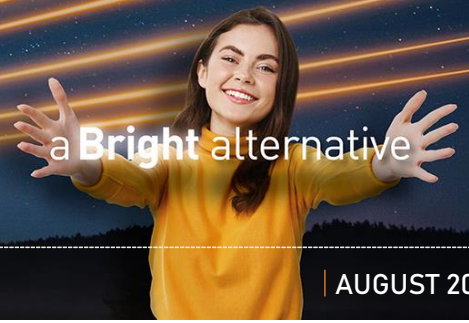




Go Power

Energy Market Report



Summary Report

AUGUST 2023

Gas Price

Much like in July, gas market prices were driven by constrained supply into GB due to Norwegian (Oseberg, Troll) and GB (Bacton SEAL Pipeline) scheduled maintenance and some unscheduled maintenance at Norway's Troll field contributing to limited gas flows into GB's Easington terminal. Another key price driver was the strikes by workers at key LNG infrastructure in Australia where mediation with workers is still ongoing including some of the largest LNG supply sites operated by Chevron which contribute 5% of the world's LNG supply. See [Australian LNG Strikes](#) below.

Gas Storage

Seaborne LNG deliveries into Zeebrugge and GB stalled in the month of August, averaging less than the same period last year attributable to the already high storage rates across Europe. From August 21st there were no more scheduled seaborne deliveries arriving at British ports illustrating the slowdown in vessels arriving. By August 30th GB gas storage levels had reached 88%, above the average of the past five years and beating the peak value for the same period for the past five years. Storage levels for Europe are also looking robust and well-stocked in time for Winter 2023. Storage sites are currently just over 85% full which is approximately 50 days ahead of the target storage level.

Australian LNG Strikes

European gas prices faced volatility towards the end of August with traders calculating the risk impact of strikes by workers at key LNG infrastructure in Australia. Europe is particularly vulnerable to supply changes while it adapts to its rapid reduction in reliance on Russian gas. While European and GB gas storage levels are above target currently, reduced production in Australia (which supplies the Asian market) could draw seaborne deliveries away from Europe towards those markets. Strikes at one major site in Australia look to have been avoided with a deal struck between workers and the site operator Woodside (which contributes 4% of global LNG supply) but talks between Chevron and their employees at two large sites are continuing with strikes set to go ahead in the first week of September.

Renewables

Wind generation for GB was above average for much of weeks 32 & 33 before returning to seasonal normal in week 34 with similar performance for the island of Ireland leading to an increased contribution to the grid's electricity by renewable sources (see Fig. 3 on page 2 of this report). More than one third of the island of Ireland's electricity generation in August was produced by renewable sources.

Gas Prices

AUGUST Year-on-Year

For the month of August, gas prices returned to their pre-Ukraine conflict levels as seen shown in Fig. 1. The average August price for 2021 and 2022 is shown for comparison. There was market volatility as explained in [Gas Price](#) above which led to price fluctuations over the course of the month.

Previous 12 Months

Period	Price (p/Therm)
Sep-22	247.00
Oct-22	119.10
Nov-22	124.10
Dec-22	239.70
Jan-23	143.00
Feb-23	141.10
Mar-23	128.10
Apr-23	110.06
May-23	91.700
Jun-23	100.40
Jul-23	96.260
Aug-23	91.440

August Gas Prices 2021-2023

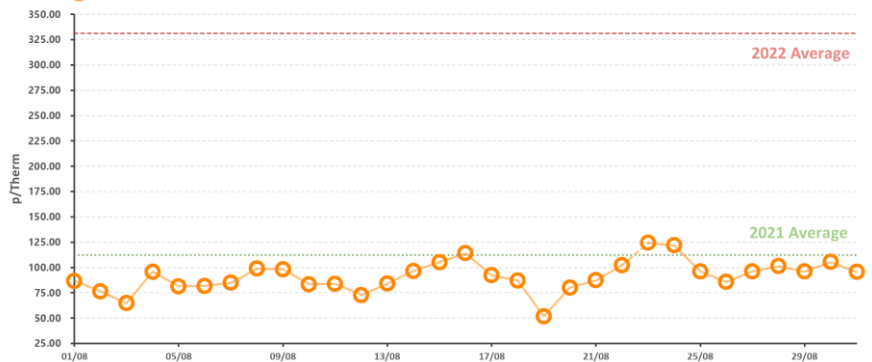


Fig. 1: August 2023 gas prices compared to annual averages for 2022 and 2021.

