New Jersey Resources

4th Quarter Fiscal 2012 Update
November 29,2012

Performance *is Our Advantage*™

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," "will", "intend," "expect," "believe," 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 expected contribution by new customers of New Jersey Natural Gas Company (NJNG) to utility gross margin, expected number of new customers of NJNG, the completion of NJRCEV's planned solar projects in fiscal 2013, estimated capital expenditures in fiscal 2013, by NJNG and NJRCEV, and the potential impact of post-tropical cyclone Sandy, (commonly referred to as "Hurricane" or "Superstorm" Sandy)

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 Basic Gas Supply Service 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 and liquidity in the wholesale energy trading market; 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 renewable energy projects and our investment in an on-shore wind developer, 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, the potential expiration of the federal Production Tax Credit (PTC) 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 possible expiration of the NJNG Conservation Incentive Program (CIP), 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 on our operations and customers, including the impacts associated with Superstorm Sandy. **The aforementioned factors are detailed in the "Risk Factors" sections of our Annual Report on Form 10-K filed on November 28, 2012, 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), financial margin 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) and financial margin 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 (NFE), financial margin 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, 2012, filed on November 28, 2012.

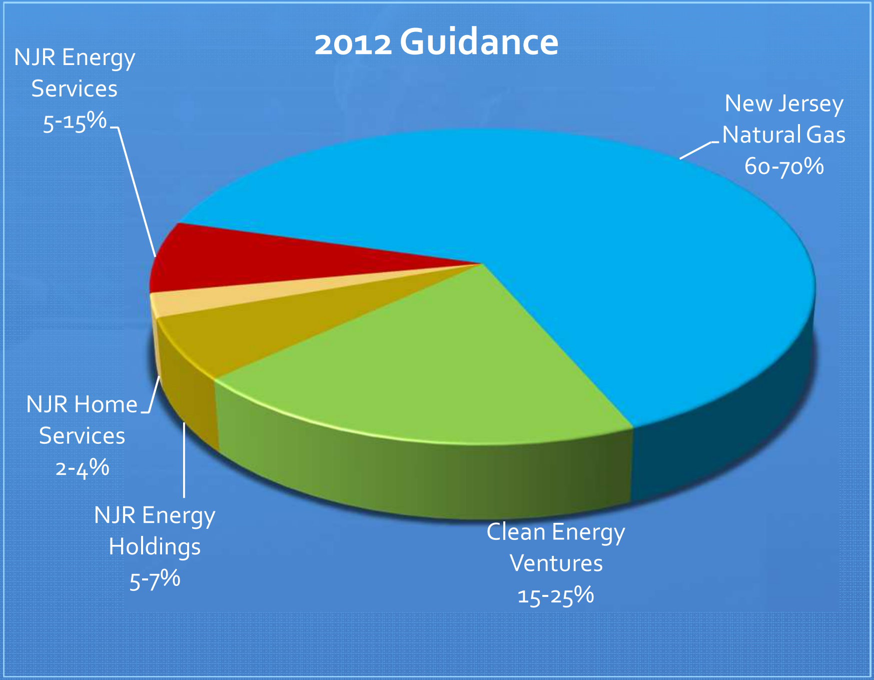
($MM)	September 30,		
Company	2012	2011	Change
New Jersey Natural Gas	$73.2	$71.3	$1.9
NJR Clean Energy	19.5	6.8	12.7
NJR Energy Services	10.8	18.6	(7.8)
NJR Energy Holdings	6.7	6.8	(0.1)
NJR Home Services	2.5	2.4	0.1
Other	(0.3)	0.6	(0.9)
Total	$112.4	$106.5	$5.9
NFE per basic share	$2.71	$2.58	$.13

