New Jersey Resources 3rd Quarter Fiscal 2011 Update

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August 3, 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 Certificates (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.

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.

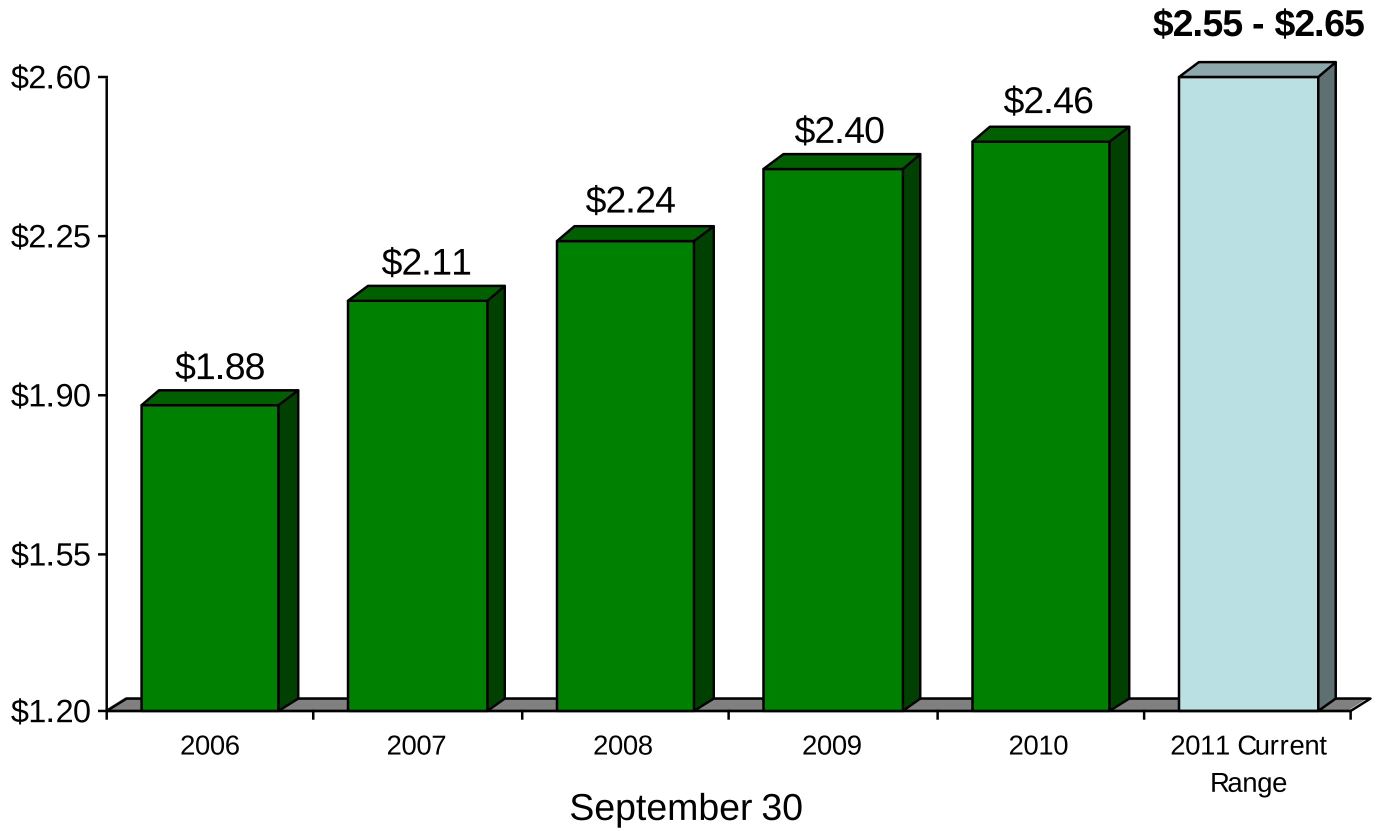
3rd Quarter Fiscal 2011 Highlights

- Net Financial Earnings (NFE) for the nine months ended June 30, 2011
  - $2.56 vs. $2.49 last year, a 2.8 percent increase
- Lower end of NFE guidance increased – new range of $2.55 to $2.65 per basic 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
  - Four projects in place
  - Three ground mount projects announced
- Positive earnings contribution from Home Services, Midstream and NJRES

