3rd Quarter Fiscal 2010 Update

August 4, 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 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.

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, weather and economic conditions; NJR’s dependence on operating subsidiaries; demographic changes in the New Jersey Natural Gas (NJNG) service territory; the 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 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; the 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; the ability to maintain effective internal controls; 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 Company’s investments in solar energy projects, including the availability of regulatory and tax incentives; 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; operating 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.** 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.

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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, 2009.

Fiscal 2010 Highlights – June 30, 2010

- Net Financial Earnings
  - For three months ended June 30, 2010 NFE of $.28 vs. $.03 last year
- NFE guidance reaffirmed – range of $2.45 to $2.55 per share
  - Strong results from NJNG and Midstream segments
  - Less reliance on NJR Energy Services; 15 to 25 percent of NFE
- Regulatory Initiatives
  - CIP extension approved
  - AIP program progressing
  - SAVEGREEN filing made
- Midstream segment earnings increase
  - $5.2 million vs. $2.1 million last year
- Solar projects announced

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Three-Month NFE

($mm)			
Company	2010	2009	Change
New Jersey Natural Gas	$6.1	$4.1	$2.0
NJR Energy Services	3.3	(4.4)	7.7
Midstream Assets	1.8	0.9	0.9
Retail/Other	0.4	0.7	(0.3)
Total	$11.6	$1.3	$10.3
Per basic share	$0.28	$0.03	$0.25

NJR estimates net financial earnings of
$2.45 to $2.55 per basic share in fiscal 2010

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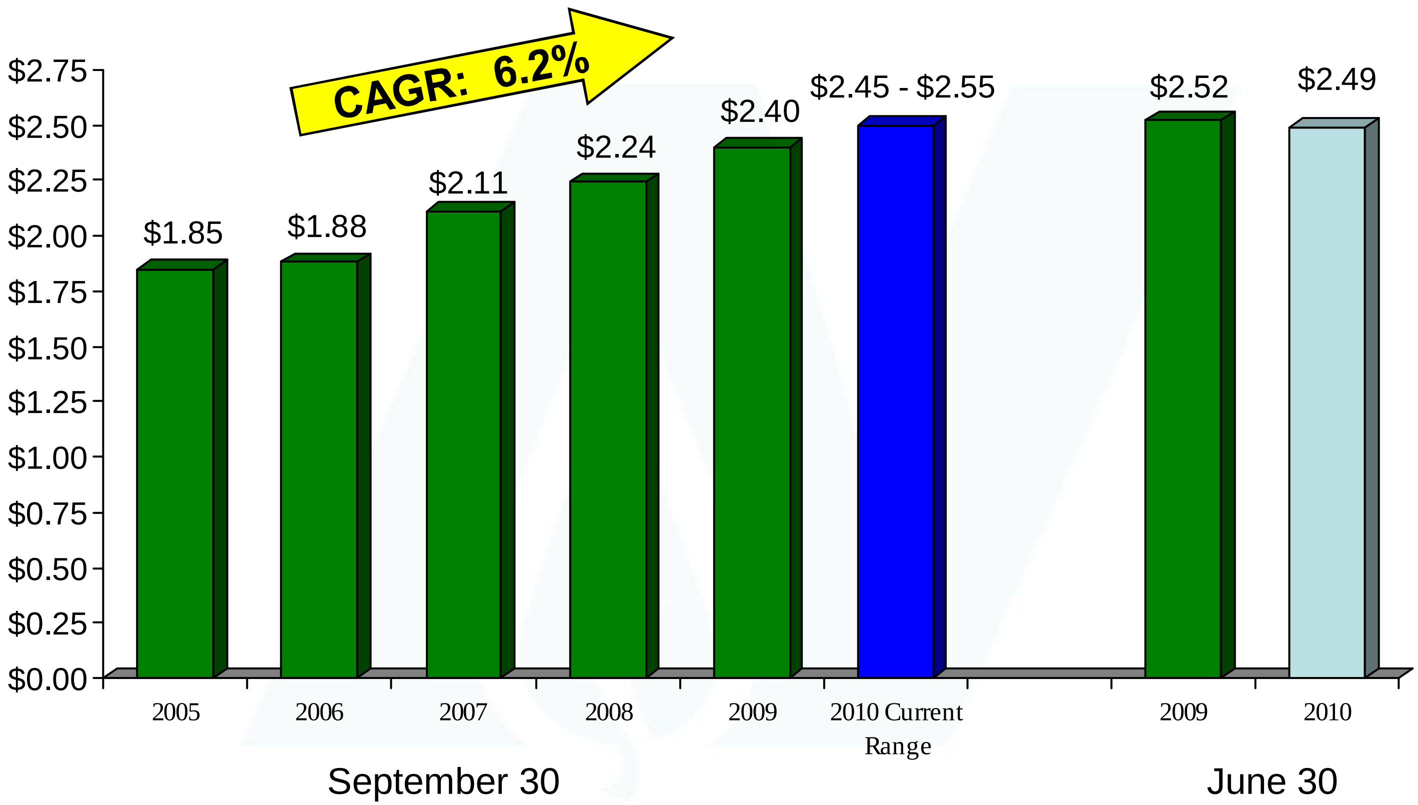
Consistent Financial Performance



