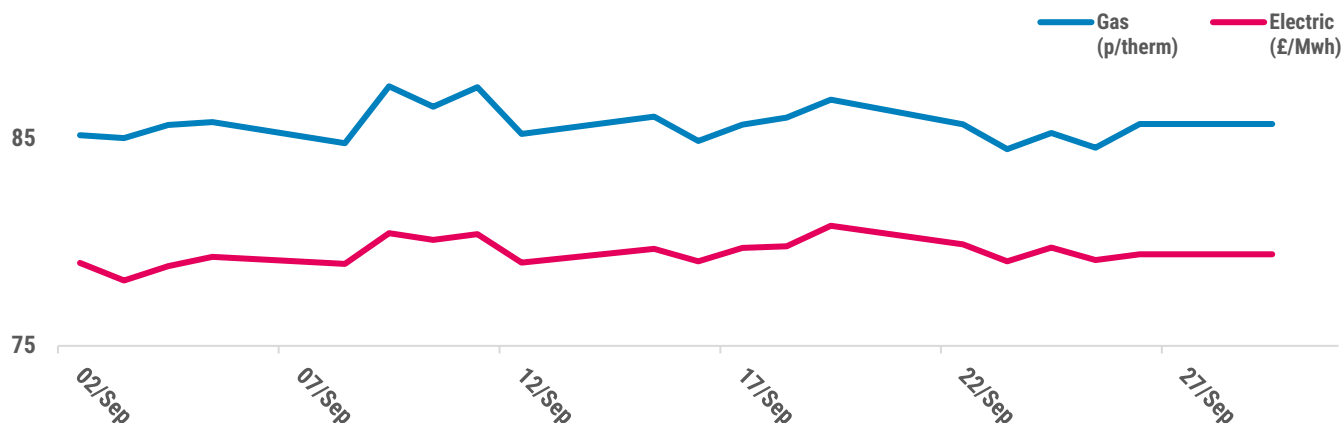


ENERGY MARKET UPDATE

SEPTEMBER 2025



YEAR AHEAD WHOLESALE GAS AND ELECTRICITY PRICE

The UK wholesale energy markets in September 2025 remained steady, shaped by balanced supply conditions, moderate demand, and ongoing geopolitical uncertainty.

Gas markets showed limited volatility, supported by stable Norwegian pipeline flows and reliable LNG (Liquefied Natural Gas) imports from the United States, Qatar, and West Africa.

Ample supply and subdued domestic consumption maintained comfortable system margins, while spot gas prices eased as improved storage and mild weather reduced market tightness.

Temperatures across the UK stayed near seasonal norms, resulting in moderate residential and commercial gas demand. Gas for power consumption declined as renewable generation, particularly from wind, remained strong and reduced reliance on fossil fuels.

The UK's gas storage levels increased steadily, reaching around 40% by the end of the month, reflecting comfortable pre-winter stock positions and supporting price stability.

Across Europe, EU gas storage rose to 83% as of 1 October, narrowing the gap with the

five-year average and reinforcing regional supply security. UK wholesale power prices traded within a narrow range, with brief increases during maintenance at gas-fired and nuclear plants.

The carbon price differential between the UK and EU markets continued to add mild upward pressure on generation costs.

Geopolitical tensions in Eastern Europe and the Middle East influenced sentiment but caused no significant supply disruption. Overall, stable supply, firm storage levels, and balanced demand defined the UK energy market during September 2025.

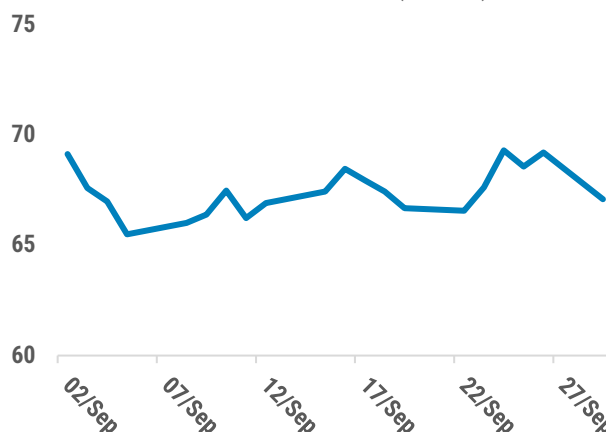
BRENT CRUDE OIL

Brent crude prices traded between \$65 and \$70 per barrel in September 2025, pressured by rising supply and weak demand. OPEC+ continued unwinding its voluntary production cuts, adding about 560,000 barrels per day, while output from the United States and Brazil increased, lifting global inventories.

On the demand side, consumption stayed soft. China's refinery activity rose slightly after maintenance, but industrial and freight fuel use remained low. European demand also weakened amid sluggish manufacturing and broader economic concerns.

Market volatility was limited, with Brent futures holding in mild contango as traders reacted to persistent oversupply. Despite ongoing geopolitical tensions, the risk premium stayed muted, and prices remained stable near their lowest levels in over a year.

Brent Crude Oil (\$/barrel)



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ENERGY PROCUREMENT TEAM ON 01707 299 100.