

1st Quarter Fiscal 2009 Update



February 4, 2009



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 expectations and beliefs 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.

The Company cautions persons reading or hearing this presentation that the assumptions that form the basis for forward-looking statements regarding customer growth, customer usage, financial condition, results of operations, cash flows, capital requirements, market risk and other matters for fiscal 2009 and thereafter include many factors that are beyond the Company’s ability to control or estimate precisely, such as estimates of future market conditions, the behavior of other market participants and changes in the debt and equity capital markets. **The factors that could cause actual results to differ materially from NJR’s expectations include, but are not limited to, such things as weather, economic conditions and demographic changes in the New Jersey Natural Gas (NJNG) service territory, rate of NJNG customer growth, volatility of natural gas commodity prices and its impact on customer usage, NJR Energy Services’ (NJRES) operations and 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, continued volatility or seizure of the credit markets that would result in the decreased availability and access to credit at the Company and its subsidiaries, increases in borrowing costs associated with variable rate debt, commercial and wholesale credit risks, including the creditworthiness of customers and counterparties, the ability to obtain governmental approvals and/or financing for the construction, development and operation of certain non-regulated energy markets, risks associated with the management of the Company’s joint venture and partnerships, the impact of governmental regulation (including the regulation of rates), fluctuations in energy-related commodity prices, conversion activity and other marketing efforts, actual energy usage of NJNG’s customers, the pace of deregulation of retail gas markets, access to adequate supplies of natural gas, the regulatory and pricing policies of federal and state regulatory agencies, the ultimate outcome of pending regulatory proceeding, changes due to legislation at the federal and state level, the availability of an adequate number of appropriate counterparties in the wholesale energy trading market, sufficient liquidity in the wholesale energy trading market, the disallowance of recovery of environmental-related expenditures and other regulatory changes, environmental-related and other litigation and other uncertainties, the effects and impacts of inflation on NJR and its subsidiaries operations, change in accounting pronouncements issued by the appropriate standard setting bodies, terrorist attacks or threatened attacks on energy facilities or unrelated energy companies and other uncertainties.** While the Company periodically reassesses material trends and uncertainties affecting the Company’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, the Company 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) and financial 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.

Management uses Financial Margin and Net Financial Earnings 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. A reconciliation of all non-GAAP financial measures to the most directly comparable financial measures calculated and reported in accordance with GAAP, can be found in our Current Report on Form 8-K, which was filed today. 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, 2008.



- Increased net financial earnings (NFE) guidance to a range of \$2.32 to \$2.42 per basic share
- Implemented 10.7 percent dividend increase
- 38 percent increase in NFE at NJNG
- Continued customer growth
- Filed with the BPU to implement two new programs aimed at stimulating the economy and creating jobs
- NJRES expected to account for 30 to 35 percent of NFE and achieve its third highest level of earnings in its history
- Continue to maintain a high customer satisfaction rate



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Company	Q1 2009	Q1 2008	Change	
New Jersey Natural Gas	\$23.1	\$16.7	\$6.4	
NJR Energy Services	9.4	19.1	(9.7)	
Retail/Other	-	0.2	(0.2)	
Total	\$32.5	\$36.0	\$(3.5)	
Per basic share	\$0.77	\$0.87	\$(0.11)	