Forward Curve Data

Period	Price (p/Therm)
Oct-23	86.325
Nov-23	113.550
Dec-23	131.175
Jan-24	139.650
Q4 '23	110.350
Q1 '24	139.200
Q2 '24	131.350
Q3 '24	130.150
Q4 '24	144.850
Q1 '25	146.650
Q2 '25	114.925

Forward Gas Price (GBP p/Therm) Q4 '23 - Q2 '25

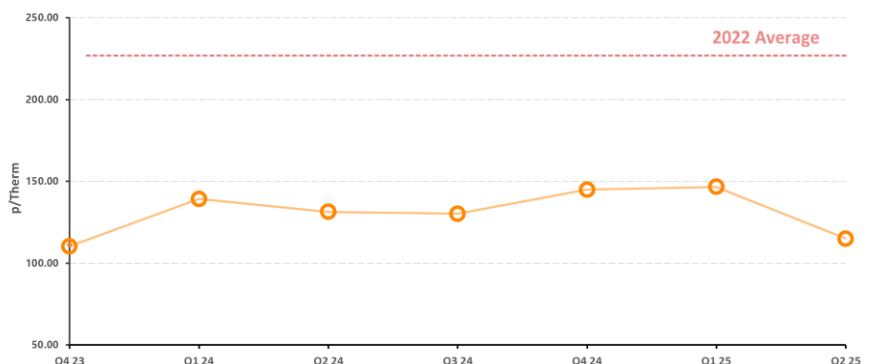


Fig. 2: The forward gas pricing curve from August 2023 to Q2 '25.

Commodity Summary

+8.10 % Change from July '23

**NBP
Forward Curve**

123.54 p/Therm; 144.34 c/Therm

+7.00 % Change from July '23

**EUA
Carbon - Annual**

85.53 €/Tonne

-2.16 % Change from July '23

**ATW
Coal - Annual**

122.78 \$/MT

- NBP is the National Balancing Point which refers to gas pricing and supply to GB. The Forward Curve is calculated using the average values of the next four quarters of projected gas prices.
- EUA (EU Allowance) is an EU wide emission allowance. EUA affects energy prices when fossil fuels are used in energy generation.
- ATW is the coal futures price from Rotterdam Coal Futures. Coal is a lesser but still primary energy fuel source, and these prices influence energy generation costs.

All-Island Fuel Mix – AUGUST 2023

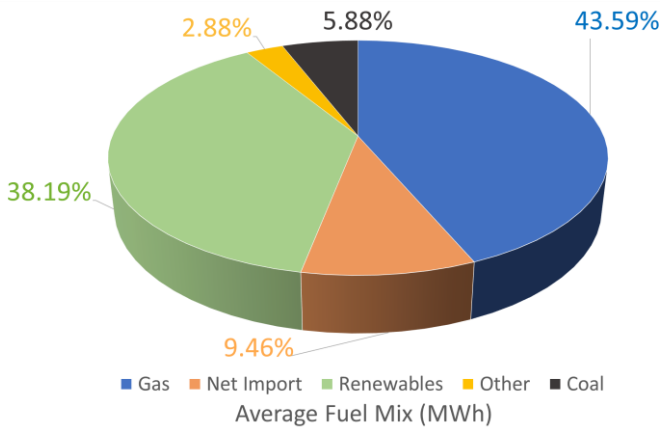


Fig. 3: Average fuel mix for the island of Ireland for August 2023.*

Fuel Mix – Island of Ireland

The contribution to the island of Ireland fuel mix by renewable energy sources* increased in August when compared with July helped along by higher-than-average wind generation meeting electricity demand which in turn lead to a reduced reliance on gas-powered generation.

Gas-fuelled electricity generation remained below 50% for the second consecutive month.

*Renewables includes Wind, Solar & Hydro sources. Other includes Peat, Waste, Distillate, CHP, DSU and others

Key Points

- There was some price volatility in August as the last of the Summer maintenance schedules are realised and traders considered potential disruption from strikes by LNG infrastructure workers in Australia.
- European and GB storage levels are ahead of their targets, leading to reduced gas deliveries by sea.

Outlook

- European and GB storage levels are ahead of target and well-stocked for the coming Winter when energy prices tend to be elevated. This should help protect consumers from market shock events during that period while Europe continues its reduced reliance on Russian fuel sources.
- Strikes at Australian LNG infrastructure owned by Chevron are due to start on the 7th of September unless talks can help resolve the dispute.

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