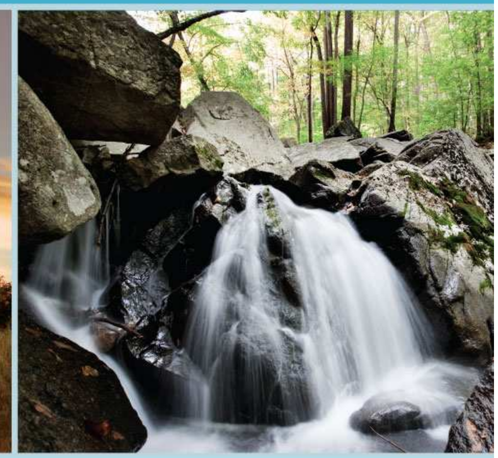
1st Quarter Fiscal 2010 Update

February 3, 2010



Laurence M. Downes, Chairman and CEO

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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 2010 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, NJR's dependence on operating subsidiaries, rate of NJNG customer growth, volatility of natural gas and other commodity prices and their 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, the ability to comply with debt covenants, increased interest costs resulting from failures in the market for auction rate securities, commercial and wholesale credit risks, including the creditworthiness of customers and counterparties, changes in the costs of providing pension and post-employment benefits to current and former employees, the ability to maintain effective internal controls, accounting effects and other risks associated with hedging activities and use of derivatives contracts, 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, operating risks incidental to handling, storing, transporting and providing customers with natural gas, 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, the impact of governmental regulation (including the regulation of rates), access to adequate supplies of natural gas, the regulatory and pricing policies of federal and state regulatory agencies, the ultimate outcome of pending regulatory proceedings, the availability of an adequate number of appropriate counterparties and sufficient liquidity in the wholesale energy trading market, the disallowance of recovery of environmental-related expenditures, environmental-related and other litigation 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 filed with the Securities and Exchange Commission, 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), 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 financial margin, 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, 2009.

1st Quarter Fiscal 2010 Highlights

- Net Financial Earnings for the quarter
  - $.66 vs. $.77 last year
- NFE guidance reaffirmed – range of $2.45 to $2.60 per share
- Larger contribution from NJNG and Midstream Assets in the quarter
- Implemented a 9.7 percent dividend increase effective January 4, 2010
- Share repurchase plan increased by 2 million shares
- CIP extension approved by BPU
- Midstream asset segment earnings increase
  - $1.9 million vs. $.5 million last year

First Quarter NFE

($mm)			
Company	Q1 2010	Q1 2009	Change
New Jersey Natural Gas	$23.5	$23.1	$0.4
NJR Energy Services	2.5	9.4	(6.9)
Midstream Assets	1.9	0.5	1.4
Retail/Other	(0.5)	(0.5)	-
Total	$27.4	$32.5	$(5.1)
Per basic share	$0.66	$0.77	$(0.11)

2010 Earnings Guidance

NJR continues to estimate net financial earnings of $2.45 to $2.60 per basic share in fiscal 2010

- How?
  - NJNG
    - AIP
    - BGSS incentive programs
    - Customer growth - strong conversion markets
    - Lower interest rates
  - Midstream Assets
    - Steckman Ridge and Iroquois
  - NJRES
    - Results affected by lower volatility

