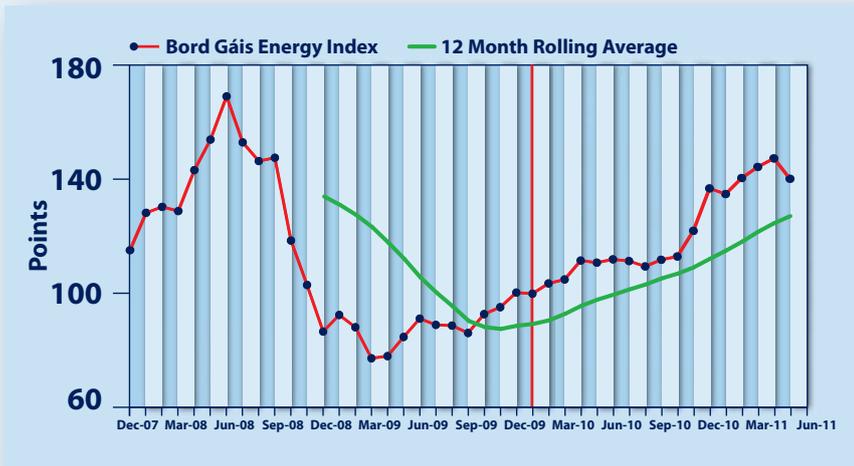


Bord Gáis Energy Index

MAY 2011

ENERGY INDEX FALLS FROM A 31 MONTH HIGH TO FINISH MAY 5% LOWER

Bord Gáis Energy Index (Dec 31st 2009 = 100)



1 Mth **-5%** 3 Mth **-1%** 12 Mth **27%**

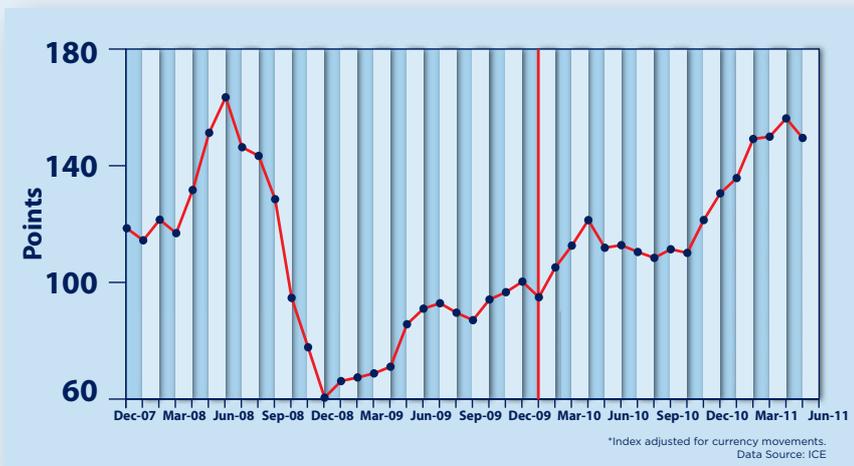
OVERALL SUMMARY:

Prices for three of the four elements of the energy index fell in May despite a weakening of the Euro versus the US Dollar and Sterling. As a result the Energy Index finishing 5% lower for the month of May. This represented the biggest one month fall in the index since March 2009. However, the long run trend in the index remains upwards as highlighted by the 12 month rolling average line on the graph.

Oil and coal prices fell in the broad commodity sell off at the beginning of May but the effects on the index were dampened somewhat by the corresponding weakening of the Euro versus the US Dollar.

Scheduled infrastructure maintenance resulted in natural gas bucking the trend of falling prices, ending May 2% higher. Higher wind levels resulted in a significant drop in electricity prices.

