

New Jersey Resources

AGA Financial Forum

Orlando, FL
May 16, 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 the 2011 fiscal year, the contributions expected to net financial earnings by NJNG, NJRCEV and Midstream Assets, NJRES and NJR Home Services, expected contribution by new customers of NJNG to utility gross margin, expected new customers of NJNG, the approval of NJNG’s extension of its current margin-sharing incentive programs, the AIP II, the anticipated annual effective tax rate for 2011 and NJR’s tax position and underlying assumptions 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; NJR’s dependence on operating subsidiaries; demographic changes in NJNG’s service territory; the rate of NJNG customer growth; volatility of natural gas and other commodity prices and their impact on customer usage, 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 that would result in the increased cost and/or limit the availability of credit at NJR to fund and support physical gas inventory purchases and other working capital needs at NJRES, and all other non-regulated subsidiaries, as well as negatively affect cost and access to the commercial paper market and other short-term financing markets by NJNG to allow it to fund its commodity purchases, capital expenditures and meet its short-term obligations as they come due; ability to comply with debt covenants; continued failures in the market for auction rate securities; 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, 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 the investments in solar energy projects, including the availability of regulatory and tax incentives, logistical risk 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 (ITCs) and the future market for Solar Renewable Energy Credits (SRECs) that are traded in a competitive marketplace in the state of New Jersey; risks associated with the calculation of NJR’s effective tax rate; the level and rate at which costs and expenses are incurred and the extent to which they are allowed to be recovered from customers through the regulatory process in connection with constructing, operating and maintaining NJNG’s natural gas transmission and distribution system; dependence on third-party storage and transportation facilities for natural gas supply; operational risks incidental to handling, storing, transporting and providing customers with natural gas; access to adequate supplies of natural gas; the regulatory and pricing policies of federal and state regulatory agencies; the costs of compliance with present and future environmental laws, including potential climate change-related legislation; the ultimate outcome of pending regulatory proceedings; the disallowance of recovery of environmental-related expenditures and other regulatory changes; and environmental-related and other litigation and other uncertainties. The "pipeline of projects" referred to in this presentation are not under contract and are subject to negotiation of final terms and all of the aforementioned risks. The aforementioned factors are detailed in the “Risk Factors” sections of our most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q, as filed with the Securities and Exchange Commission (SEC) and which are 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.

