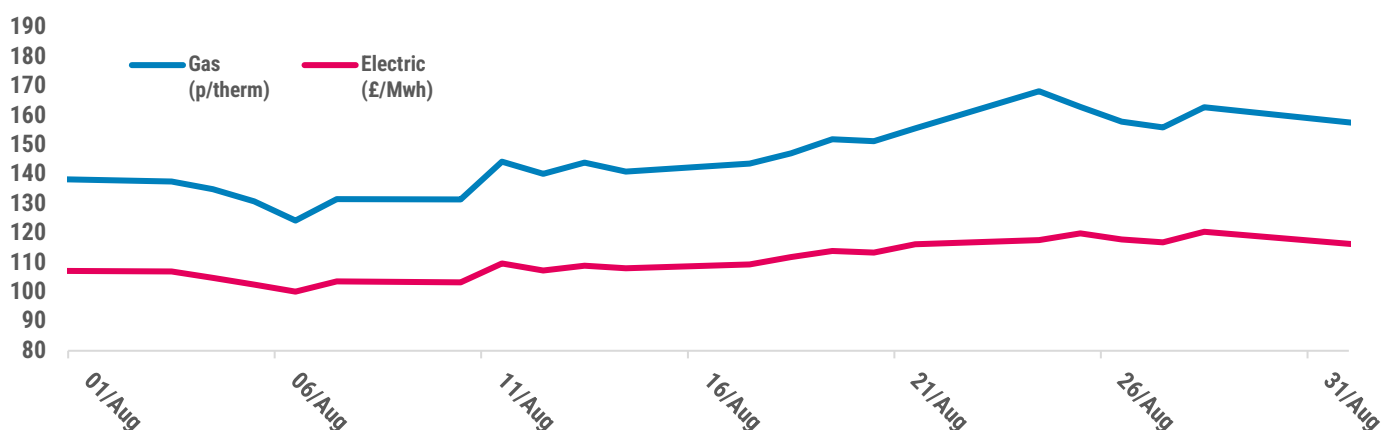


ENERGY MARKET UPDATE

AUGUST 2026



YEAR AHEAD WHOLESALE GAS AND ELECTRICITY PRICE

UK wholesale gas and power markets remained elevated throughout August 2026, with both commodities experiencing renewed upward pressure as geopolitical tensions affect global energy supplies.

Prices opened close to late-July levels before strengthening as concerns over disruption to global gas and LNG (Liquefied Natural Gas) supplies persisted.

Markets continued to monitor developments in the Middle East and the potential impact on European energy markets. Continued uncertainty surrounding the Strait of Hormuz and global shipping

routes supported wholesale prices, while concerns over European gas storage levels added further pressure. Energy prices remained elevated through the month, with forward contracts responding to increased uncertainty over supplies ahead of winter.

As the month progressed, prices remained volatile as markets assessed the potential duration of supply disruption and the availability of alternative LNG supplies. Gas prices moved higher during periods of heightened geopolitical concern, while power contracts followed a similar trend due to the strong relationship between gas and electricity generation costs. Lower European

storage and continued uncertainty around LNG flows helped sustain market pressure during the final trading sessions. Wholesale prices remained significantly above earlier summer levels as the month came to an end.

Overall, August was characterised by continued market volatility and elevated prices, with geopolitical tensions remaining the dominant market driver. Although prices fluctuated throughout the month, concerns over gas storage, LNG availability and the potential for further disruption to global supply kept both gas and power markets under sustained pressure heading into the winter period.

BRENT CRUDE OIL

Brent crude oil prices remained elevated throughout August 2026, although trading was more subdued than in July. Brent began the month at around \$85 per barrel and initially moved higher, supported by continued tensions in the Middle East and uncertainty surrounding oil supplies.

Prices fluctuated through the first three weeks of August as concerns over the Strait of Hormuz continued to underpin market sentiment. Brent reached approximately \$95 per barrel during the month before easing back as expectations of a gradual improvement in shipping conditions reduced some of the geopolitical risk premium. By late August, prices had fallen to around \$86–88 per barrel.

Overall, August was characterised by a period of instability followed by a modest decline. Brent remained well above its earlier 2026 levels, reflecting continued geopolitical uncertainty and persistent concerns over global oil supply.