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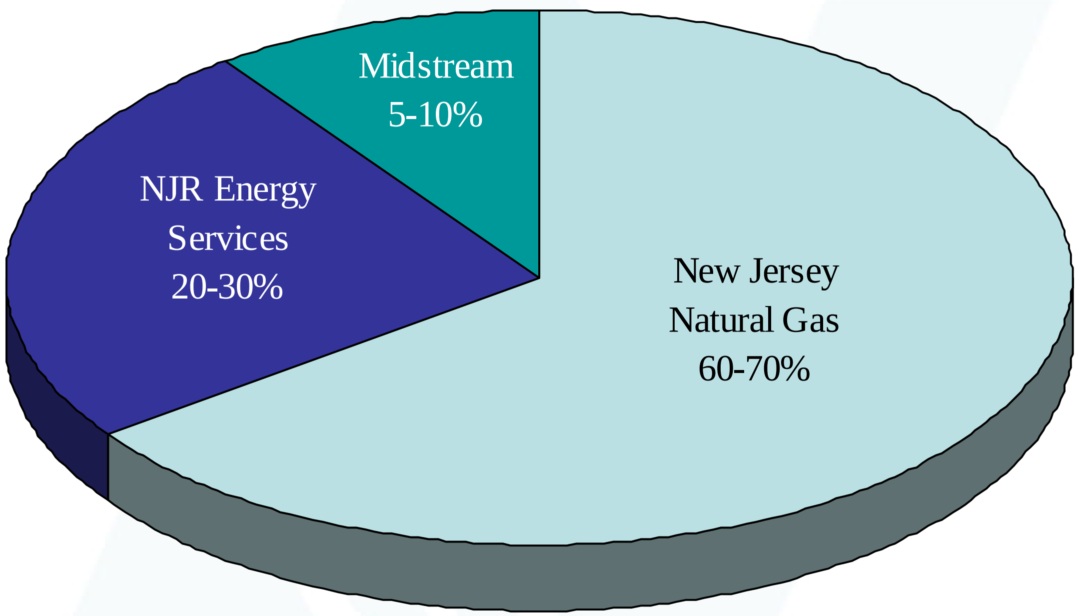
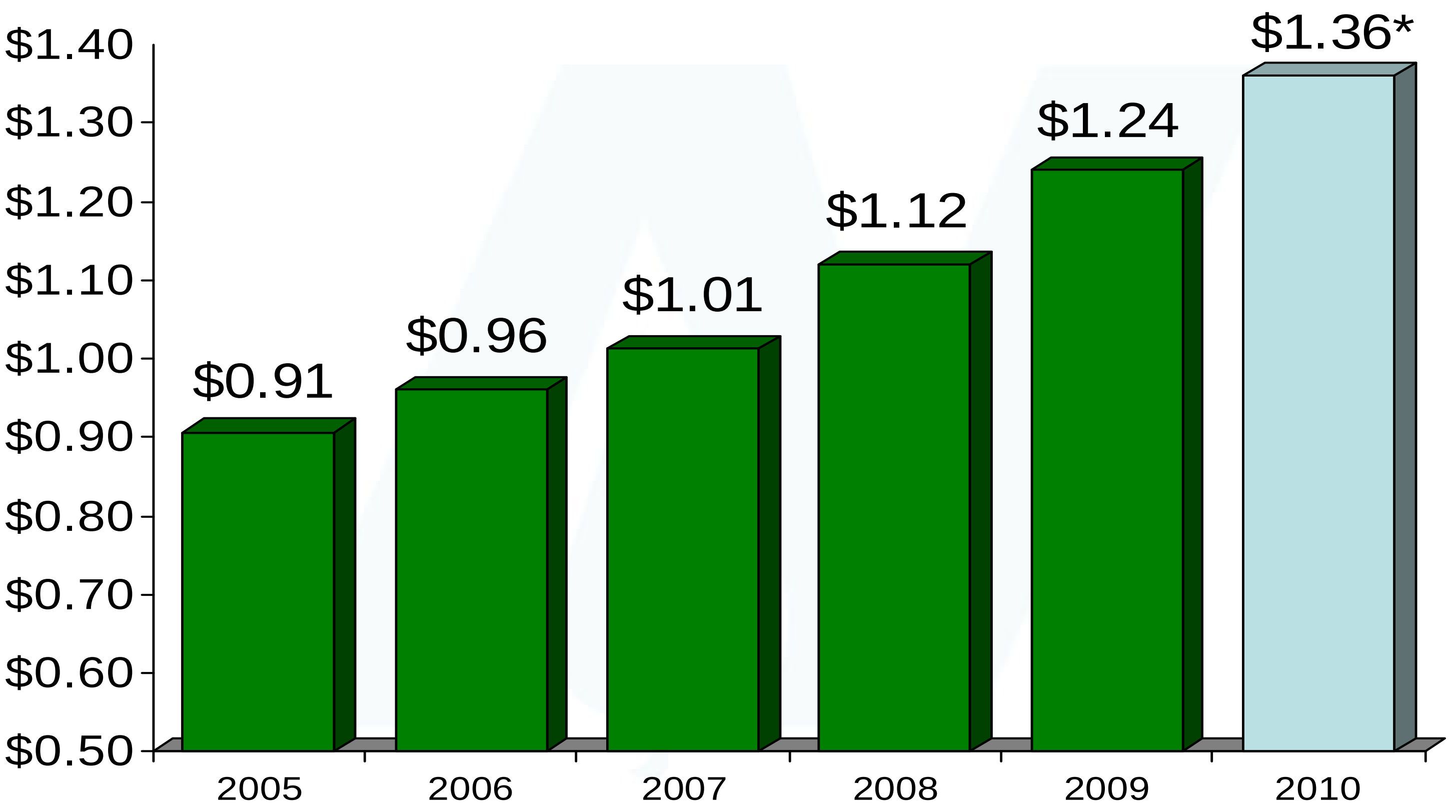
2010 Earnings Guidance



