

Fiscal 2014 First Quarter Update

February 6, 2014

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, Two Dot and Carroll Area Wind farms, 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; satisfaction of conditions precedent to acquisition of Carroll Area wind farm; 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; regulatory approval of NJNG’s planned infrastructure programs; 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 26, 2013, as filed with the Securities and Exchange Commission (SEC) 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 NFE (losses), financial margin and utility gross margin. A reconciliation of these non-GAAP financial measures to the most directly comparable financial measures calculated and reported in accordance with GAAP can be found below. As an indicator of the company's operating performance, these measures should not be considered an alternative to, or more meaningful than, operating income as determined in accordance with GAAP. This information has been provided pursuant to the requirements of SEC Regulation G.

NFE (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 instead of when the planned transaction ultimately is settled. An annual estimated effective tax rate is calculated for NFE purposes and any necessary quarterly tax adjustment is applied to NJRCEV, as such adjustment is related to tax credits generated by NJRCEV.

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. Natural gas costs, sales and other taxes and regulatory rider expenses are passed through to customers and, therefore, have no effect on gross margin.

Management uses these non-GAAP financial measures 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 below. For a full discussion of NJR's non-GAAP financial measures, please see NJR's most recent Form 10-K, Item 7 and most recent Form 10-Q, Part I, Item 2.

First Quarter NFE



(\$MM)				
Company	Q1 2014	Q1 2013	Change	
New Jersey Natural Gas	\$27.6	\$25.5	\$2.1	
NJR Energy Services	7.4	3.0	4.4	
NJR Clean Energy	3.6	5.3	(1.7)	
NJR Midstream	1.4	1.8	(0.4)	
NJR Home Services/Other	(.1)	(.1)	-	
Total	\$39.9	\$35.5	\$4.4	
Per basic share	\$.95	\$.85	\$.10	



First Quarter Performance Drivers

■ New Jersey Natural Gas

- NFE of \$27.6 million compared with \$25.5 million in Q1 last year
 - Strong utility gross margin growth at NJNG

<i>(\$ thousands)</i>	
AIP	\$2,126
Sandy/Other	1,370
Customer Growth	723
SAVEGREEN	446
BGSS Incentives	341
Total Utility Gross Margin Growth	\$5,006

■ NJR Energy Services

- NFE of \$7.4 million vs. \$3 million in Q1 last year
 - Higher financial margin from colder weather
 - Pipeline and storage portfolio growth
 - Sales to major customers



First Quarter Performance Drivers

■ **NJR Clean Energy Ventures**

- NFE of \$3.6 million vs. \$5.3 million in Q1 last year
 - Timing of Solar Renewable Energy Certificates (SREC) sales

