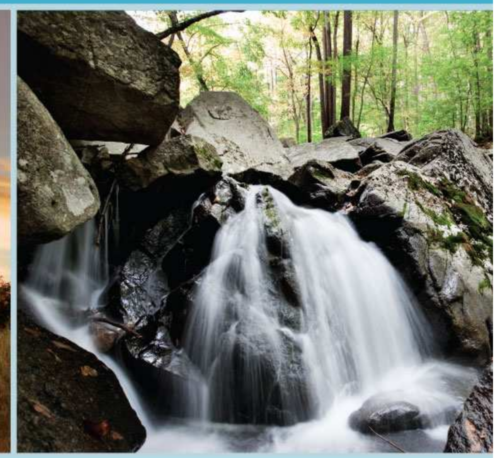
2nd Quarter Fiscal 2010 Update

May 5, 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, 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.

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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.

Current Business Landscape

- Falling Natural Gas Costs
  - Abundant supplies; more liquefied natural gas (LNG)
  - Lower prices benefit customers
- Economy Stabilizing
  - Inflation not a current risk
  - Short-term interest rates remain relatively low
- Housing Market Improving
  - Housing inventories declining; may spur new construction
  - Conversion and commercial markets resilient
- New Governor
  - Significant budget issues
  - Strong focus on economic growth
  - New Board of Public Utilities (BPU) President

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Fiscal 2010 Highlights – March 31,2010

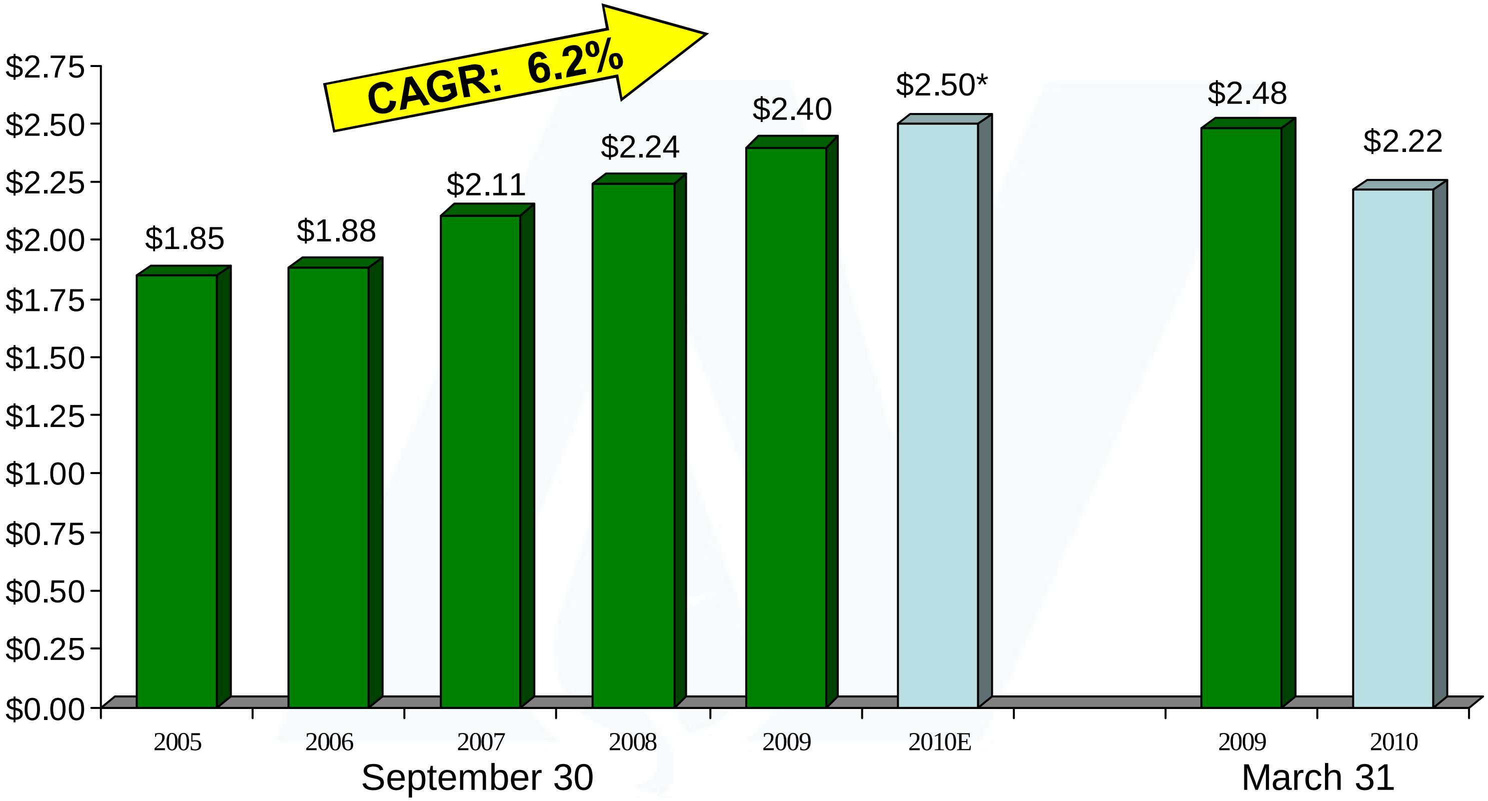
- Net Financial Earnings for the six months
  - $2.20 vs. $2.48 last year
- NFE guidance reaffirmed – range of $2.45 to $2.55 per share
- Larger contributions from NJNG and Midstream Assets
- Implemented a 9.7 percent dividend increase effective January 4, 2010
- Regulatory Relations
  - CIP extension approved
  - AIP program progressing
  - SAVEGREEN filing made
- Midstream asset segment earnings increase
  - $3.4 million vs. $1.2 million last year

