

Bord Gáis Energy Index: Embargoed until 00:01, 7th March 2011.

ENERGY INDEX HITS 29 MONTH HIGH

-ENERGY INDEX RISES 5% TO HIGHEST LEVEL SINCE SEPTEMBER 2008-

The Bord Gáis Energy Index (BGEI), an Irish-specific index designed to measure the prices in the wholesale energy market, increased by 5% in February to 140, its highest level since September 2008.

The combined reductions in natural gas, coal and electricity prices failed to offset the 11% rise in oil prices, the largest increase since May 2009. Social unrest in Tunisia and Egypt coupled with the turmoil in Libya, caused oil prices to rise dramatically in the latter half of February.

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 2010, the new Energy Index is the first initiative of its kind in the Irish market.

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

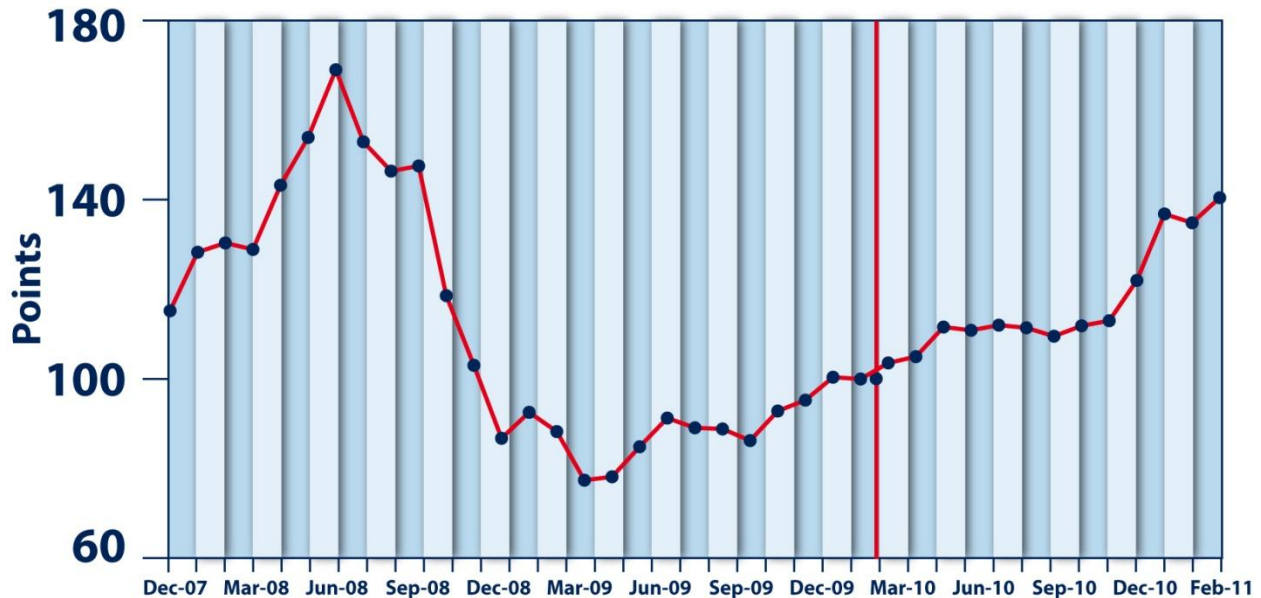
Oil: The oil index is up 10% to 149. Brent crude prices were the main driver of the index in February, and closed \$12 per barrel higher than in January, at €111.80. Political and social turmoil in Libya led to reports of production being cut from 1.6 million barrels per day to between 400k and 800k barrels per day, which led to market fears, despite OPEC and Saudi Arabia announcing that it would make up the drop off in Libyan production.

Natural Gas: Natural Gas is down 5% to 179. Natural Gas prices continued to fall in February, trading in a narrow 52p to 55p per therm range after stabilizing at 56.57p in January. A steady rise in temperatures, strong deliveries of Liquefied Natural Gas to the UK and lower demand were all contributory factors in the price reduction. Italy saw supplies from Libya drop but this had little effect on the prices in Northern Europe.

Coal: Coal is up 1% to 149. High stock levels in Europe and the approach of spring have stabilised coal prices in a \$118 to \$122 per tonne trading range in February, after rising to \$130 per tonne in January as a result of flooding in Queensland, Australia.

Electricity: Electricity is down 5% to 118. System marginal price (SMP) fell €4 from January to February, to €60 MWh as a result of record breaking wind generation and a drop in demand during February. Power generation capacity exceeded demand, and the mild weather

contributed to an overall drop in system demand. The new wind generation record stands at 1,284MW.



Commenting on the Bord Gáis Energy Index for February, John Heffernan, Energy Trading Analyst at Bord Gáis Energy, said:

“Oil prices in January and February have risen significantly above other energy commodity prices, as a result of social unrest in North Africa and the Middle East, indicating that the high prices could be short lived. While there is some fear of further contagion to other oil producing nations, particularly Saudi Arabia, the chances of this are remote. Current levels of volatility however, may see the price of oil fluctuate considerably in the coming weeks.”

“Although gas prices have proved resilient to the current upheaval, if oil prices continue to trade at high levels, gas prices are likely to increase. Coal prices have stabilised and are unlikely to change significantly in the coming months.”

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