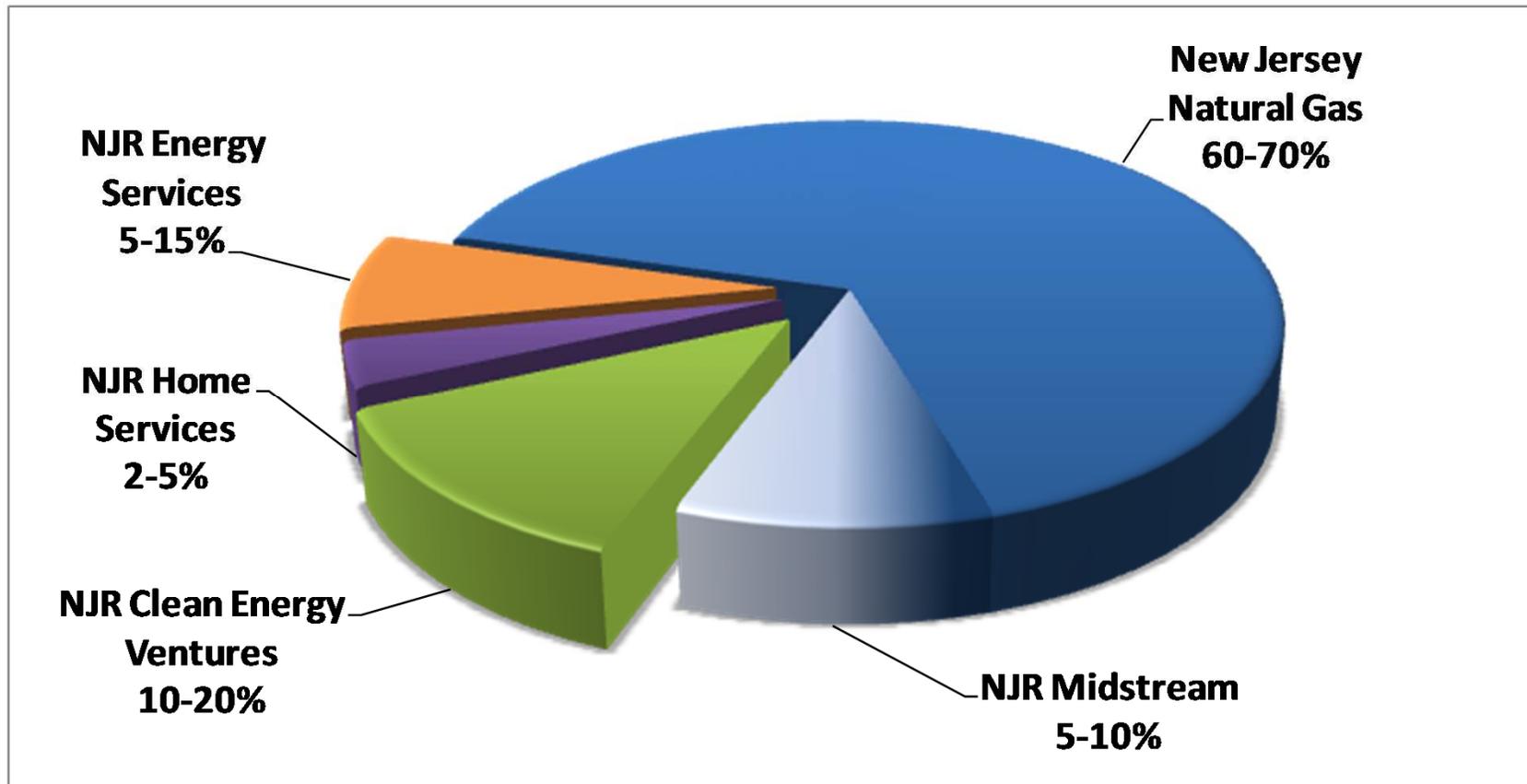
■ **NJR Midstream**

- NFE of \$1.4 million vs. \$1.8 million in Q1 last year
 - Lower transportation values at Iroquois and maintenance expense at Steckman Ridge

■ **NJR Home Services**

- Loss of \$574,000 vs. \$247,000 loss in Q1 last year
 - First quarter fiscal 2013 positively impacted by Sandy
 - Lower installation sales

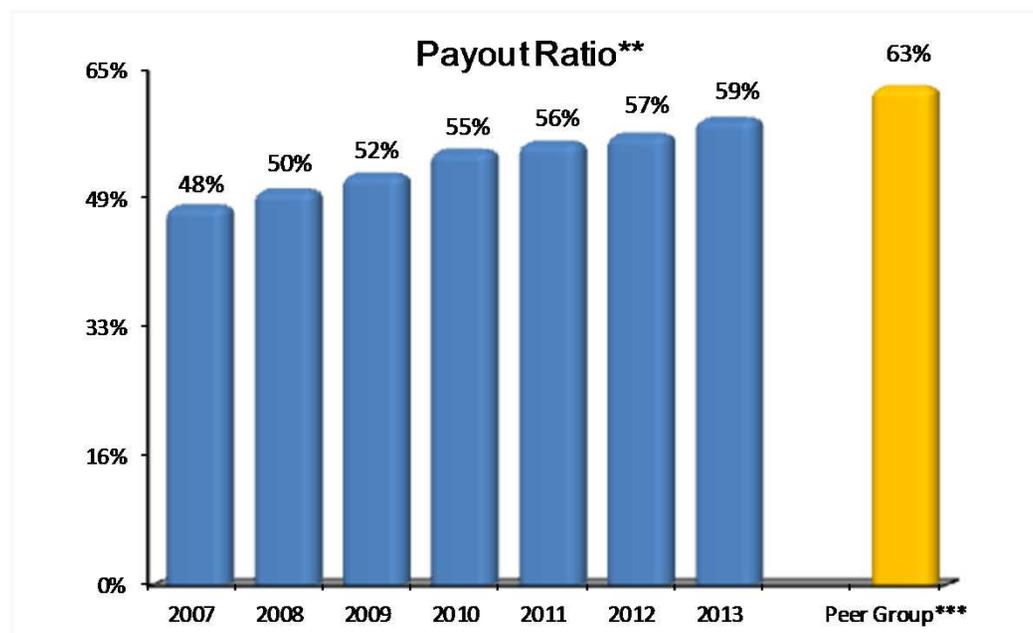
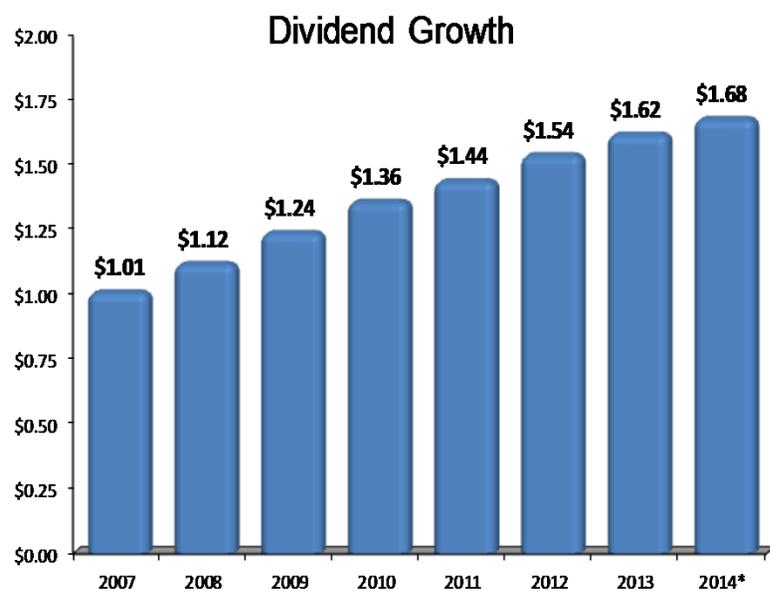
Affirm Fiscal 2014 NFE Per Share Guidance - \$2.75 to \$2.95