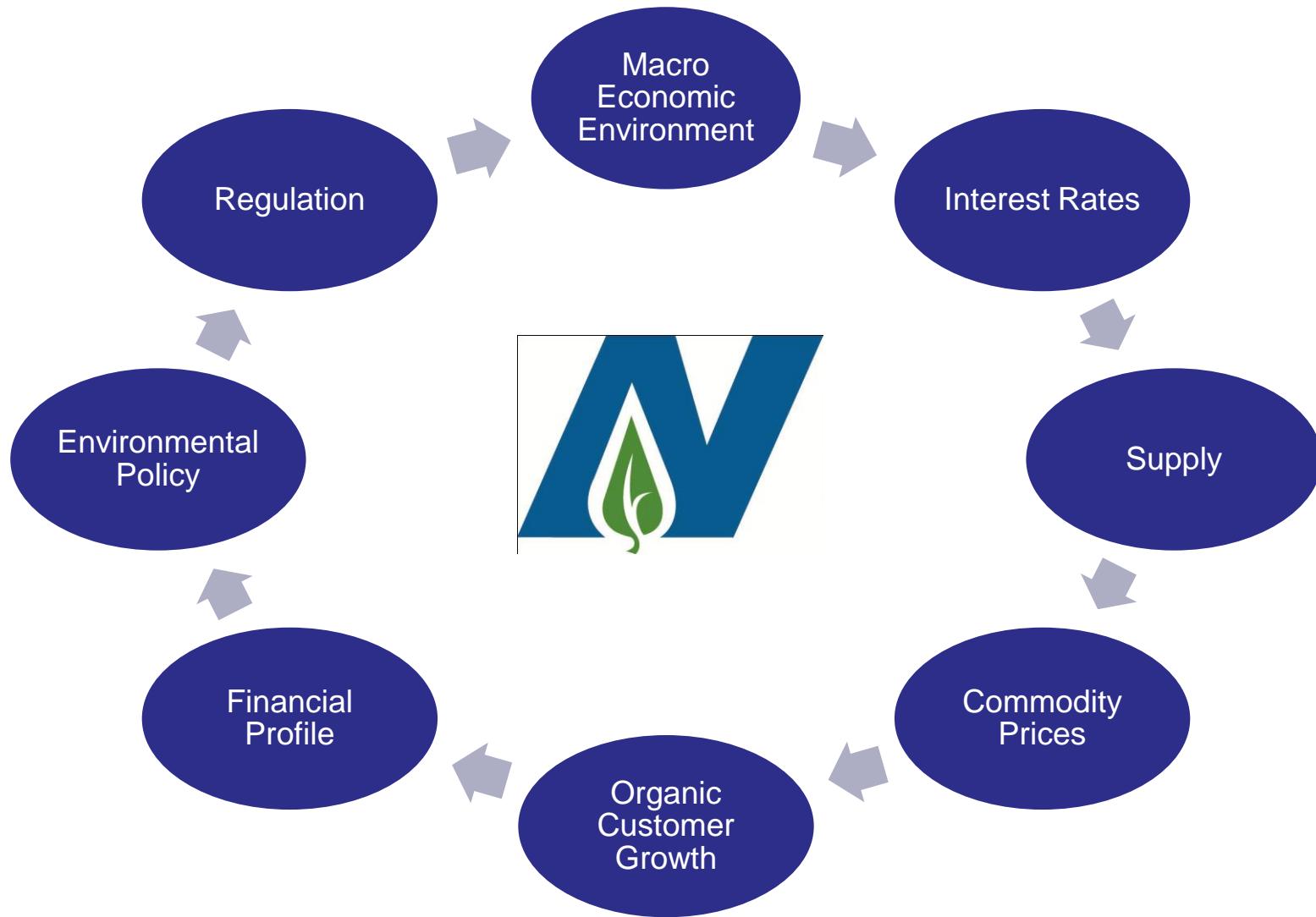


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Disclaimer Regarding Non-GAAP Financial Measures

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, 2010, filed on November 24, 2010.





- Net Financial Earnings for the six months ended March 31, 2011
 - \$2.33 vs. \$2.20 last year, a 5.9 percent increase
- NFE guidance reaffirmed – range of \$2.50 to \$2.65 per share
- Implemented a 5.9 percent dividend increase effective January 3, 2011
- Strong results from NJNG
 - Steady customer growth
 - Higher BGSS incentive margins
 - AIP investments
- Continued progress on clean energy strategy
 - Two Adler projects in place
 - Announced the Manalapan Village Project

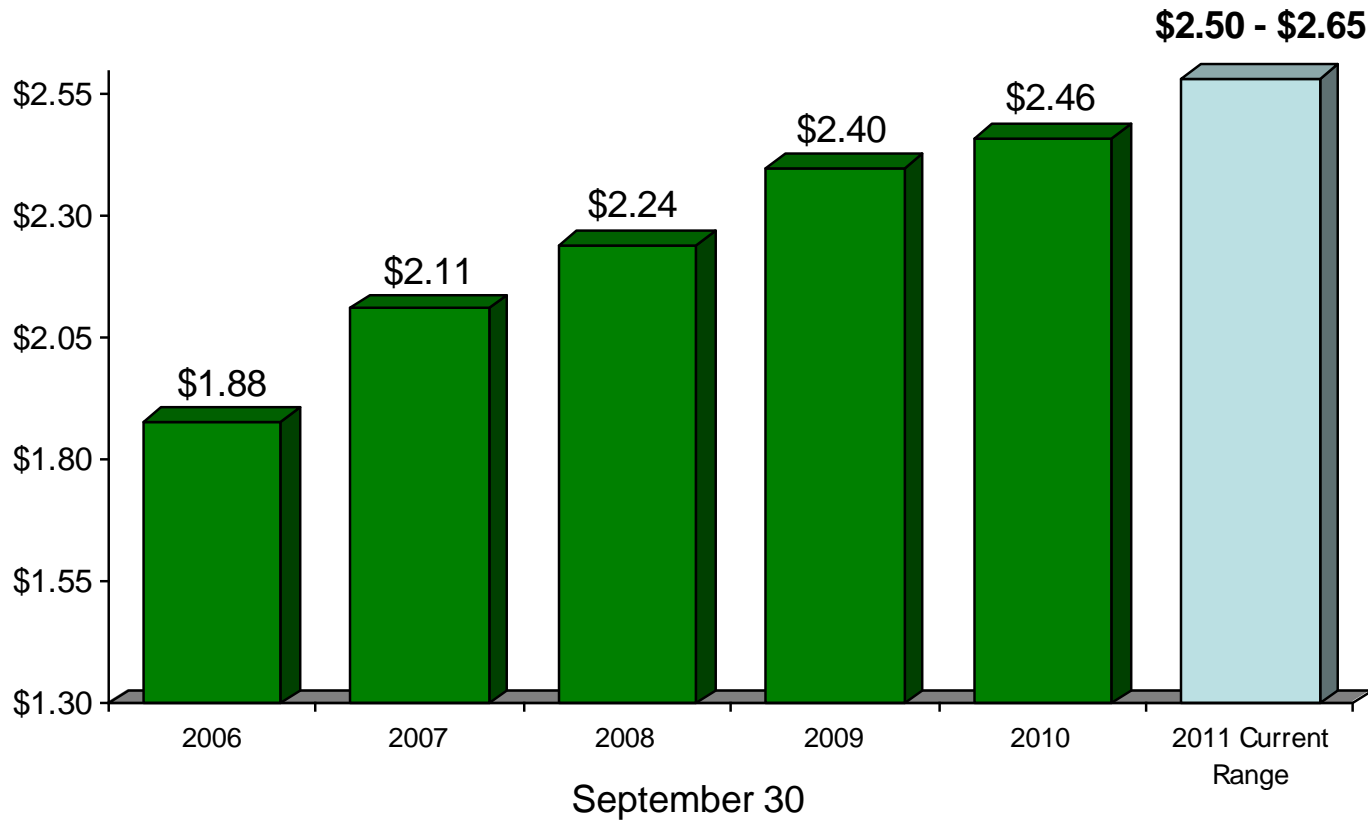


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Company	FY 2011	FY 2010	Change
New Jersey Natural Gas	\$68.4	\$64.0	\$4.4
NJR Energy Services	19.2	26.0	(6.8)
Midstream Assets	3.9	3.4	0.5
Clean Energy	5.2	-	5.2
NJRHS & Other	(0.5)	(2.0)	1.5
Total	\$96.2	\$91.4	\$4.8
Per basic share	\$2.33	\$2.20	\$0.13