Six-Month NFE

($mm)			
Company	2010	2009	Change
New Jersey Natural Gas	$64.0	$64.7	$(0.7)
NJR Energy Services	26.0	40.4	(14.4)
Midstream Assets	3.4	1.2	2.2
Retail/Other	(2.0)	(1.4)	(0.6)
Total	$91.4	$104.9	$(13.5)
Per basic share	$2.20	$2.48	$(0.28)

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

Consistent Financial Performance



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

** Based on midpoint of NFE guidance*

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2010 Earnings Guidance

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

- What factors will improve earnings in the second half of fiscal 2010?
  - NJNG
    - BGSS incentive programs
    - Accelerated Infrastructure Program
    - Continued customer growth - strong conversion markets
    - Lower interest rates/Bad debt expense
  - Midstream Assets
    - Steckman Ridge and Iroquois
  - NJRES
    - Lower operating expenses

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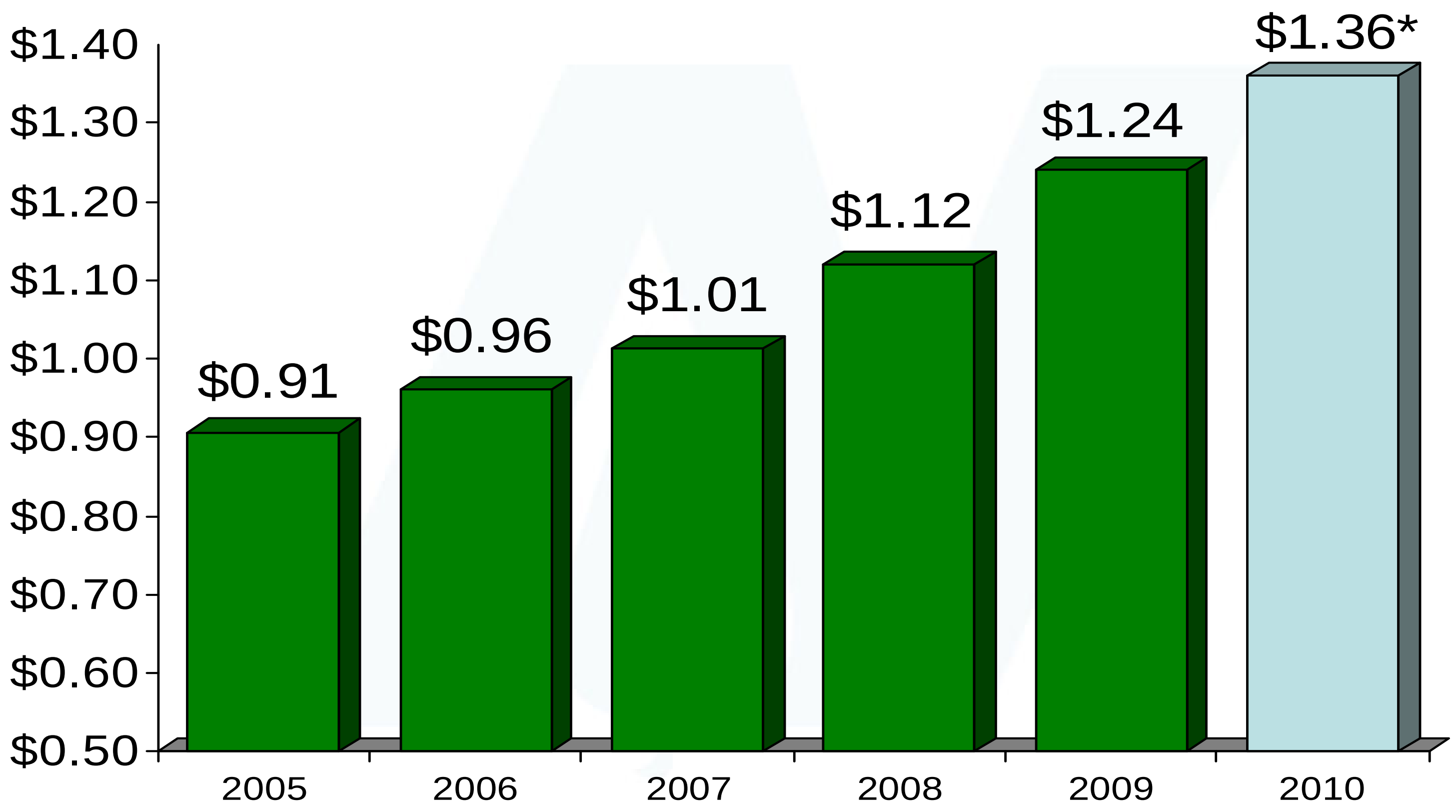
Dividend Growth



Average 3-year growth rate exceeds 10 percent

** Effective January 4, 2010*

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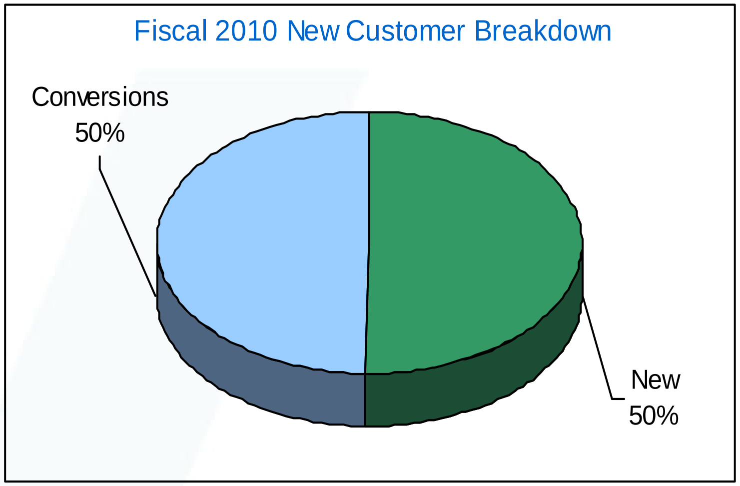
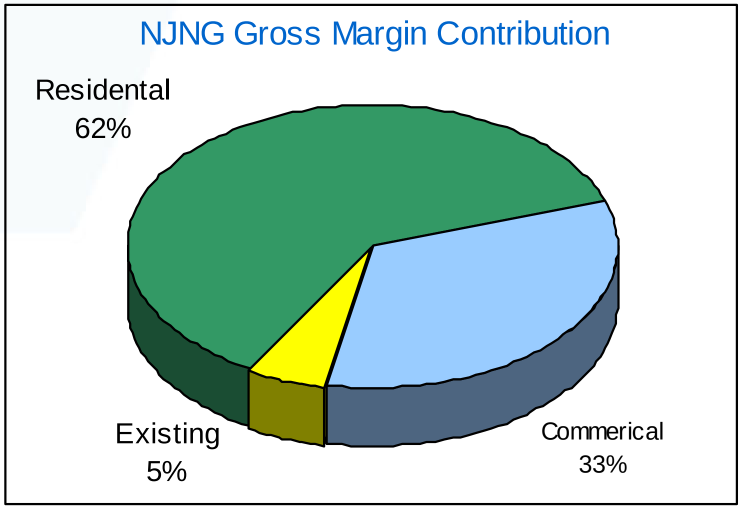
Steady Customer Growth