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



Growing and Sustainable Dividend



Goal is to grow dividend 5 percent annually

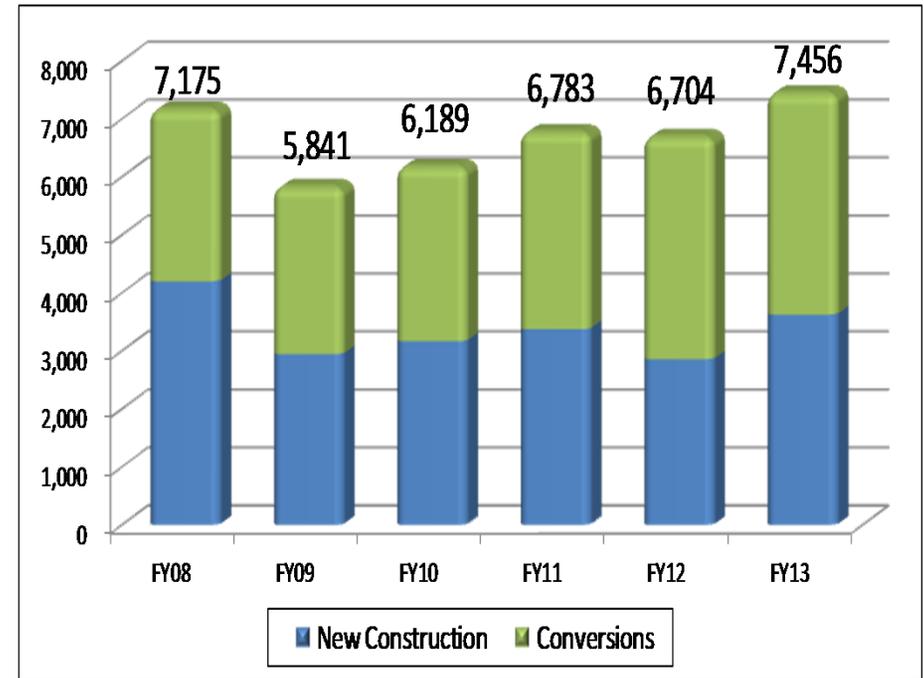
* Current annual rate

** 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

Strong Customer Growth Continues

- **2,129 new customers in the first quarter of fiscal 2014, up 8.7 percent over Q1 last year**
- **980 new construction customers; up 16 percent over Q1 last year**
- **1,149 conversions from other fuels; up 3 percent over Q1 last year**
- **137 existing customer heat conversions; more than double Q1 last year**