NJNG and Midstream will contribute between 65-80 percent of fiscal 2010 NFE

Dividend Growth



Average 3-year growth rate exceeds 10 percent

** Effective January 4, 2010*

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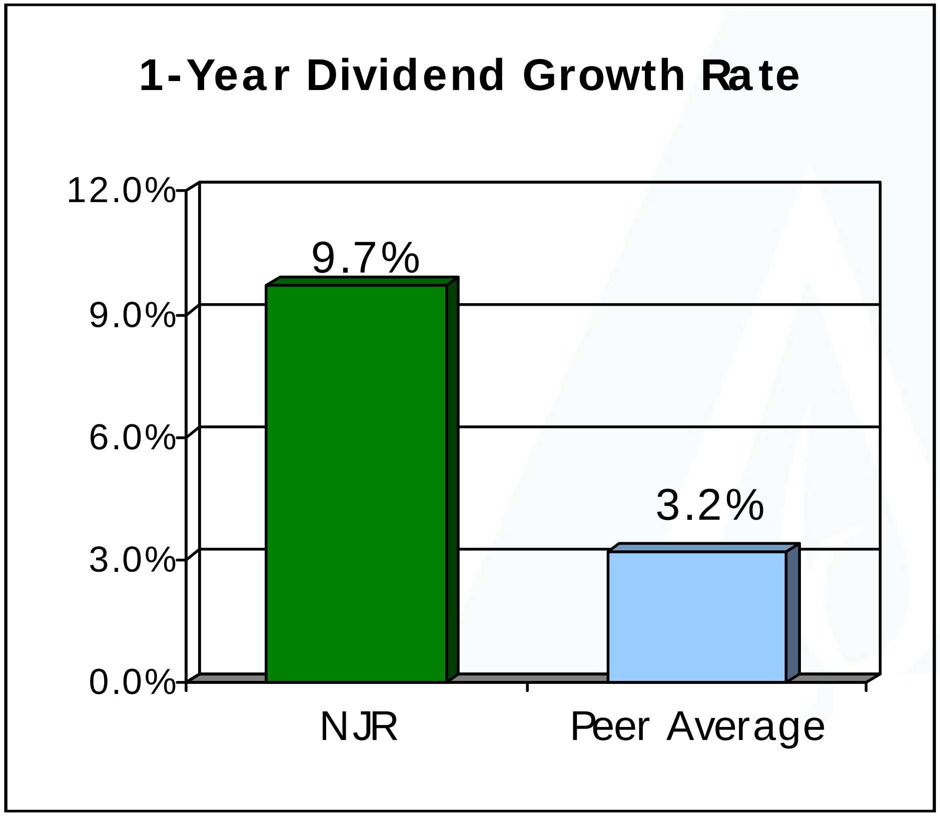
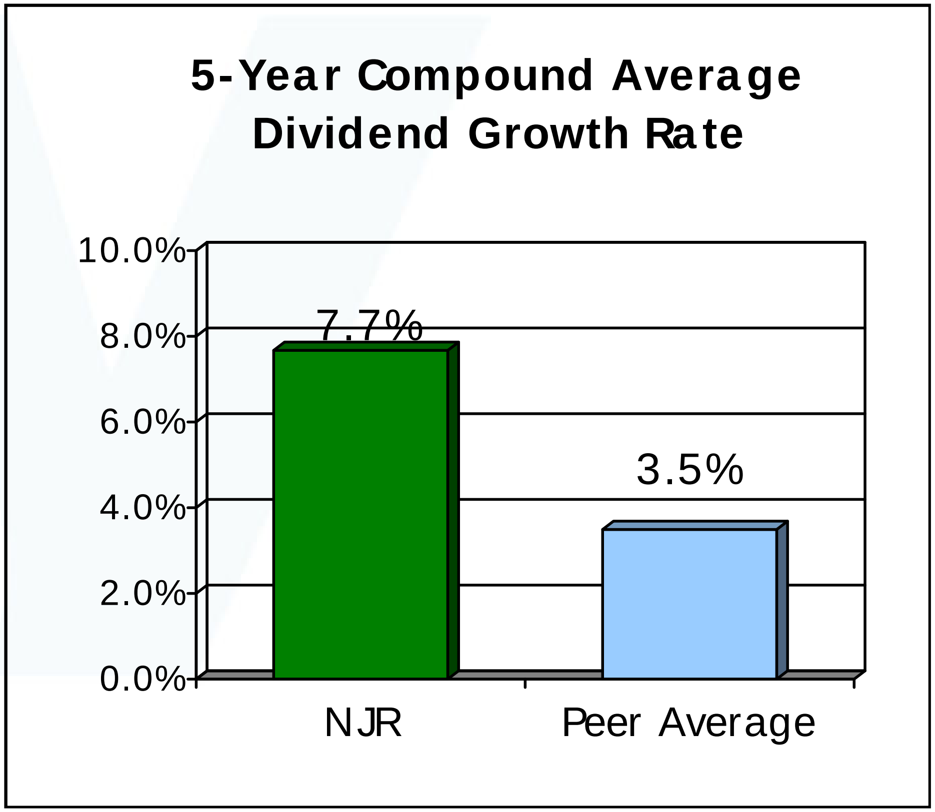
Comparative Dividend Growth Rates





