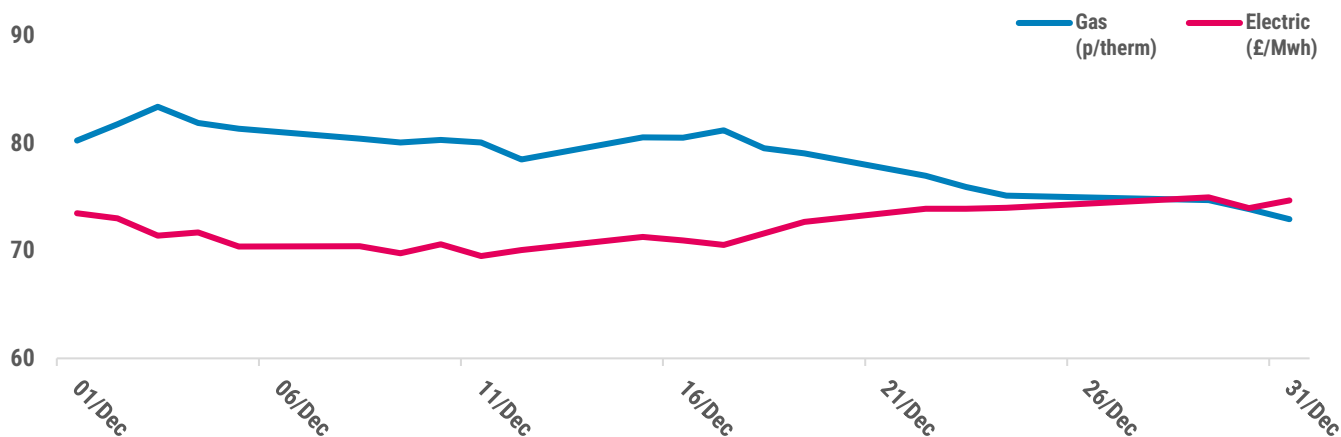


ENERGY MARKET UPDATE

DECEMBER 2025



YEAR AHEAD WHOLESALE GAS AND ELECTRICITY PRICE

UK wholesale gas and power markets experienced periods of volatility during December 2025, with price movements diverging across the two commodities. Weather conditions, renewable generation levels, and European supply dynamics continued to be the key influences on market behaviour.

Early December saw a brief increase in gas prices as colder conditions across the UK and Northern Europe lifted heating demand, pushing daily gas consumption above seasonal averages.

This initial strength was short-lived, with prices easing as the month progressed.

Stable Norwegian pipeline flows, strong LNG (Liquefied Natural Gas) send-out rates, and comfortable system balances helped to offset periods of elevated demand.

Through mid and late December, gas prices generally softened, with available supply limiting sustained upside pressure despite ongoing sensitivity to short-term weather forecasts and regional demand conditions.

Power prices followed a different trend over the month. After softening slightly during the early part of December, prices began to rise from mid-month onwards, reaching higher levels toward the end of the period.

Reduced wind generation increased reliance on thermal generation, tightening electricity system margins and contributing to firmer power prices later in the month.

Short-term changes in renewable output and demand forecasts continued to influence price movements.

Overall, December highlighted a divergence between gas and power markets.

Gas prices eased after an early-month rise, while power prices strengthened into year-end, reflecting differing supply and generation dynamics across the two commodities.

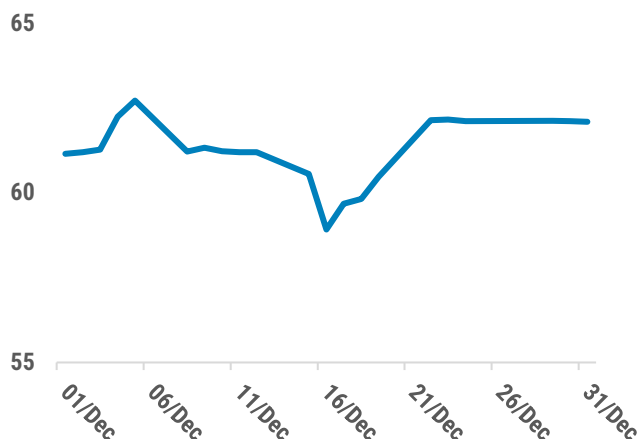
BRENT CRUDE OIL

Brent crude prices showed moderate volatility during December 2025, trading largely between \$59 and \$63 per barrel amid ongoing global oversupply and subdued demand. Prices edged higher early in the month before falling sharply mid-December, reaching their lowest levels around the middle of the period.

The mid-month dip reflected elevated production levels and weak demand conditions, particularly across Asia and Europe. Prices recovered in the second half of the month and stabilised toward year-end, with Brent holding close to \$62 per barrel.

Overall, Brent crude finished December broadly in line with early-month levels, with limited volatility and no sustained risk premium despite ongoing geopolitical tensions.

Brent Crude Oil (\$/barrel)



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IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENT OF THIS REPORT, CONTACT OUR ENERGY PROCUREMENT TEAM ON 01707 299 100.