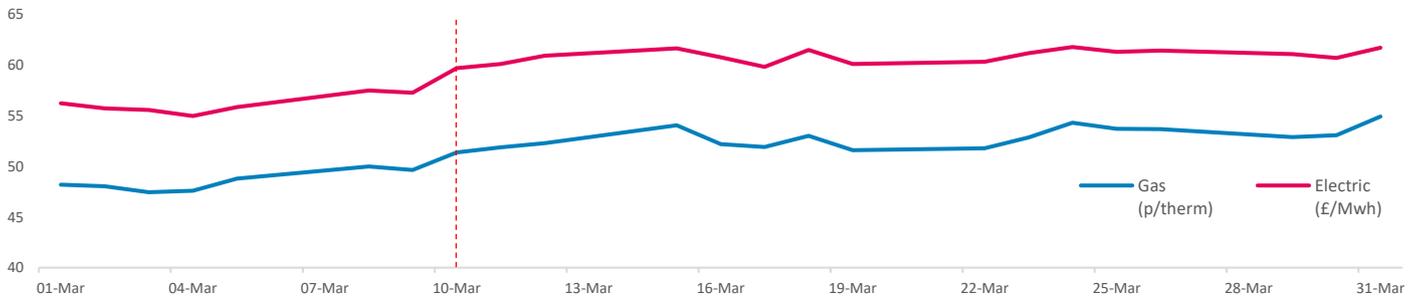


ENERGY MARKET UPDATE

March 2021

YEAR AHEAD WHOLESALE GAS AND ELECTRICITY PRICE



March started with a small downturn before prices turned bullish (upward).

The 4th of March saw markets trend upwards as the UK gas system was undersupplied by 9mcm (million cubic meters) as well as low wind generation and colder temperatures putting a strain on the system. This is despite 8 LNG (Liquified Natural Gas) cargoes being expected into the UK before the 10th of March.

Markets continued to trend upwards as the system remained undersupplied as

temperatures remained below seasonal norms.

The 11th of March saw prices jump up as concerns grew surrounding UK and European storage withdrawals which has left storage levels below the 5-year average.

Prices continued to climb before turning bearish (downward) on the 15th of March. The UK system opened 15mcm oversupplied, with demand sitting 7mcm below seasonal average, and further helped by 3 LNG cargoes arriving over the previous

weekend, helping to put downward pressure on prices.

Prices remained relatively stable before climbing on the 24th of March as a shipping vessel ran aground in the Suez Canal, blocking the busy shipping route, causing possible delays with LNG cargoes.

Markets remained level before bullish sentiments gripped the market at the end of the month as cooler temperatures were forecast for early April.

BRENT CRUDE OIL

Oil prices traded with high levels of volatility across the month.

The month started with some bearish movement as an upcoming meeting with OPEC (Organisation of Petroleum Exporting Countries) and Russia on the 4th of March was expected to lead to an increase in production by circa 1.5 million barrels a day. However, OPEC and Russia decided to maintain the current supply cuts for April to allow for stronger demand recovery following the pandemic. This news brought bullish sentiments into the market and saw oil prices rise above \$70/barrel.

Prices trended gradually downwards for a period as growing concerns surrounding coronavirus cases rising in Europe and Brazil have fuelled fears of a slower return of demand than previously expected.

Prices saw some increases towards the end of the month as the vessel blocking the Suez Canal caused issues with supply and fuelled bullish sentiments.