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

The SAVEGREEN Project®



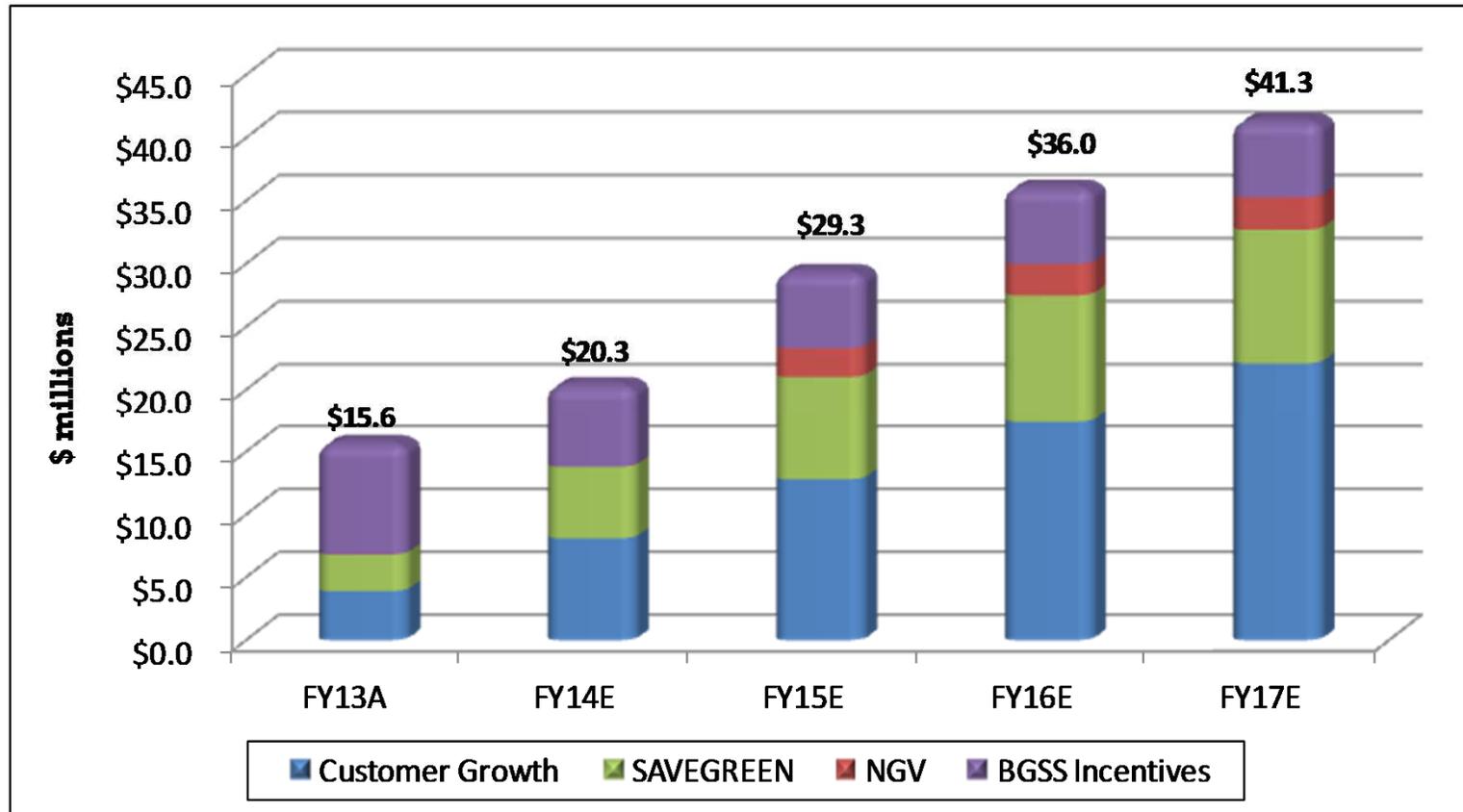
- In place through June 2015
- Investment of up to \$85 million
- New programs added
- First Quarter Results:
 - Over 1,300 home energy audits
 - 634 on-bill repayments, totaling over \$6 million
 - Over 2,050 grants paid, totaling over \$3.8 million
- More than \$215 million in economic activity for New Jersey since inception in 2009



Constructive regulatory environment and support of public policy objectives create growth opportunities for NJNG



Diversified and Growing Utility Gross Margin



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



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

NJNG Capital Investment 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



Distributed Power Portfolio Strategy

■ Solar

- Supports New Jersey's Energy Master Plan
- Improving SREC Fundamentals
- Eliminate reliance on solar ITC by January 2017