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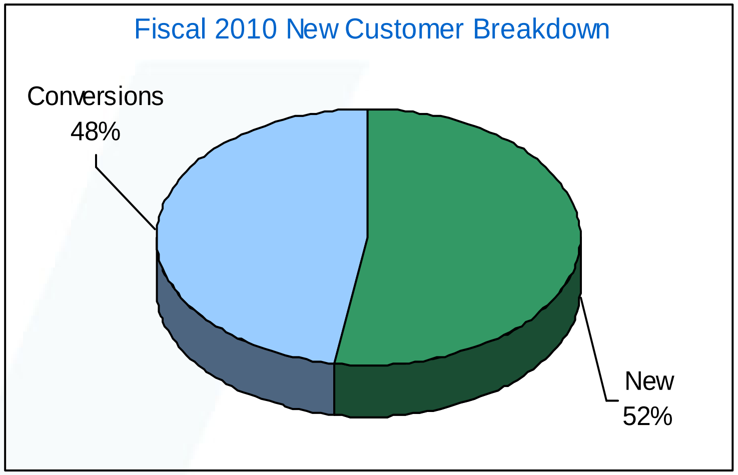
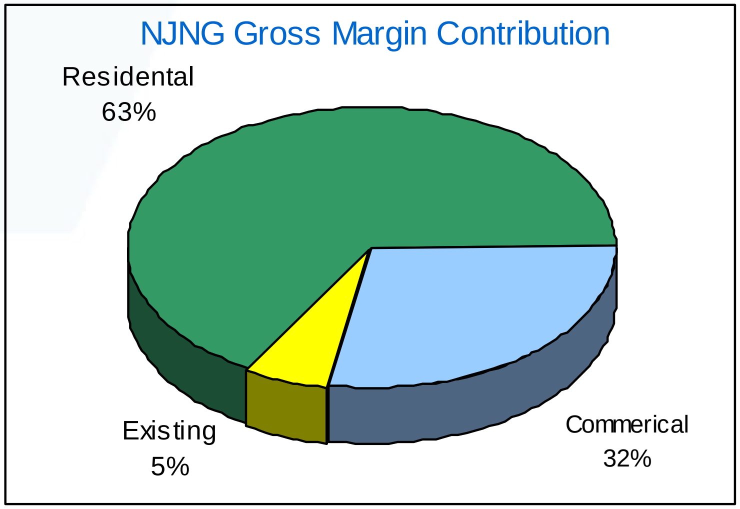
Steady Customer Growth

- 3,938 new customers in the first nine months of fiscal 2010
- 441 additional existing customer heat conversions
- New customers and existing customer conversions will contribute approximately $2 million of new NJNG utility gross margin annually
- Estimate 12,000 to 14,000 new customers over the next two years





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Regulatory Initiatives

Conservation Incentive Program

- In place through September 30, 2013; encourages customer conservation
- Protects NJNG utility gross margin from declining usage and weather
- Saved over $158 million for customers since inception

Accelerated Infrastructure Program (AIP)