Growth rate based on indicated rates for period ended December 31, 2009

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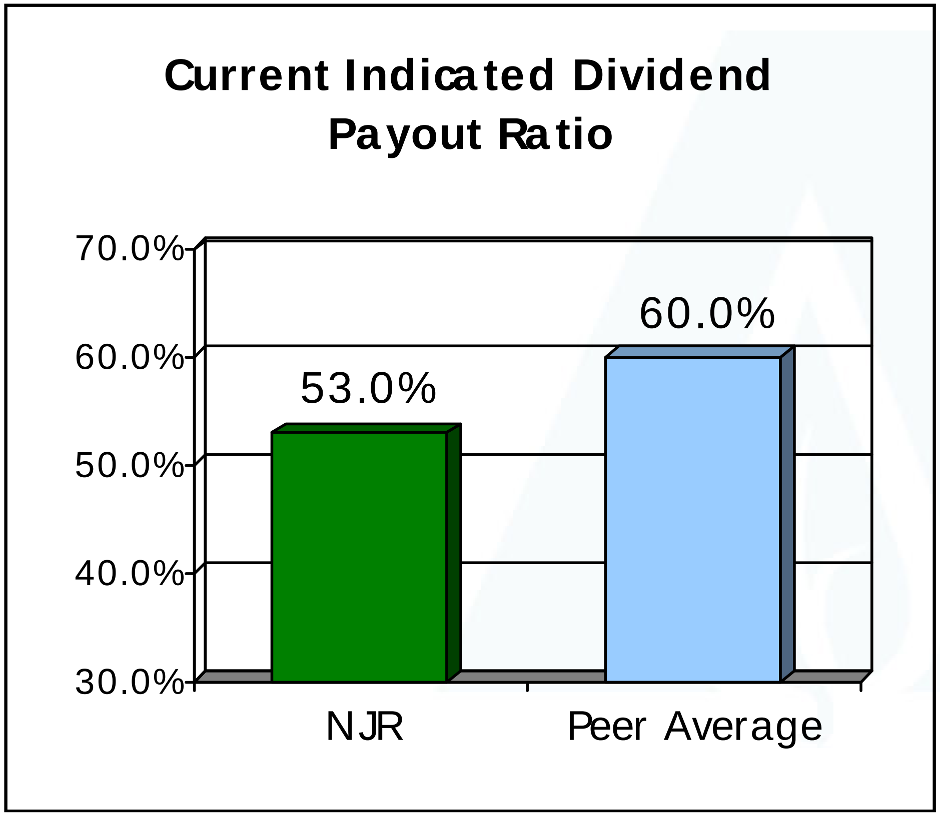
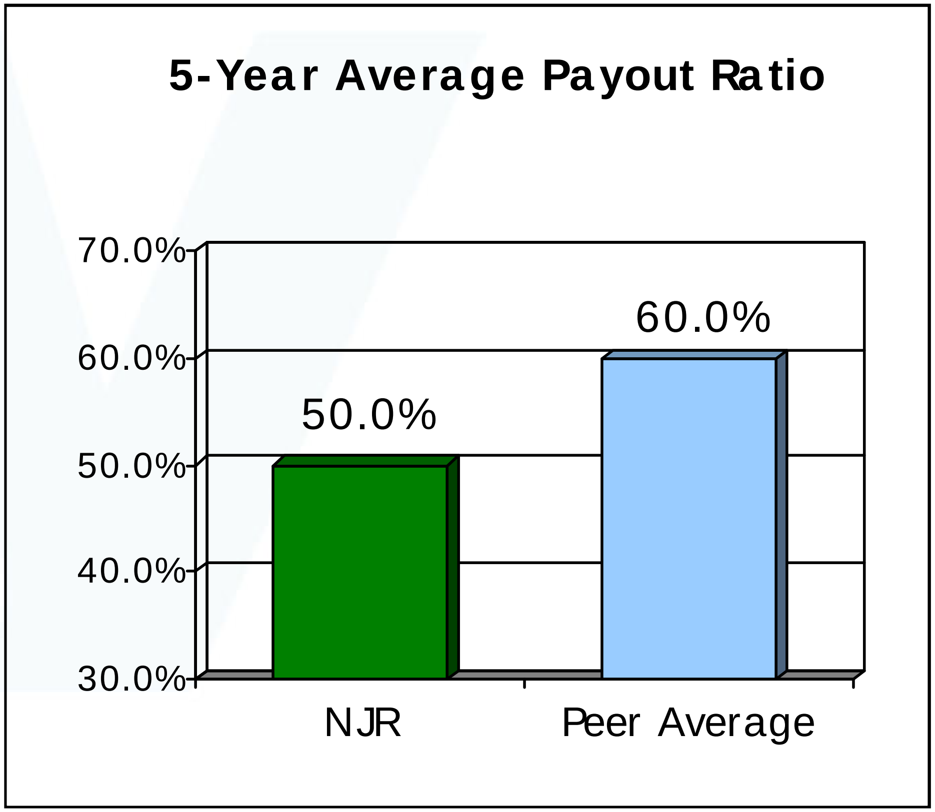
Comparative Payout Ratios





Peer average payout ratios based on indicated dividend rates and consensus earnings estimates for 2010 and actual dividend paid and reported earnings for 2005 through 2009.

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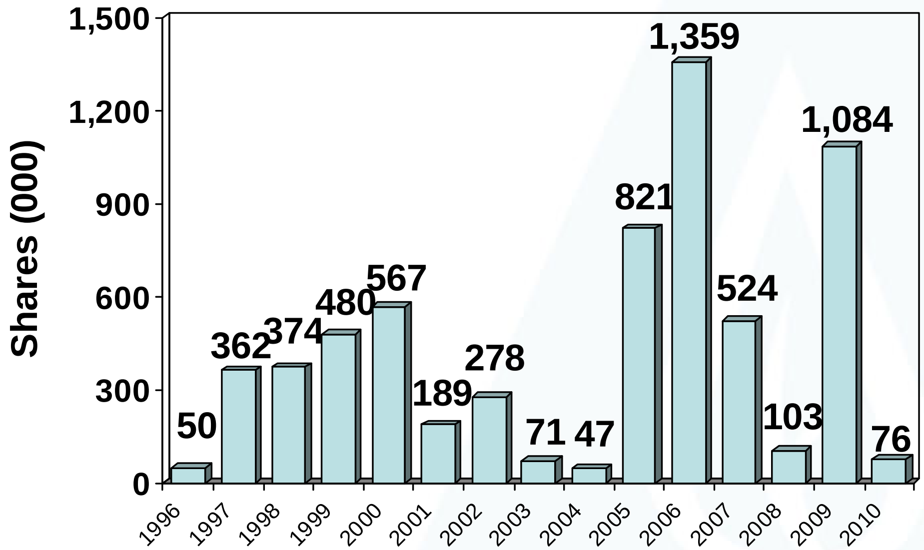
Share Repurchase Program