■ Wind

- 29 states and the District of Columbia have Renewable Portfolio Standard (RPS)
- Production-based tax credits (PTC)
- Long-term Power Purchase Agreements (PPAs) and PTCs provide annuity-like returns

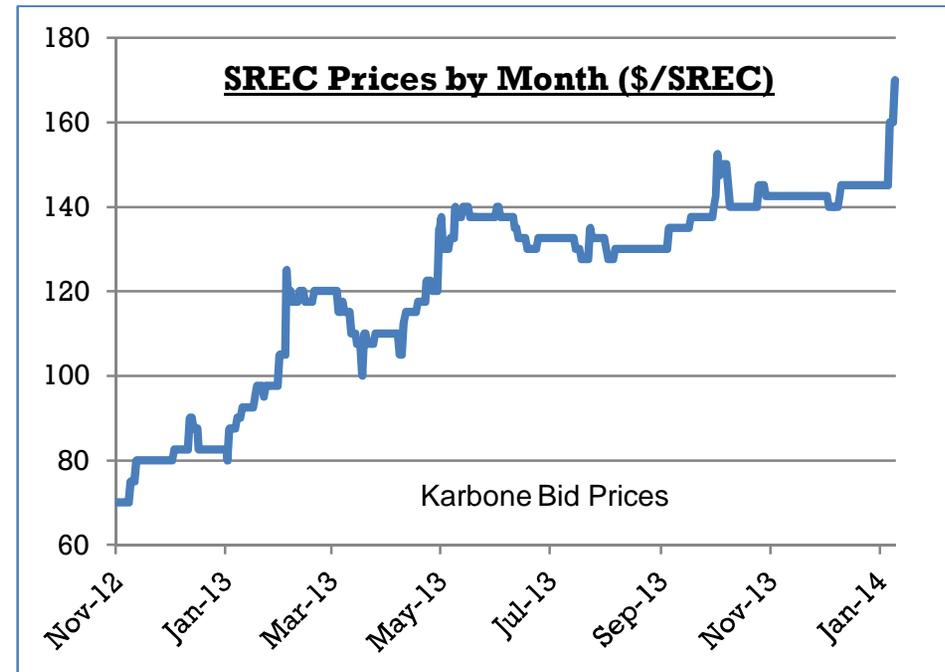
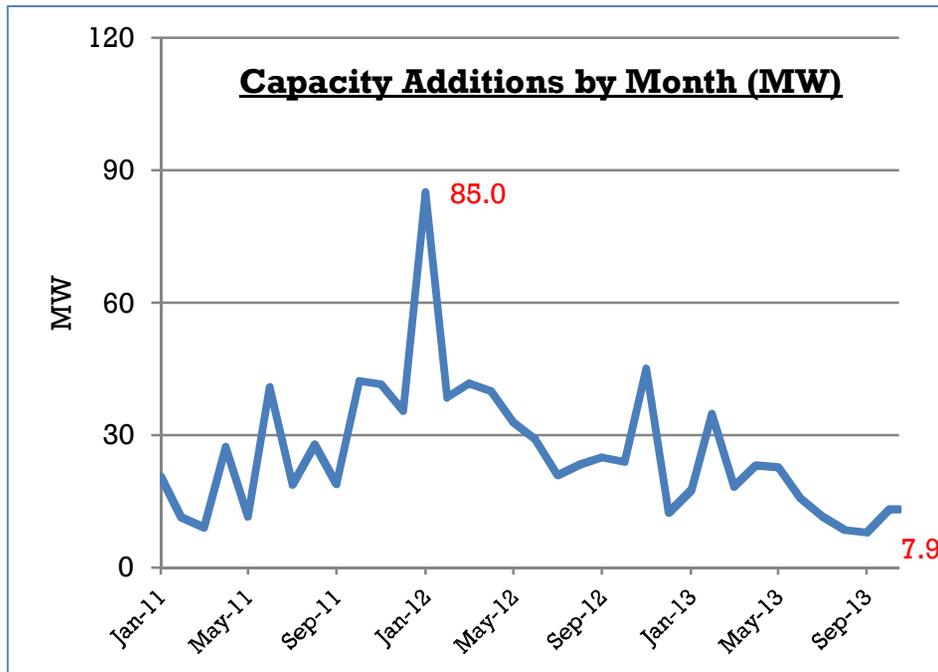
■ Combined Heat and Power