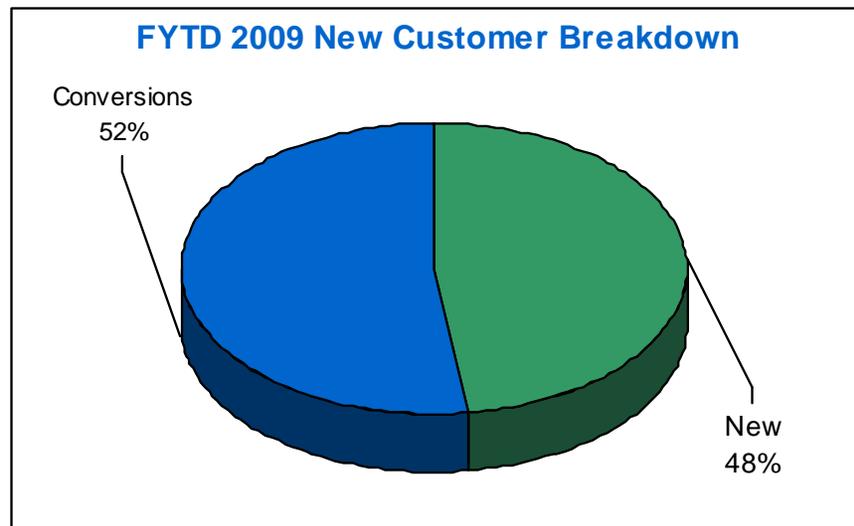
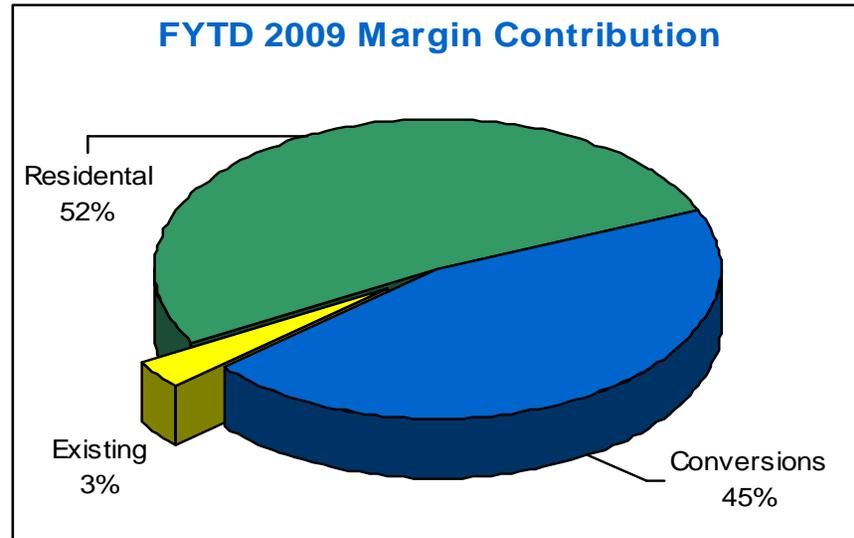


NJR increased its Net Financial Earnings guidance to \$2.32 to \$2.42 per basic share in fiscal 2009

- How?
 - NJNG
 - New Base rates in effect
 - Incentive programs
 - Customer growth led by the conversion markets
 - 2009 pension expense increases factored into guidance
 - Extremely low interest rates
 - NJRES
 - 30 to 35 percent contribution
 - In-line with expectations



- Customer Growth
 - 1,763 new customers FYTD 2009
 - 162 additional existing customer heat conversions
 - Expected annual gross margin of \$1.1 million

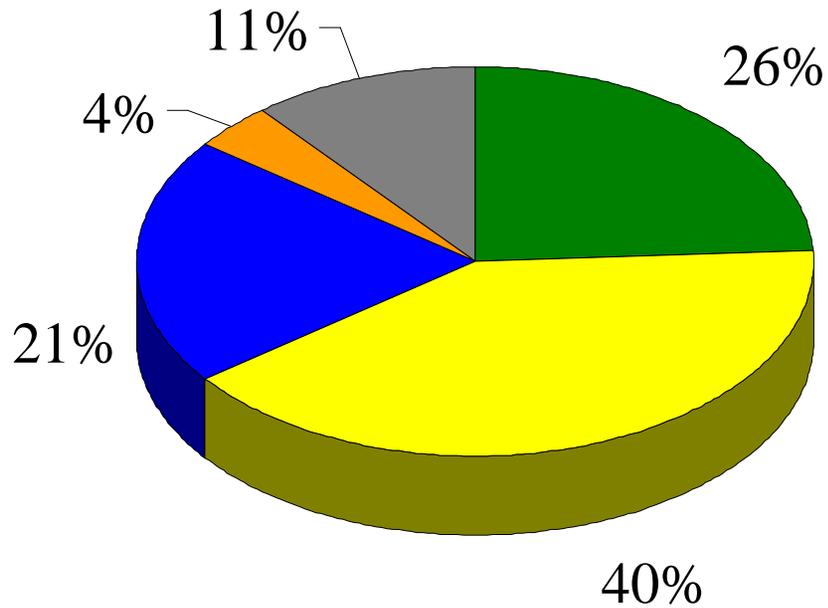


- Accelerated Infrastructure Program (AIP)
 - Filed with the BPU on January 20, 2009
 - Investment of up to \$70.8 million on infrastructure projects
 - Creates up to 100 new jobs
 - Proposed rate recovery of program spending annually at WACC
 - Will ensure the continued safe and reliable delivery of natural gas to our growing customer base
 - 2-year program