- Investment of up to $70.8 million on infrastructure projects
  - $21.5 million incurred through June 30
- Rate recovery of program spending annually at WACC of 7.76 percent

SAVEGREEN Filing

- Decision expected by October 2010
- Expands existing energy efficiency program by $60 million
- Recovery through existing NJNG energy-efficiency rider
- Includes competitively priced leased solar project

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Clean Energy Strategy/Market Landscape

- Supports Federal and State initiatives to reduce greenhouse gas emissions
- Supports economic development
  - Job creation
  - Reduced energy costs for businesses and homeowners
  - Business growth
- Provides the potential for long-term earnings growth

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Solar Program Update

Residential

- First phase of residential solar program well received
  - Over 900 inquiries
  - More than 100 leases signed
  - Approximately $4 million to be invested

Commercial

- Focus on moderately sized commercial solar project opportunities (roof top and ground mounted)
  - Typical size of 0.5 to 5 megawatts
  - Investments of $2 to $25 million
  - Consideration for retail and wholesale energy transactions
  - Reduces concentration risk
  - Fits corporate investment strategy

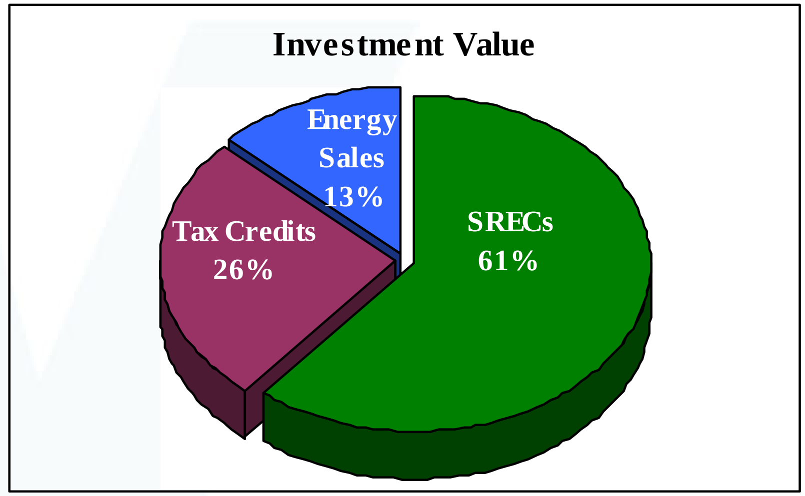
Solar Program Update

- Adler Development
  - Rooftop project utilizing over 900,000 sq. ft. atop four buildings; 20-year lease
  - $17 million investment
  - 3.9 megawatts of capacity
  - Expected to generate approximately 4,200 SRECs annually

- CertainTeed Corporation
  - Rooftop project utilizing over 300,000 sq. ft. atop one building; 20-year lease
  - $5 million investment
  - .87 megawatts of capacity
  - Expected to generate approximately 1,000 SRECs annually

Attractive Economics

- Three sources of Investment Value
  - Investment Tax Credits (ITC)
  - Energy sales
  - SRECs
- Tax credits reduce capital at risk
  - 30 percent ITC in place through 2016
- Premium SREC value in NJ
  - Closed trading within NJ borders
  - Higher trading prices than neighboring state programs
  - Established Solar Alternative Compliance Payment (SACP) through 2017
- Relatively short payback period (four to six years)
- Market cost of capital used to evaluate investment opportunities