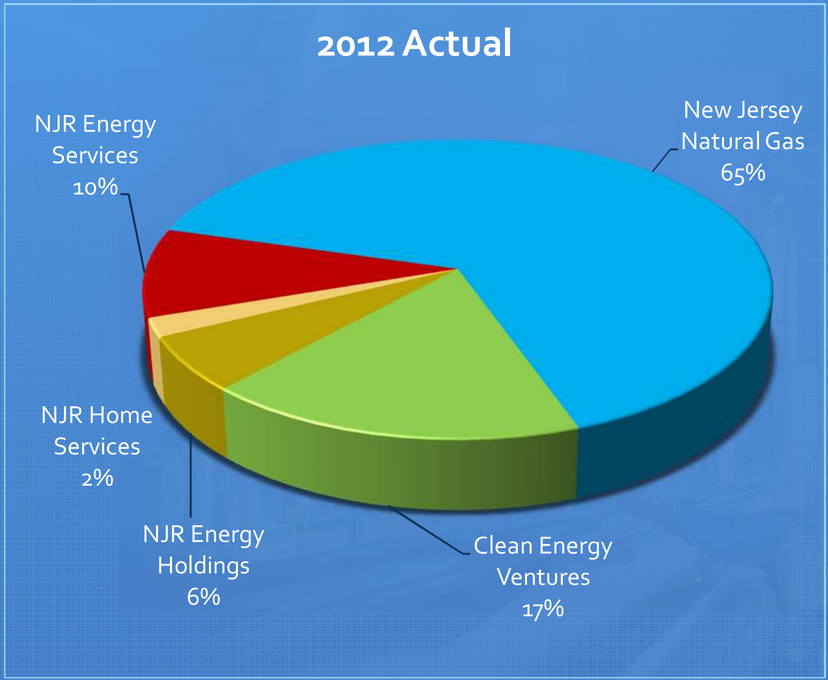
Consistent Performance

Five year CAGR of 5.1 percent

Performance is Our Advantage™

Fiscal 2012 Earnings: Comparison to Guidance





Infrastructure-based businesses contributed 90 percent of fiscal 2012 NFE

Performance is Our Advantage™

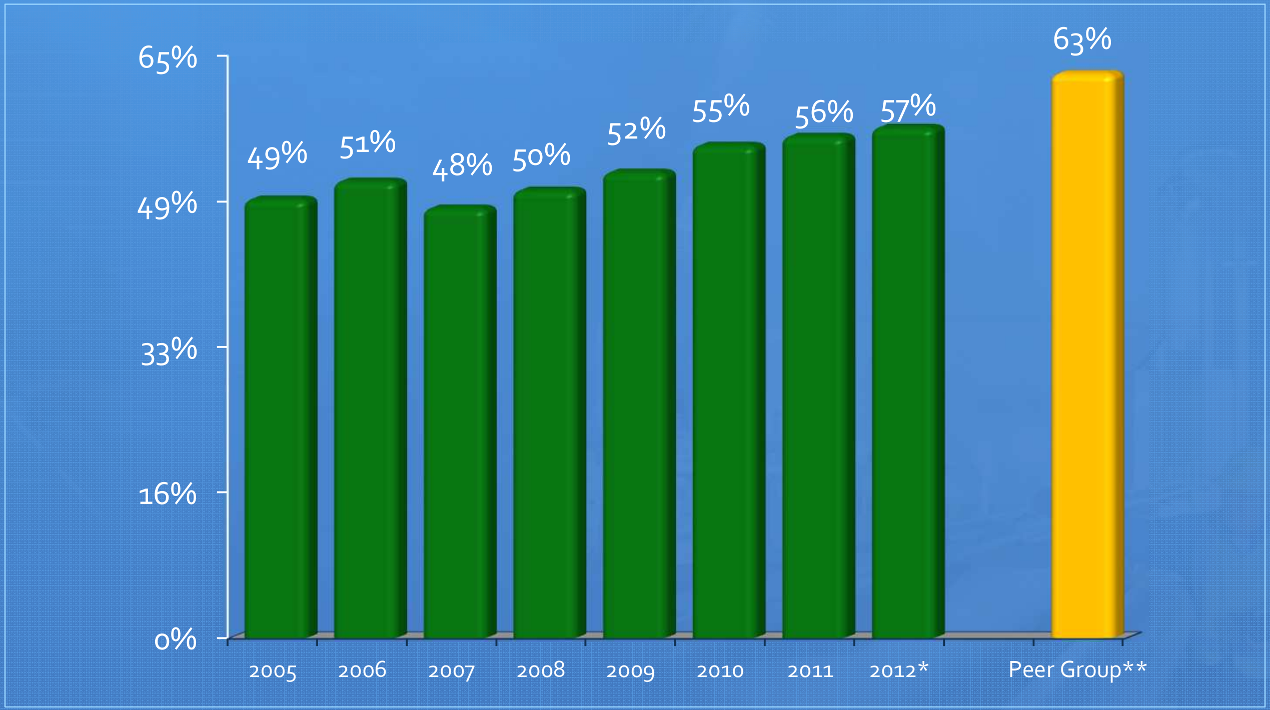
Dividend Growth

* Current annual rate

19th dividend increase in 17 years

Payout Ratio*

Strong reinvestment to support future NFE growth



** Based on NJR Net Financial Earnings*

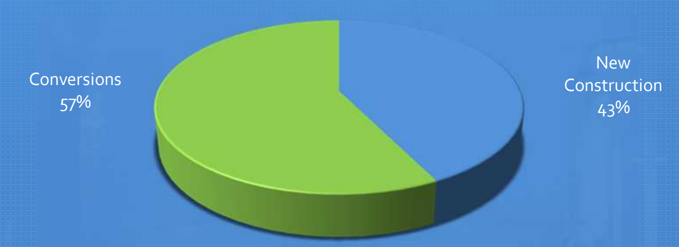
*** Peer group average based on 2012 earnings estimates and indicated dividend from Bloomberg. Peer group: ATO, GAS, LG, NWN, PNY, SJI, SWX, VVC and WGL*

Strong Customer Growth