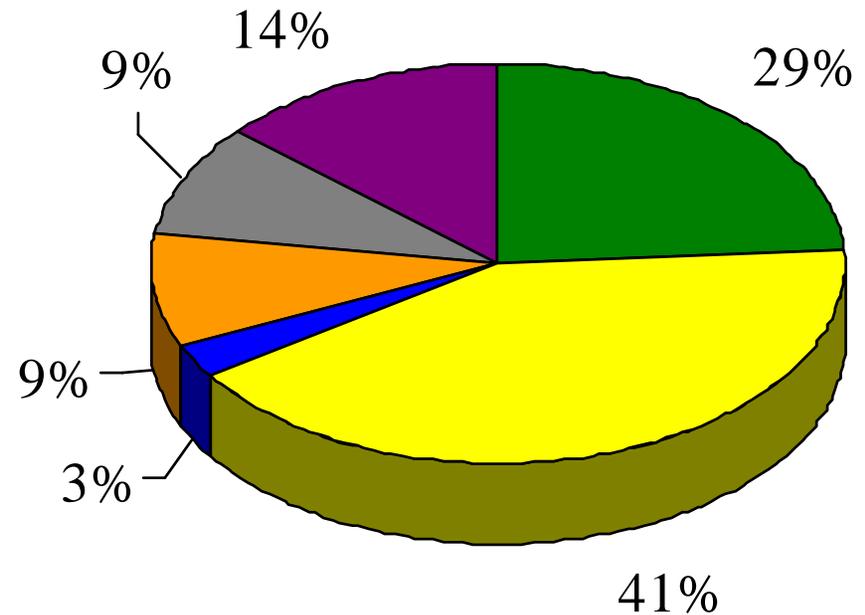
Profitable Regulated Capital Investments

