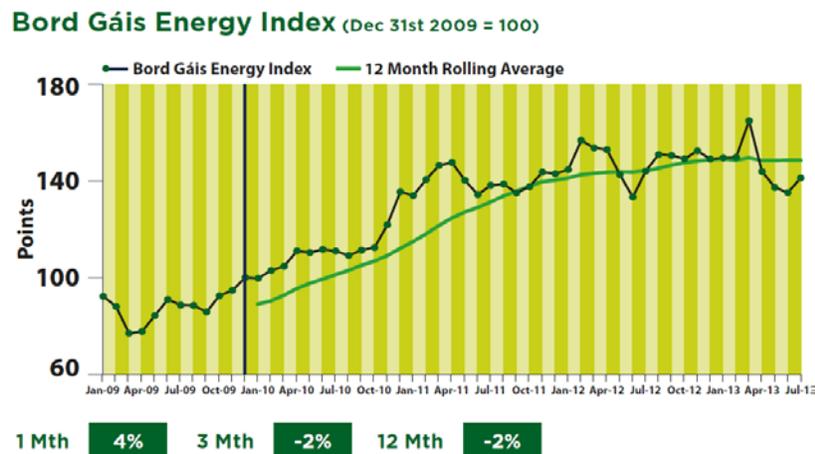


RISE IN WHOLESALE PRICES PUSH BORD GÁIS ENERGY INDEX UP 4%

- Oil, Gas, Coal and Electricity Prices All Increase in July -

Sunday 11th August 2013: The Bord Gáis Energy Index rose 4% in July as wholesale prices for all four commodities oil, gas, coal and electricity increased. The Day-ahead wholesale gas price was driven higher by a series of planned and unplanned maintenance of gas fields and terminals, plus a reduction in the number of LNG cargoes arriving at British shores. These supply constraints created a tight market despite unseasonably low demand for gas. Rising wholesale UK gas prices and a drop in the volume of electricity produced by wind turbines pushed wholesale Irish electricity prices 7% higher month-on-month. The Brent crude oil price also increased 3% month-on-month on the combination of falls in US crude stocks and supply concerns.

As a result the Energy Index now stands at 141, a 2% reduction compared to July last year.



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

“Wholesale price moves in the oil, gas and coal markets tracked by the Bord Gáis Energy Index were surprising in July and the various driving forces this month were unanimously bullish for price. The events of last winter, when gas supply concerns were raised following the depletion of storage levels amid the prolonged cold snap, seem to be lingering in the memories of traders. Following reduced gas supplies to the UK in July, traders reacted and prices were driven up. Despite the influence of increasing levels of shale oil and the apparent deceleration of emerging economies, particularly China, crude oil prices rose month-on-month following supply concerns, depleting stocks and buoyant investors. European coal prices received a boost on the news of another miner’s strike in Colombia which will reduce supplies. However, euro zone buyers did benefit from favourable foreign exchange rate moves which took some of the edge off July’s price rises”.

Oil (+3%)

Month-on-month the front month Brent crude price rose 3% in euro terms. In July a number of factors emerged to push Brent crude oil prices higher including a fall in US crude stocks which resulted in the benchmark US oil price hitting a monthly high of US\$109.32 and reached levels not seen since the height of tensions between the West and Iran back in February 2012. In response to domestic factors in the US upward pressure was applied to the world's major benchmark oil price, Brent crude oil. Strikes in Libya and falling production in Iraq and Nigeria helped push prices higher as did tensions in Egypt which has the potential to disrupt up to 3 million barrels per day.

Natural Gas (+6%)

The average Day-ahead gas price for July was 6% higher month-on-month despite the low demand levels. At 64.94p a therm, the monthly average Day-ahead price in July was much higher than in previous years (55.61p – July 2012, 55.19p – July 2010, 22.90p – July 2009). There was heightened sensitivity to UK gas supplies during July as planned and unplanned maintenance of fields and terminals created a general tightness in the market throughout the month and this supported prices.

Coal (less than 1%)

In US Dollar terms the ICE Rotterdam Monthly Coal Futures contract rose nearly US\$2 but in euro terms these gains were eroded due to a weakening Dollar.

The ICE Rotterdam Monthly Coal Futures contract traded in a very tight range for the majority of the month and the historically low price reflected an oversupplied European coal market and falling demand. However, towards the end of the month coal prices received a boost as mine and port workers at the Colombian operations of US-based thermal coal miner Drummond started an indefinite strike due to a dispute over wages and benefits.

Electricity (+7%)

In July the monthly average Irish wholesale electricity price rose 7% month-on-month mainly as a result of the 6% rise in the UK average Day-ahead wholesale gas price. As the wholesale Irish electricity price tends to be determined by the cost of producing power at a gas powered plant, rising Day-ahead UK gas prices had a significant impact and pushed Irish electricity prices higher.

Some additional upward price pressure was applied as the volume of electricity produced by wind fell with the exceptionally warm and stable climatic conditions experienced in July. In the month, wind generated electricity met 5% of Ireland's electrical needs and this was the lowest monthly level in 2013 and a reduction from the 10% recorded in June.

ENDS

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