

News Release - Monday 9th August

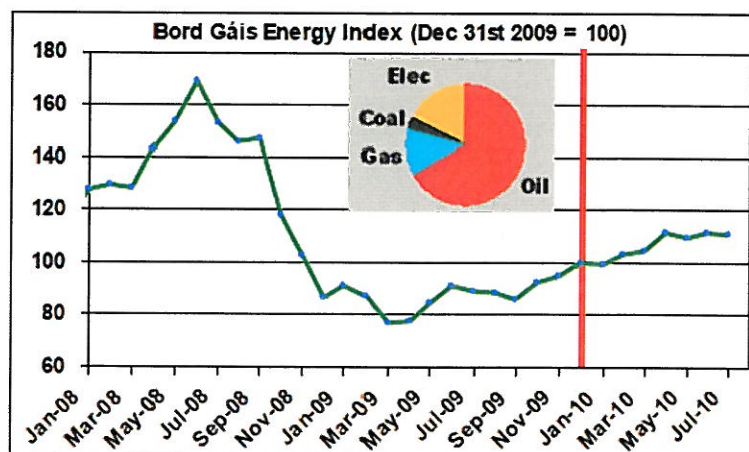
EURO RECOVERY MASKS INDIVIDUAL COMMODITY PRICE RISES IN JULY

- BORD GÁIS ENERGY INDEX DROPS 1% IN JULY -

The Bord Gáis Energy Index (BGEI), an Irish-specific index designed to measure the prices in the wholesale energy market, decreased by 1% in July. The recovery of the Euro versus Sterling and the US Dollar helped mitigate increases in some of the individual Energy Index components. Had the Euro been unchanged versus the US Dollar and Sterling in July then the Index would have risen to 115, a 4% increase on June's index.

The index is designed to track movement in the wholesale energy market and comprises the four key energy commodities of **oil, gas, coal and electricity**. The index tracks the monthly price movements of these commodities, factoring in any currency shifts, and producing an overview and insight into the energy sector. Launched in May of this year, the new Energy Index is the first initiative of its kind in the Irish market.

- The price of oil rose in July from \$71.50 to \$78 per barrel.
- The price of natural gas rose by 8% in Euro terms, due to a range of issues including erratic flows from the Norwegian Langeled pipeline. However, prices fell in the third week of the month due to a return of Qatari LNG (liquefied natural gas) cargoes which had been affected by infrastructural maintenance in the previous weeks.
- Prices in the coal market have remained stable due to a mild summer and healthy vessel arrivals and inventories being filled in Europe for the summer. Coal prices fell by 8% in July when adjusted for currency movements.
- Electricity prices, meanwhile, remained at a similar level to June.
- The recovery of the Euro this month was driven by positive market reaction to the bank stress test results and encouraging Eurozone economic data.
- Combined movements in the prices of the four commodities of natural gas, coal, oil and electricity resulted in a decrease in the Energy Index of 1% on June's figures. The Energy Index now stands at 111.



Commenting on the Bord Gáis Energy Index, Michael Kelleher, Energy Trading Analyst at Bord Gáis Energy, said:

"Oil, natural gas and electricity prices all rose in July. However, the re-strengthening of the Euro versus the US Dollar and Sterling offset the rise in oil and gas prices. Over the past couple of months we have seen the Euro hit multi-year lows versus the US Dollar only to recover most of its losses as economic concerns switched from Europe's sovereign debt worries to concerns over the sustainability of the economic recovery in the US.

A stronger dollar renders oil imports more expensive for European and Asian consumers including Asia-Pacific's top five -- Indonesia, South Korea, India, Japan and China -- which combined use about the same amount of oil as the United States.

Therefore the relative strength of the US Dollar versus the Euro and other major world currencies could have a major bearing on oil prices in the coming months."

For further information please contact:

Aidan McLaughlin, Fleishman-Hillard: 01 618 98425 / 085-749 0484

Stiofáin MacDhaibhead, Bord Gáis Energy: 01-602 1116/ 087-799 1206