



Fiscal 2013 Year-End Review

November 25, 2013



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. Words such as “anticipates,” “estimates,” “expects,” “projects,” “may,” “will,” “intends,” “expects,” “believes,” or “should” and similar expressions may identify forward-looking information and such forward-looking statements 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 NJR 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 dividend growth goal, NJR’s net financial earnings (NFE) for fiscal 2014, forecasted contribution of business segments to fiscal 2014, long-term financial goals, growth initiatives and NFE forecasts of NJR, expected contribution by new customers of New Jersey Natural Gas Company (NJNG) to utility gross margin, expected number of new customers of NJNG, new sources of utility gross margin at NJNG for 2014 through 2017, Solar Renewable Energy Certificate (SREC) prices, NJR’s effective tax rate, estimated capital expenditures in fiscal 2014 and beyond by NJNG and NJRCEV, planned natural gas vehicle (NGV) stations, the diversification of NJRCEV’s strategy, the impact of the Two Dot Wind farm on earnings, and NJRES’ growth opportunities include many factors that are beyond the Company’s ability to control or estimate precisely, such as estimates of future market conditions and the behavior of other market participants.

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), and production tax credits (PTC), the future market for SRECs 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 (including those related to restoration efforts resulting from Superstorm Sandy) 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 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; risks related to cyber-attack of failure of information technology systems; and the impact of natural disasters, terrorist activities, and other extreme events on our operations and customers, including any impacts to utility gross margin, and restoration costs resulting from 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), our Annual Report on Form 10-K to be filed on November 25, 2013, and our Quarterly Report on Form 10-Q, filed with the SEC on May 3, 2013, each of which is available on the SEC’s website at sec.gov. Information included in this presentation is representative as of today only and while NJR periodically reassesses material trends and uncertainties affecting NJR’s results of operations and financial condition in connection with its preparation of management’s discussion and analysis of results of operations and financial condition contained in its Quarterly and Annual Reports filed with the SEC, NJR 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.



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. This information has been provided pursuant to the requirements of SEC Regulation G.

Fiscal 2013 - Highlights of a Challenging Year

- Achieved our 22nd consecutive year of higher NFE; increased dividend for the 18th consecutive year
- Despite Superstorm Sandy, added 11 percent more new utility customers than fiscal 2012
- Invested \$60 million in solar and recently announced first wind project
- NJRES nearly doubled its NFE from fiscal 2012
- Generator sales and equipment installations led to improved Home Services results
- Established a platform to support long-term growth

NJR Delivered Improved Performance in the Quarter and Fiscal Year



Company	September 30,		September 30,	
	2013	2012	2013	2012
New Jersey Natural Gas	\$(3.1)	\$(5.2)	\$73.8	\$73.2
NJR Energy Services	(2.2)	(7.3)	19.3	10.8
NJR Clean Energy	1.0	(1.4)	10.1	19.5
NJR Midstream	1.6	1.3	7.2	6.8
NJR Home Services/Other	2.5	1.5	3.3	2.1
Total	\$(0.2)	\$(11.1)	\$113.7	\$112.4
Per basic share	\$(.01)	\$(.27)	\$2.73	\$2.71

Despite Superstorm Sandy, NJNG Delivered Improved Results



Change in NJNG Gross Margin	
(Thousands)	2013 vs. 2012
Customer Impact	\$3,221
AIP	821
SAVEGREEN	1,018
Superstorm Sandy	(3,362)
Total	\$1,698

- Approximately 75 percent of Sandy customers back
- \$26.1 million invested in system restoration
 - Will seek recovery in November 2015 base rate case
- \$14.8 million in deferred O&M costs

