Fiscal 2010 Update

November 23, 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 2011 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; 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; 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 construction and regulatory risks and the availability of viable projects; 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; operational 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 2 of our most recent Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2010, and Item 7 of our Annual Report on Form 10-K for the fiscal year ended September 30, 2010, expected to be filed on or about November 24, 2010.

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Fiscal 2010 Highlights

- Achieved our 19th consecutive year of net financial earnings (NFE) per share growth
  - $2.46 compared with $2.40 last year
- Implemented a 5.9 percent dividend increase effective January 3, 2011
  - New annual rate of $1.44 per share
- Strong year at NJNG
  - Earnings of $70.2 million, a 7.4 percent increase over last year
  - Added 6,189 new customers, a 6 percent increase over last year
  - AIP spending at $44 million
- Several regulatory initiatives approved
  - CIP extended through 2013
  - SAVEGREEN extended
  - AIP II filed
- New solar projects announced
- Steckman Ridge profitable in first full year of operations
- NJRES profitable despite challenging market conditions

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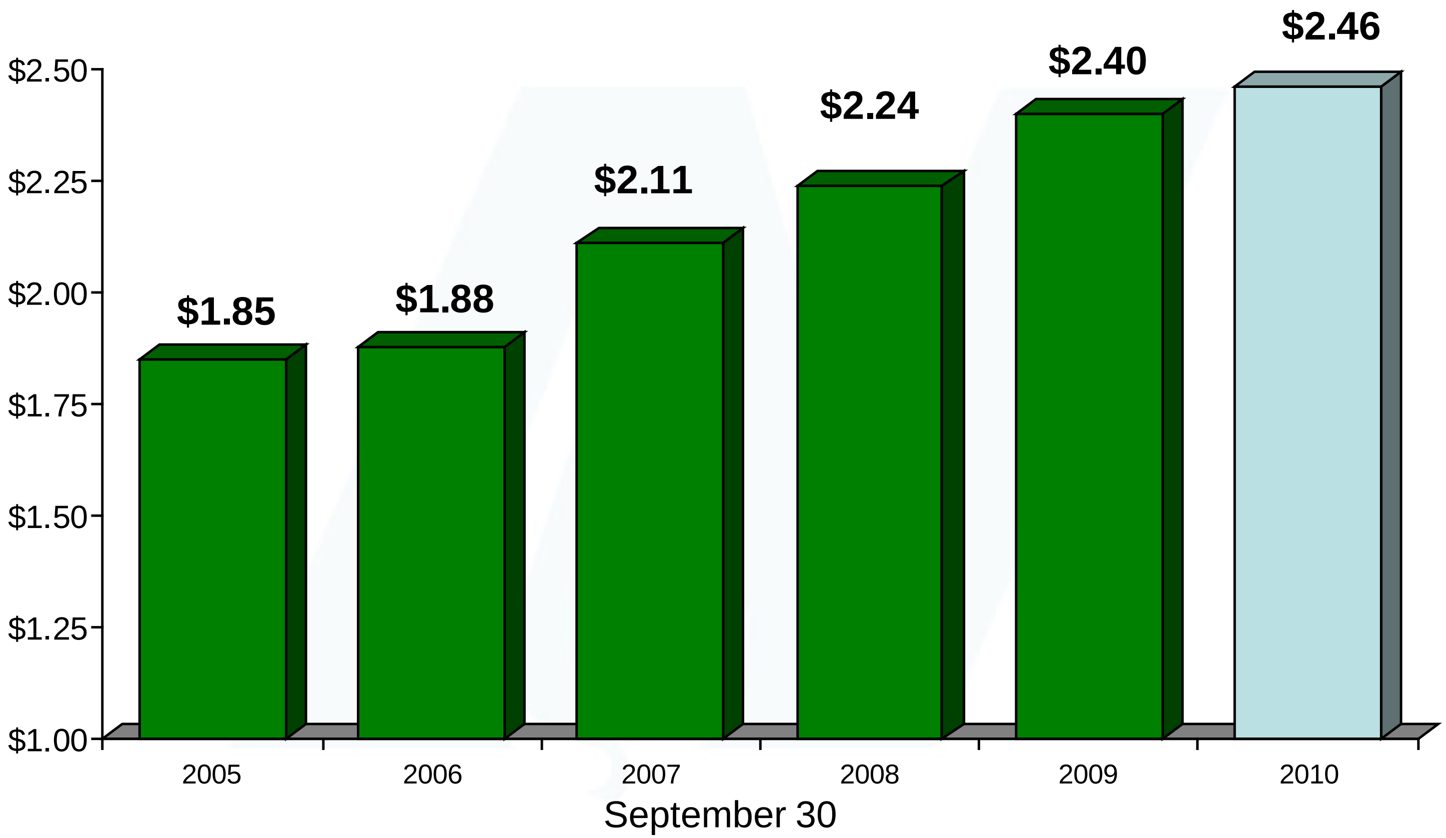
Twelve-Month NFE