Nine Month NFE

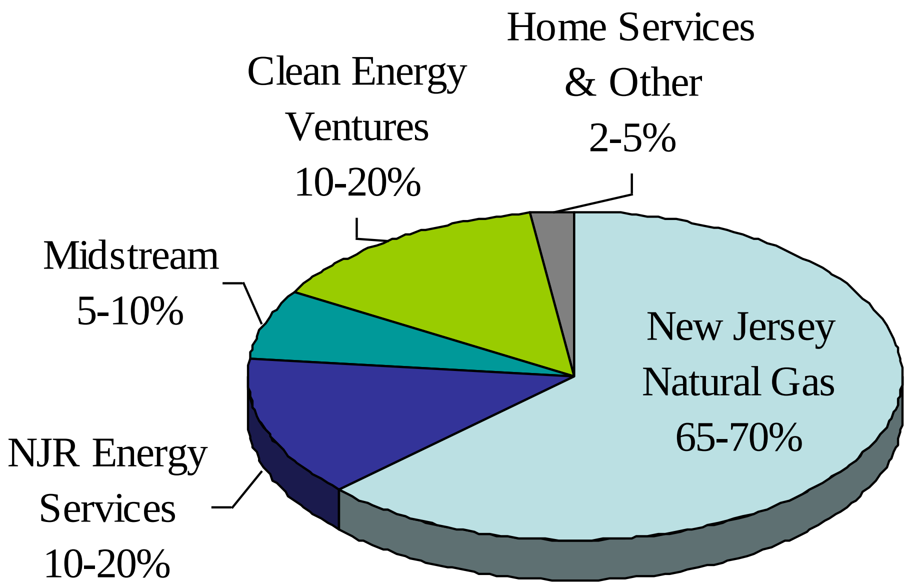
($mm)			
Company	FY 2011	FY 2010	Change
New Jersey Natural Gas	$74.4	$70.1	$4.3
NJR Energy Services	19.4	29.3	(9.9)
Midstream Assets	5.7	5.2	0.5
Clean Energy	5.5	-	5.5
NJRHS & Other	0.9	(1.6)	2.5
Total	$105.9	$103.0	$2.9
Per basic share	$2.56	$2.49	$0.07

Updated Earnings Guidance



NJR now estimates net financial earnings of $2.55 to $2.65 per basic share in fiscal 2011