Fiscal 2013 Segment Results

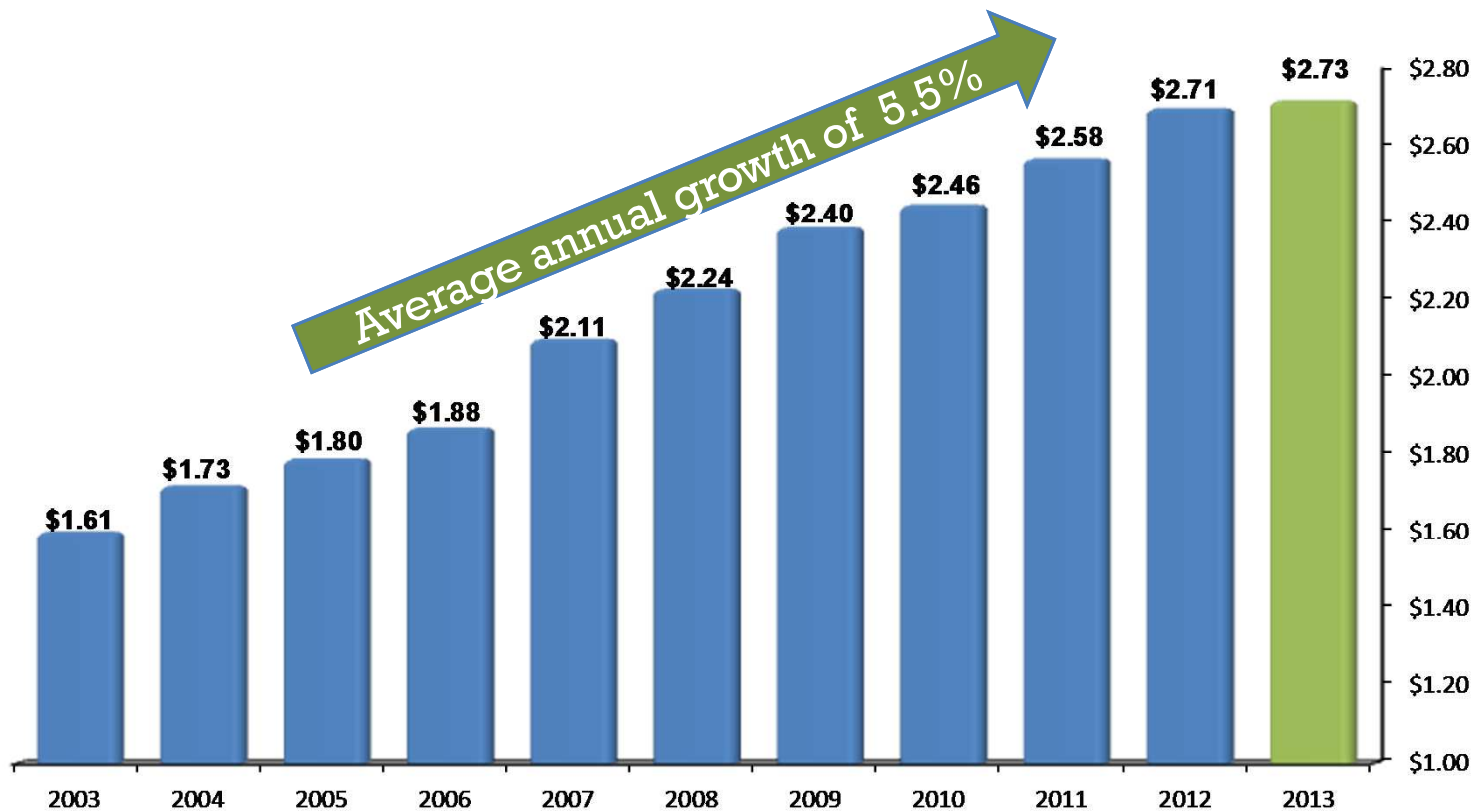


- NJR Energy Services -- Benefited from pockets of cold winter and hot summer weather
- NJR Midstream -- Improvement from lower expenses and improved performance at Iroquois Pipeline
- NJR Clean Energy Ventures -- Lower capital spending due to grid-connected approval process
- NJR Home Services -- Higher results from increased generator sales and equipment installations