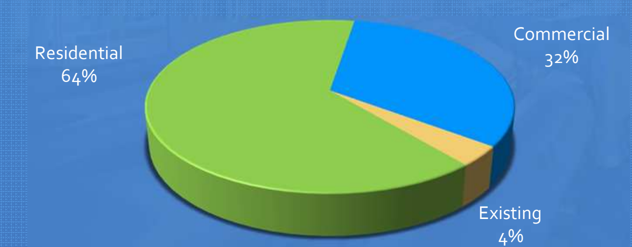
- 6,704 new customers in fiscal 2012
- 539 existing customer heat conversions
- Customer growth expected to add about $3.7 million of utility gross margin annually
- Conversion breakdown:
  - *65 percent oil*
  - *23 percent electric*
  - *12 percent propane*
- Estimate 12,000 to 14,000 new customers over the next two years

Strong demographics to support customer growth

New Customer Breakdown



Gross Margin Contribution



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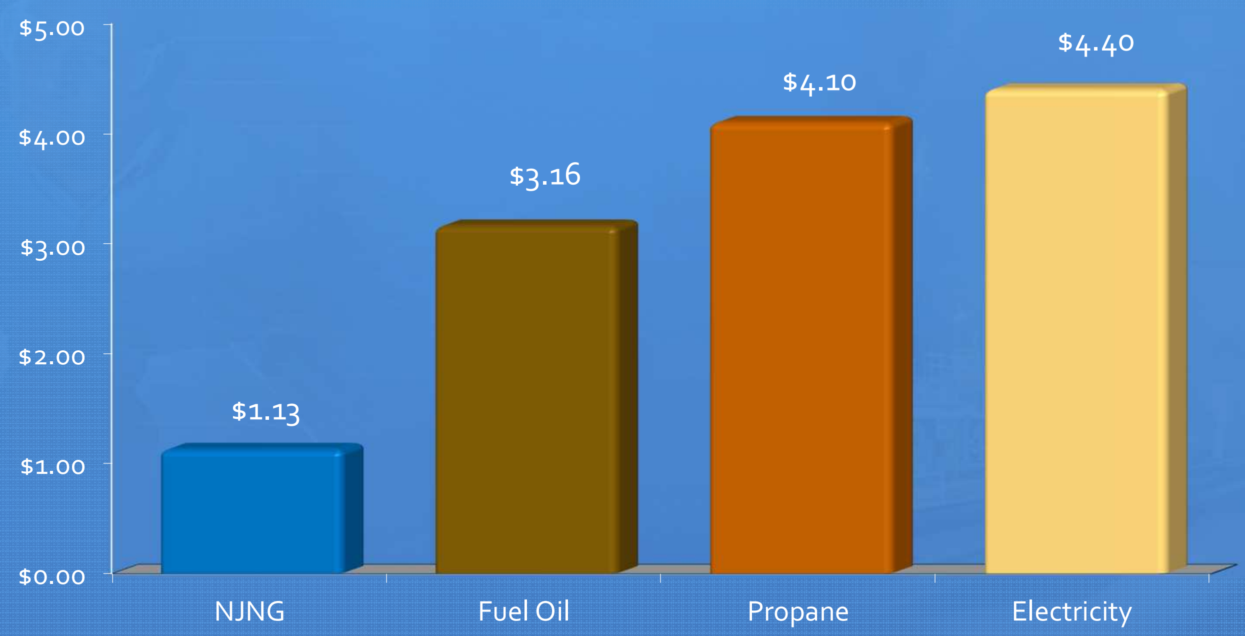
Value for Customers