2011 NFE Contribution



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

New Jersey Resources

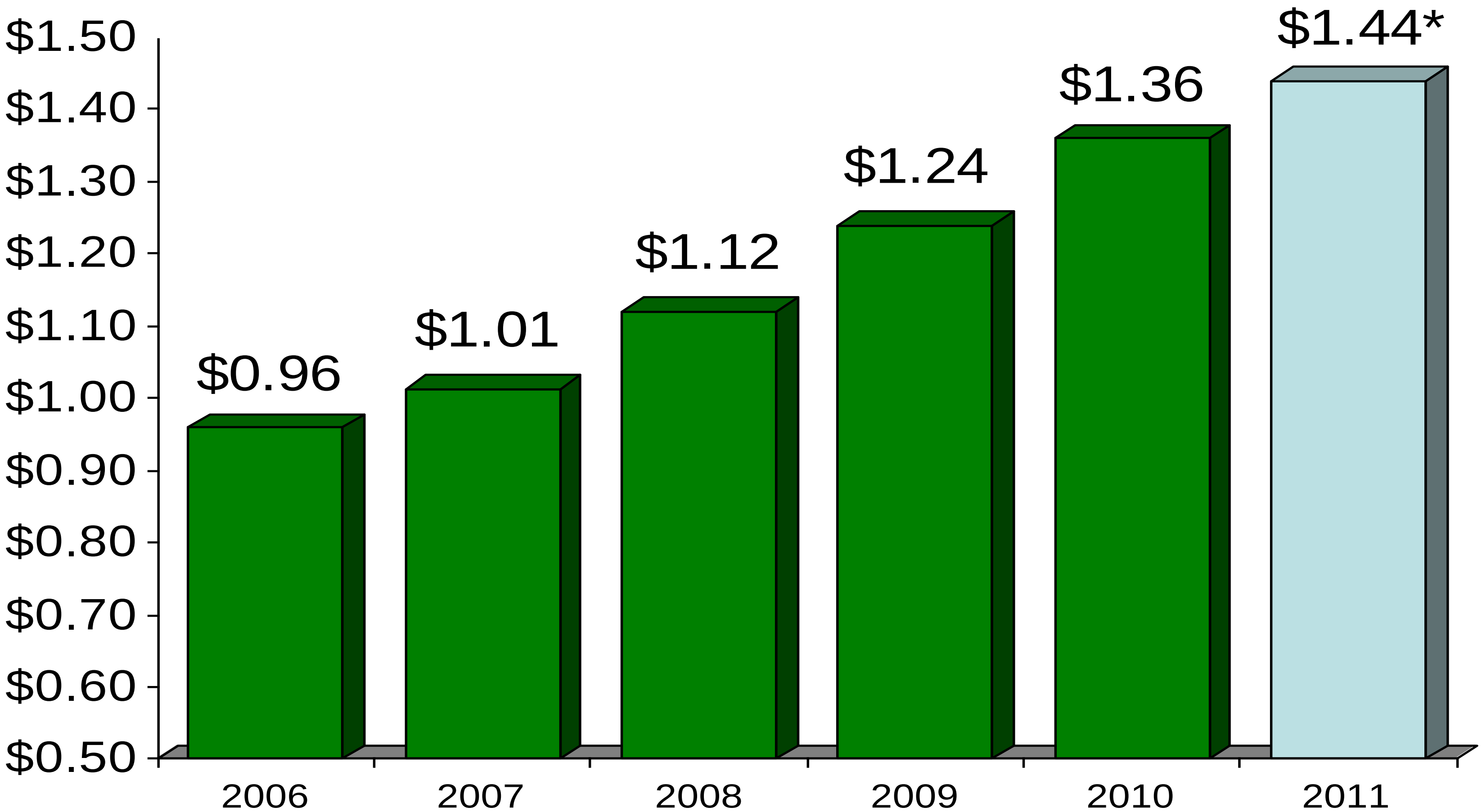
IMPLEMENTING TODAY GROWTH INNOVATION FOR TOMORROW

Cash Flow Summary

($ millions)	June 30, 2011	June 30, 2010
Cash Flow from Operations	$227.2	$155.9
Capital Expenditures:		
Utility Plant	(69.9)	(49.7)
Solar Equipment & Other	(19.9)	(0.5)
Cost of Removal	(8.1)	(6.2)
Investments in Equity Investees	-	(4.3)
Sub-total Capital Expenditures	(97.9)	(60.7)
Financing Activitites		
Common Stock Issued	10.9	6.4
Common Stock Repurchased	(7.2)	(28.1)
Dividends	(43.7)	(39.2)
Debt (Payments) Proceeds, net	(29.4)	21.1
Sub-total Financing Activities	(69.4)	(39.8)
Change in Cash	$59.9	$55.4