($mm)			
Company	2010	2009	Change
New Jersey Natural Gas	$70.2	$65.4	$4.8
NJR Energy Services	24.8	31.2	(6.4)
Midstream Assets	6.4	2.9	3.5
Retail/Other	0.4	1.5	(1.1)
Total	$101.8	$101.0	$0.8
Per basic share	$2.46	$2.40	$0.06

Consistent Financial Performance



Fiscal 2011 guidance expected to be given with the first fiscal quarter of 2011 earnings announcement

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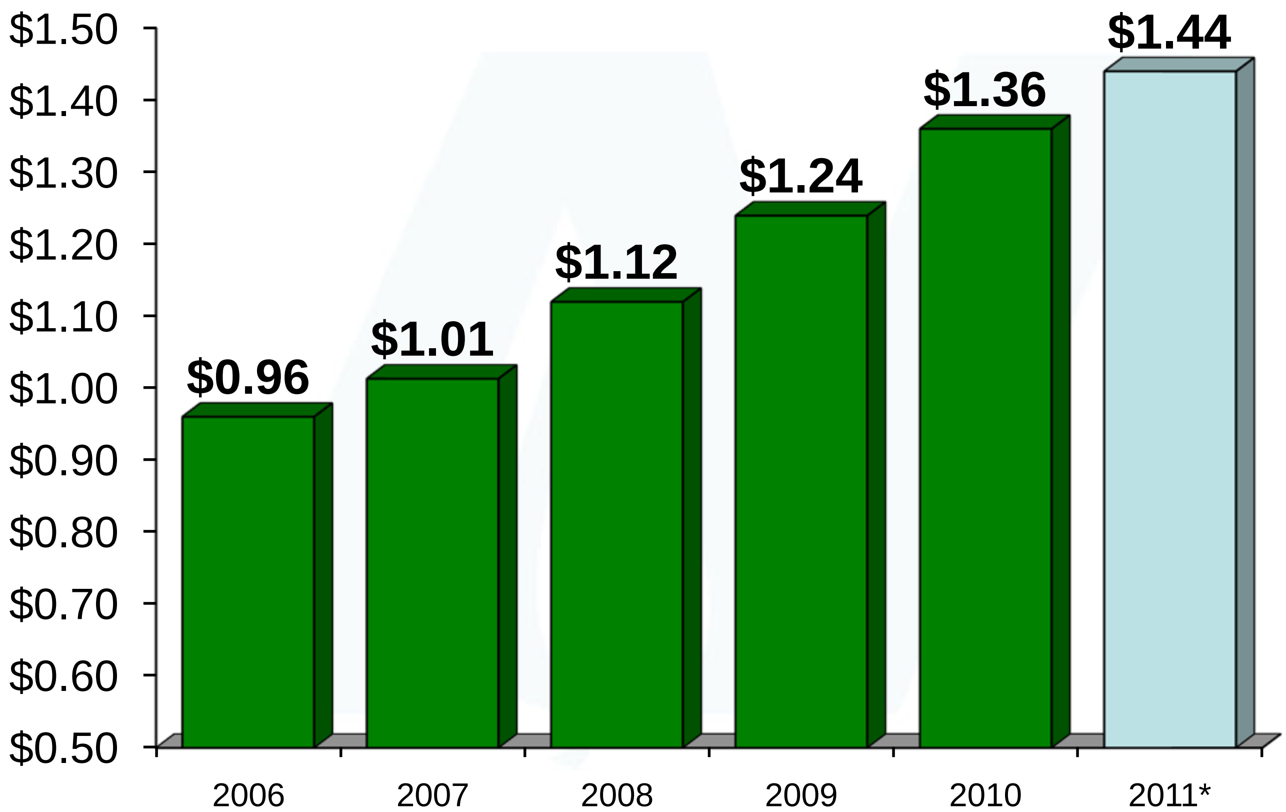
Dividend Growth



