

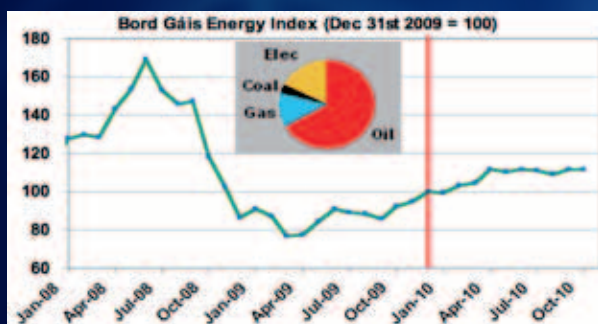
Bord Gáis Energy Index

OCTOBER 2010



BORD GÁIS ENERGY INDEX UNCHANGED DESPITE INCREASE IN NATURAL GAS PRICES.

1 Mth 0% 3 Mth 1% 12 Mth 21%



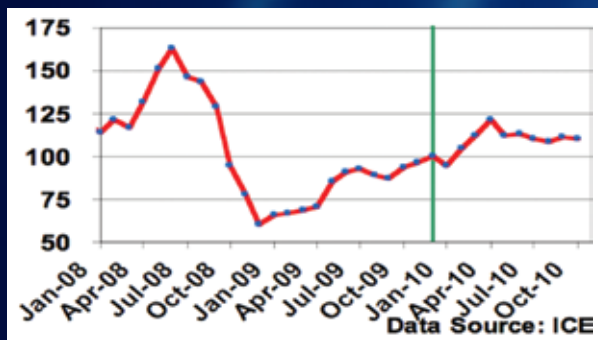
KEY POINTS:

The energy index remained at 111 in October. Natural Gas was the main mover in October finishing the month 12% higher. However, a small drop in oil prices on a Euro basis helped negate the effect of higher gas prices. Currency movements had a more muted effect this month with the Euro only slightly stronger against the US Dollar and no change versus Sterling.

Oil was little changed on the month finishing at \$83.15 per barrel. It appears to be consolidating above the \$70 to \$80 /bbl range it had been trading in for most of the past 12 months. Gas prices turned higher in October as Winter 2010 made its presence felt. Continued high exports from the UK to the Continent contributed to the higher prices. Coal traded above \$100 per tonne for the first time in 2 years earlier this month but pulled back to close out at \$98.90 per tonne.

1 Mth -1% 3 Mth 0% 12 Mth 17%

*Index adjusted for currency movements.



OIL

Early in October oil prices closed at five-month highs, with front-month Brent trading at \$85/bbl. Oil broke out of its long held \$70 to \$80 range due to a weakening dollar making the commodity more attractive for non US based investors. Oil prices remained above \$80 for the remainder of the month following further upward demand revisions by the IEA, EIA and OPEC.

The IEA figures pegged 2010 annual demand growth at 2.15 million barrels per day, the strongest year on year growth in 30 years.

1 Mth 0% 3 Mth 0% 12 Mth 41%

*Index adjusted for currency movements.

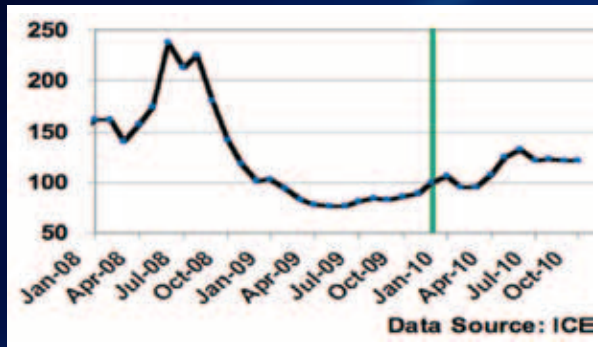


NATURAL GAS

The new gas year on October 1st saw a drop in prices. Strong LNG flows and deliveries of Norwegian gas via the Langeled pipeline kept the system well supplied. However, in mid October the market got its first taste of Winter 2010 as temperatures dropped below seasonal norms. This, coupled with record Interconnector exports to the continent drove prices higher. Fortunately, steady LNG cargo arrivals and record LNG send out rates along with storage withdrawals capped the rise in prices at below 50 p/therm.

1 Mth 0% 3 Mth 0% 12 Mth 41%

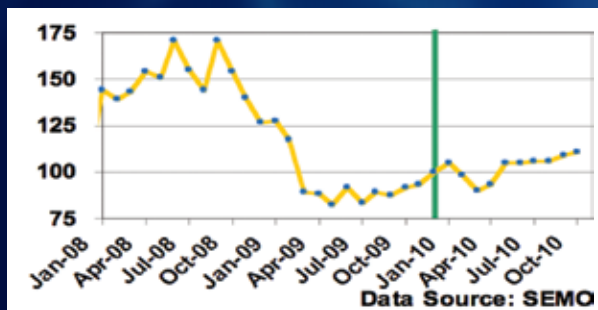
*Index adjusted for currency movements.



COAL

Coal continued its move higher through October buoyed by the lack of supply out of Colombia and Russia. A surge in dispatch from UK coal-fired units due to the lack of nuclear generation lent further support. On October 19th European thermal coal prices hit a two-year high trading above \$100/t on colder than seasonal normal temperatures in Europe. The spot price of thermal coal in China continued to rise on high demand due to power plant restocking.

12 Mth 1% 12 Mth 4% 12 Mth 21%

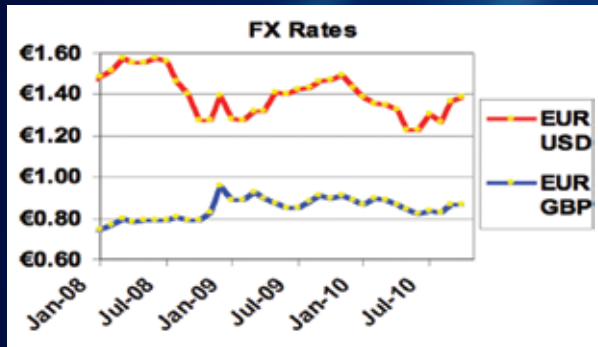


ELECTRICITY

The average SMP in October was little changed from the September level. This average hides within day level shifts as afternoon prices fell due to increased wind over these periods but this was balanced by an increase in evening peak prices as evening demand again increased month on month.

1 Mth 2% 3 Mth 7% 12 Mth -6% EURUSD

1 Mth 0% 3 Mth 5% 12 Mth -3% EURGBP



EURO

The Euro continued its rally versus the US Dollar in the first half of October. The trend halted in the back half of the month as the market pondered the effects of a second round of quantitative easing in the US and the continuing budgetary woes in some Euro zone economies including Ireland. The net result was a 2% increase in the Euro US Dollar rate.

Little change also in the Euro Sterling rate as the market assesses the possible effects of the austere UK budget announced on October 20th.

MARKET OUTLOOK

The futures markets for each of the individual components of the Energy Index are relatively flat. This may reflect the lack of a clear outlook for the world economy as it emerges from the recession of the past few years. Currencies will remain a major focus of attention as concerns surrounding the size and effect of US stimulus packages, sovereign debt issues in Europe and the strength of the Chinese Yuan versus other major world currencies continue to weigh on the markets. The relative severity of the weather over the winter season could have an effect on gas prices in the coming months.

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