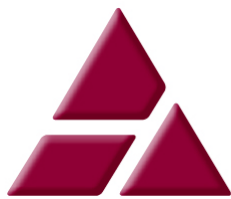


Energy Wholesale Market Review

Week Ending 4th April 2014



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Contents

Baseload electricity	3
Peak electricity	3
Seasonal power prices	4
Supplier hedging strategies	4
Wholesale price snapshot	5



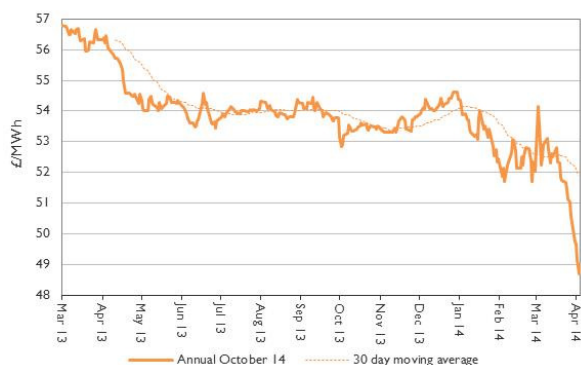
Headlines

This week, gas contracts have fallen to new lows with weak demand and continuing high supply from LNG deliveries and storage. Long-term gas contracts were lower following milder weather predictions for the coming months with annual October 14 power down 5.5% to a new low of 57.2p/th. Falls in gas fed into power, with annual October 14 power dropping 3% to £49.0/MWh. The day-ahead power contract fell to a 20-month low of £40.3/MWh as day-ahead gas fell to a near three-year low of 47.7p/th on Friday. The annual October 14 clean spark spread climbed 19% to £4.0/MWh as gas prices fell. The annual October 14 clean dark spread decreased 9.6% to £17.3/MWh as power prices fell. In commodities, Brent crude oil prices declined 0.7% to a weekly average of \$106.4/bl on returning Libyan exports, while carbon prices tumbled 15.6% to a weekly average of €4.7/t as surplus credits remained in the market. The contract fell to a six-month low of €4.3/t on Monday.

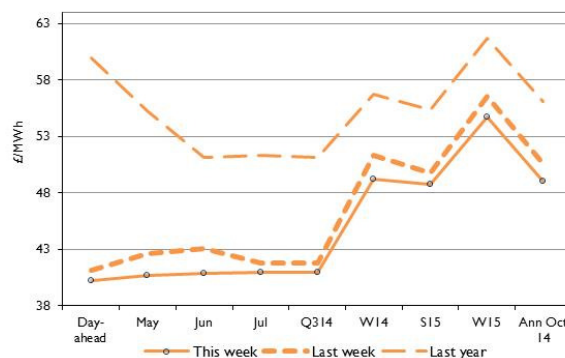
Baseload electricity

- Power contracts fell this week as falling gas prices were complemented by increasing interconnector imports.
- Annual October 14 baseload dropped 3% to £49.0/MWh.
- The day-ahead contract fell 8.6% week-on-week, reaching a 20-month low of £40.3/MWh on Friday. Markets remained bearish with predictions of further price falls of up to 18% in the coming weeks.

Annual October contract



Forward curve comparison



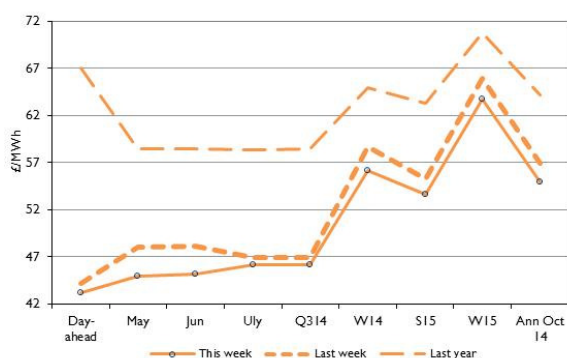
Peak electricity

- Peak power contracts declined this week as peak demand fell. The spread between baseload and peak contracts fell 4%.
- The annual October 2014 peak power contract fell 3.6% to settle at £54.9/MWh.
- Day-ahead peak electricity decreased 2.2% to £43.4/MWh. The contract fell to a new 18-month low of £43.2/MWh on Friday.