FY 2008



\$79.7 million

FY 2009E

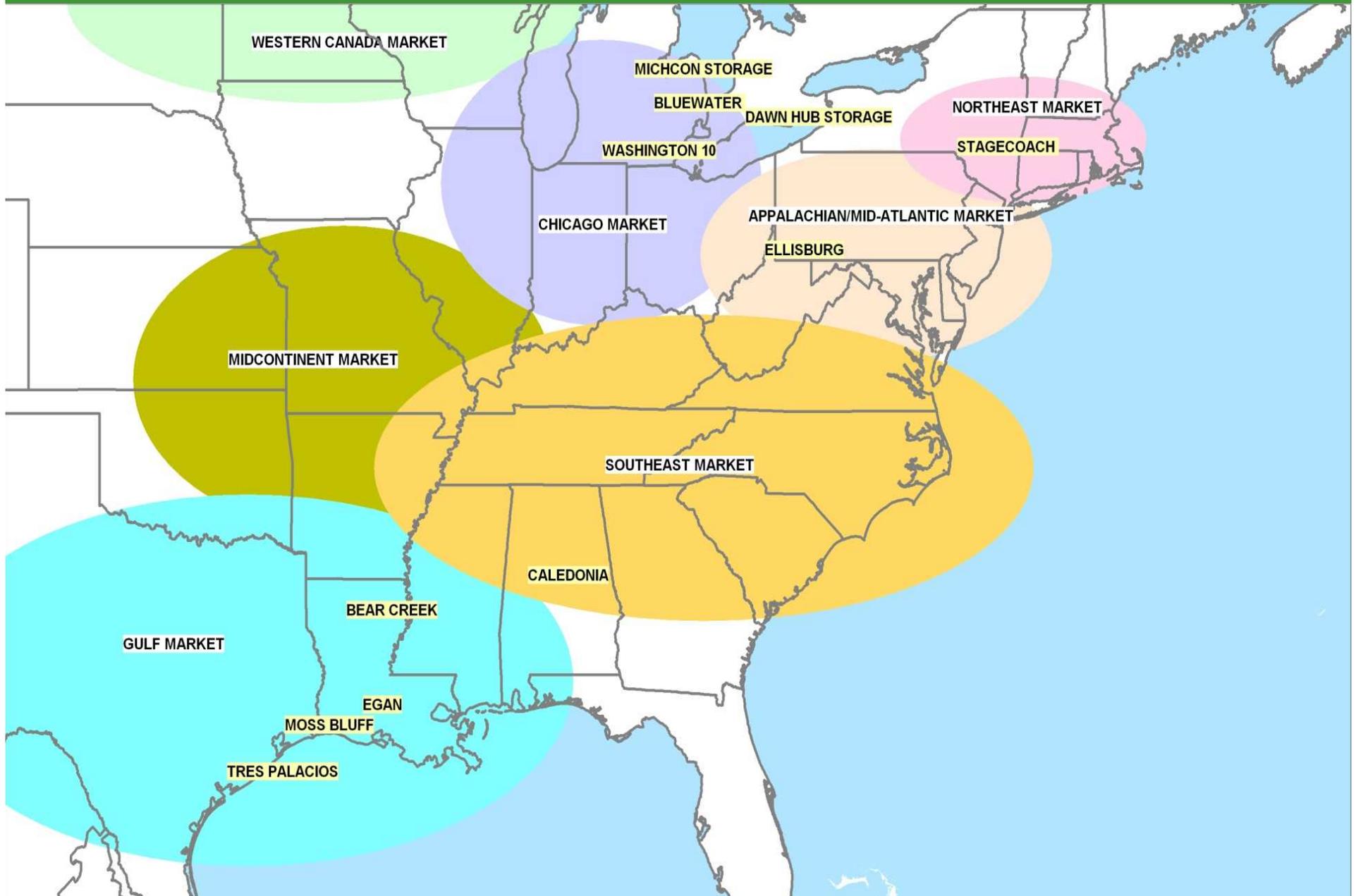


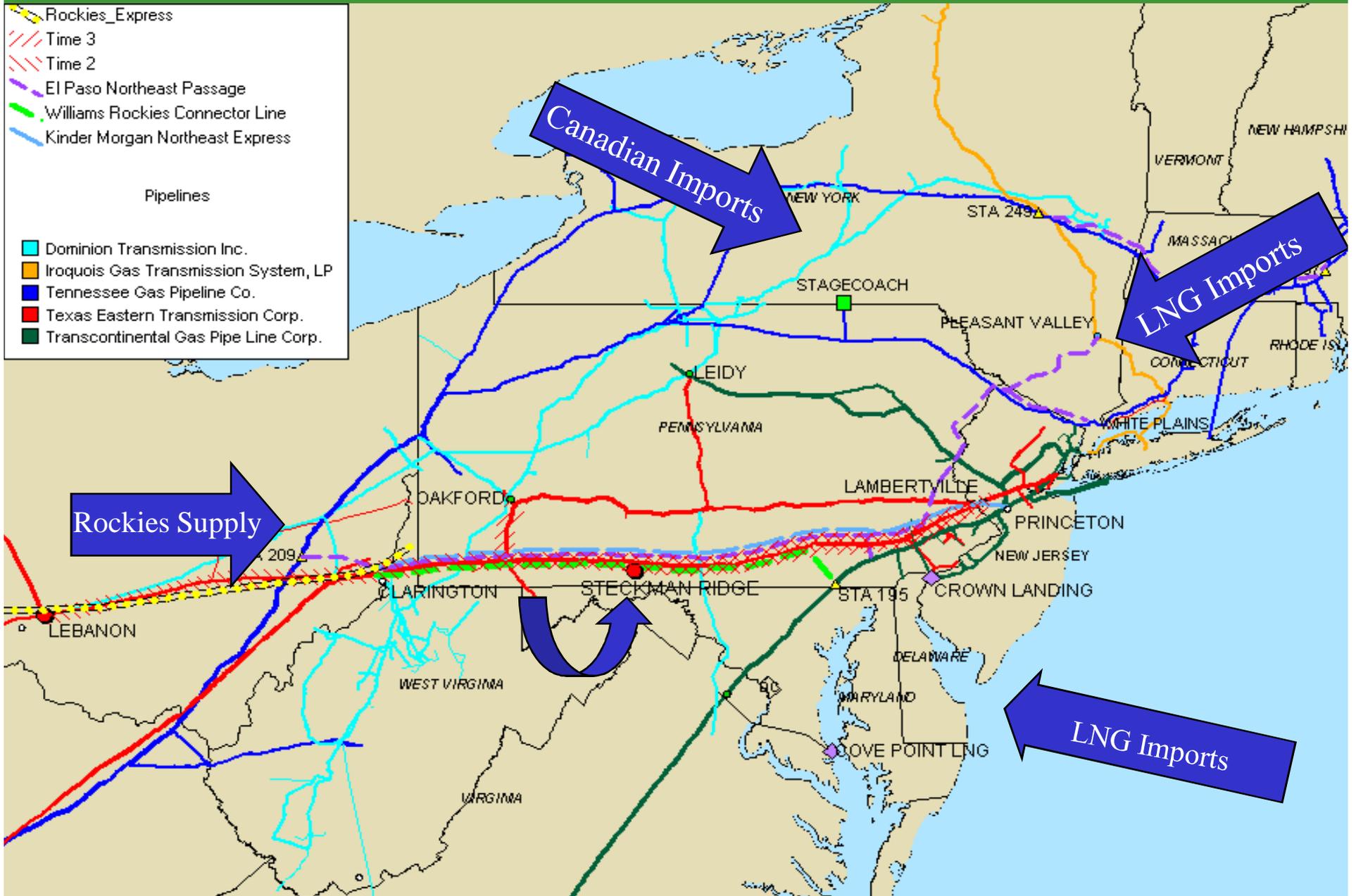
\$77.5 million



- Demand for NJNG commercial paper remains strong
- Issued \$125 million of MTNs at 5.6 percent at NJNG in May 2008 to pay down short-term debt
- No long-term debt issuances currently planned in fiscal 2009
- Committed Bank Facilities in place
 - \$325 million at NJR for 5 years at favorable rates
 - \$250 million at NJNG used to support commercial paper program