New Jersey Resources

Dividend Growth

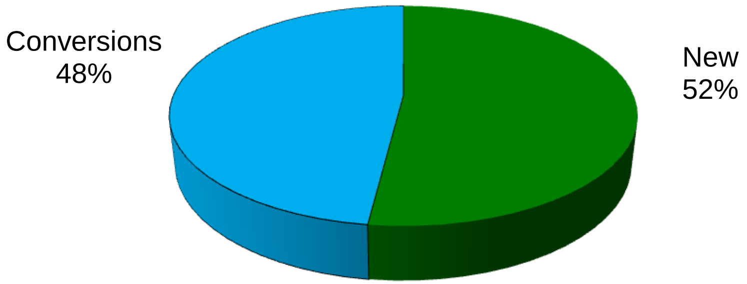


** Effective January 3, 2011*

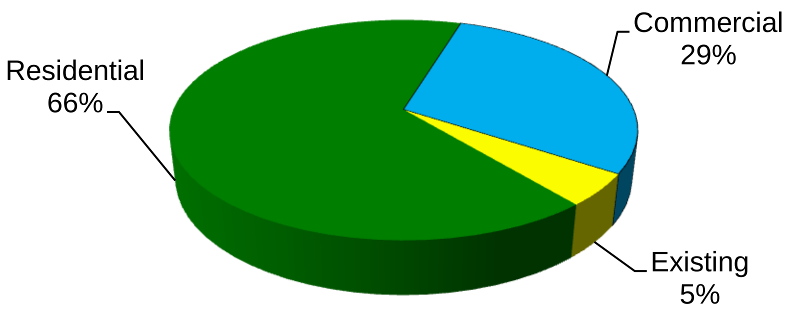
New Jersey Resources

- 4,610 new customers through June 30, 2011, a 17 percent increase over fiscal 2010
- 453 additional existing customer heat conversions
- FYTD new customers and existing customer conversions are expected to contribute approximately $2.4 million of new NJNG utility gross margin annually
- Estimate 12,000 to 14,000 new customers over the next two years