16th consecutive year of dividend growth

** Effective January 3, 2011*

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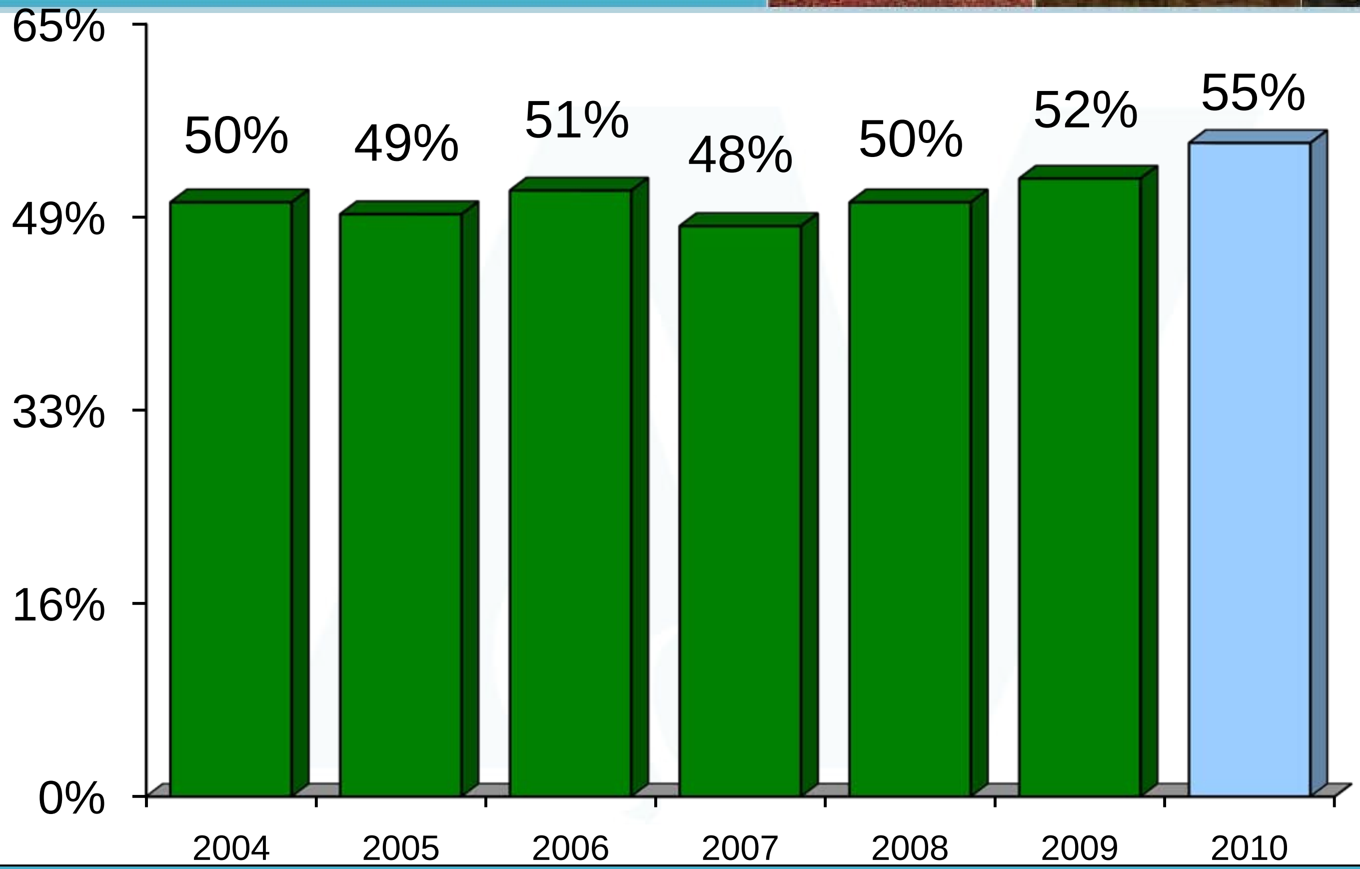
Payout Ratio