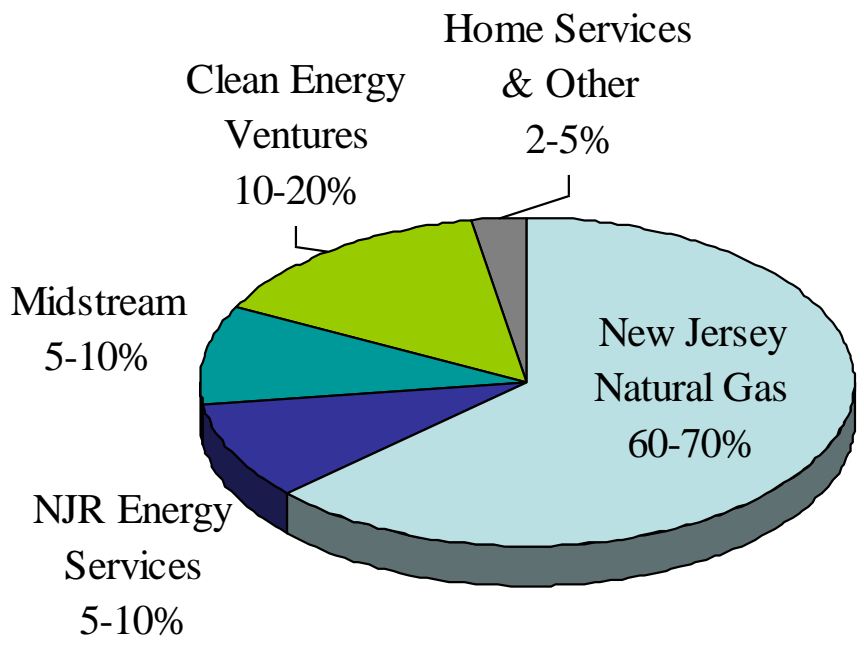


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Consistent Financial Performance



NJR estimates net financial earnings of \$2.50 to \$2.65 per basic share in fiscal 2011