Source: US Energy Information Administration

Data as of October 2012. Based on 100,000 comparable BTUs

We have a strong price advantage in our service territory

Performance is Our Advantage™

Safety Acceleration and Facility Enhancement (SAFE) Program

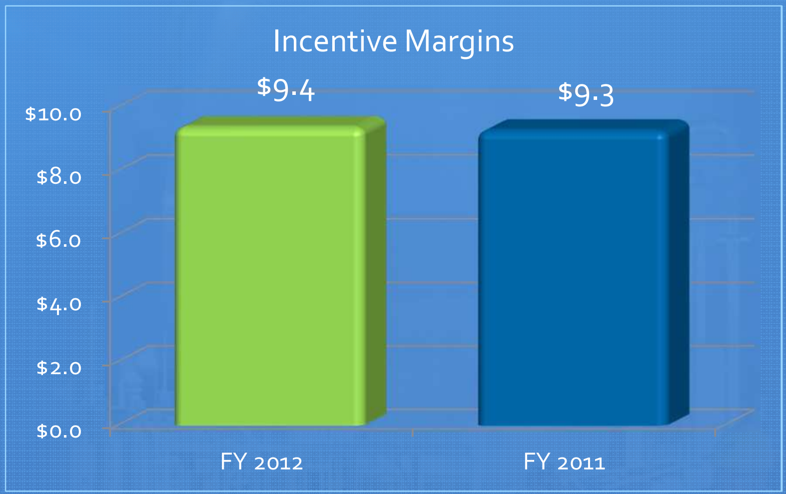
- Approved by the BPU on October 23, 2012
- Four-year program - $130 million
- Replace approximately 276 miles of unprotected steel and cast iron distribution main
- Cost recovery at a weighted average cost of capital of 6.9 percent
  - *Common Equity component 9.75 percent with a 53.5 percent equity ratio*
- Should create approximately 1,325 jobs*

NJNG will file a rate case no later than November 2015 for recovery of revenue

** According to a study by the Rutgers Bloutstein School of Planning and Public Policy*

Regulatory Incentives

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



Since inception customers have saved nearly $600 million with total earnings of $1.90 per share, an average of $.09 annually

Incentive programs in place through October 2015

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- Clean energy investments contributed $19.5 million to NFE in fiscal 2012
- 35.7MW of installed capacity; over 45,000 SRECs generated annually
- Meaningful earnings growth opportunities
- Competitively-priced electricity for customers
- Strong legislative commitment to solar in NJ

New legislation signed by Governor Christie in July

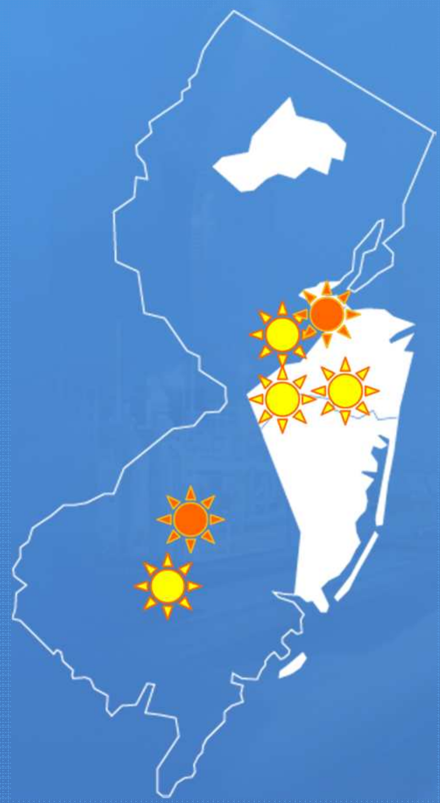
- Fiscal 2012 results:
  - *778 homes added in fiscal 2012*
  - *Average size: 7.5 kilowatts*
  - *$20.5 million of capital deployed*
- Customers are expected to save over $630,000 in electric costs after lease payments annually at current electric rates