Oil Index



1 Mth **-4%** 3 Mth **0%** 12 Mth **34%**

OIL

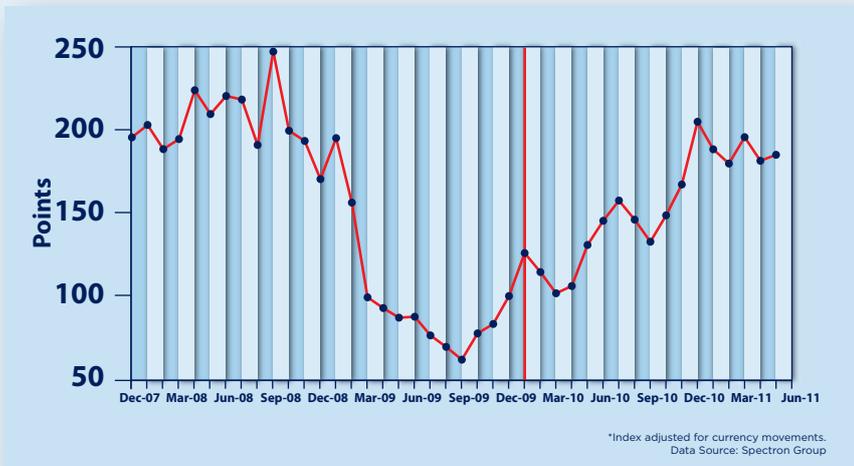
After ending April at \$126, Brent crude oil plunged in the first week of May to trade at an intraday low of \$105 on May 6th. This coincided with a broad based commodity sell off as a result of weak economic data in the US and fears surrounding Chinese inflation figures. Prices recovered to trade in a \$109 to \$117 range for the remainder of the May eventually closing at \$117. With the civil war in Libya appearing to reach a stalemate between Gaddafi and rebel forces some of the short term geopolitical volatility premium was priced out of the market in May.

Bord Gáis Energy Index

MAY 2011



Natural Gas Index

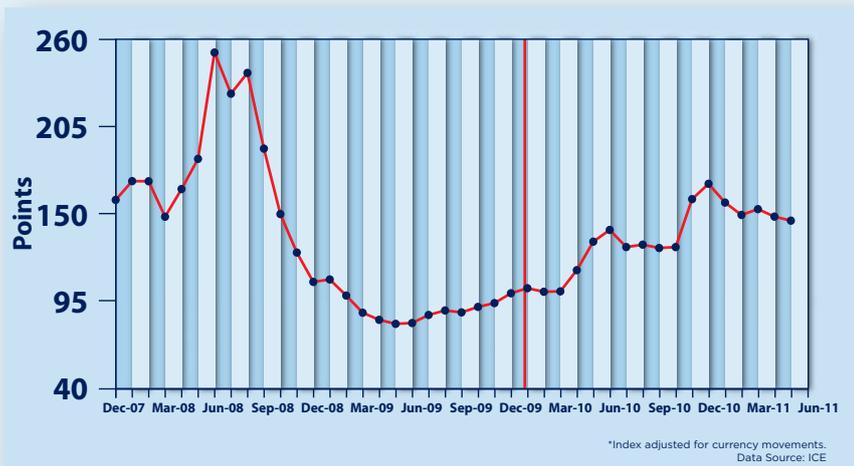


1 Mth **2%** 3 Mth **3%** 12 Mth **42%**

NATURAL GAS

Gas prices fell to lows of 52p in the first week of May due to higher imports via the Norwegian Langeled pipeline and lower exports to the continent. However, by the middle of May, prices had rebounded back over 58p as summer maintenance at various UK and Norwegian terminals reduced deliveries to the system. Send out from LNG terminals also fell in advance of the expected drop in the number of cargos arriving at the UK over the summer months.

Coal Index

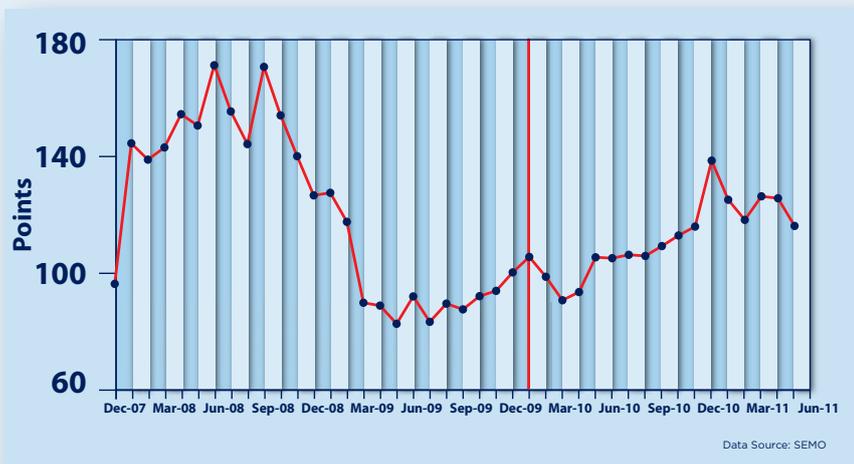


1 Mth **-2%** 3 Mth **-2%** 12 Mth **17%**

COAL

Coal continued to trade around \$128 in the first week of May with Chinese buying at Richards Bay supporting prices. However, prices fell \$6 in the second week of May as a broad based sell off hit commodity markets. Prices remained at these levels for the rest of the month as a physical over supply of Colombian coal to the European market resulted in the commodity finishing the months at \$122.