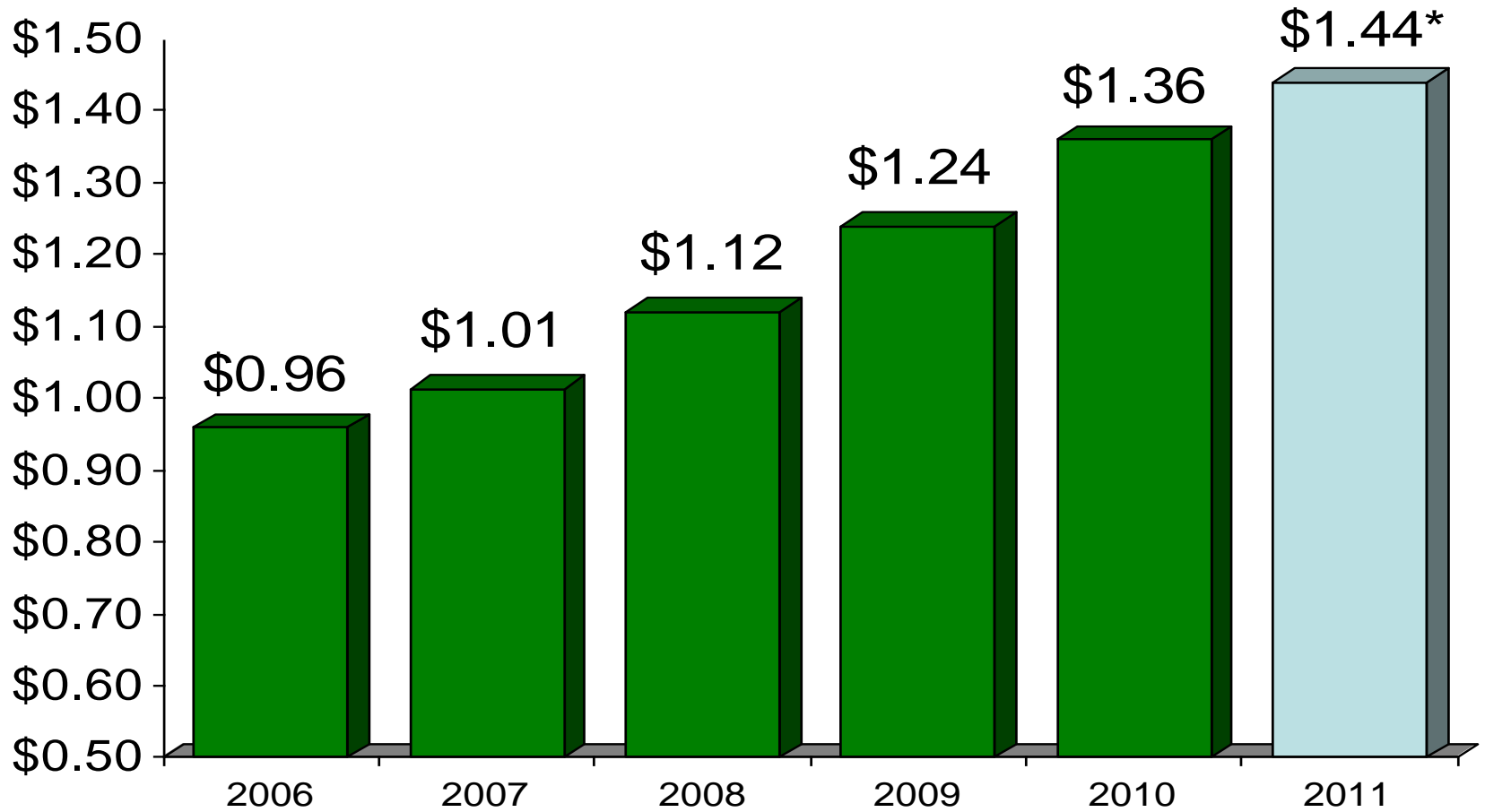


Infrastructure-based businesses expected to contribute up to 90 percent of fiscal 2011 NFE