- 2,491 new customers in the first six months of fiscal 2010
- 284 additional existing customer heat conversions
- New customers and existing customer conversions will contribute approximately $1.3 million of new NJNG gross margin annually
- Estimate 12,000 to 14,000 new customers over the next two years





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

Conserve to Preserve Savings Seal

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Accelerated Infrastructure Program (AIP)

- Approved by BPU on April 16, 2009
- Investment of up to $70.8 million on infrastructure projects
  - $3.5 million spent in FY2009
  - $44 million to be spent in FY2010
- Creates or sustains 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

Objectives of the SAVEGREEN Filing

- Expansion of current SAVEGREEN Project
  - Expands current energy-efficiency programs
- Supports economic development and job growth
- Offers residential customers a competitively priced leased solar product
- Proposed $102 million total expenditures
  - Recovery through existing NJNG energy-efficiency rider
- Total earnings contribution of $4.8 million in first three years
  - Assumes traditional rate-making assumptions and full participation
  - Weighted average cost of capital of 7.76 percent
  - Return on equity of 10.3 percent

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SAVEGREEN Filing – Solar Program Economics

- Solar program
  - Leased residential systems (15-year term)
  - 10-year recovery period
  - Value creation from three distinct revenue sources:
    - Lease payments
    - Investment Tax Credits
    - SRECs
  - Alliance model using third-party contractors for solar installations
  - Mitigates energy-efficiency rider increases
  - SREC market price risk shared across all customers

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Clean Energy Strategy/Market Landscape

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

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Attractive Economics

- Three sources of cash flows
  - 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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NJRHS Residential Solar Program

- A solar lease program targeting up to 130 homes with no upfront cost to homeowner
- Investment of up to $4 million
- Return on Investment will come from four sources:
  - SRECs
  - Investment Tax Credits
  - Available NJ Clean Energy Rebates
  - Homeowner's lease payments
- Earnings impact of program will be dependent on construction installation timing, customer demand and product costs