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NJRES Update

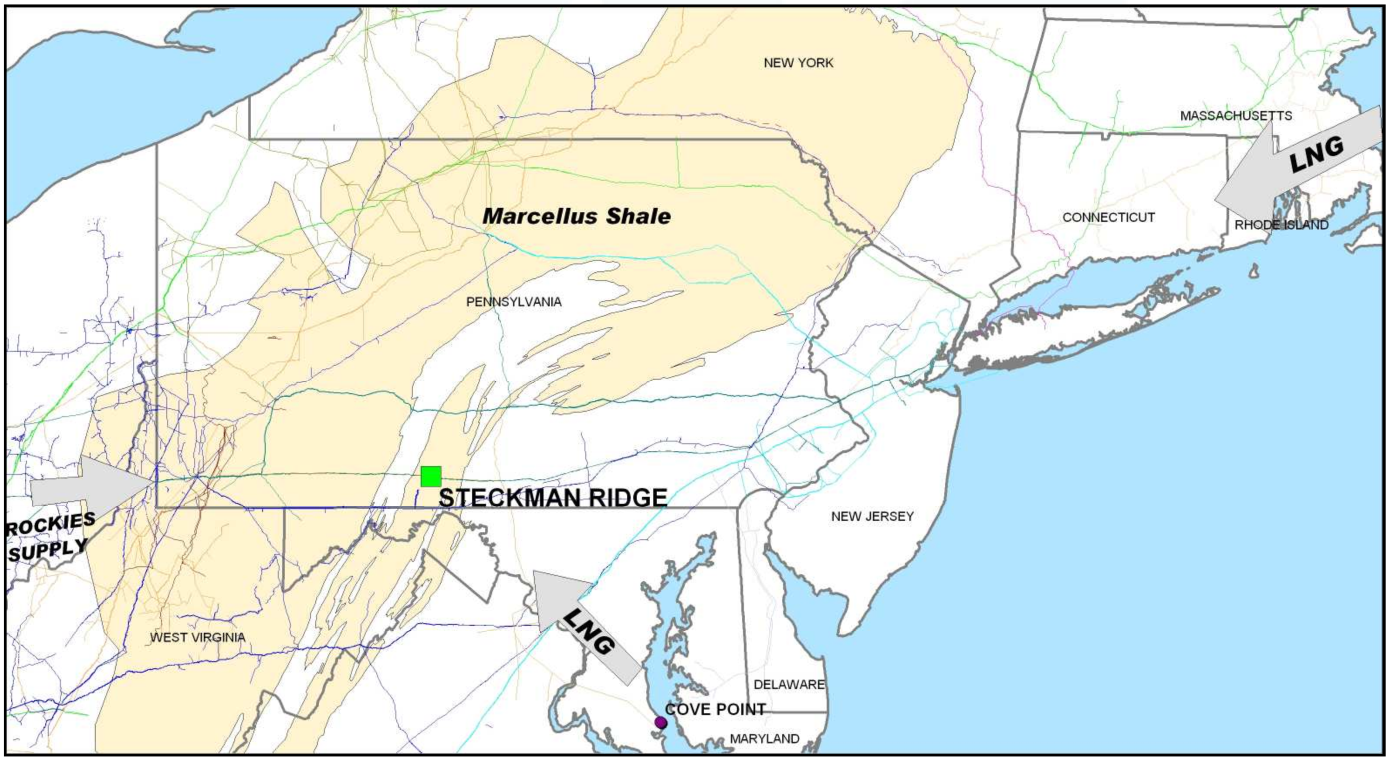
- Value of capacity and transportation has been affected by changing markets and additional supplies
  - Resulted in lower margins
  - Continued focus on a long-option strategy
  - Disciplined risk management

- 15 to 25 percent of NFE in fiscal 2010

- Greater focus on Producer Services
  - Asset management
  - Fee based
  - Over 350,000 dth/day currently under management

Steckman Ridge

- Up to 12 Bcf storage facility in southwestern Pennsylvania
- Contributed $2.9 million to fiscal year-to-date 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
    - Solar Projects
  - 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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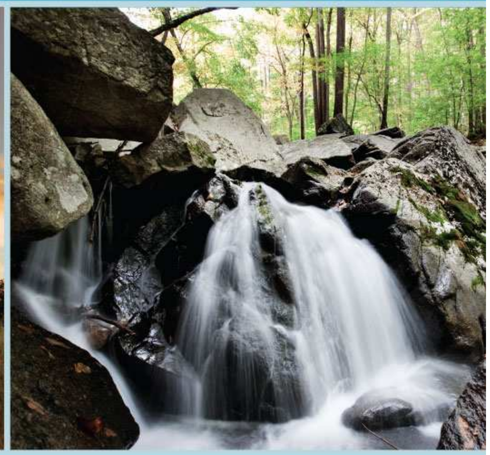

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