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Dividend Growth

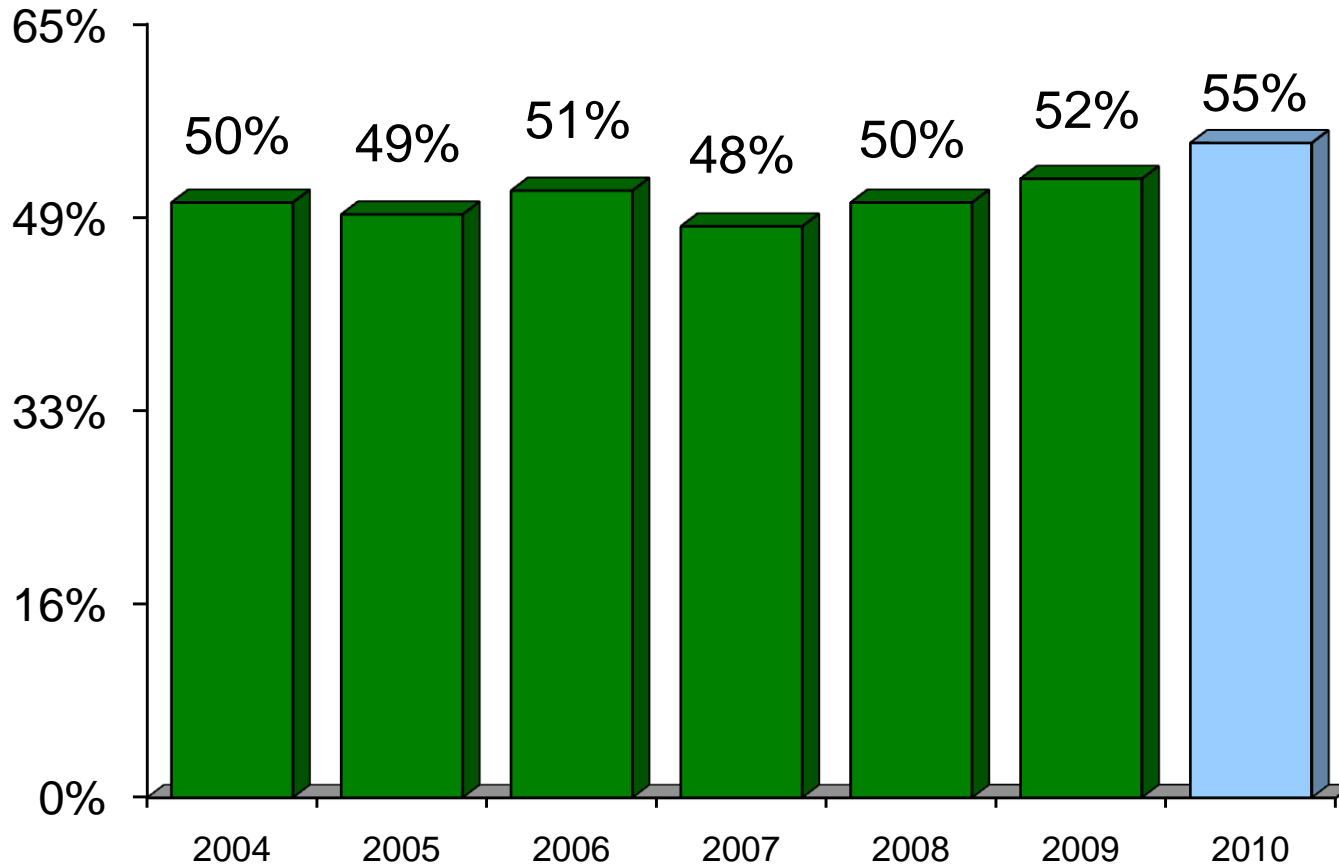


* Effective January 3, 2011



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Payout Ratio

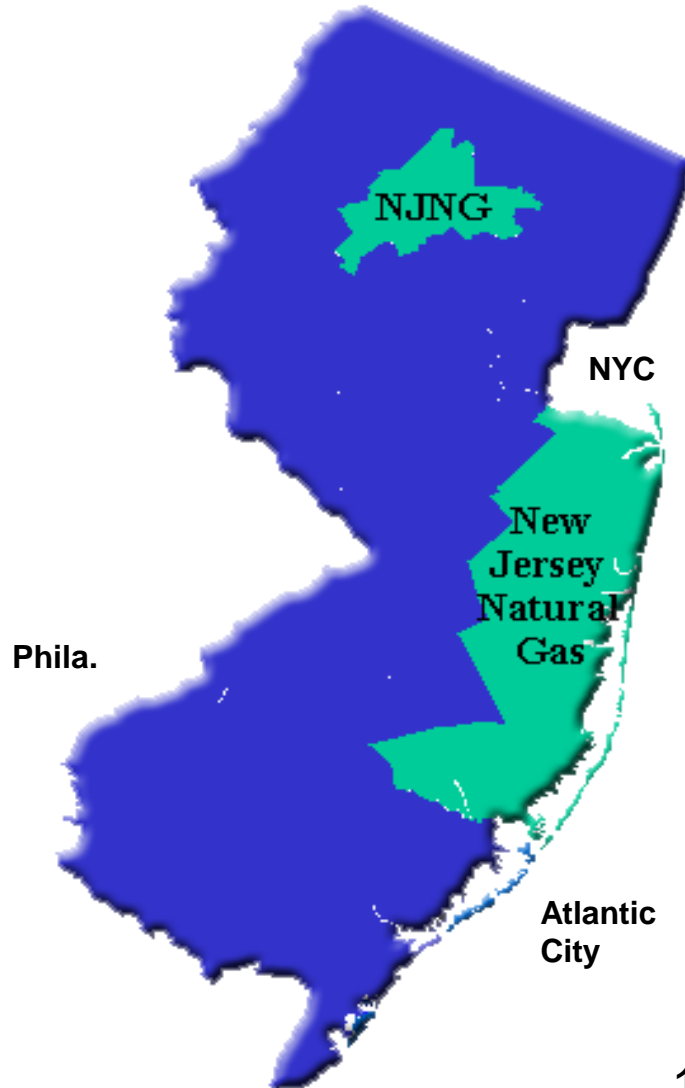


Relatively low payout ratio provides continued dividend growth opportunities



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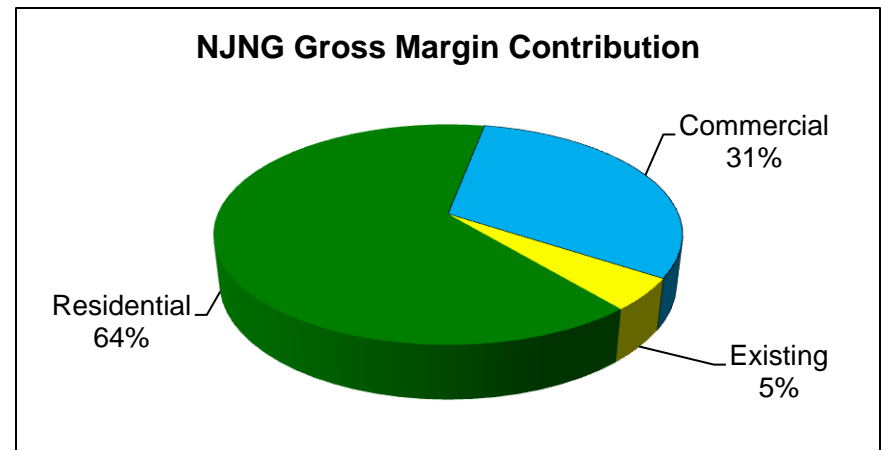
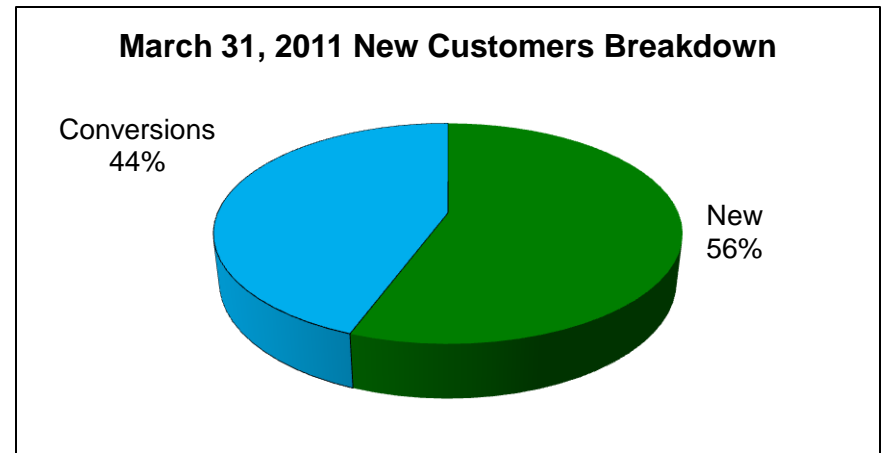
Our Core Business



- **Approximately 495,000 customers**
- **\$943 million of rate base**
- **100 percent residential & commercial customers**
- **Favorable demographics to support customer growth**