Relatively low payout ratio provides continued dividend growth opportunities

Based on Net Financial Earnings

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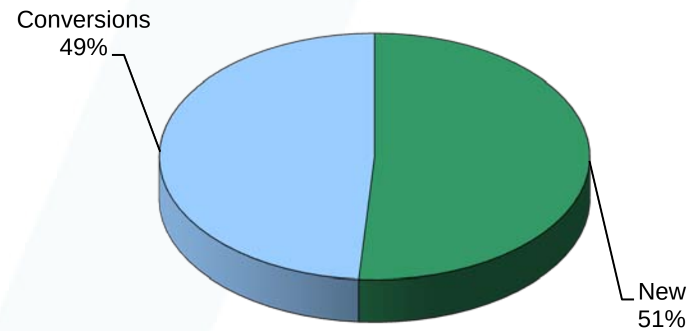
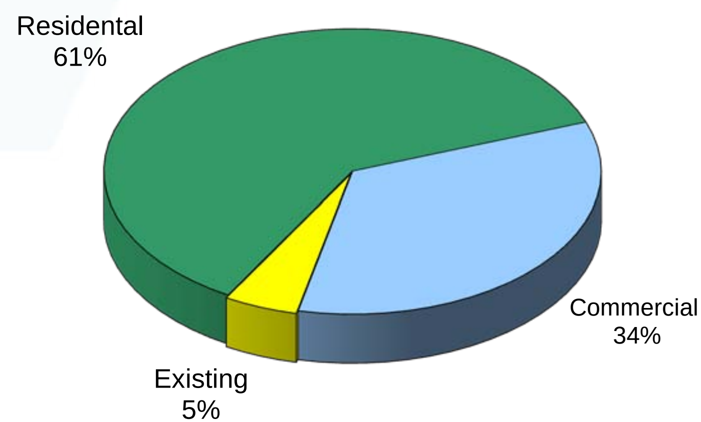
Steady Customer Growth

- 6,189 new customers in fiscal 2010, a 6 percent increase
- 667 additional existing customer heat conversions
- New customers and existing customer conversions will contribute approximately $3.3 million of new NJNG utility gross margin annually
- Estimate 12,000 to 14,000 new customers over the next two years

Fiscal 2010 New Customer Breakdown



NJNG Gross Margin Contribution



Regulatory Initiatives

Conservation Incentive Program

- In place through September 30, 2013; encourages customer conservation
- Protects NJNG utility gross margin from declining usage and weather
- Customers saved over $164 million since inception

Accelerated Infrastructure Program (AIP)

- Investment of $70.8 million on infrastructure projects
- Rate recovery of program spending annually at WACC of 7.76 percent

The SAVEGREEN Project™

- Extended by BPU in September through 2011
- Two new programs added
- Recovery through existing NJNG energy-efficiency rider

