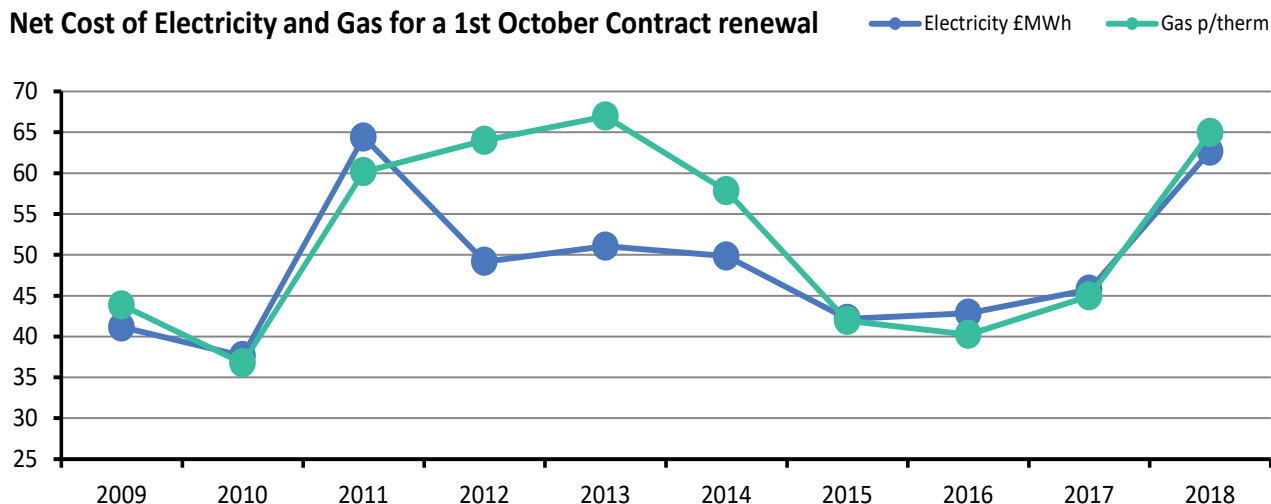


Net Cost of Electricity and Gas for a 1st October Contract renewal



Electricity: base load cost - excludes distribution, taxation and supplier margin and costs

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
41.15	37.63	64.40	49.18	51.04	49.85	42.18	42.85	45.76	62.68

Gas: core gas cost - excludes distribution, taxation and supplier margin and costs

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
43.84	36.75	60.17	64.01	66.95	57.82	41.93	40.25	44.95	64.95

Week commencing 27th August 2018

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)	Market Index
Start	\$76.11	65.87	£63.34	\$96.60	0.8
End	\$77.41	66.81	£63.73	\$96.95	1.8

Prompt contracts gained week on week as annual maintenance at the St Fergus terminal and Norwegian outages reduced supply and provided support. Annual maintenance at the Kollsnes plant curtailed Norwegian production by 35.5mcm/day with further outages at Asgard and Gullfalks fields reducing production by 52.9mcm/day throughout the week. However, prices fell at the end of the week as maintenance at St Fergus ended. The day-ahead contract gained 1.61p/th to close at 68.30p/th. Near curve contracts traded higher as European storage levels remained significantly lower than 2017 levels and bullish prompt sentiment fed through. Far curve contracts gained value, primarily driven by a bullish oil market.

Week commencing 20th August 2018

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)	Market Index
Start	\$71.78	63.14	£60.53	\$100.70	-0.9
End	\$76.11	65.87	£63.34	\$96.60	0.8

Maintenance at key Norwegian facilities supported prompt NBP contracts last week as flows into Britain were reduced. Lower Norwegian supply resulted in the system being short on multiple occasions, which added further bullishness to prompt contracts. Curve contracts gained due to bullish carbon, crude oil and a weaker pound against the euro. Contracts for delivery in Q4 all traded stronger, signalling the market is pricing in higher risk at the beginning of winter due to the fact the level of gas in storage sites across Europe is still below the previous three year range and east Asian LNG prices remain high. Variation in wind generation heavily influenced prompt power prices last week. After a mid-week dip due to higher wind generation, the day-ahead contract closed up as expectations for falling renewable output after the bank holiday weekend gave support. Rising carbon and natural gas prices buoyed the curve.

Week commencing 13th August 2018

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)	Market Index
Start	\$72.74	60.89	£58.87	\$99.50	-1.7
End	\$71.78	63.14	£60.53	\$100.70	-0.9

Prompt NBP gas contracts surged higher last week as industrial union action impacted UKCS production and Norwegian infrastructure maintenance reduced flows through the Langede pipeline. Near curve contracts also pushed up with the prompt as the current supply issues will curtail storage injections and amplify the risk of not refilling stocks before winter. Furthermore, North East Asian LNG prices for October have climbed higher amid aggressive restocking activity, with the high prices encouraging European re-exports into Asia. Far curve contracts gained value as bullishness was driven from higher coal and carbon prices. The day-ahead Power contract gained last week, as a stronger prompt gas market and a lower wind generation forecast provided support. However, earlier in the week power prices were mainly bearish due to increased wind generation, with the majority of the week-on-week gain being made on Friday. Curve contracts all traded in line with their corresponding NBP gas market equivalents as bullish sentiment fed through

Week commencing 6th July 2018

	Oil (bbl)	Gas (ppt)	Power (MWh)	Coal (MT)	Market Index
Start	\$72.53	58.84	£57.39	\$94.15	-1.4
End	\$72.74	60.89	£58.87	\$99.50	-1.7

The day-ahead contract closed at 58.75 p/th on Friday losing 0.25 p/th on a week-on-week basis as the UKCS returned into supply towards the end of the week following maintenance. Further losses were muted however due to an extension of an outage at the Cygnus field which resulted in some 8.5 mcm/d being offline until Saturday the 11th. The rest of the prompt and curve contracts moved in the opposite direction with the front-month rising by 1.75 p/th over the week to close at 60.50 p/th, breaking the level of 60 p/th for the first time since December 17. The NBP curve was supported by the stable further dated oil contracts while the pound had significant losses against the Euro pushing UK gas prices higher.