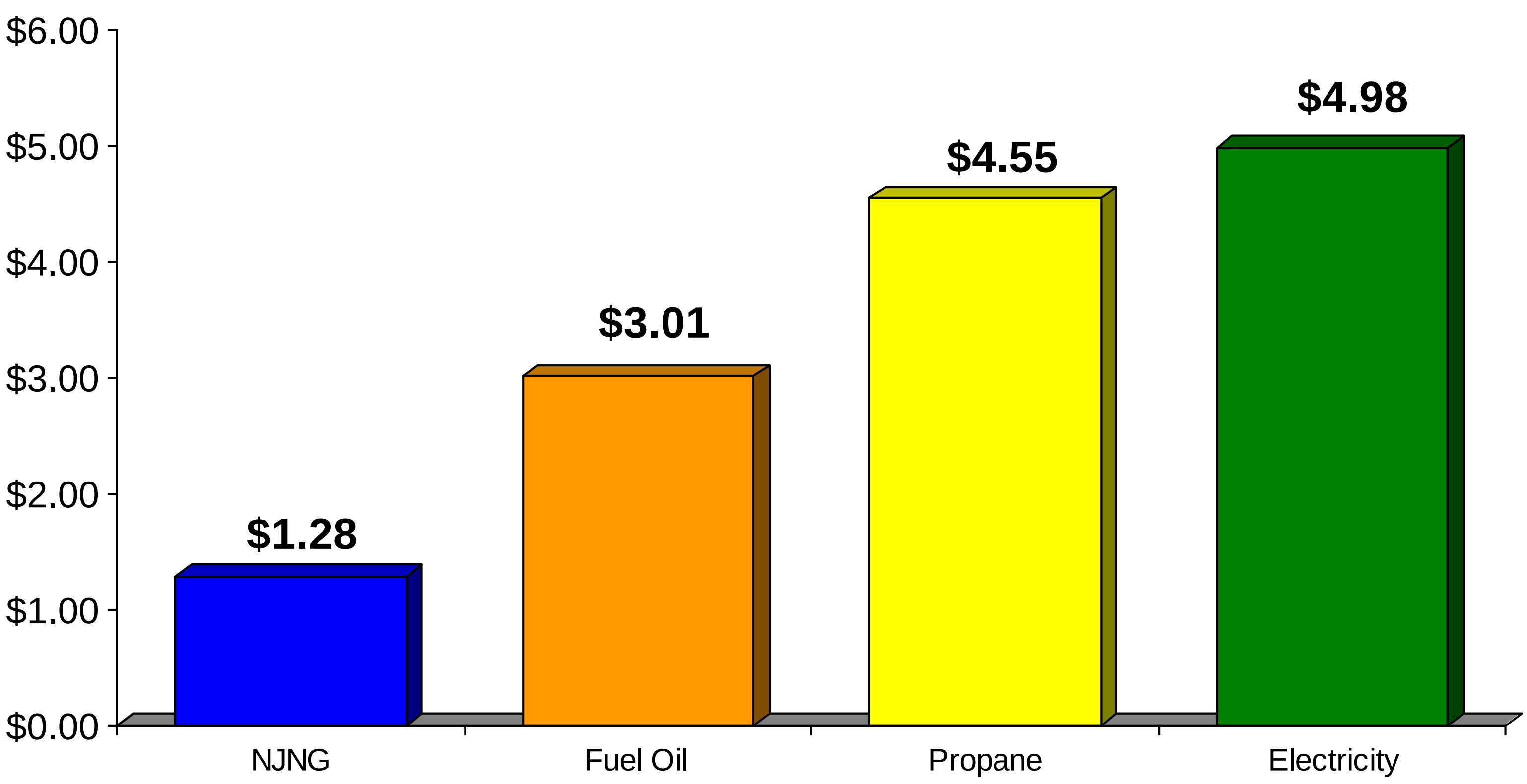
June 30, 2011 New Customers Breakdown



NJNG Gross Margin Contribution



Fuel Price Comparison



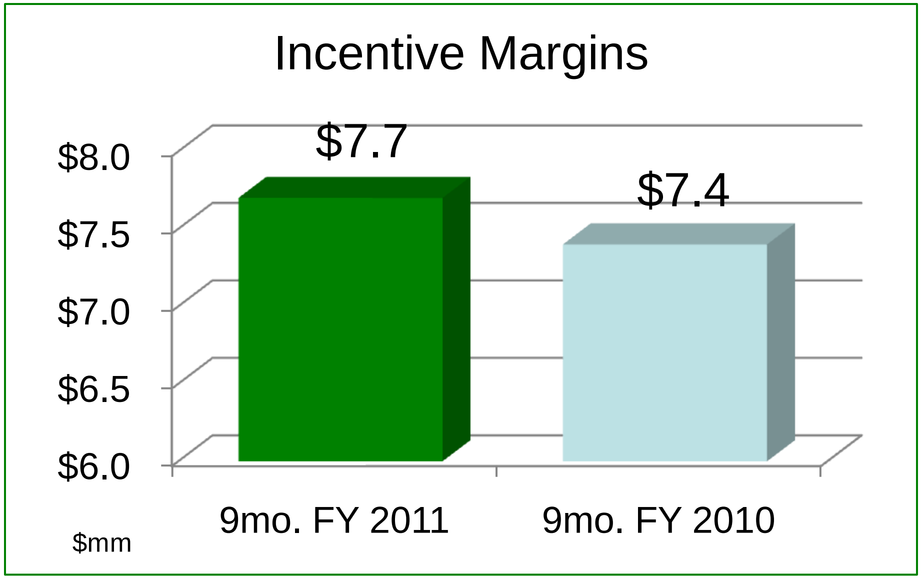
NJNG enjoys a distinct price advantage in its service area

Source: EIA

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

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
  - Promotes application of risk management techniques
  - Sharing formula of 85 percent customer; 15 percent NJNG



Total customer savings since inception: $531 million

Four-year extension of incentive programs stipulated by all parties on July 25, 2011; agreement expected to be in place by October 2011

New Jersey Resources

Conservation Incentive Program

- In place through September 30, 2013; encourages customer conservation
- Customers have reduced usage and saved nearly $186 million since inception
- Protects NJNG utility gross margin from declining usage and weather

Accelerated Infrastructure Programs (AIP)

- Investment of $70.8 million on infrastructure projects
  - Since inception in 2009, NJNG has expended $67.8 million (June 2011)
  - $36.4 million of AIP expenditures now included in base rates
  - June 1 filed to place remaining AIP I and portion of AIP II 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
  - Rate recovery of program spending annually at WACC of 7.12 percent