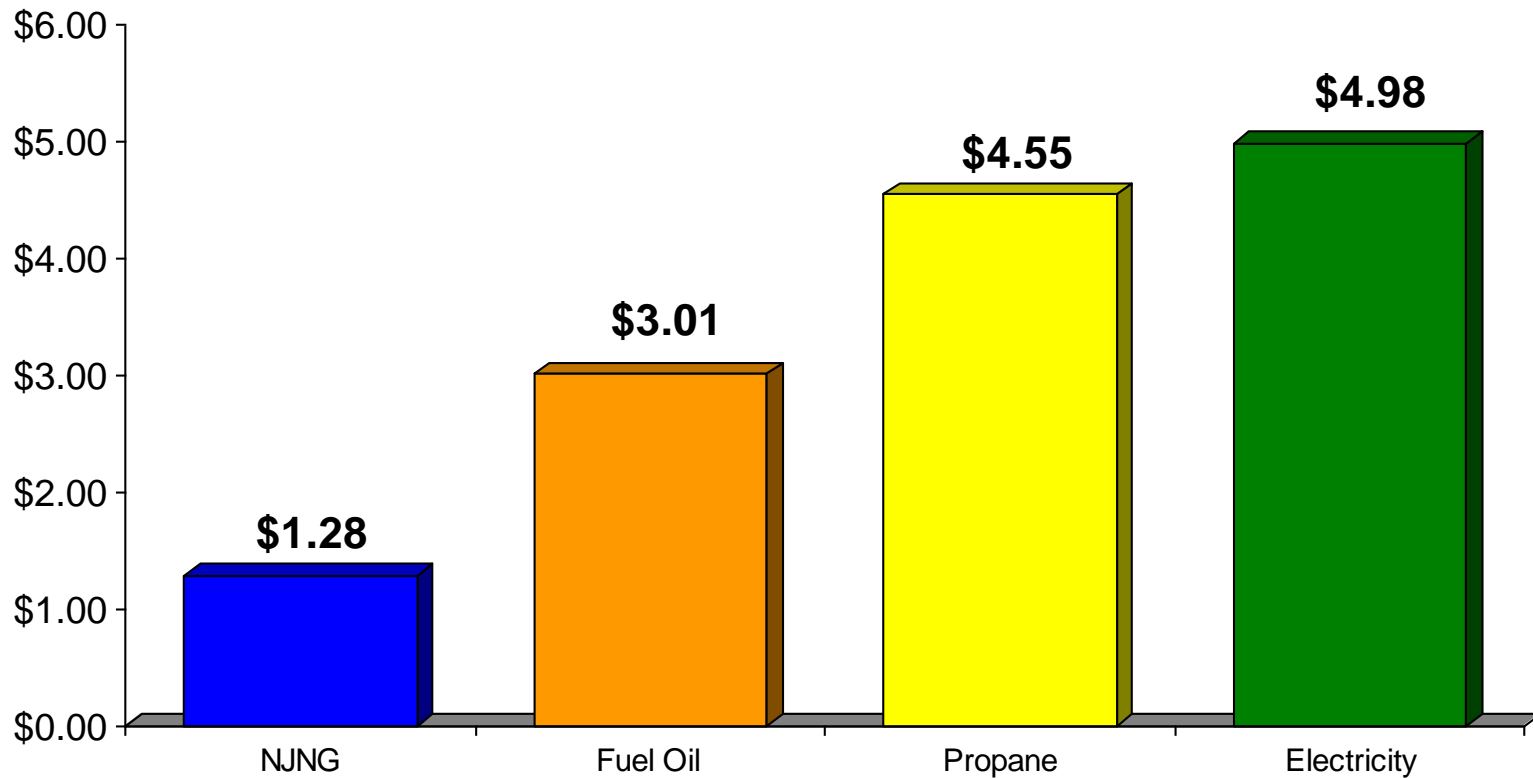


- 3,070 new customers through March 31, 2011, a 23 percent increase over fiscal 2010
- 305 additional existing customer heat conversions
- FYTD new customers and existing customer conversions are expected to contribute approximately \$1.6 million of new NJNG utility gross margin annually
- Estimate 12,000 to 14,000 new customers over the next two years





Fuel Price Comparison



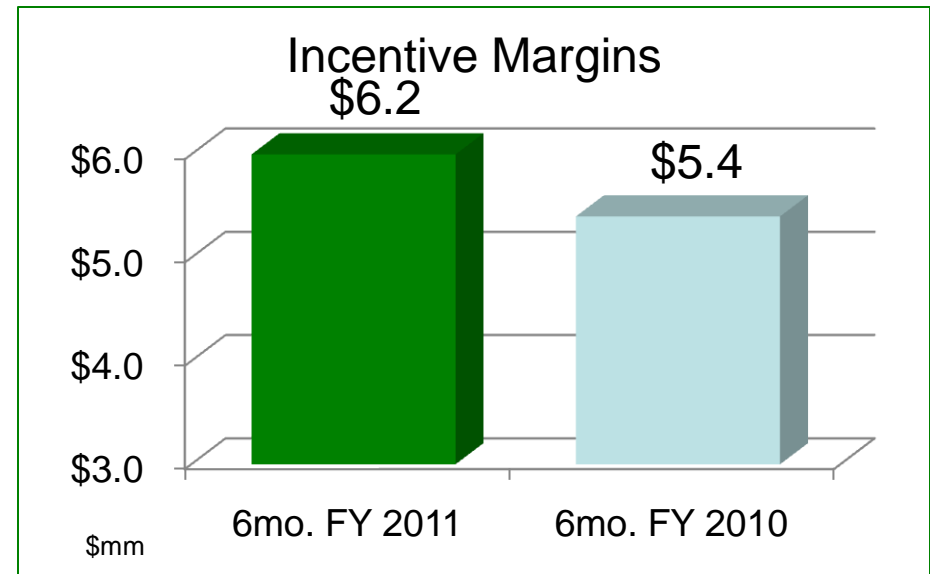
NJNG enjoys a distinct price advantage in its service area