Shares Repurchased by Fiscal Year



Shares authorized (millions):	**8.75**
Shares repurchased (millions):	**6.50**
Split-adjusted average cost:	**$28.90**

Plan expanded to 8.75 million shares in January 2010

December 31, 2009

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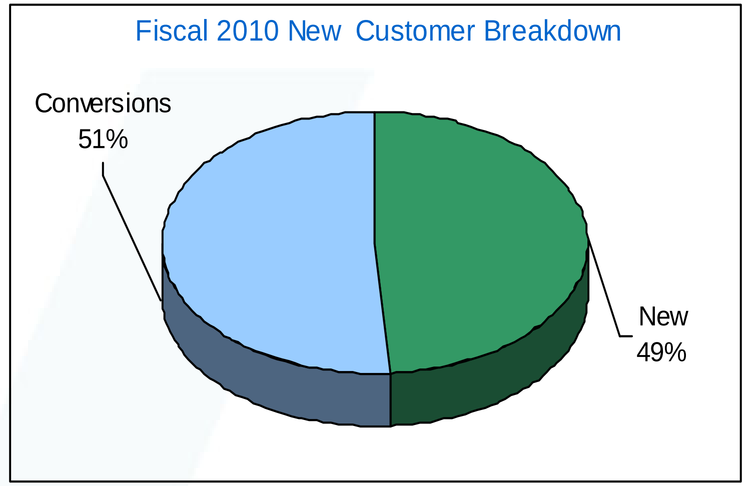
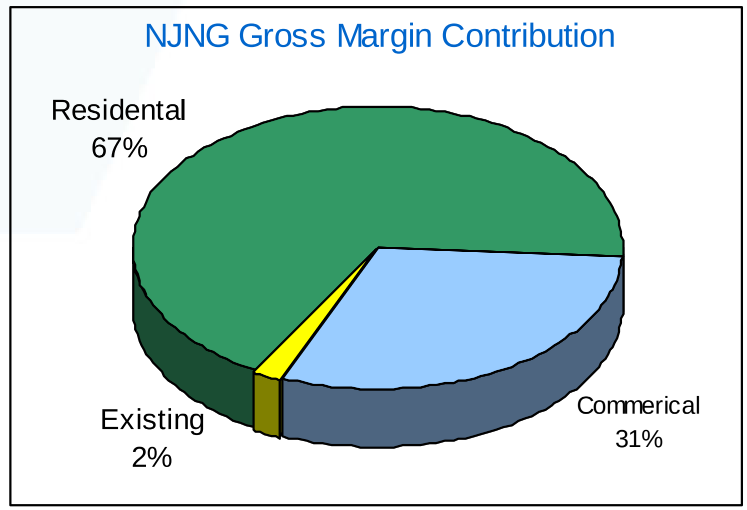
Steady Customer Growth

- 1,438 new customers in the first quarter
- 58 additional existing customer heat conversions
- New customers and existing customer conversions will contribute approximately $.7 million of new utility gross margin annually





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Conservation Incentive Program

- Extended by the BPU in January
- In place through September 30, 2013
- Encourages customer conservation
- Protects NJNG gross margin from
  - Declining usage
  - Weather
- Saved over $135 million for customers since inception

Accelerated Infrastructure Program (AIP)

- Investment of up to $70.8 million on 14 infrastructure projects
  - Fiscal 2010 capital spending estimated at $44 million
  - 2-year program
- Creates up to 100 new jobs
- Rate recovery of program spending annually at WACC of 7.76 percent
- Will ensure the continued safe and reliable delivery of natural gas to our growing customer base