Fiscal 2013 Net Financial Earnings

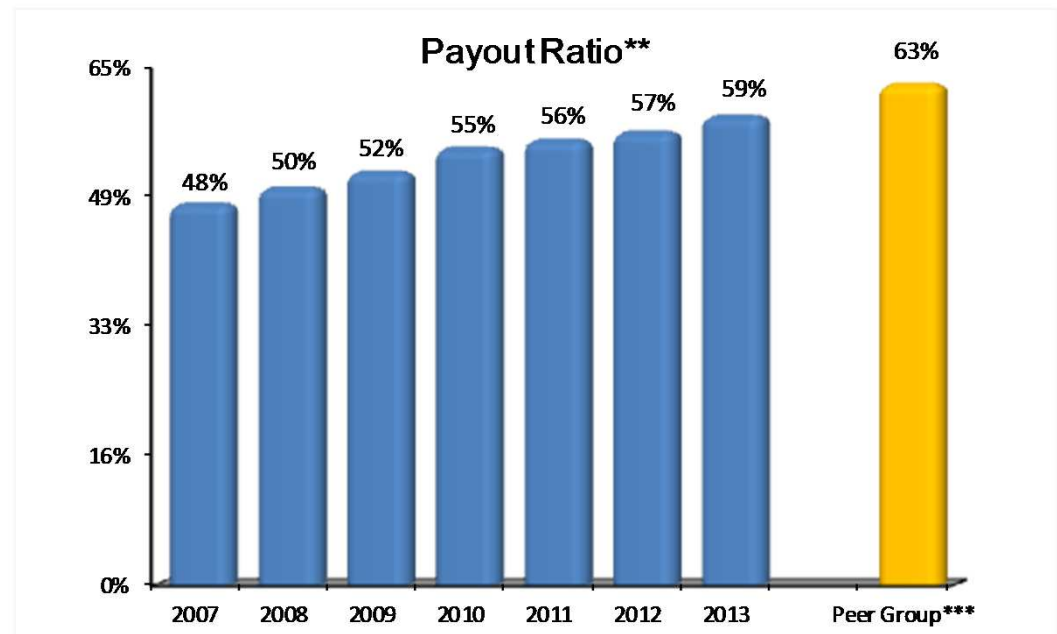


Net Financial Earnings Per Share





Growing and Sustainable Dividend



Goal is to grow dividend 5 percent annually

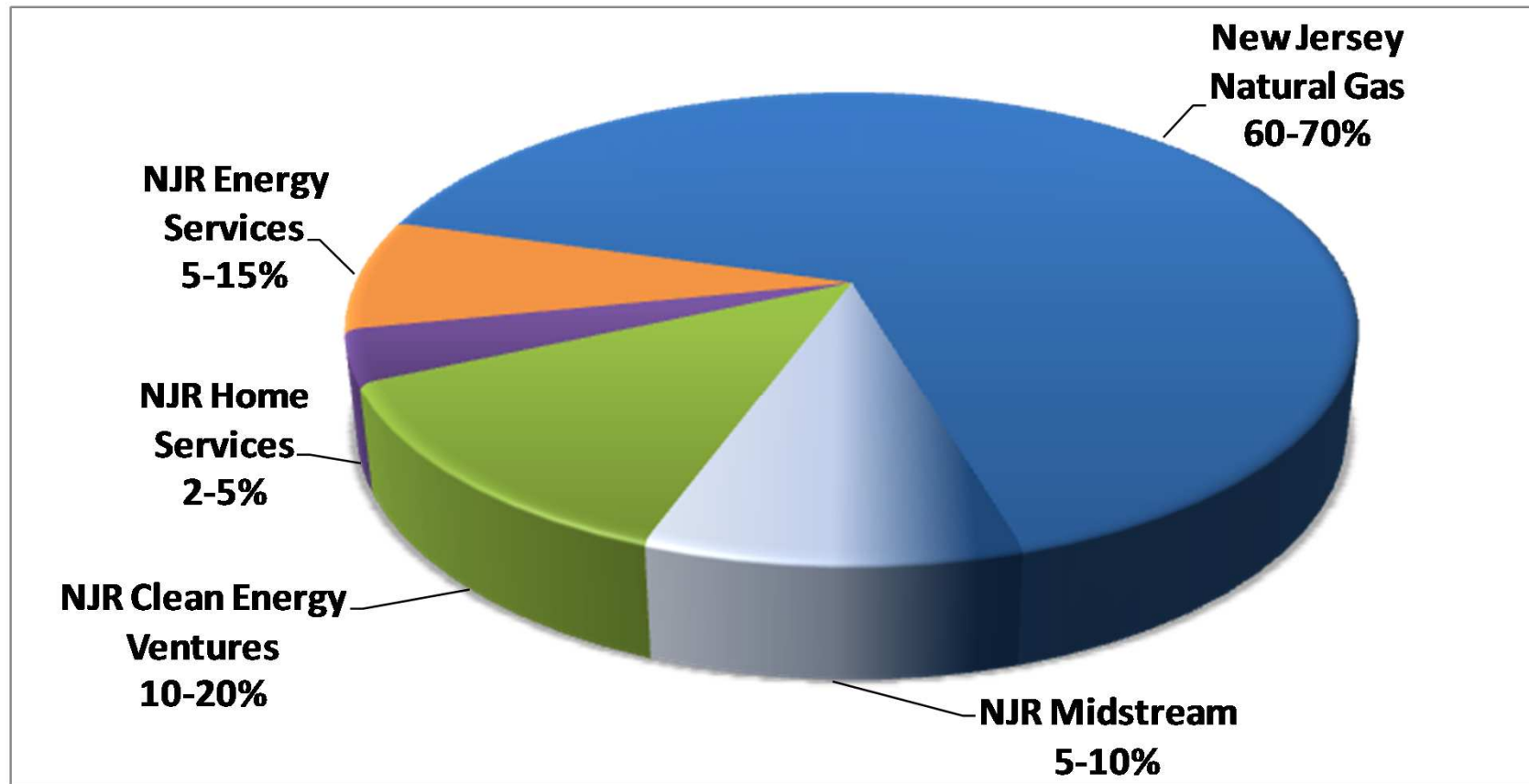
* Current annual rate

** Based on NJR net financial earnings

*** Peer group average based on 2013 earnings estimates and indicated dividend from Bloomberg. Peer group: ATO, GAS, LG, NWN, PNY, SJI, SWX, VVC and WGL



Fiscal 2014 NFE Per Share Guidance - \$2.75 to \$2.95



Regulated businesses expected to contribute
65-80 percent of total NFE

4 to 7 Percent Average Long-Term Annual NFE Growth Strategies



Regulated Businesses

- **Significant increase in NJNG regulated infrastructure investments**
- **Diversified sources of NJNG gross margin**
- **November 2015 base rate filing**
- **Targeted growth from NJR Midstream**

