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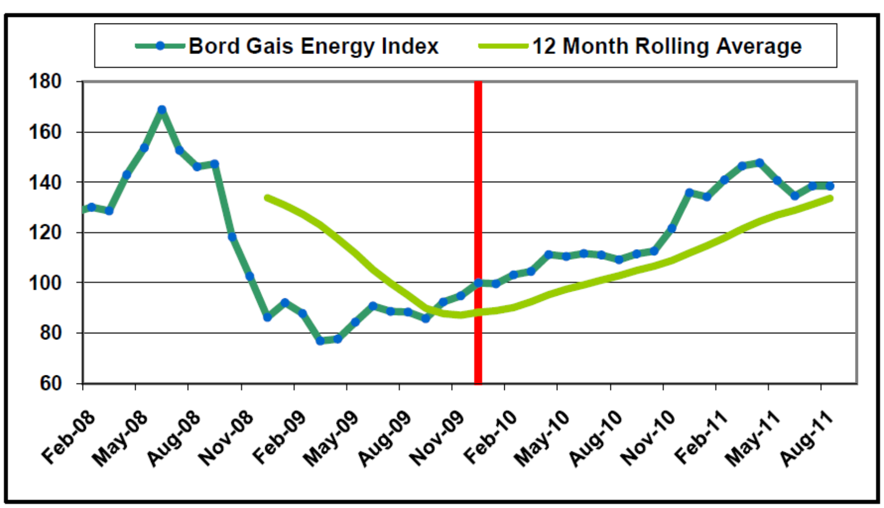
BORD GÁIS ENERGY INDEX UNCHANGED BUT REMAINS NEARLY 30% HIGHER THAN 12 MONTHS AGO

The Bord Gáis Energy Index (BGEI) remained steady at 139 in August 2011 as a fall in oil and natural gas prices was offset by increases in both coal and electricity prices. The upward year-on-year trend for wholesale energy prices continues as the Energy Index is now 27% higher than in August 2010 and 57% higher than in August 2009 indicating that the long run rising trend remains intact.

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

"August continued the trend of mixed economic signals from the developed economies while growth remained robust in China and other Asian economies. There were also significant developments in the conflict in Libya which led to hopes for the resumption of the country's oil production. These economic and geopolitical issues resulted in increased volatility in oil prices. Electricity prices rose during August due to technical problems on the Moyle interconnector to the UK which has imported power to Ireland consistently over the past number of years.

Futures markets continue to point to an increase in the Energy Index in Q4 of 2011. Higher natural gas futures prices are the main driver of a higher outlook for the Energy Index. Concerns over increased demand for the fuel from Japan and Germany due to nuclear power generation shutdowns and the high oil prices seen to date in 2011 which are used to set the price for natural gas for the coming winter are combining to give a bullish outlook for gas prices."



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

Oil: The oil element of the Index is down 2% to 146. Oil fell sharply in the first half of August as negative economic data raised investor fears of a double dip recession in the US and in Europe. Brent crude traded below $100 per barrel for the first time in six months on August 8th. The significant gains by rebel forces in Libya raised hopes of a quick end to the civil war. However, the realisation that it could take years for Libya to return to its pre-war levels of oil production drove prices higher to eventually close the month at $115 per barrel.

Natural Gas: The natural gas element of the Index is down 4% to 173. A volatile month for natural gas initially saw prices continue to fall in the first week of August, almost declining to the 50p/therm level for the first time in 2011. However, this trend was reversed as prices rallied to trade over 60p/therm for the first time since mid June. News that some Qatari LNG facilities will be going on a maintenance programme in October and November caused this rise in prices.

Coal: The coal element of the Index is up 1% to 150. Coal prices remained range bound between $124 and $126 in August. Stock levels at European utilities remain relatively high. Power generators have been quiet in the market during August as they appear happy to wait and see how prices evolve in Q4 before purchasing the remainder of their winter requirements.

Electricity: The electricity element of the Index is up 5% to 119. August average SMP increased by 5% on the July average. This increase was driven by an outage on the Moyle interconnector to the UK and other generator outages which created a need for more expensive generation plants to be scheduled on at peak demand times. Many power generation plants go on maintenance during the summer therefore increasing the cost to incentivise generators to start units needed to fill this gap**.**

ENDS

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