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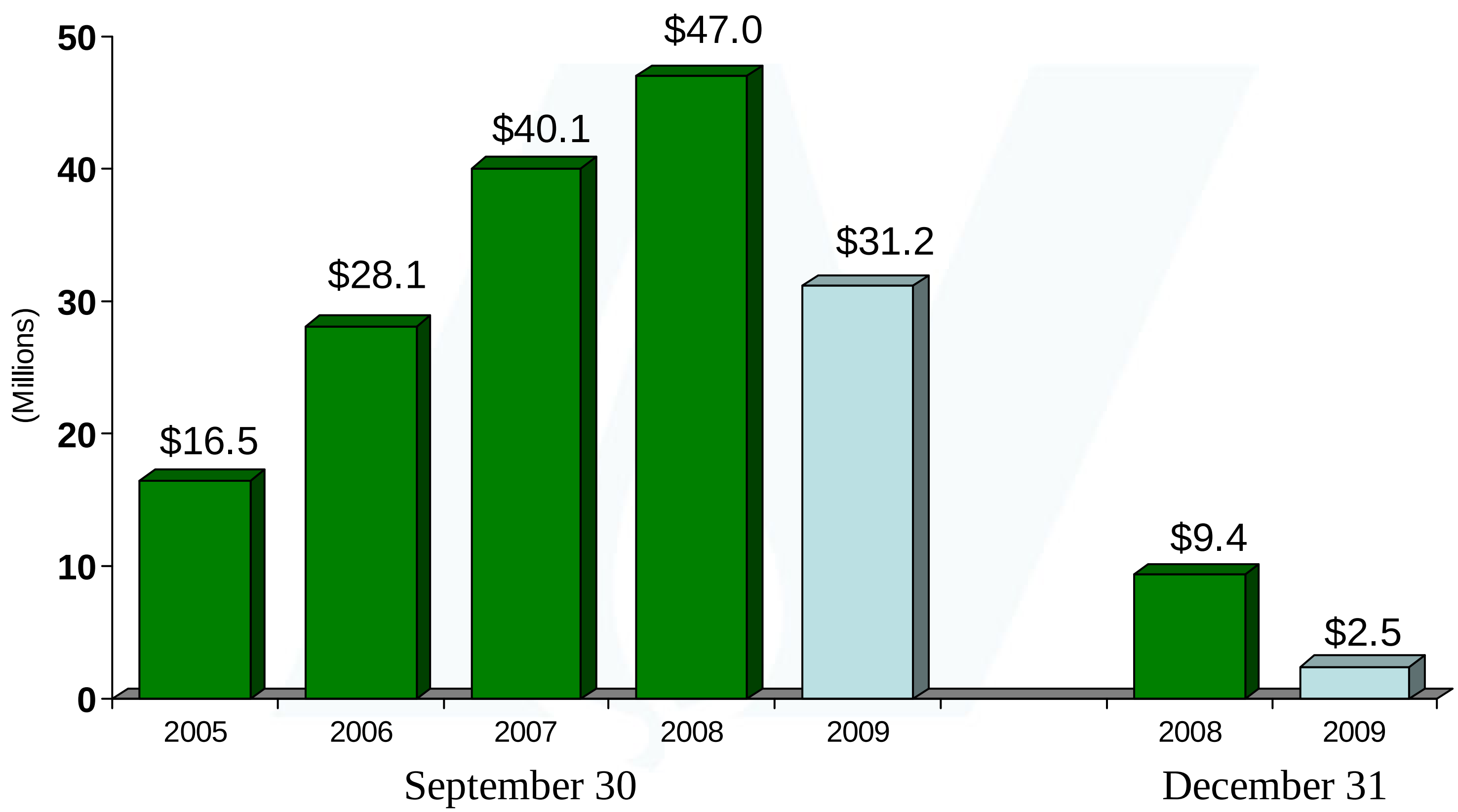
