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THE BORD GÁIS ENERGY INDEX CLOSES 5% HIGHER IN 2011 AS AVERAGE OIL PRICE RECORDED A 150-YEAR HIGH

- INDEX DROPS 1% IN DECEMBER REFLECTING GLOBAL ECONOMIC UNCERTAINTY-

A decrease in both gas and electricity prices drove the Bord Gáis Energy Index 1% lower for the month of December. The ongoing European sovereign debt crisis, fears about global economic growth in 2012 and a mild start to the winter across Ireland, the U.K. and Europe, all contributed to put downward pressure on gas and electricity prices. However, Ireland did not benefit fully from falls in fuel commodity prices as the euro weakened over the month.

The average price of Brent crude oil posted a record high in 2011 as daily oil demand hit a new high of 89 million barrels per day, as growing demand from the emerging market countries continued. Prices were also supported by concerns about supply from the Middle East and North Africa. As a result, the Bord Gáis Energy Index now stands at 143, which is 5% higher than in December 2010.

Commenting on the Bord Gáis Energy Index for December, John Heffernan, power trader at Bord Gáis Energy, said:

“The Index recorded a 1% drop for December; however the impact of the decrease in fuel commodity prices was offset as the euro weakened over the month. This meant that in euro terms, oil and coal prices increased over the month. There are a number of strong influences that are putting downward pressure on fuel commodities including: the European debt crisis, fears of a slowing global economy in 2012 and mild weather across Europe. Should the euro continue to weaken versus the US dollar, euro zone buyers will not benefit fully from any price falls and would have to pay even more should prices increase.”

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

Oil: The oil element of the Index was up 1% to 152. Due to the ongoing European sovereign debt concerns, the possibility of a European recession in 2012 and fears of further ratings downgrades. In US dollar terms, oil prices weakened in December. However, euro zone buyers of oil, such as Ireland, did not benefit fully from this fall as the euro weakened significantly versus the US dollar. Because of this, in euro terms, the cost of oil increased by 1%.

Natural Gas: The natural gas element of the Index was down 1% to 189. A mild start to the winter across Ireland, the U.K. and mainland Europe, depressed demand in December and has resulted in relatively high stock levels for this time of the year. This put downward pressure on prices over the month. Temperatures above seasonal norms in December reduced demand for gas-fired central heating and the holiday season also lead to the seasonal slowdown of many businesses and industry. The ongoing European sovereign debt crisis is also weighing on prices as it is now likely that Europe will burn less gas in 2012 as activity and production slows.

Coal: The coal element of the Index was up 2% to 145. In US dollar terms, coal prices fell in December as the world experienced an oversupply of coal. Economic uncertainties and a comparatively mild winter is restricting European demand. However, euro zone buyers of coal, such as Ireland, did not benefit fully

from the fall in international coal prices as the euro weakened significantly versus the US dollar. Because of this, in euro terms, the cost of coal increased by 2% over the month.

Electricity: The electricity element of the Index was down 4% to 118. The average wholesale Irish electricity price for December closed 4% lower than its November equivalent as unseasonably mild weather and reduced demand for electricity pushed prices downwards. In addition, as the cost of gas and carbon reduced in the month, the cost of producing electricity fell. The availability of hydro and wind power put additional downward pressure on prices.

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