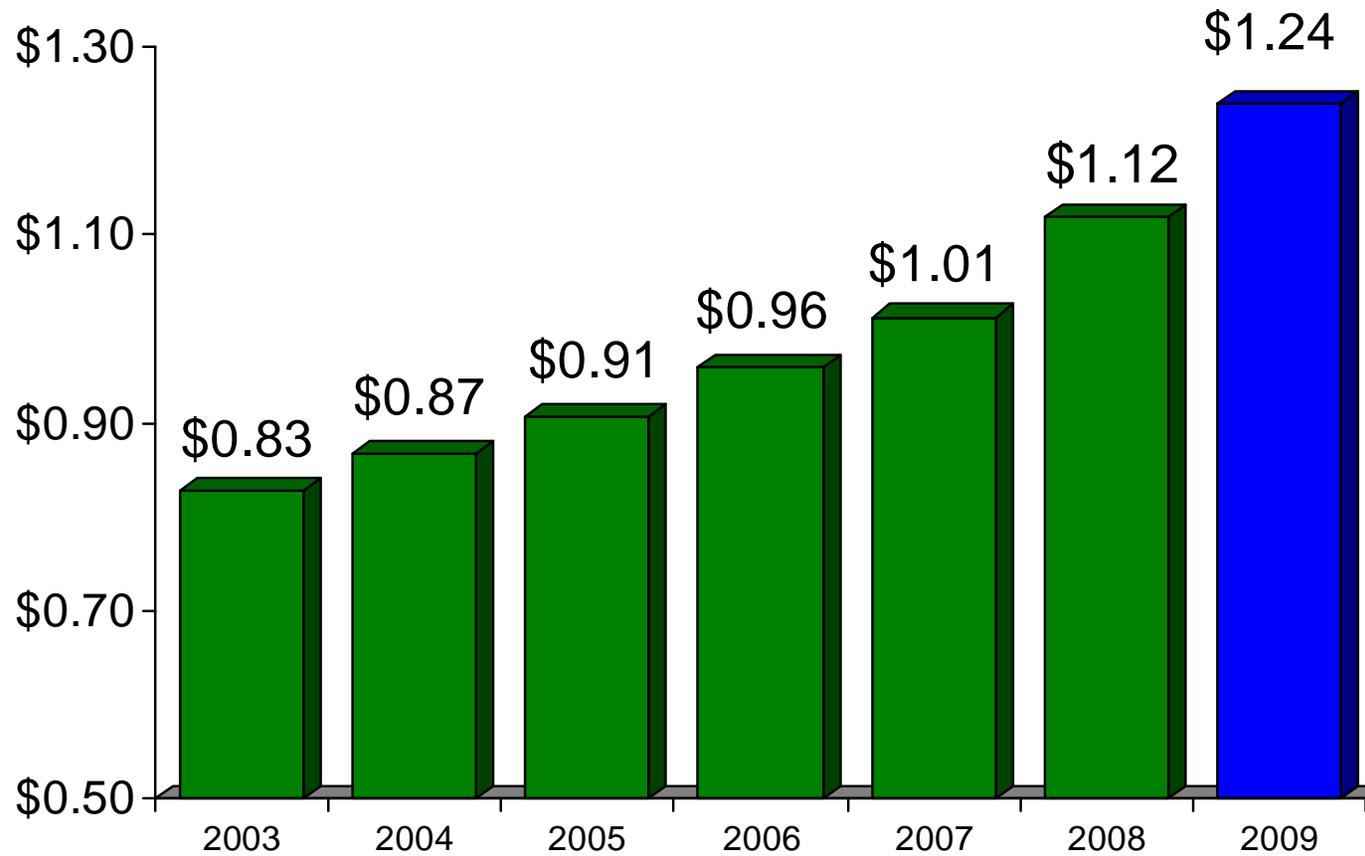






- Energy Efficiency Program
 - Promote energy efficiency
 - Create or sustain approximately 100 jobs
 - Supports the state's effort to reduce greenhouse gas emissions and the goals of the Energy Master Plan
 - Includes enhancements to current rebates available through the Clean Energy Program
 - Establishes new offers for the installation of energy-efficient equipment
 - HVAC
 - Weatherproofing
 - \$15.3 million of customer rebates/incentives over a 4-year period with full rate of return

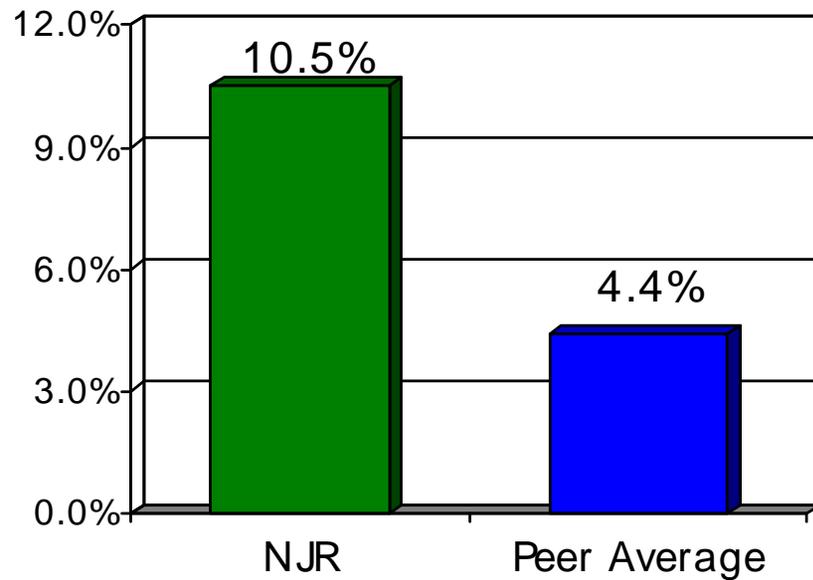




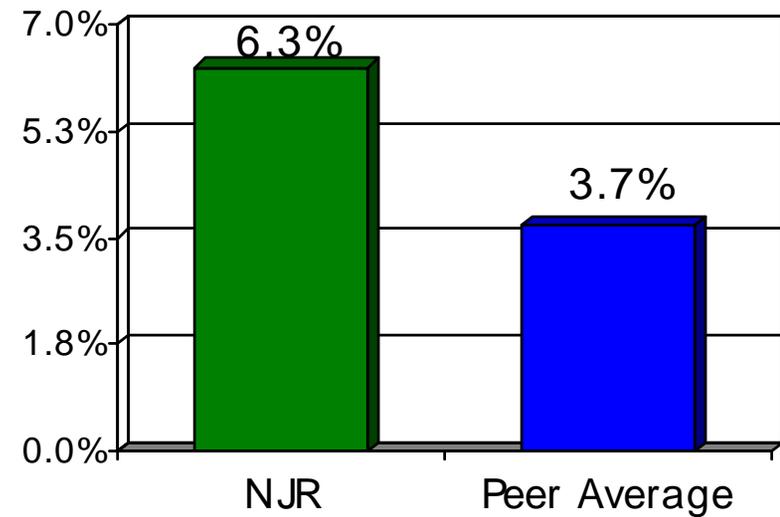
10.7 percent increase effective January 2, 2009