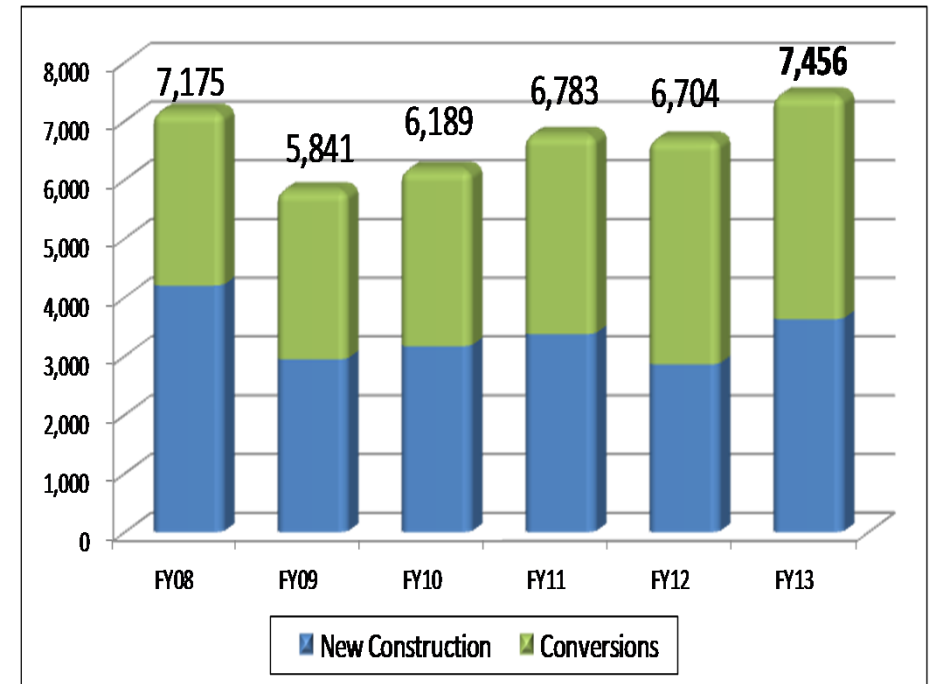
Non-Regulated Businesses

- **Diversify clean energy portfolio**
- **Expand onshore wind investments**
- **Steady contributions from NJR Energy Services**
- **Expanded products and markets at NJR Home Services**

NJNG Customer Growth Estimated to Add \$3.9 Million Annually of Utility Gross Margin



- **7,456 new customers in fiscal 2013**, up 11 percent over last year; highest number since 2008
- **3,627 new construction customers**; up 27 percent over last year
- **3,829 conversions from other fuels**; 51 percent of total
- **619 existing customer heat conversions in fiscal 2013**