Electricity Index



1 Mth **-9%** 3 Mth **-3%** 12 Mth **10%**

ELECTRICITY

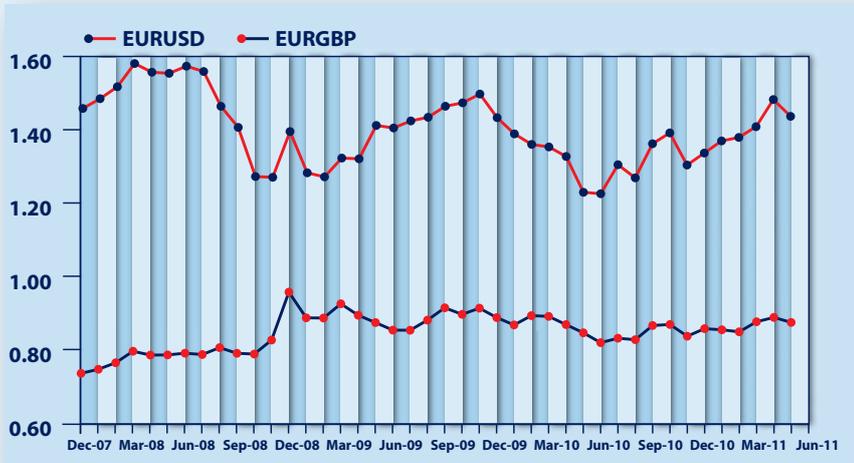
Electricity prices dropped to €62.20/MWh in May. This reflects a 7.6% drop from the previous month. The drop can be attributed to good availability of thermal generation and significant output from wind generation. April had seen several large efficient generation plants unavailable but this was not the case in May. Wind generation saw peak levels of 1,318MW in May due to the unsettled weather.

Bord Gáis Energy Index

MAY 2011



FX Rates



FX RATES

The failure of the ECB to raise interest rates in the Eurozone at its May 5th meeting, increasing concerns that Greece may need an additional bailout and the sharp commodity sell off, all combined to reverse the trend of a strengthening Euro versus the US dollar which had been in play since the beginning of 2011. The Euro versus the US Dollar fell from 1.48 to 1.43. The Euro also weakened 2% versus Sterling during May.

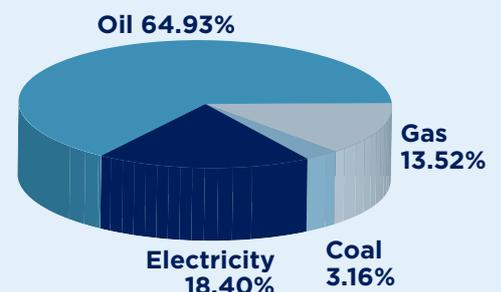
1 Mth	-3%	3 Mth	4%	12 Mth	17%	EURUSD
1 Mth	-2%	3 Mth	3%	12 Mth	3%	EURGBP

MARKET OUTLOOK:

Futures markets are showing relatively stable prices for the remainder of the summer but a return to higher prices in Q4. This is primarily due to higher natural gas prices. The majority of natural gas prices in Continental Europe are based on oil prices from 6 months earlier therefore, with oil prices of over \$100 in Q1 and Q2, gas prices will be higher in Q3 and Q4 on the Continent. As a result, UK natural gas will be drawn to the continent potentially making prices in the UK higher. These higher gas prices could also result in higher electricity prices, as gas is one of the main fuels used in power generation in Ireland.

RE-WEIGHTING OF BORD GÁIS ENERGY INDEX:

Following the SEAI's 2009 review of energy consumption in Ireland, released in Q4 2010, there was a 9.3% drop in overall energy consumption. The most notable drop of 1.39% was in oil consumption in the form of gasoline and diesel. This reflects the economic downturn experienced at the time. The share of natural gas and electricity increased by 0.63% and 0.57% respectively. An increase in the use of renewables and peat, at the expense of coal in electricity generation was also observed. As a result the Bord Gáis Energy Index has been reweighted to reflect the latest consumption data. This has had a minimal effect on the overall shape of the Index, but may indicate future trends.



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