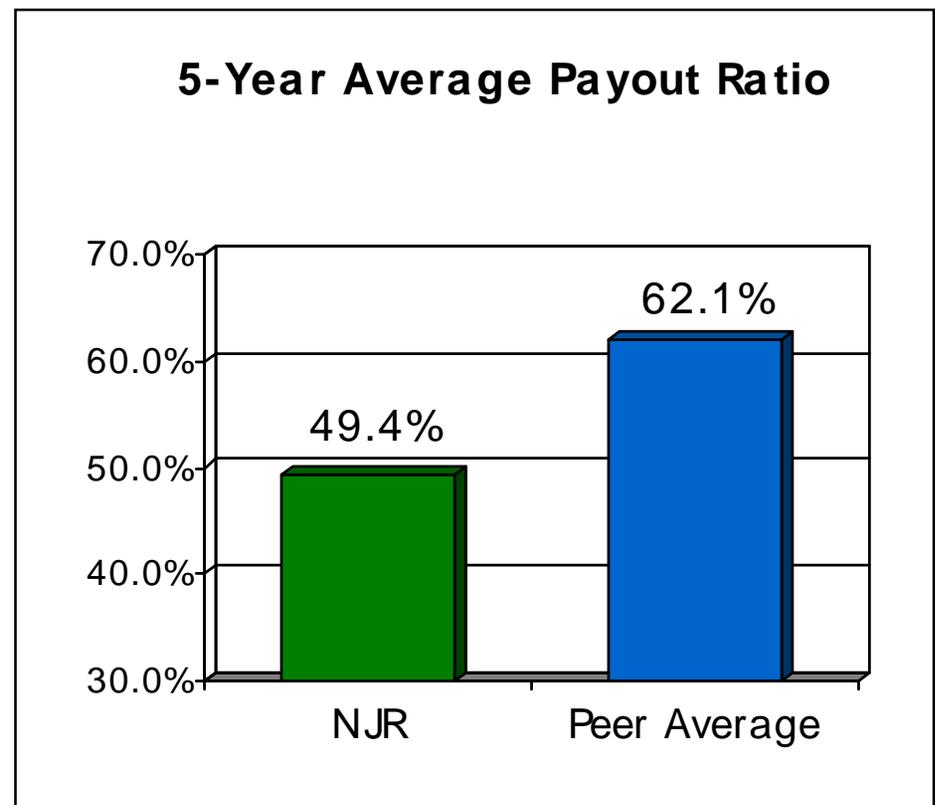
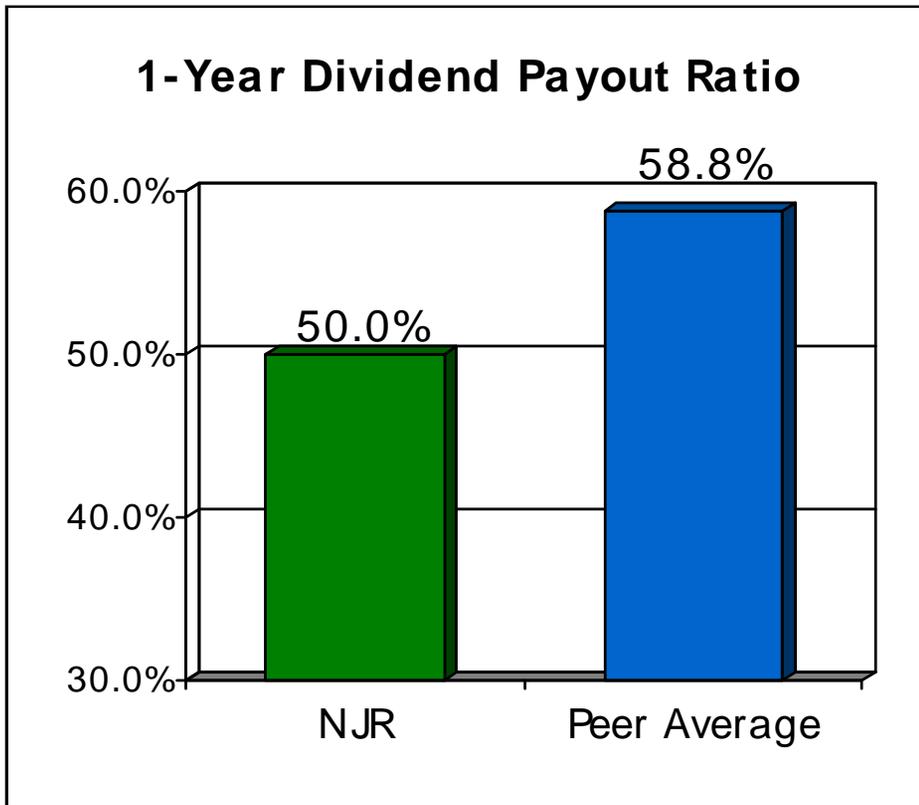