- Longer-term opportunities

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



Improving SREC Fundamentals



- NJ increased solar RPS effective June 2013
- Solar construction activity has moderated
- SREC prices have responded

SREC production forecasted to grow from approximately 65,000 in fiscal 2013 to 174,000 in fiscal 2017



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 (Turbines), Mortenson Construction (EPC Contractor)
- **Current Status:**
 - Construction work underway
 - Commercial operations on track for summer 2014



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



Carroll Area Wind Farm



- Second wind project for CEV
- 20 MW wind farm project located 65 miles NW of Des Moines in Carroll County, Iowa
- Approximately \$42 million investment; PTC eligible
- 25-year PPA with MidAmerican Energy
- Commercial operation expected in the spring of 2015

NJR expects nearly 30 MW of wind energy to be in place by 2015

NJRES: Strong Performance in a Changing Market



- NFE of \$7.4 million vs. \$3 million in Q1 last year
 - Higher financial margin from colder weather
- Growth opportunities from physical natural gas sales and producer services
- Providing energy solutions for diverse customers in the Marcellus Shale and other natural gas regions
- Customers include 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

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



Regulated Businesses

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

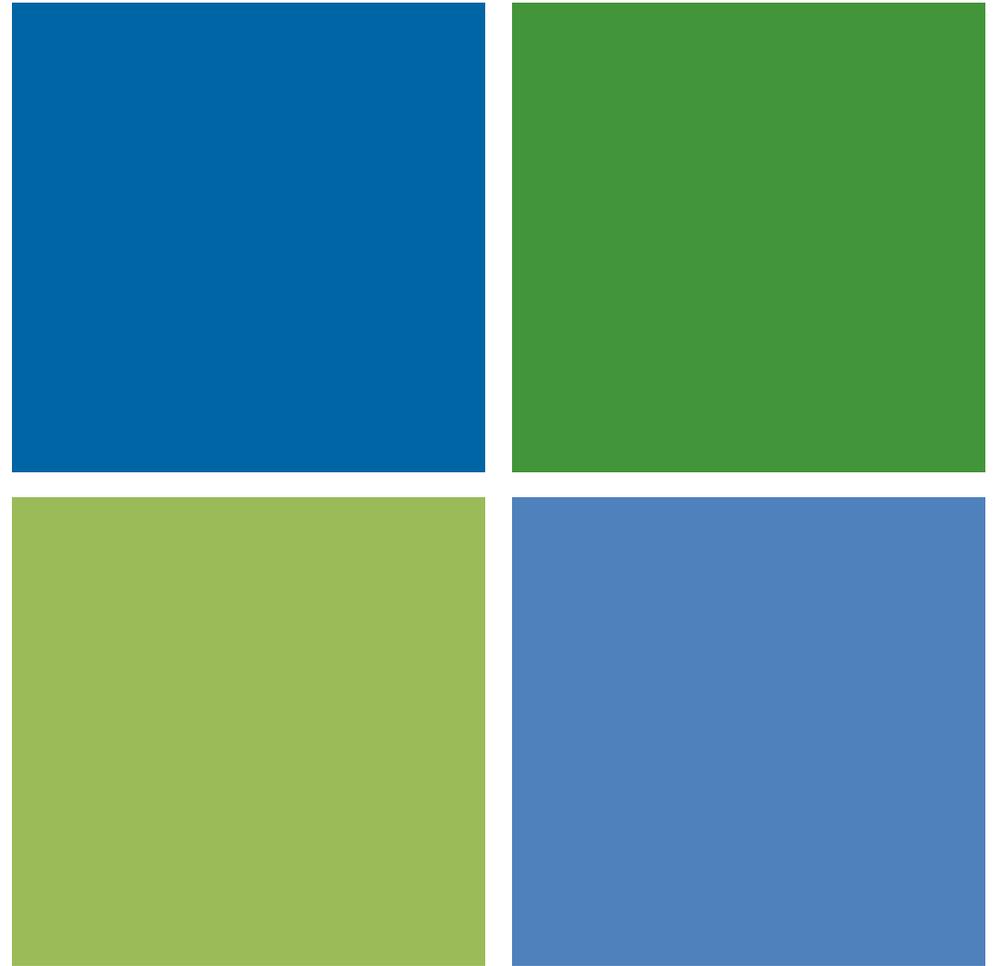
Non-Regulated Businesses

- Diversify distributed power portfolio
- Expand onshore wind investments
- Steady contributions from NJR Energy Services
- Expanded products and markets at NJR Home Services



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



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