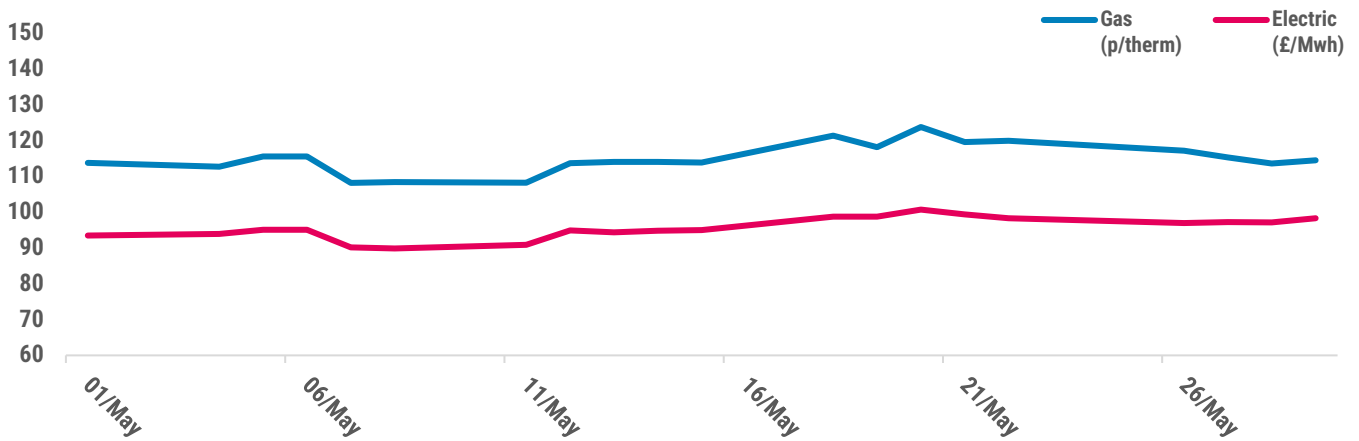


ENERGY MARKET UPDATE

MAY 2026



YEAR AHEAD WHOLESALE GAS AND ELECTRICITY PRICE

UK wholesale gas and power markets remained relatively stable throughout May 2026, with both commodities trading within a narrow range compared to the volatility experienced earlier in the year.

At the start of May, prices were broadly unchanged from late-April levels as markets assessed developments in the Middle East and the potential impact on global gas and LNG (Liquefied Natural Gas) supply.

While geopolitical tensions remained elevated, the absence of major disruptions helped limit upward price pressure.

During the first half of the month, gas and power prices moved largely sideways, with modest fluctuations driven by weather forecasts, demand expectations and renewable generation output.

Market participants continued to monitor the Strait of Hormuz, although concerns over immediate supply disruption eased compared with previous months.

Gas prices strengthened during the second half of May, reaching a monthly peak around the third week before easing slightly towards month-end. Power prices followed a similar trend, supported by stable supply

conditions across the UK and European energy markets. Strong renewable generation also helped maintain comfortable system margins and reduce pressure on thermal generation.

Overall, May was characterised by a period of consolidation following the sharp gains seen earlier in the year.

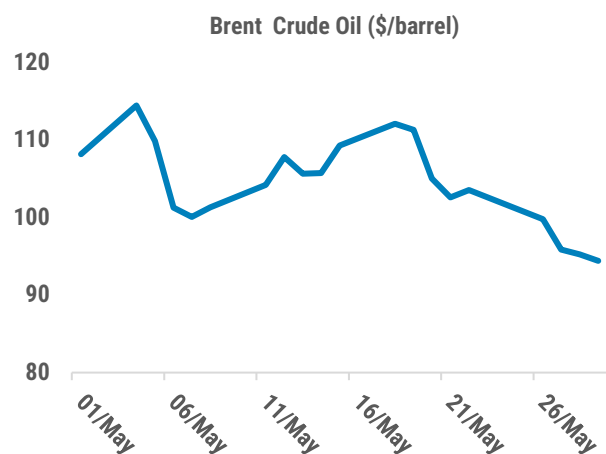
Despite geopolitical uncertainty surrounding the Iran conflict and global shipping routes, markets remained well balanced, resulting in limited volatility and modest upward movement across both gas and power contracts. Investor sentiment also improved as immediate supply concerns eased.

BRENT CRUDE OIL

Brent crude oil prices were volatile throughout May 2026, rising early in the month before weakening towards month-end. Brent began May at around \$108 per barrel and climbed to a monthly high of approximately \$114 per barrel during the first week, supported by geopolitical tensions and concerns over potential supply disruptions.

Market sentiment remained sensitive to developments in the Middle East, particularly surrounding Iran and the security of key oil transit routes. These concerns helped keep Brent above \$100 per barrel for much of the month, with prices recovering to around \$111 per barrel during mid-May following an earlier decline.

During the second half of the month, prices moved lower as market concerns eased. Brent crude fell steadily from its mid-month highs, dropping below \$100 per barrel in the final week and ending the month near \$95 per barrel. Despite heightened volatility, prices finished well below the highs recorded earlier in the month.



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