

October 30, 2017

SOUTH JERSEY PORT CORPORATION

NOTICE OF POTENTIAL BOND SALE

SALE OF SUBORDINATED MARINE TERMINAL REVENUE BONDS, Series 2017 BY THE SOUTH JERSEY PORT CORPORATION EXPECTED IN NOVEMBER, 2017

The South Jersey Port Corporation (“SJPC”) is an instrumentality of the State of New Jersey (the “State”) which operates four (4) port facilities in the southern region of the State. On August 29, 2017, the Board of the SJPC took final action to authorize the issuance of its Subordinated Marine Terminal Revenue Bonds, Series 2017 (the “Series 2017 Bonds”). The Series 2017 Bonds, if sold, will be sold via a negotiated sale with Citigroup Global Markets, Inc. acting as the senior managing underwriter.

It is expected that the SJPC will price approximately \$255,000,000* of the tax-exempt Series 2017 Bonds on or about November 16, 2017.

Proceeds of the Series 2017 Bonds will be used to: (i) finance all or a portion of the costs of 2017 Capital Plan; (ii) capitalize interest on the Series 2017 Bonds through January 1, 2019; and (ii) pay the costs of issuance of the Series 2017 Bonds.

The Series 2017 Bonds will be issued pursuant to The South Jersey Port Corporation Act, constituting Chapter 60 of the Pamphlet Laws of 1968 of the State of New Jersey, approved June 13, 1968, as amended and supplemented (the “Act”) and the Amended And Restated Subordinated Marine Terminal Revenue Bond Resolution, adopted July 25, 2017 and amended and restated on August 29, 2017 (the “Subordinated Bond Resolution”).

The Act provides that the SJPC maintain a reserve fund to be called the “South Jersey Port Corporation Reserve Fund” in an amount equal to the maximum annual debt service for all Outstanding Bonds of the SJPC issued pursuant to the Act. In connection with the maintenance of the Debt Reserve Fund for the benefit of the Outstanding Bonds, Section 14 of the Act provides in part as follows:

In order to assure the maintenance of the maximum debt service reserve in the South Jersey Port Corporation Reserve Fund, there shall be annually appropriated and paid to the corporation for deposit in said fund, such sum, if any, as shall be certified by the chairman of the corporation to the Governor as necessary to restore said fund to an amount equal to the maximum debt service reserve. The chairman shall annually, on or before December 1, make and deliver to the Governor his certificate stating the sum, if any, required to restore said fund to the amount aforesaid, and the sum or sums so certified shall be appropriated and paid to the corporation during the then current State fiscal year.

All moneys to be paid to the SJPC pursuant to the provisions of the Act are subject to appropriation by the State Legislature for such purpose. Such provisions of the Act do not constitute a legally enforceable obligation on the part of the State nor do they create a debt or liability of the State.

The Series 2017 Bonds will be direct obligations of the SJPC payable solely from and secured by the Pledged Property; provided, however, that such pledge of the Pledged Property is (i) subject, in all cases, to the provisions of the SJPC Marine Terminal Revenue Bond Resolution, dated June 5, 1985, as supplemented and amended (the "Senior Lien Bond Resolution") and the Subordinated Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Senior Lien Bond Resolution and the Subordinated Bond Resolution, and (ii) subject and subordinate and junior in all respects to the lien and pledge created by the Senior Lien Bond Resolution.

Under the Subordinated Bond Resolution, the Pledged Property consists of: (i) the proceeds of the sale of the Subordinated Bonds, including the Series 2017 Bonds, (ii) the Revenues, (iii) all amounts from time to time on deposit in the Construction Fund, the Operating Fund, the Debt Service Fund, the Debt Reserve Fund, the Maintenance Reserve Fund, the General Reserve and the Property Reserve Fund (but not the Rebate Fund) created and established under the Subordinated Bond Resolution, including the investments, if any, thereof, and (iv) all amounts received from the State as appropriations for the Subordinated Bond Account in the Subordinated Debt Reserve Fund.

In previous years beginning in 1972 and in every year since 1989, the Net Revenues of the SJPC after paying Operating Expenses have been insufficient to meet the debt service requirements on its Outstanding Senior Lien Bonds. In each instance, the State has provided the necessary funds by appropriation to restore the balance in the Senior Lien Debt Reserve Fund to its required level. **The SJPC believes that its Net Revenues will not be sufficient to meet the debt service requirements on its Outstanding Senior Lien Bonds and Bonds to be issued under its Subordinated Bond Resolution, including the Series 2017 Bonds, for the foreseeable future.**

The size, timing, and structure of the potential transaction are subject to market conditions. The SJPC reserves the right to change the timing and size of the sale, or not to issue the Series 2017 Bonds, if to do so would serve the interests of the SJPC.

The Preliminary Official Statement for the Series 2017 Bonds is expected to be available on or about November 8, 2017.

*Preliminary, subject to change.

The publication of this notice does not constitute or imply any representation (i) that the foregoing is material to investors, (ii) regarding any other financial, operating or other information about the SJPC, the State of New Jersey or the Series 2017 Bonds or (iii) that no other circumstances or events have occurred or that no other information exists concerning the Series 2017 Bonds, or the proposed financing that may have a bearing on the financial condition of the SJPC or the State, the security for the Series 2017 Bonds, the federal or state tax consequences of, or an investor's decision to buy, sell or hold the Series 2017 Bonds or any other bonds of the SJPC.

This notice does not constitute a recommendation or an offer or solicitation for the purchase or sale of any security or other financial instrument, including the Series 2017 Bonds, or to adopt any investment strategy. Any offer or solicitation with respect to the Series 2017 Bonds will be made solely by means of the final Official Statement relating to the Series 2017 Bonds which will describe the actual terms of the Series 2017 Bonds.