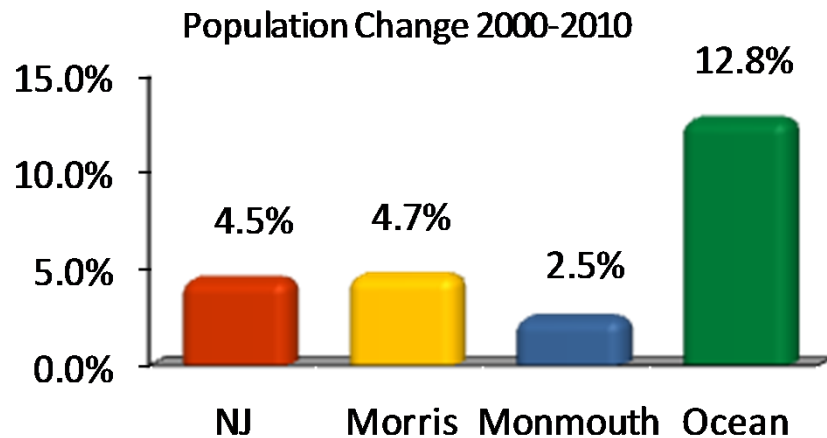


Over next two fiscal years, NJNG expects to add 14,000-16,000 new customers

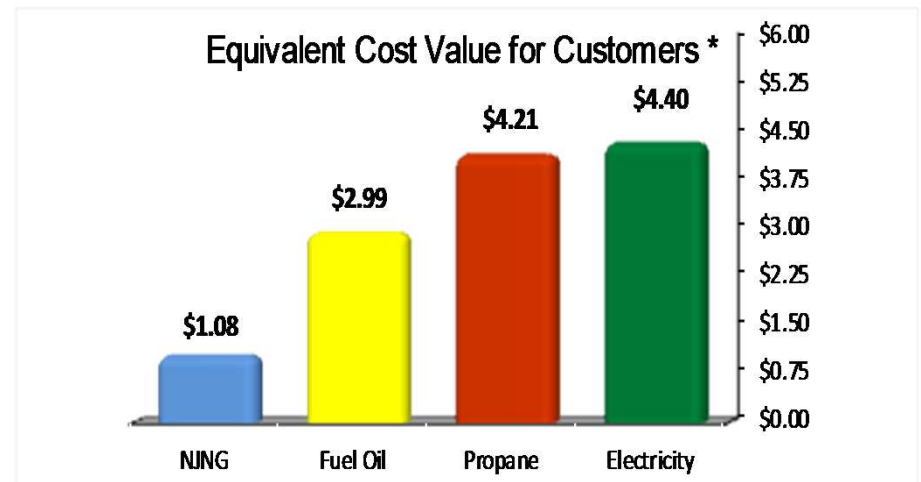


Key Trends Support Future Customer Growth

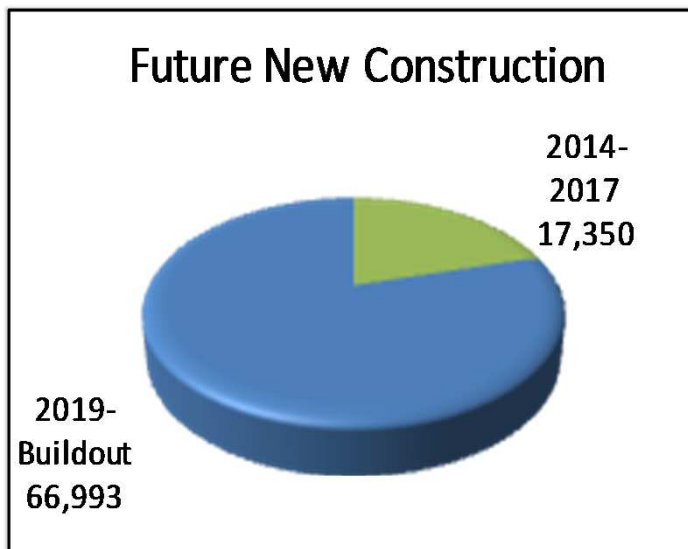
Demographics



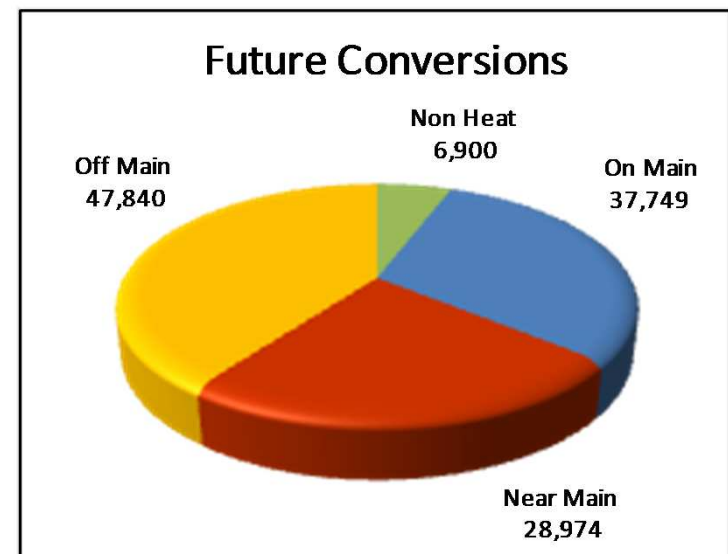
Fuel Pricing



Future New Construction



Future Conversions



Sources for new construction: Arthur D. Little, Harte Hanks and NJNG
 Source for Population change: US Census Bureau

Source for Fuel Pricing: US Energy Information Administration. * Data as of November 2013. Based on 100,000 comparable BTUs



Capital of Over \$1 Billion Drives Long-Term Growth

NJNG Capital Expenditure Estimates							
(\$mm)	2009-2012 Actual	2013A	2014E	2015E	2016E	2017E	Total
Customer Growth	\$79.4	\$24.5	\$24.7	\$25.6	\$25.5	\$25.5	\$205.2
Maintenance/Other	177.4	42.5	63.3	55.9	48.1	40.6	427.8
AIP/SAFE	136.7	45.3	31.6	33.7	39.1	-	286.4
Superstorm Sandy	-	26.1	5.3	5.2	-	-	36.6
NGV Advantage	-	1.0	9.0	-	-	-	10.0
NJ RISE	-	-	4.6	13.0	12.0	12.0	41.6
Liquefaction/LNG	-	-	16.0	16.3	3.4	-	35.7
Southern Reliability	-	-	2.3	12.3	80.6	34.8	130.0
SAVEGREEN	36.5	24.0	42.5	42.5	-	-	145.5
Total	\$430.0	\$163.4	\$199.3	\$204.5	\$208.7	\$112.9	\$1,318.8

NJNG Expects Base Rate Case Resolution by Fiscal 2017



Current NJNG Infrastructure Investments

- **SAFE** (Safety Acceleration and Facility Enhancement Program)- \$130 million over four years to replace 276 miles of cast iron and unprotected steel main
 - **FISCAL 2014 GOAL:** Invest \$32 million, complete 79 miles of replacement pipe
- **Superstorm Sandy** - Range of \$35 to \$40 million over three years
 - **FISCAL 2014 GOAL:** Deploy \$5 million for continuing system restoration
- **NGV Advantage** - Total investment up to \$10 million; \$6 - \$8 million already committed to three refueling stations
 - **FISCAL 2014 GOAL:** Seek to commit remaining capital of \$2 - \$4 million of capital before December 2013; Open CNG stations to public
- **SAVEGREEN** – Promotes customer investment in high-efficiency heating equipment; invest up to \$85 million over the next two years
 - **FISCAL 2014 GOAL:** Implement and expand program offerings to residential and commercial customers