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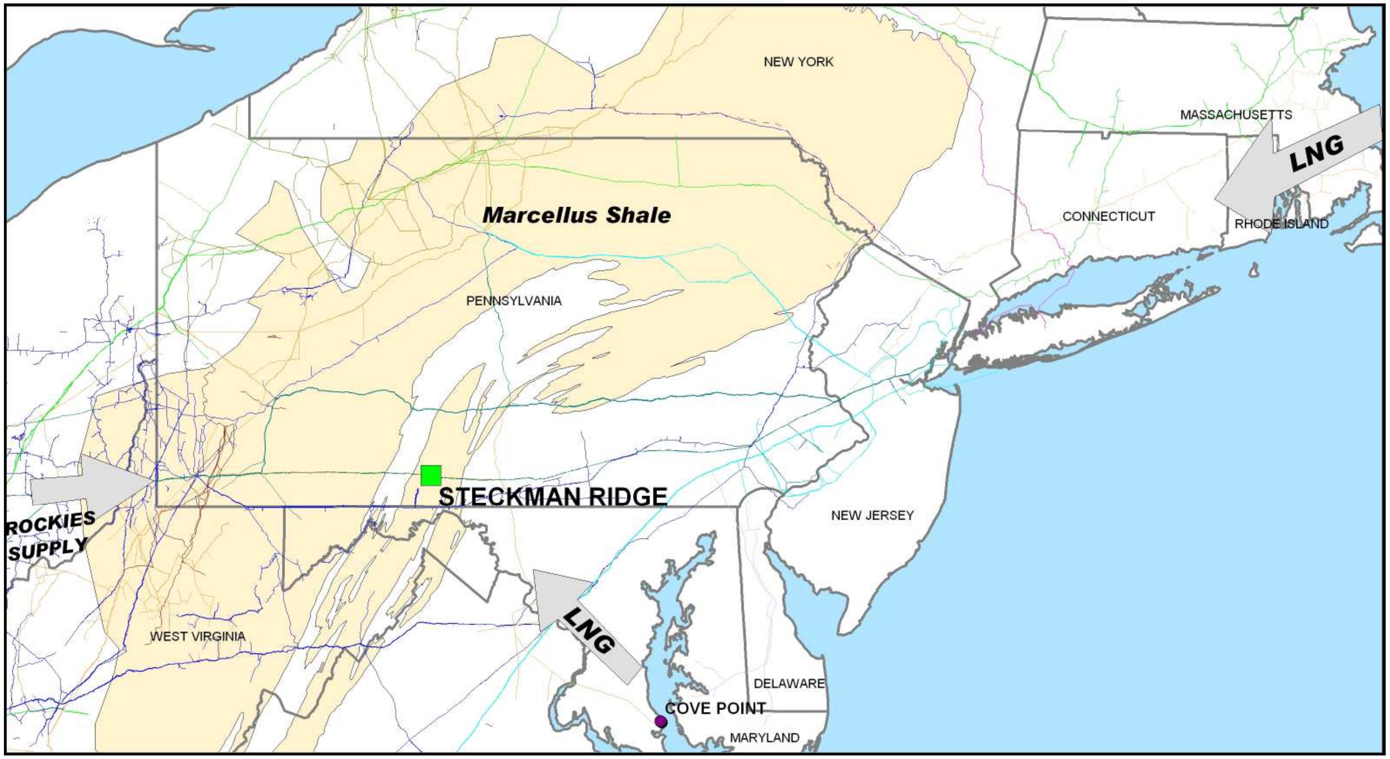
Steckman Ridge

- Up to 12 Bcf storage facility in southwestern Pennsylvania
- Contributed $2.3 million to fiscal year-to-date NFE
- Steckman Ridge is expected to provide 2 to 6 percent of 2010 NFE



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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
- Greater focus on Producer Services
- Storage remains a strategic focus

Margin Opportunities from Producer Services

- Embedded demand fees
- Discounted commodity pricing
  - Purchase natural gas from producers at a discounted price in areas where NJRES has capacity
- Asset management of producer capacity
  - Managing and optimizing transportation capacity on a daily basis
- Fees and compensation for producer services
  - Fixed fee for services
  - Sharing percentage based on a market-based benchmark
- Current relationships with three largest producers in Marcellus
  - Over 300,000 dth/day currently under contract

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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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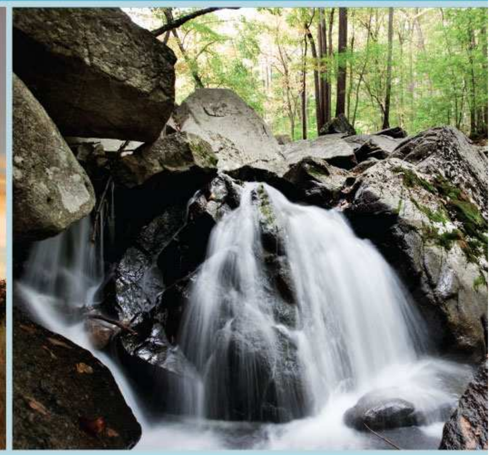

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