1,000th customer signed in August 2012

The Sunlight Advantage

The Commercial Sunlight Advantage

- Completed projects in place totaling 27.6MW
  - Capital of more than $127 million
- Fiscal 2013 projects:
  - Medford
    - *Ground-mounted system*
    - *$20 million; 6.7 MW project*
    - *In-service as of October 15, 2012*
  - Wakefern
    - *Rooftop system*
    - *$6.9 million; 2.4 MW project*
    - *In-service date planned for Q1 fiscal 2013*



The Sunlight Advantage

OwnEnergy Investment

- Announced on September 11, 2012
- $8.8 million investment to acquire an approximate 20 percent equity interest
- OwnEnergy manages the process for on-shore wind projects to make them "shovel-ready"
  - Provides NJR Clean Energy Ventures (CEV) with effective, first-hand knowledge of the wind energy business
  - The potential opportunity to invest capital in a viable renewable long-term earnings stream
- CEV has the option, but not the obligation, to purchase shovel-ready projects for development
- CEV's potential investments would:
  - Diversify its renewable energy portfolio and risk profile
  - Reduce reliance on New Jersey Solar Renewable Energy Certificates and investment tax credits

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Other Non-Regulated Businesses

NJR Energy Services

- NJR Energy Services contributed $10.8 million to NFE in fiscal 2012
- Focusing on long-option strategy and disciplined risk management
- Providing customized energy solutions to its customers
  - Producers, Utilities, Power Generators, Pipelines and Industrials
  - Holds 1.1 Bcf/day of firm transportation and over 33 Bcf of storage diversified throughout North America

NJR Energy Holdings

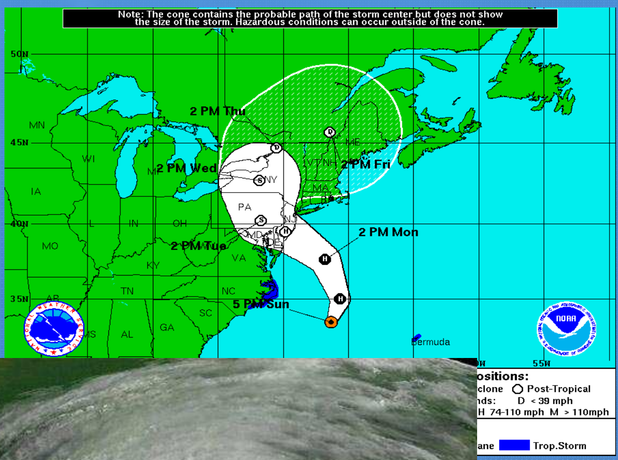
- Contributed $6.7 million to NFE in fiscal 2012
- Steckman Ridge
  - *50 percent joint venture with Spectra Energy*
  - Contributed $4.3 million to 2012 NFE
- Iroquois
  - *5.53 percent ownership in pipeline from Canada to the northeast*
  - Contributed $2.4 million to 2012 NFE

+ Contributed $2.5 million to NFE in fiscal 2012

+ Pursuing geographic expansion
    - *Currently marketing in Sussex, Warren and Hunterdon counties*

+ Expanded services now offered
    - *Whole house electric and plumbing contracts*
    - *Standby generator contracts*

+ Facts:
  - Landfall just south of Atlantic City, NJ
    - Same time as high tide and a full moon
    - Added an additional six feet to the storm surge
  - Winds: 90+ miles per hour
  - 970 miles wide. By contrast:
    - Andrew 180 miles wide
    - Katrina 460 miles wide
    - Irene 520 miles wide
  - 943mb – lowest pressure ever recorded at NJ latitudes
  - 24 states affected by the storm



