiscal 2011
Update

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