Accelerated Infrastructure Programs

AIP

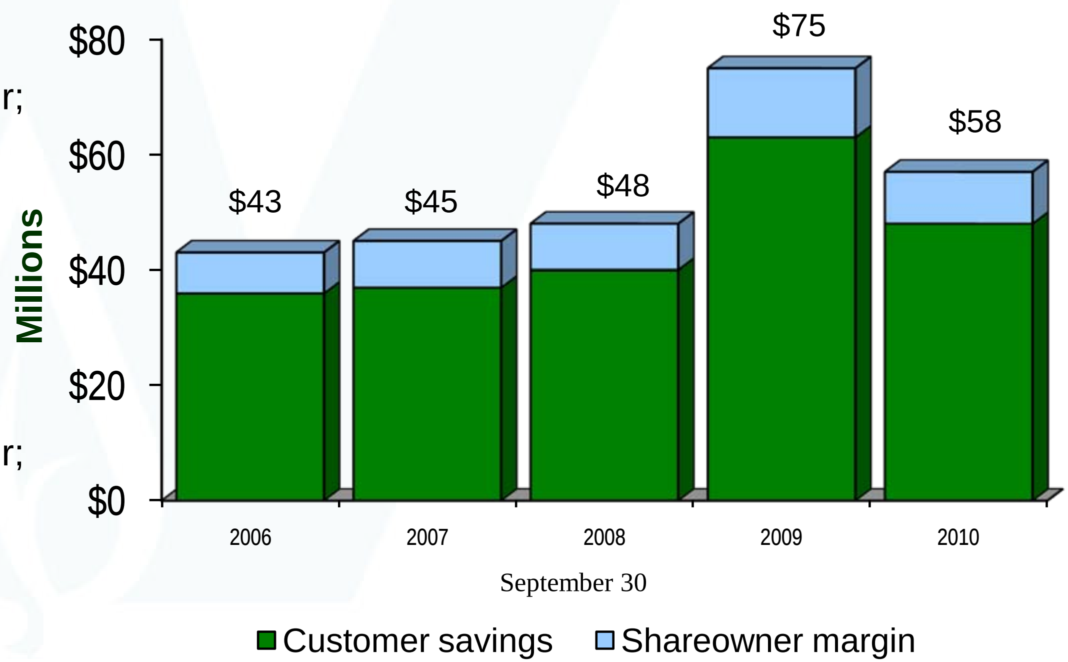
- Approved by BPU in April 2009
  - Creates up to 100 new jobs
  - Rate recovery of program spending annually at WACC
  - Will help ensure the continued safe and reliable delivery of natural gas to our growing customer base
  - Investment of $70.8 million on infrastructure projects
    - Since inception in 2009, NJNG has expended $44.3 million (September 2010)
    - Increase in base rates includes $36.4 million of AIP expenditures incurred through August 2010

AIP II

- Filed with BPU in October 2010
  - Investment of $52.2 million on nine more infrastructure projects
  - Same basic structure as previous program

BGSS Incentives

- Off-system sales and capacity release
  - In place since 1992
  - Optimization of capacity contracts
  - Sharing formula of 85 percent customer; 15 percent NJNG
- Storage Incentive (SI)
  - In place since 2004
  - Promotes long-term price stability
  - Promotes cost efficiencies
  - Sharing formula of 80 percent customer; 20 percent NJNG
- Financial Risk Management (FRM)
  - In place since 1997
  - Promote application of risk management techniques
  - Sharing formula of 85 percent customer; 15 percent NJNG



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Clean Energy Strategic Framework

- 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 earnings growth
- Over $200 million of projects under consideration

Solar Program Update

Residential

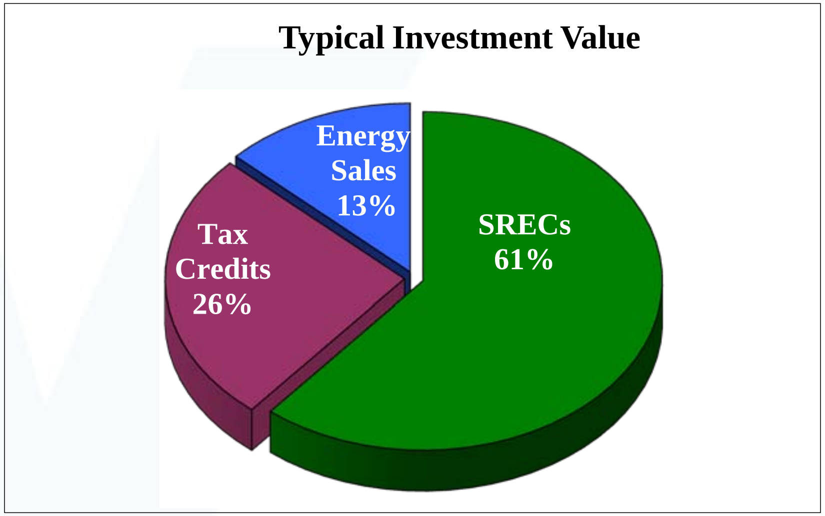
- First phase of residential solar program well received
  - Over 900 inquiries
  - More than 100 leases signed
  - Approximately $4 million to be invested
- An additional $9.4 million was approved by the Board in November 2010