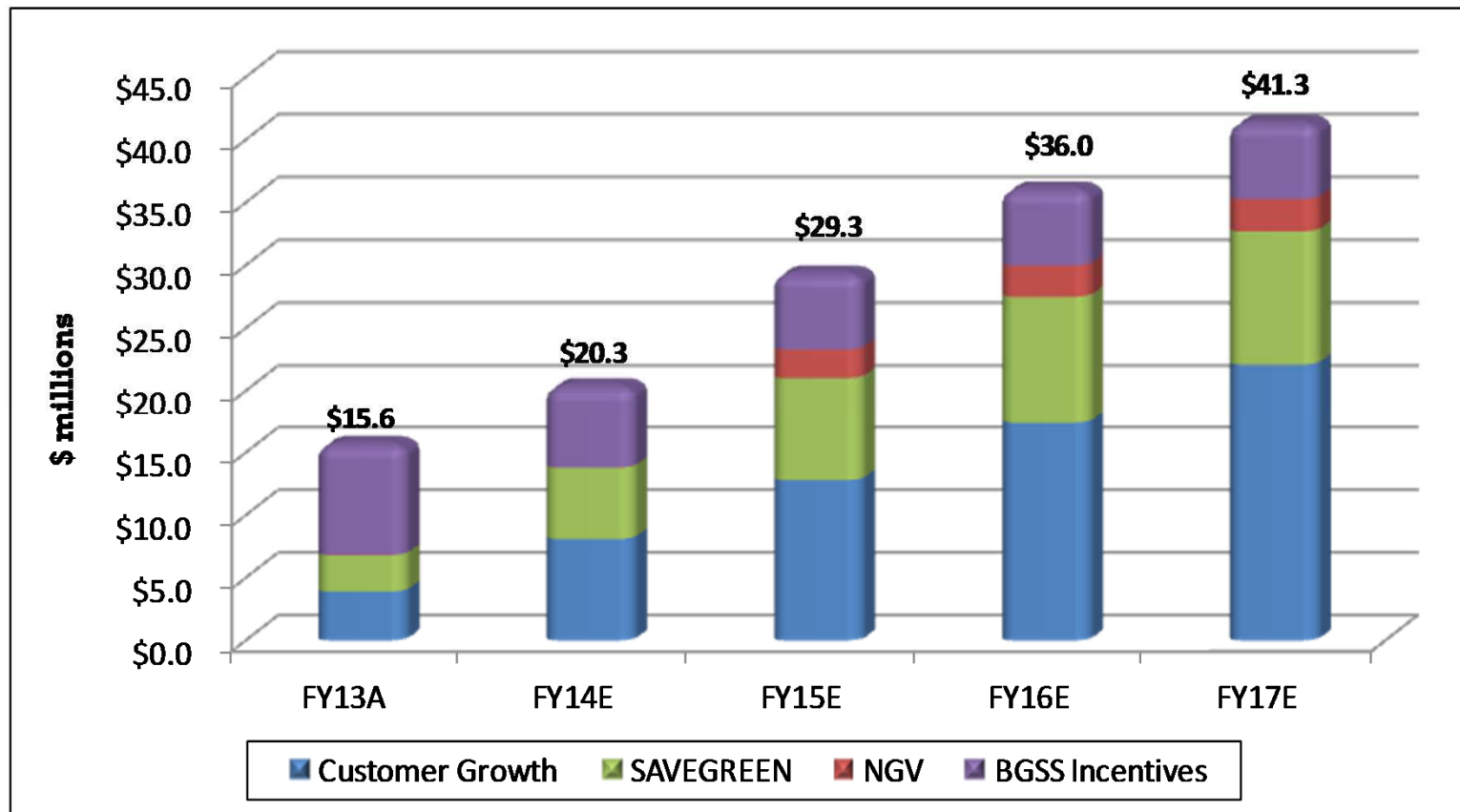


Planned NJNG Infrastructure Capital Projects

- **NJ RISE** (Reinvestment in System Enhancement) - \$102 million
 - NJNG storm response plan filed with NJ BPU on September 3, 2013
 - Additional pipe to barrier islands and excess flow valves
 - **FISCAL 2014 GOAL:** Develop regulatory review process; will set timetable for NJ BPU decision this fiscal year
- **Liquefaction Facility/LNG Upgrades** - \$35.7 million
 - Reduces LNG transportation costs and creates customer savings
 - **FISCAL 2014 GOAL:** Invest \$16 million in equipment; completion by fiscal 2016
- **Southern Reliability Link (SRL)** - \$130 million
 - Adding high-pressure natural gas pipeline to support reliability, diversify supplier base and support growth in Ocean County
 - **FISCAL 2014 GOAL:** Finalize route selection and engineering design; submit engineering studies to NJ BPU