Source: EIA

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



- 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: \$523 million

Request for five-year extension of incentive programs filed with NJ BPU on April 1, 2011



Accelerated Infrastructure Programs (AIP)

- Investment of \$70.8 million on infrastructure projects
 - Since inception in 2009, NJNG has expended \$61 million (March 2011)
 - \$36.4 million of AIP expenditures now included in base rates
 - Rate recovery of program spending annually at WACC of 7.76 percent
- Another \$60.2 million approved by BPU under AIP II on March 31, 2011

Conservation Incentive Program

- In place through September 30, 2013; encourages customer conservation
- Customers have saved over \$181 million since inception
- Protects NJNG utility gross margin from declining usage and weather



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Clean Energy Strategic Rationale

- Opportunity to create shareowner value
- Consistent with our core energy strategy
- Energy and monetary savings for customers
- Promotes economic development and job creation
- Supports New Jersey's environmental goals



- Three sources of investment value
 - Investment Tax Credits (ITC)
 - Energy sales
 - SRECs
- Tax credits reduce capital at risk
 - ITC in place through 2016
- SREC market supports investment in NJ
 - Existing Solar Alternative Compliance Payment priced through 2017
 - NJ's commitment to clean energy has created attractive SREC market
- Relatively short payback period (four to six years)
- Market cost of capital used to evaluate investment opportunities



- First phase of residential solar program offered in March 2010
 - 85 installations completed
 - Approximately \$3.4 million invested
- Sunlight Advantage™ Program Status:
 - Opportunity for an additional 350 customers
 - 298 leases signed
 - Average size 7.6 kilowatts
 - \$9.3 million of capital committed
 - Growing installation network of contractors
 - Over 1,000 inquiries received since announcement





- Rooftop and ground-mounted solar installations
 - Focus on 0.5 to 10 megawatt projects
 - Retail and wholesale energy transactions
 - Multiple stakeholder value streams
- Plan to invest a total of \$40 to \$60 million in fiscal 2011 on commercial projects
- Multi-year pipeline of projects has been identified
 - Over \$250 million
 - Various stages of review and development



- Commercial project status:
 - 2 rooftop projects (approx. 2 MW) completed
 - \$9.2 million of invested capital
 - First ground-mounted project recently announced - Manalapan Village
 - Lease 13 acres of land in Manalapan, New Jersey
 - \$18 million project
 - 3.6 MW, enough to power 450 homes annually, power sold to wholesale grid
 - Fall completion





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NJR Home Services

- Created in 2000
- Revenue of more than \$30 million
- Serves approximately 130,000 customers with Premier Service Plans and equipment installations
- High quality and service levels
- Approximately 2 to 5 percent of 2011 NFE

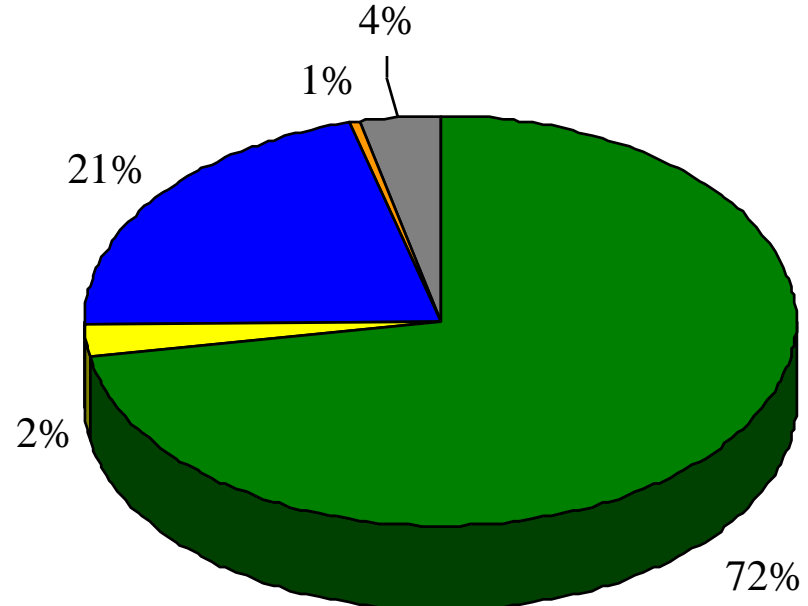
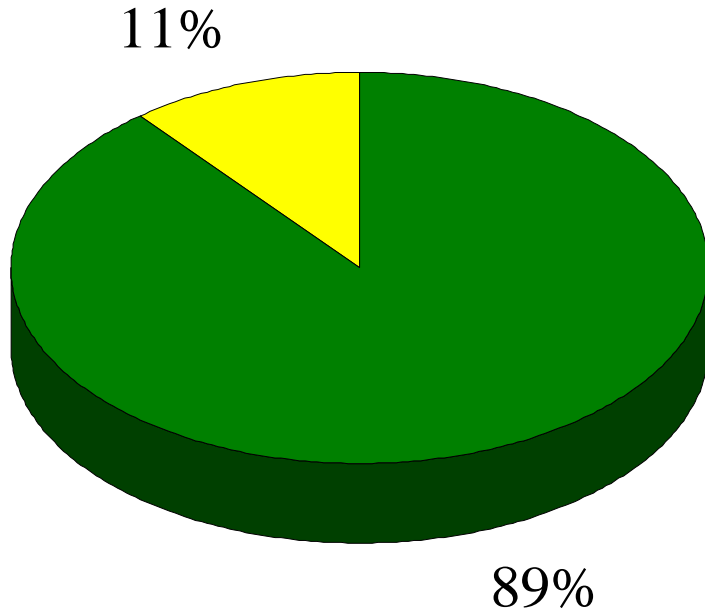