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

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
  - Affecting all market participants

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

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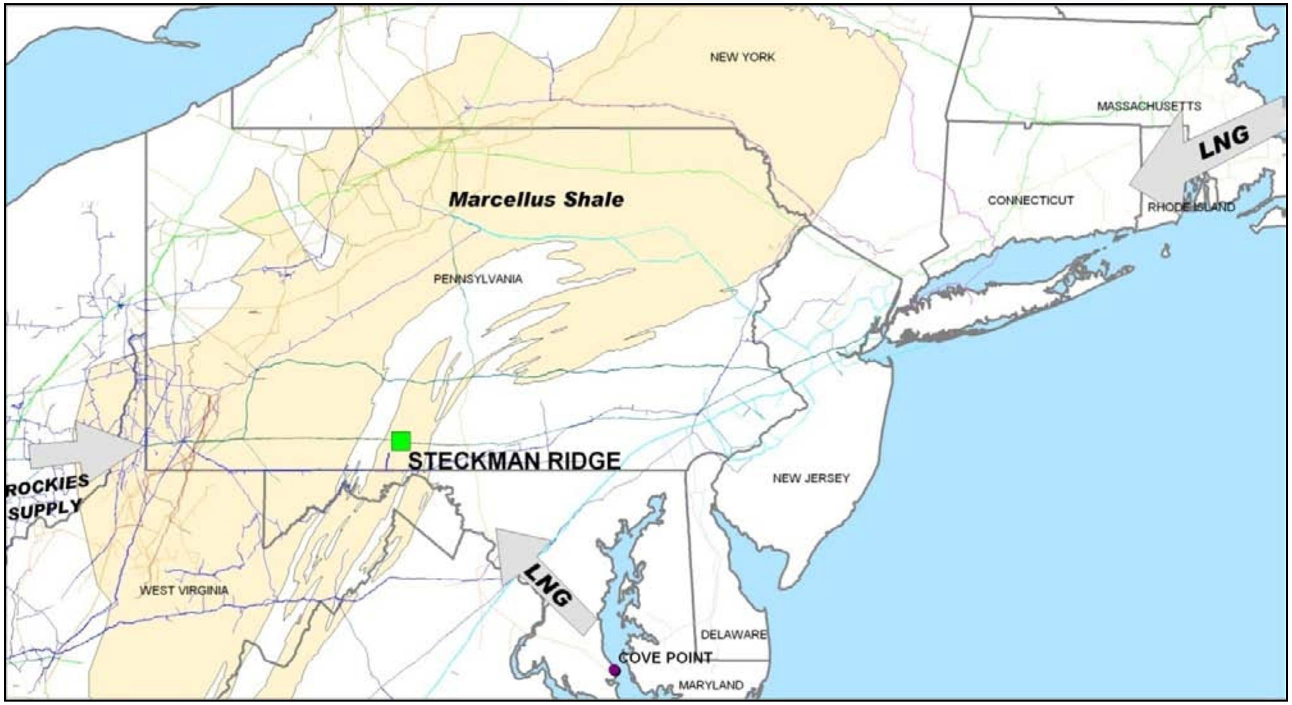
Steckman Ridge

- Overall, midstream assets contributed $6.4 million to 2010 NFE
- Up to 12 Bcf storage facility in southwestern Pennsylvania
- Contributed $3.3 million to fiscal 2010 NFE



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A Record of Consistent Performance

- We have:
  - The fundamentals in place to achieve long-term NFE growth
    - 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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