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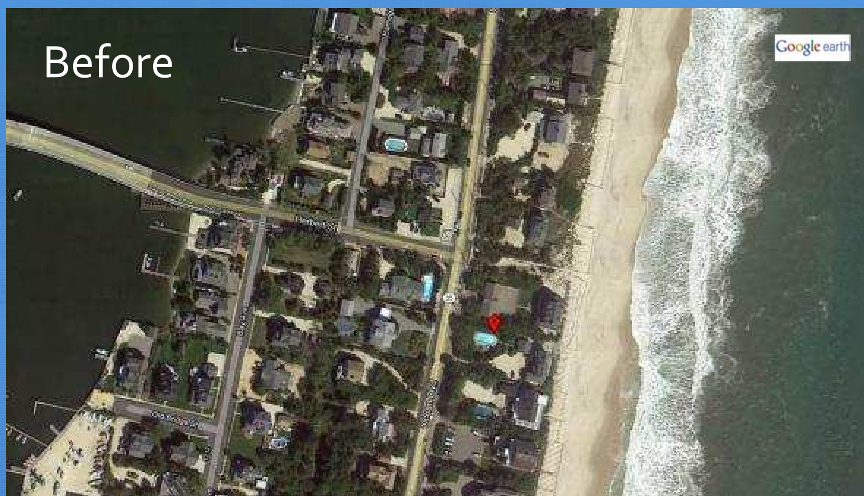
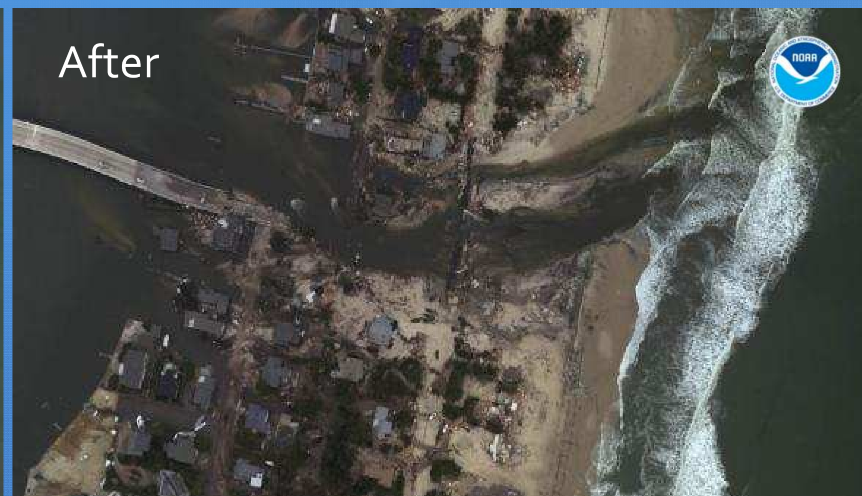
Mantoloking, NJ (Seaside Peninsula)

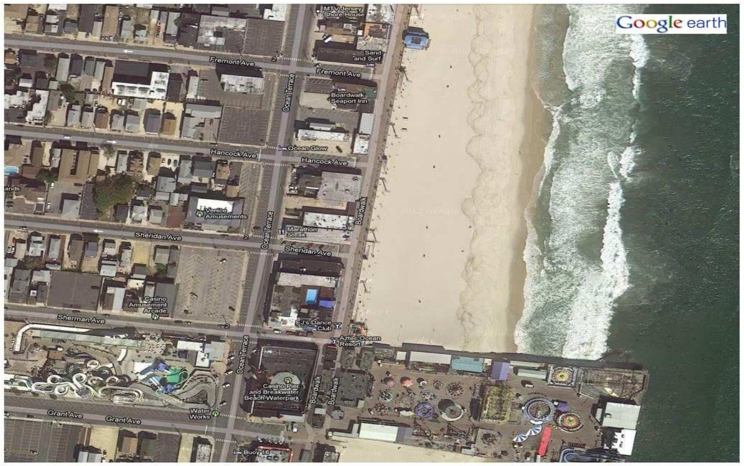




NJNG Natural Gas Exposed Main, Route 35 Mantoloking, NJ

Seaside Heights, NJ (Seaside Peninsula)

Before



After

Manasquan, NJ (Monmouth County Mainland)

