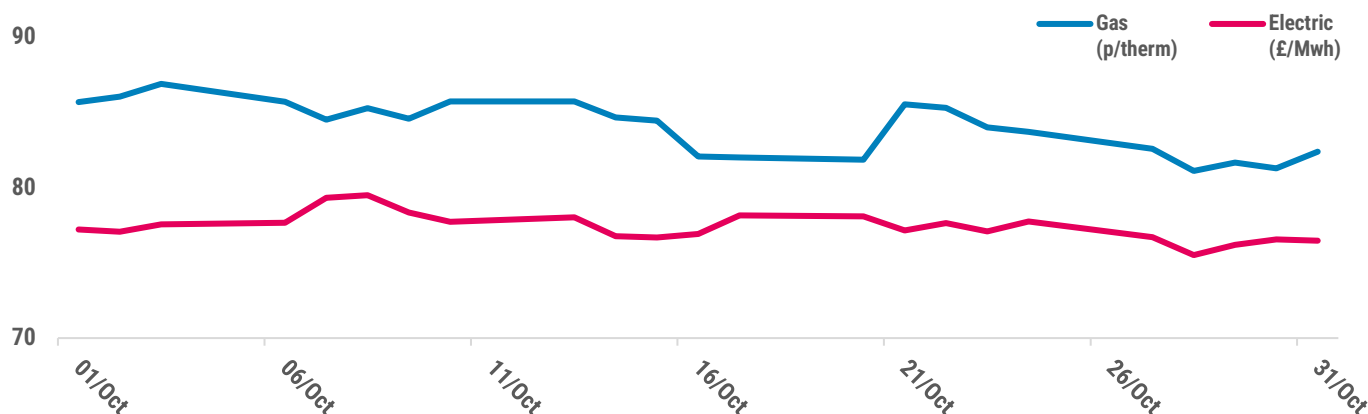


ENERGY MARKET UPDATE

OCTOBER 2025



YEAR AHEAD WHOLESALE GAS AND ELECTRICITY PRICE

In October 2025, UK wholesale energy markets remained stable overall, supported by steady supply, moderate demand, and improving regional storage levels.

Market activity was influenced by seasonal temperature changes, maintenance schedules, and ongoing geopolitical developments affecting energy trade and pricing sentiment.

Gas markets showed relatively low volatility through the month. Norwegian pipeline flows and LNG (Liquefied Natural Gas) imports continued at consistent rates, maintaining a well-supplied system. Softer demand from the power sector and

industrial users kept system margins comfortable, while spot gas prices eased slightly amid mild early-autumn weather.

Toward the end of the month, cooler temperatures prompted a gradual rise in residential heating demand, offsetting some of the earlier weakness in consumption.

The UK's gas storage levels increased further, reaching around 50% by late October, reflecting sustained injections ahead of winter. Across Europe, EU gas storage remained strong at 83–85%, providing a buffer against short-term disruptions and reinforcing regional confidence. Renewable generation,

particularly from wind and solar, contributed significantly to the UK's power mix, reducing the need for gas-fired generation during much of the period.

UK wholesale power prices traded within a narrow band, with brief upward movements linked to scheduled maintenance at thermal plants and variable wind output.

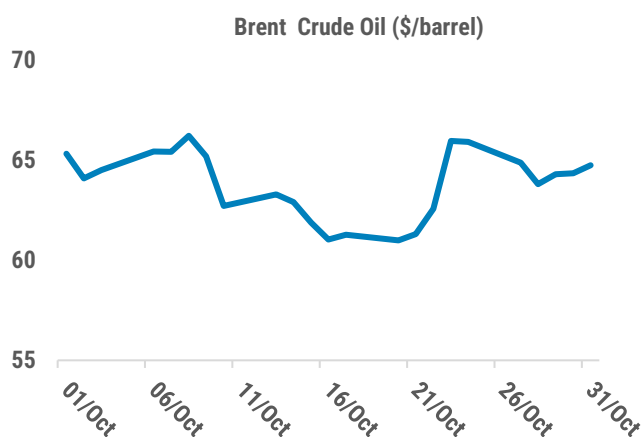
The carbon price differential between UK and EU markets continued to influence generation costs, maintaining a modest premium in domestic pricing. Geopolitical tensions in Eastern Europe and the Middle East persisted but caused no major disruption to energy flows.

BRENT CRUDE OIL

Brent crude prices traded between \$61 and \$66 per barrel in October 2025, extending the downward trend as markets remained oversupplied. OPEC+ added around 550,000 barrels per day, while production in the United States and Brazil stayed high, contributing to rising global inventories.

On the demand side, consumption remained subdued. China's refinery throughput was steady, while industrial and transport fuel use showed little recovery. European demand weakened further amid soft economic activity, and mild weather limited seasonal refinery runs and energy consumption.

Market volatility stayed low, with futures prices remaining in a narrow range amid comfortable supply. Despite persistent geopolitical tensions in the Middle East and Eastern Europe, the risk premium remained minimal, keeping prices stable near year-to-date lows



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