Regulatory Initiatives Before the BPU

BGSS, CIP and AIP

- Annual filings, submitted to the BPU on June 1, 2011
- Net 9.3 percent price reduction due primarily to lower wholesale natural gas prices

Natural Gas Refueling Stations

- Submitted to the BPU on June 16, 2011
- Investment of $15 million
  - $1.60 per gallon equivalent, based on current prices
  - Would fund construction of seven to ten stations in service area
  - If approved by the BPU, NJNG would begin construction immediately but no later than December 31, 2012
  - Rate recovery of program spending annually at WACC of 7.76 percent

The SAVEGREEN Project®

- Seeking program extension through December 31, 2012
- Over $20 million invested; currently recoverable through rider at WACC of 7.76 percent

New Jersey Resources

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

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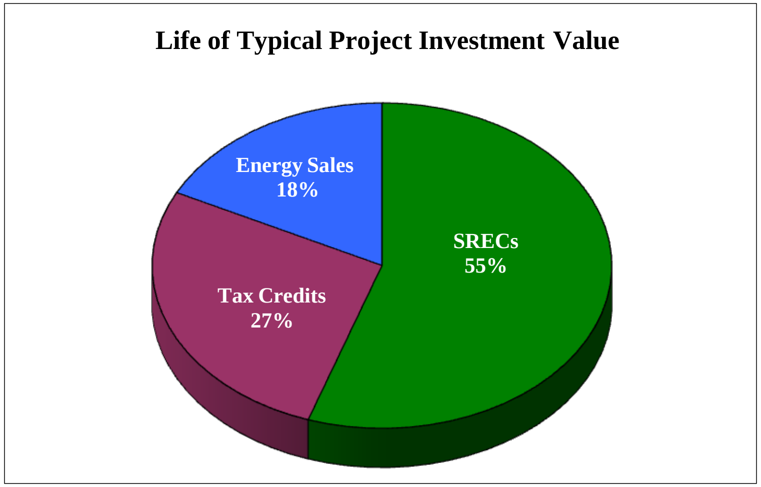
NJ 2011Draft Energy Master Plan

- Overall positive for natural gas for:
  - Generation
  - NGVs
  - Oil to gas conversions
- Policy recommendations:
  - Supports the legislative renewable portfolio standard (RPS) target of 22.5%
  - Suggests a review of the Solar Alternate Compliance Payment (SACP)
  - Subjects the solar renewable incentives to a cost-benefits test
  - Promotes solar photovoltaic that provides economic and environmental benefits
- Plan to be finalized after public review and comment

- Three sources of investment value
  - Investment tax credits (ITC)
  - Energy sales
  - SRECs



- Tax credits reduce capital at risk
  - ITC in place through 2016

- Relatively short payback period

- Market cost of capital used to evaluate investment opportunities

Residential Solar Program

- Sunlight Advantage™ Program:
  - Strong customer interest
    - 473 leases signed
    - Average size 7.5 kilowatts
    - $9.3 million of capital committed in FY 2011
  - Growing installation network of contractors
  - Over 1,000 inquiries received since announcement

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Commercial Solar Program

- Rooftop and ground-mounted solar installations
  - Focus on 0.5 to 10 megawatt projects
  - Retail and wholesale energy transactions
  - Multiple stakeholder value streams
- Currently plan to invest a total up to $60 to $70 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 Solar Program

- Commercial projects status:
  - 4 rooftop projects (approx. 4 MW) completed
    - $18 million of invested capital
  - 3 ground-mounted systems announced
    - Manalapan Village
      - $18 million project
      - 3.6 MW
      - Fall 2011 completion
    - McGraw Hill
      - Largest project to date
      - $60 million project
      - 14.1 MW
      - Fiscal 2012 completion
    - Vineland
      - Single access tracking system, provides 25 percent greater energy output
      - $23.7 million project
      - 4.7 MW
      - Fall 2011 completion