1-Year Dividend Growth Rate



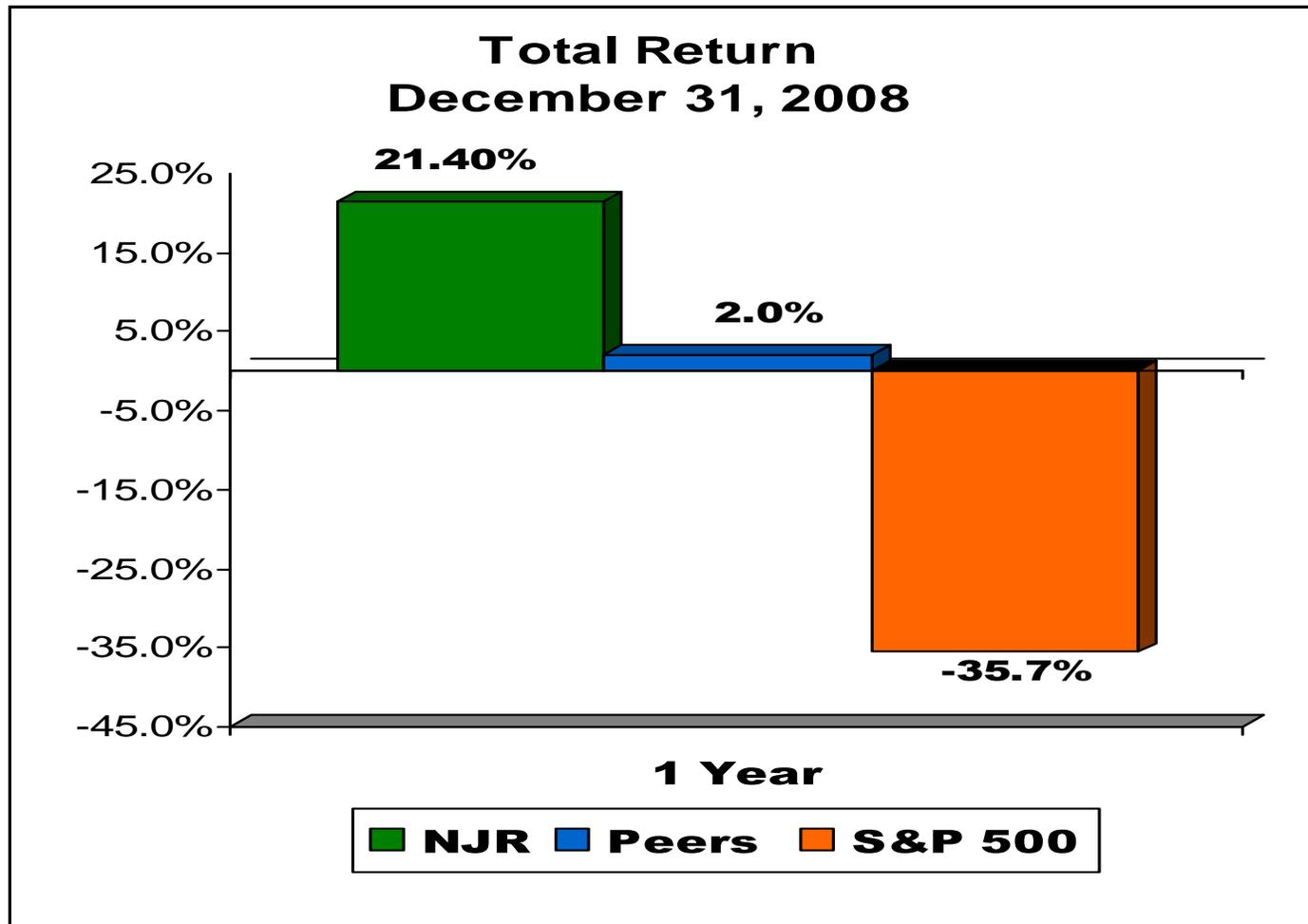
5-Year Compound Average Dividend Growth Rate





Peer average growth rate based on reported company earnings for September companies and consensus for others





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