NJRHS – Growth in Services and Revenue

2000

2010



\$11.3 million

\$31.1 million

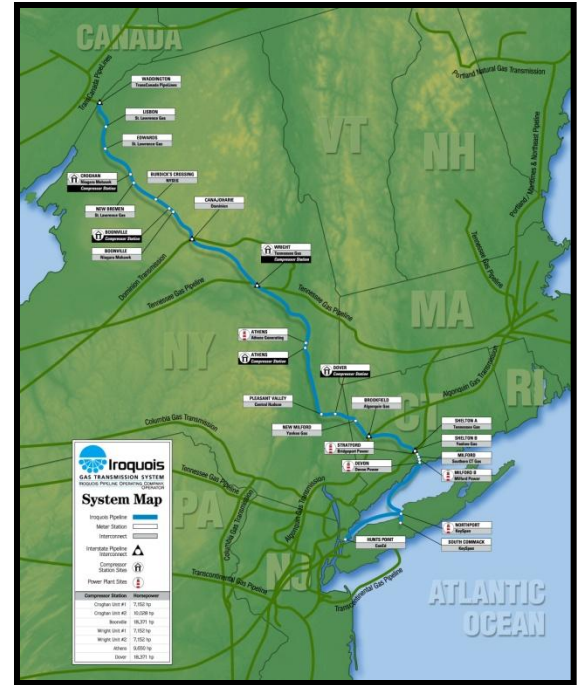
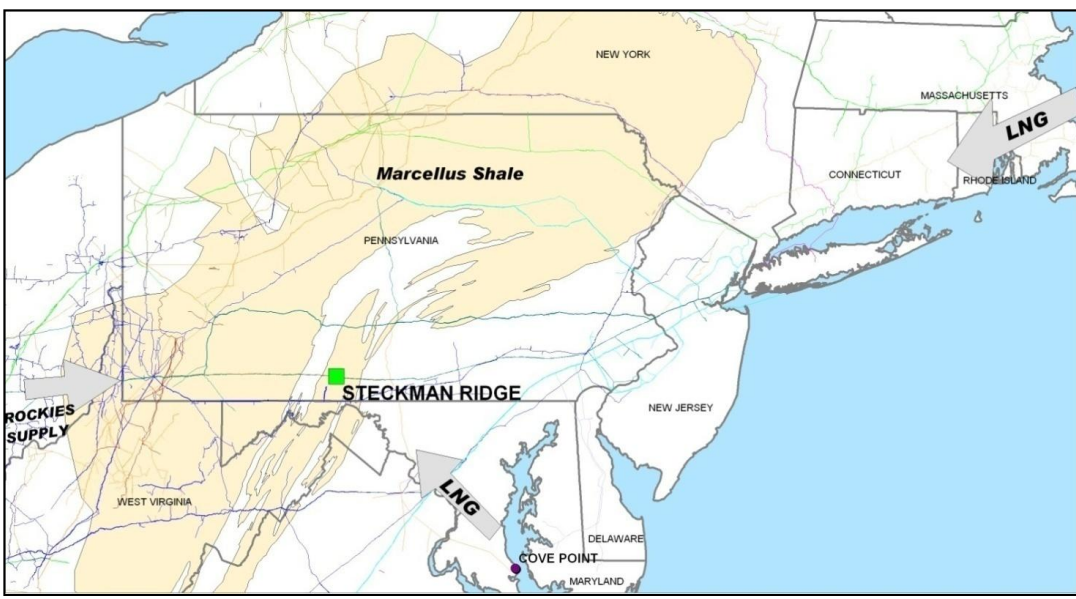




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Midstream Assets

- Overall, midstream assets contributed \$3.9 million to FYTD 2011 NFE
- Expected to contribute 5 to 10 percent to fiscal 2011 NFE
- Approximately 30 percent of Steckman Ridge capacity is now under long-term contracts





- Value of capacity and storage has been affected by changing markets and additional supplies
 - Resulted in lower margins
 - Continued focus on a long-option strategy
 - Disciplined risk management
- Greater focus on Producer Services
 - Fee-based asset management
 - Over 350,000 dth/day currently under management
- Contributed \$19.2 million to FYTD 2011 NFE vs. \$26 million last year
- Fiscal 2011 NFE contribution expected to be 5 to 10 percent



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A Record of Consistent Performance

- We have:
 - The fundamentals in place to achieve long-term NFE growth
 - Core customer growth
 - Regulatory initiatives
 - Solar investments
 - The ability to increase dividends
 - A strong financial profile
 - A collaborative relationship with key stakeholders
 - A track record of growth and consistent results

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