New Jersey Resources

NJRES and Midstream Investment Updates

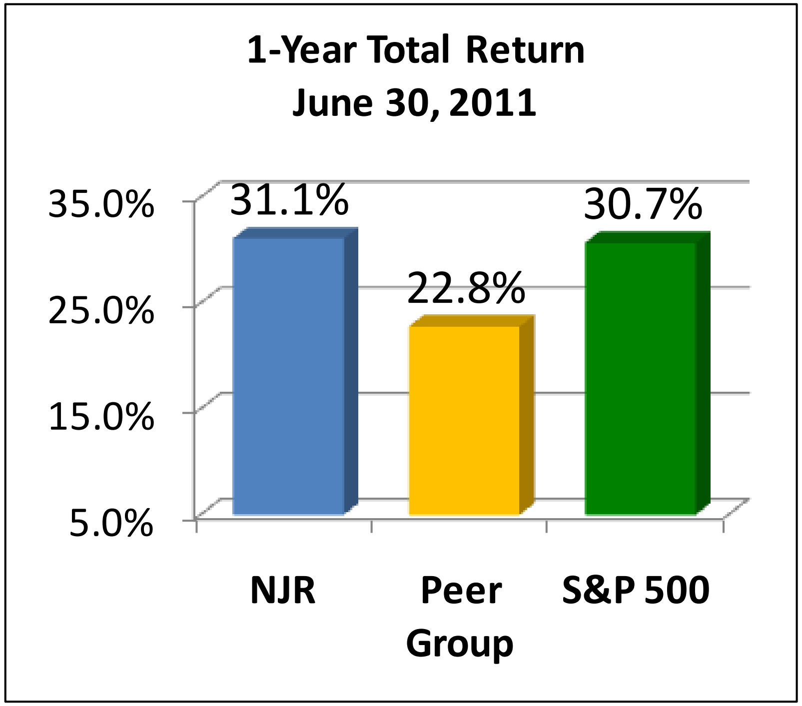
NJRES

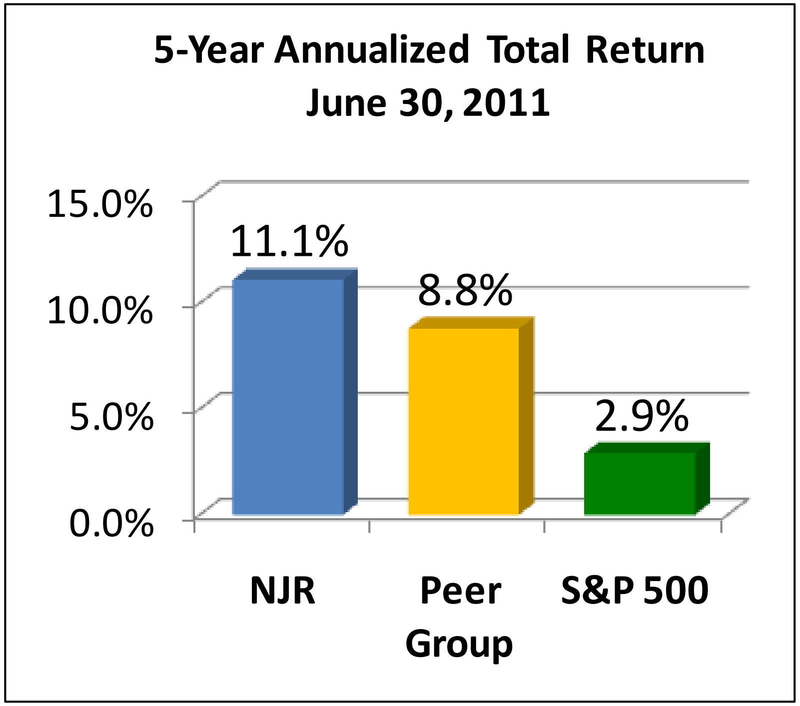
- Value of capacity and storage has been affected by changing markets and additional supplies
  - Resulted in lower margins
  - Continued focus on a long-option strategy
  - Disciplined risk management
- Contributed $19.4 million to FYTD 2011 NFE vs. $29.3 million last year

Midstream

- Overall, midstream assets contributed $5.7 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

Total Return to Shareowners





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