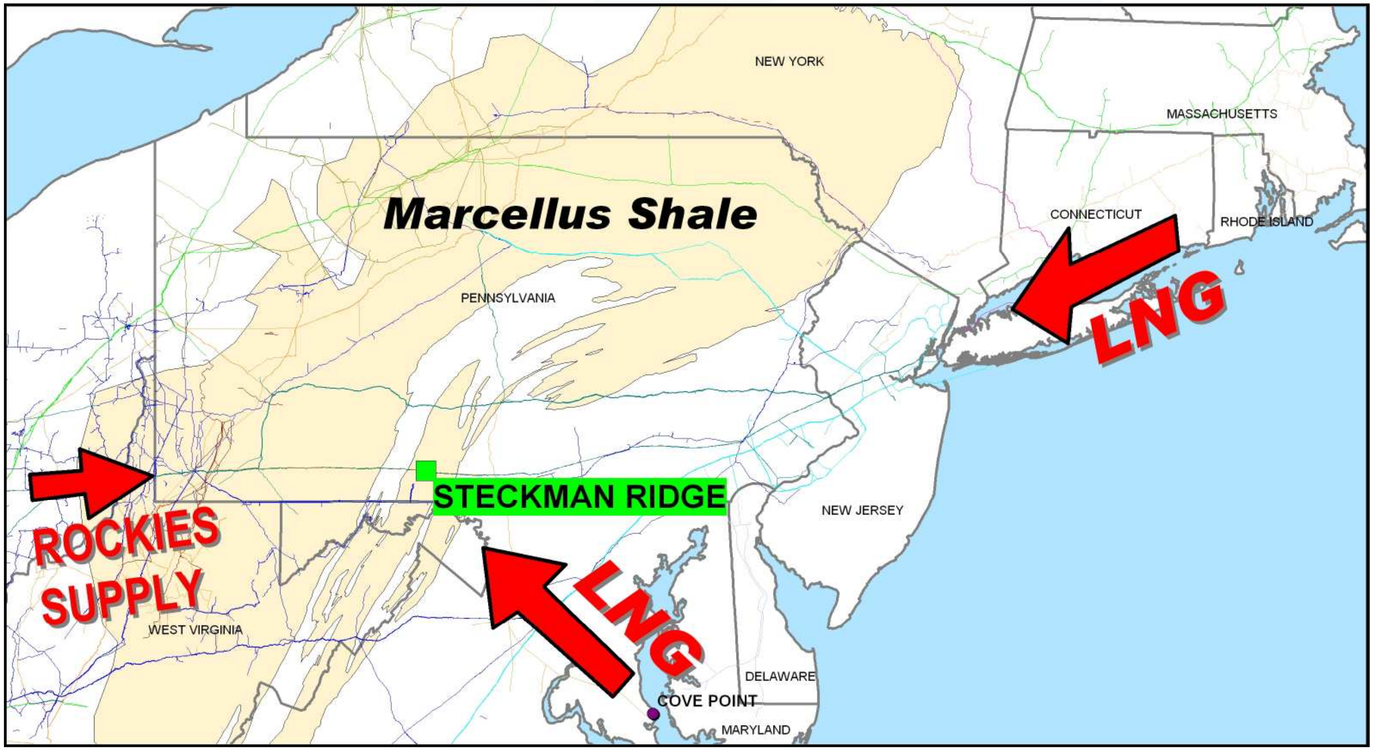
NJRES Net Financial Earnings