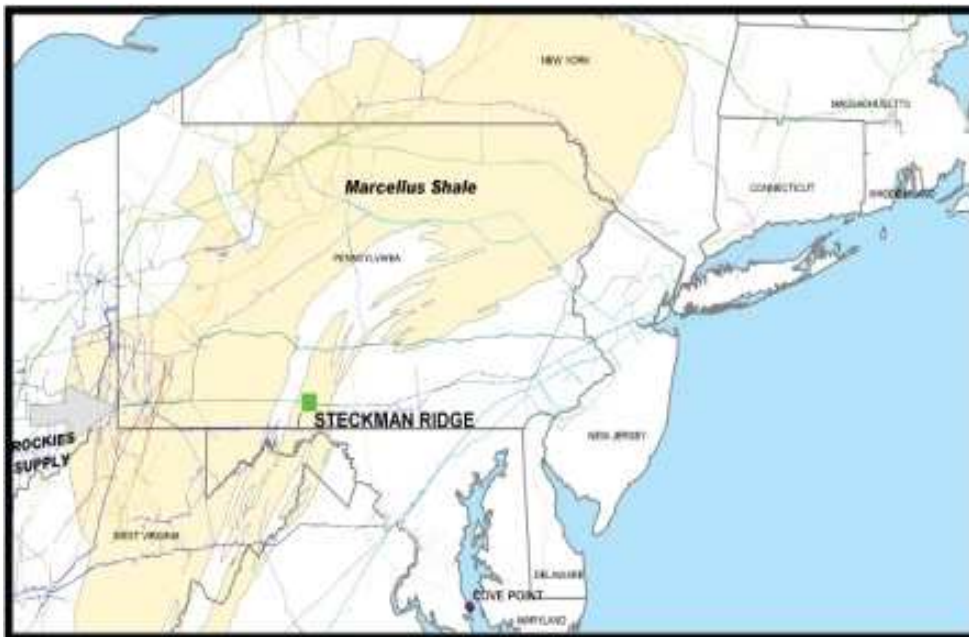
Diversified and Growing NJNG Gross Margin



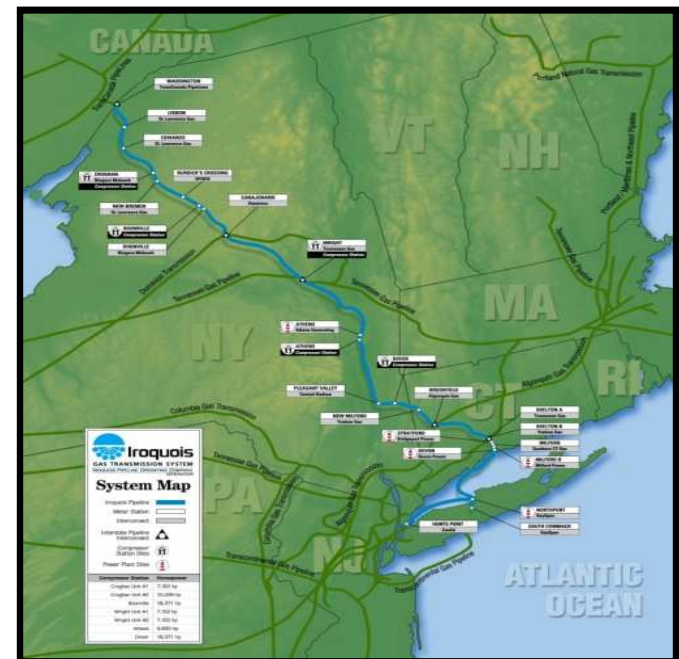
Incremental utility gross margin expected to more than double by fiscal 2017

- Current investments provide 5 to 10 percent of NFE
- Strategic Marcellus location supports value
- Leverage customer contacts to identify new opportunities

50/50 joint venture with Spectra Energy
12 Bcf natural gas storage facility in SW PA



5.53 percent interest in gas pipeline to serve the Northeast market





Clean Energy Portfolio Strategy

- Renewable Portfolio Standard (RPS) provides a growing source of demand
 - 62 MW inventory of grid-connected projects over next three years
 - Sunlight Advantage residential solar program
- Eliminate reliance on solar ITC by January 2017
 - Currently estimate approximately 174,000 SRECs by fiscal 2017
 - Solar investments beyond 2017 depend on market conditions
- Continue to diversify into onshore wind projects and other clean energy investments
- **FISCAL 2014 GOALS:**
 - Solar spending of \$60-\$95 million
 - One or two onshore wind projects in the 20-70 MW range



Clean Energy Portfolio Diversification: Onshore Wind

■ Why are we doing this?

- Supports NJR's electric strategy
- Earnings growth opportunities supported by long-term Power Purchase Agreements (PPAs) with annuity-like returns
- 29 states and the District of Columbia have RPS
- Tax credits are production based

■ How will growth continue?

