

9th May 2011

ENERGY INDEX CONTINUES UPWARD TREND

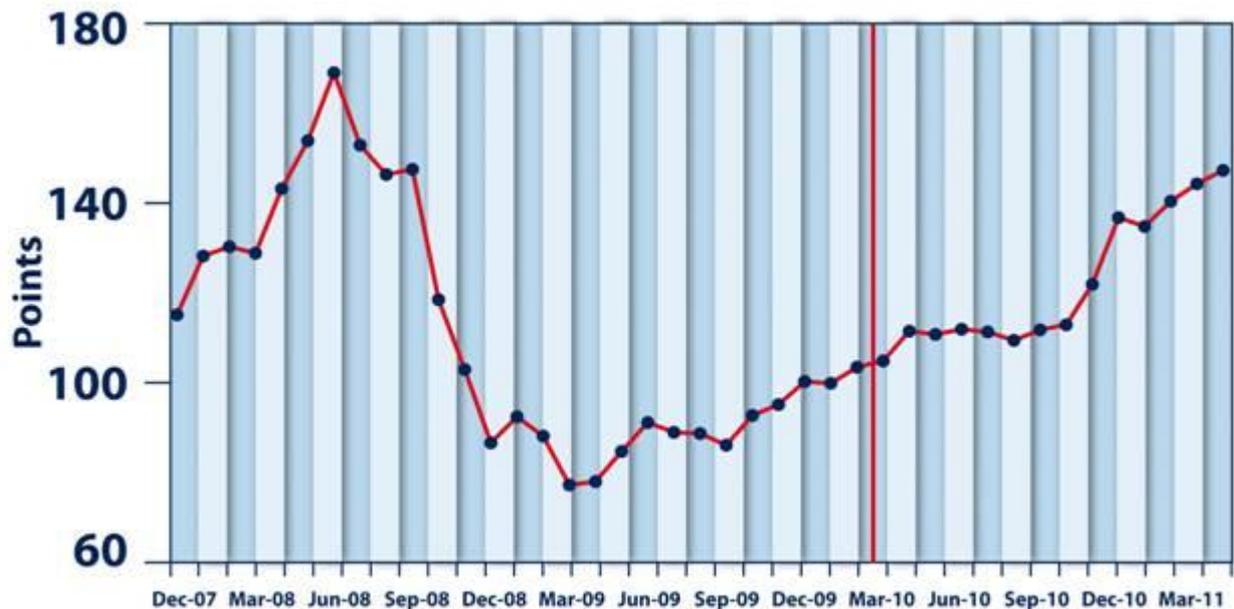
- Highest oil price in 2 and half years offset by stronger Euro -

The effect of rising oil prices due to continued unrest in parts of the Middle East and North Africa were off-set by a strengthening of the Euro versus the US Dollar to leave the Bord Gáis Energy Index (BGEI) little changed for April 2011.

The Bord Gáis Energy Index, an Irish-specific index designed to measure the prices in the wholesale energy market, recorded a small rise in April, increasing by 1% to 147. Over the past 12 months the index has risen 32% from 111 in April 2010 to 147 in April 2011.

The first week in May, however, saw a major sell off in global commodity markets with oil falling from \$126 on Monday May 2nd to close the week at \$109 on Friday 6th May, a 14% drop.

Should these losses be consolidated over the remaining weeks of May, and all other things such as foreign exchange rates remain unchanged, then a fall in the Bord Gáis Energy Index for May 2011 can be expected.



The following are the key trends recorded for the month of April:

Oil: The oil element of the index is up 3% to 156 for April and up 29% for over the past 12 months. Brent crude oil prices rose by \$8 per barrel in April as unrest in Libya and other countries in the

Middle East and North Africa continued to put upward pressure on prices. Oil prices reached a two and a half year high in April, closing at just below \$126 per barrel.

Natural Gas: The natural gas element of the index is down 7% to 181 but remains up 71% over the past 12 months. Natural gas prices fell 4p/therm during the month as warmer temperatures and steady flows into the UK put downward pressure on prices. Gas prices closed at 56.6p per therm. According to the UK Met Office, April 2011 was the warmest on record, lowering the average UK gas demand in April this year by 12% compared to demand in April 2010. In addition, the UK recorded increased imports of Liquefied Natural Gas (LNG) with 25 LNG cargos arriving in April compared with 21 cargos in March.

Coal: The coal element of the index is down 4% to 148 but is still up 37% for the past 12 months. Coal prices were little changed, closing the month at \$128 per tonne, up one dollar from last month's \$127 per tonne. Coal prices were little changed as higher oil prices were offset by lower natural gas prices. Natural gas is coal's main competing fuel for power generation.

Electricity: The electricity element of the index is down 3% to 125 but remains up 35% over the past 12 months. Irish power prices remain linked to UK gas prices, and lower gas prices in April would have contributed to a reduction in electricity prices. Record wind levels in the earlier part of the month and lower demand due to warm weather lowered prices; however these downward pressures were offset by maintenance on some of the more efficient power stations on a number of occasions during the month.

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

"Oil, gas and coal prices are trading at or close to three year highs and oil prices continue to be a key driver of the broader energy market. The continued unrest in the Middle East and Africa could drive prices up further in the coming months. However any fall in energy demand, due to high prices, could drive wholesale prices lower in the coming months."

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.

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