NJRES is expected to contribute 20 to 30 percent of NFE in fiscal 2010

Steckman Ridge

- Up to 12 Bcf storage facility in southwestern Pennsylvania
- Contributed $1.3 million to first quarter NFE
- Steckman Ridge is expected to provide 2 to 6 percent of 2010 NFE



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A Record of Consistent Performance

- We have:
  - The fundamentals in place to increase NFE
    - Customer growth
    - AIP and EE
    - Steckman Ridge
  - The ability to increase dividends
  - A strong financial profile
  - A collaborative relationship with regulators
  - A track record of growth and consistent results

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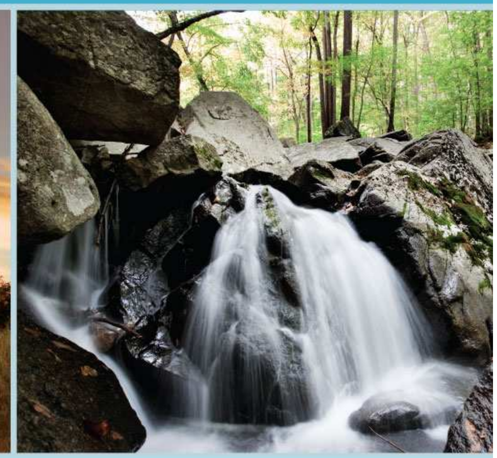

Laurence M. Downes, Chairman and CEO

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