- In the first three days following the storm, NJNG crews responded to over 1,300 leaks and made them all safe
- Over 400 individuals on the ground in affected areas
  - Crews from other east coast utilities worked alongside NJNG personnel
- Safety #1 Priority
- Decision made to shut down system on the Seaside peninsula and all of Long Beach Island
  - Approximately 30,000 customers affected
  - Expected water to infiltrate pipes due to no pressure
  - Other mainland towns such as Sea Bright and Manasquan also shut down

Superstorm Sandy – Scope of Curtailments

Area	Miles of Pipe Curtailed	Number of Customers Affected
Seaside Peninsula	116	15,207
Long Beach Island	150	13,756
Other affected areas	6	1,104
Total	272	30,067

- Long Beach Island
  - Assessment of pipe revealed less damage than expected (no water)
    - Majority of main and services salvageable
  - Restoration Plan implemented in three phases
    - Reintroduce natural gas into the main
    - Repair and replace meters to bring natural gas to the meter with leak surveys done at incremental pressure levels to ensure safety
    - Customer becomes "gas ready" and gets turned on following certification from qualified technician
  - As of November 26, natural gas currently available to all accessible meters except those with the most severe damage

Superstorm Sandy – Restoration Plans

- Seaside Peninsula
  - More debris than LBI which has slowed assessments
  - Assessment of pipe revealed more damage than LBI (but again, no water)
    - Much of main salvageable
  - Expect to begin restoration process by December 3, 2012
  - NJNG is installing approximately one mile of 12 inch main - the backbone of the system that serves the Seaside peninsula, due to three breeches in Mantoloking
  - Restoration similar to LBI, Plan includes three phases
    - Reintroduce natural gas into the main
    - Repair and replace meters to bring natural gas to the meter with leak surveys done at incremental pressure levels to ensure safety
    - Customer becomes "gas ready" and gets turned on following certification from qualified technician
  - Currently expect natural gas to all meters that can take gas safely by December 31, 2012

Superstorm Sandy – Restoration Summary

Area	Miles of Pipe Curtailed	Number of Customers Affected	Pct. of Customers with Gas Available*
Seaside Peninsula	116	15,207	-
Long Beach Island	150	13,756	99%
Other	6	1,104	98%
Total	272	30,067	
** As of November 26*			

- NJNG Capital Spending
  - Currently estimated at $40-$60 million*
  - Mains, services and predominately meter assemblies at customer's premise
  - As with normal operations, storm-related capital costs will be treated as additions to rate base
  - Options
    - Seek regulatory approval to use a portion of SAFE monies for storm-related capital costs
    - Re-evaluate our normal budgets, both utility and non-utility
    - File base rate case before required by SAFE settlement

** Preliminary and subject to change*

- Incremental O&M Costs
  - Currently estimated at $12-$20 million*
  - Assessment, leak survey and leak repair
  - Petition filed with the NJ BPU seeking deferred accounting treatment for incremental storm-related costs
  - Precedent exists in New Jersey for incremental O&M costs to be deferred and recovered subsequently in a base rate case

** Preliminary and subject to change*

Lost Utility Gross Margin

- Lost gross margin is estimated at about $1.5 -$2 million per month during the winter*
- Total utility gross margin in fiscal 2012 was nearly $276 million
- Expect all customers who can have service safely restored to be completed by December 31
- Some customers with severe damage may be lost for an extended period of time
  - For every 1,000 residential and 50 small commercial customers lost as a result of the storm, through total loss or condemnation, <u>the annual loss</u> in utility gross margin would be $407,000 and $32,000, respectively

** Monthly impact is seasonal*

Superstorm Sandy – Liquidity

- NJNG has adequate liquidity to cover storm expenses
- $200 million syndicated credit facility in place
  - Accordion feature of $50 million has been exercised
- Long-term debt
  - BPU approval in place for up to $200 million
  - 2013 plan included $50 million, but may be upsized, if needed
- Additional lines have been offered by lenders, if needed
- Re-evaluate normal capital budgets
- Flexibility with DRP/Repurchase Plan

- Earnings guidance will be given as usual with our first quarter fiscal 2013 earnings
- We will continue to provide updates on our system restoration progress
  - http://www.njng.com/safety/hurricane-sandy-updates/index.asp

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