- Increase SREC revenue; higher prices and volume
- Invest in onshore wind projects and other clean energy investments
- Regulated earnings growth

Long-term goal to maintain NJRCEV at 10 to 20 percent of NFE



Clean Energy Portfolio Diversification: Two Dot Wind Farm

- Announced on October 23, 2013
- 9.7 MW utility scale wind farm project located in Montana, east of Helena
- Approximately \$22 million investment; PTC eligible
- 25-year PPA in place to sell power to NorthWestern Energy to support their RPS requirement
- Strong partners - GE, Mortenson Construction, etc.
- **Current Status:**
 - Construction work underway
 - All turbines to be on site in December
 - Commercial operations on track for summer 2014



NJR expects Two Dot to contribute to earnings in
fiscal fourth quarter 2014



NJRES: Growth Opportunities in a Changing Market

- Portfolio restructured to succeed in current market
- Growth opportunities from physical natural gas and producer services
- Providing energy solutions for diverse customers in the Marcellus Shale and other natural gas regions
- Producers, Utilities, Power Generators, Pipelines and Industrials
- Holds 1.1 Bcf/day of firm transportation and more than 33 Bcf of storage throughout the U.S. and Canada
- 5 to 15 percent of total NFE fiscal 2014





NJR Home Services: Retail Solutions for Customer Comfort

- Majority of earnings derived from service contracts
 - Approximately 121,000 service contract customers
 - Expanded array of services now offered
 - Whole-house electric and plumbing contracts
 - Standby generator contracts
 - Air conditioning
 - Generators
- Brand recognition provides confidence
- 2 to 5 percent of total NFE in fiscal 2014





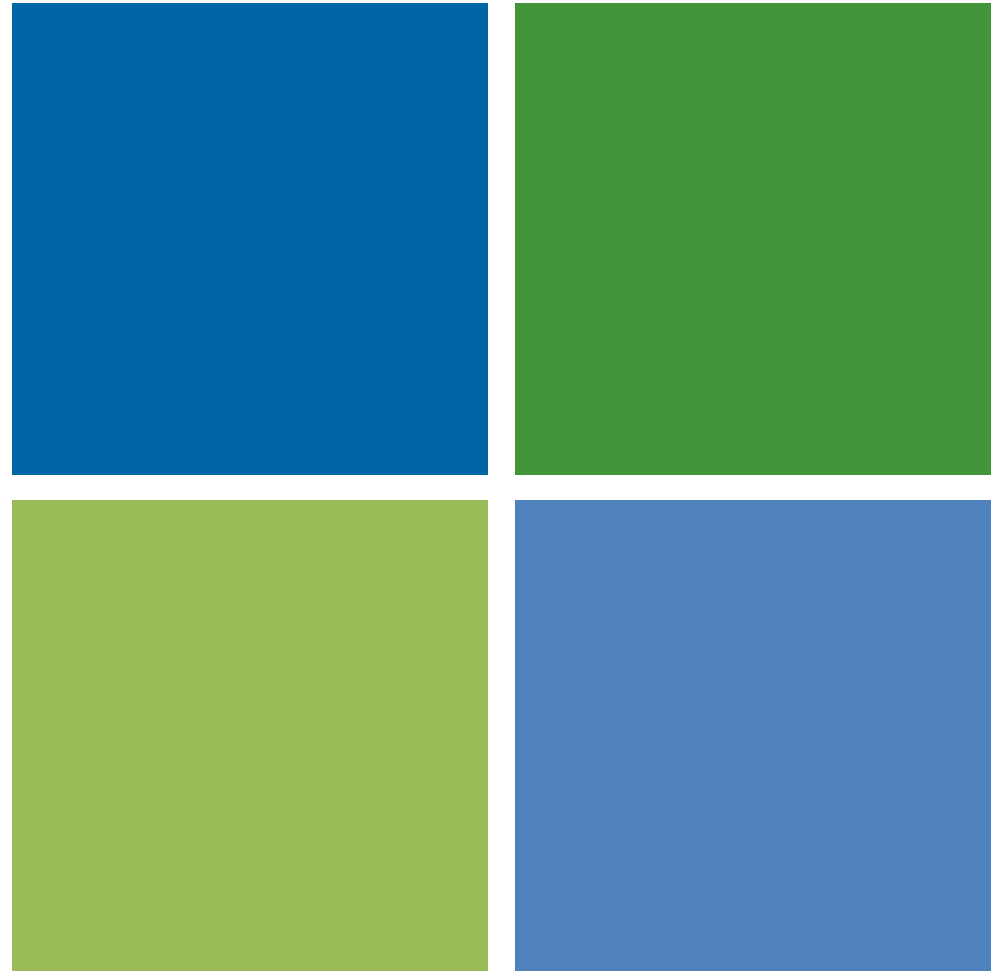
NJR Affirms Long-Term Financial Goals

- **Achieve average long-term NFE growth of 4 to 7 percent**
 - Significant capital investment in regulated business to support customer growth and maintain safe, reliable and resilient service
 - New customers and regulatory initiatives generate significant NJNG utility gross margin growth
- **Provide annual dividend growth of at least 5 percent**
 - Targeted payout ratio of 60 to 65 percent
- **Expect at least 65 to 80 percent of earnings from Regulated Businesses**
 - Supported by constructive and collaborative regulatory relationships

NJR Will Continue to Meet Customer and Investor Expectations



- ✓ Delivering consistent net financial earnings and dividend growth
- ✓ Investing significantly in NJNG's infrastructure to enhance system reliability
- ✓ Diversifying and growing NJNG's gross margin
- ✓ Committing capital to clean energy portfolio
- ✓ Growing other energy-related, non-utility businesses



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