Annual October contract



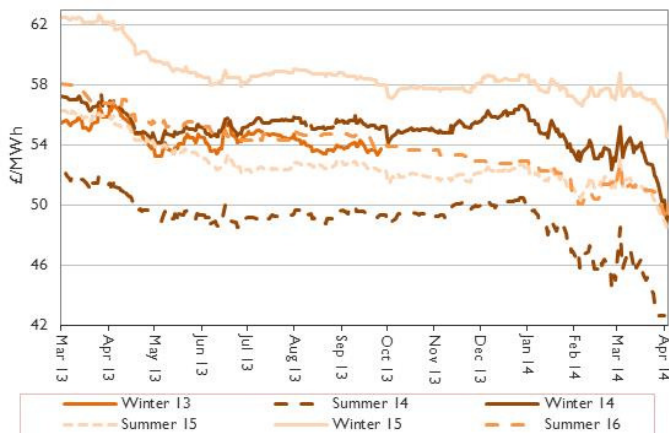
Forward curve comparison





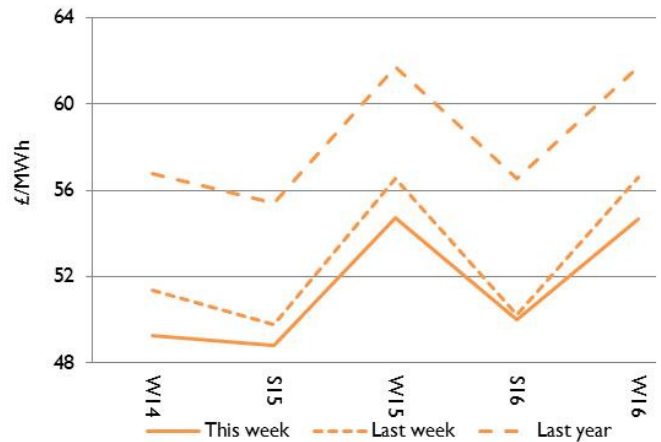
Seasonal power prices

Seasonal power contracts



- Seasonal power contracts fell to record lows this week, mirroring their gas counterparts. Winter power contracts decreased 1.2% over the week with winter 14 power 4.1% lower at £49.3/MWh.
- Summer power contracts were down 3.6% on average over the week.

Seasonal power curve

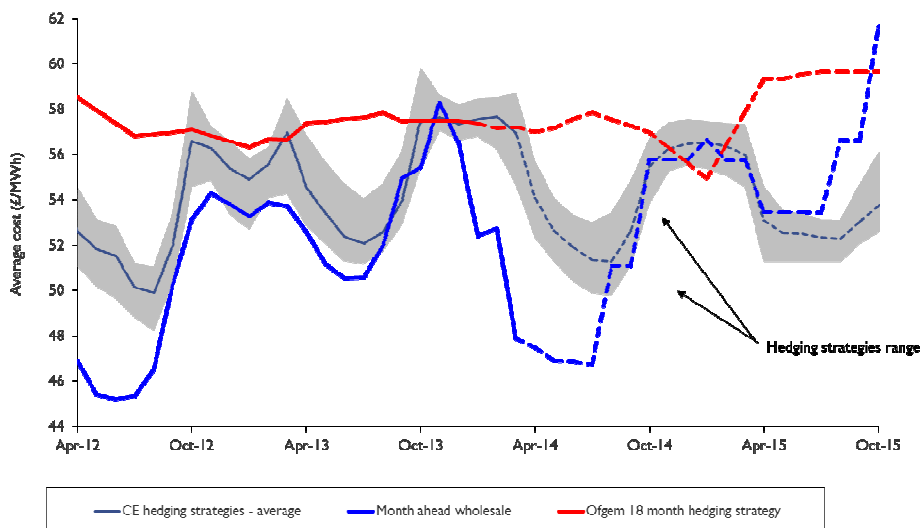


- Summer 15 power dropped 1.9% to £48.8/MWh.
- The contract is now 5.6% below last month and 11.9% lower than last year's level.

Supplier hedging strategies

On 26 March SSE revealed it would be freezing domestic gas and electricity prices at their current levels until 2016, announcing 500 job cuts and shelving four planned offshore wind farm developments to pay for the costs. A day later, Ofgem announced its intention to refer the energy market for a Competition and Markets Authority (CMA) investigation. Ofgem also announced it had updated its supply market indicators.

Although both Ofgem's and our assessments show a similar overall trend, the incorporation of nearer-term prices makes our assessments more volatile than Ofgem's smoothed quarterly and seasonally based approach.





Wholesale price snapshot

Key market indicators:

04/04/2014

	Gas (p/th)		Electricity (£/MWh)		Coal	Carbon	Brent crude
	Day-ahead	Year-ahead	Day-ahead	Year-ahead	(\$/t)	(€/t)	(\$/bl)
This week 4 Apr 14	48.00	57.28	40.25	49.03	80.00	4.85	106.50
Last week 28 Mar 14	52.50	60.61	41.10	50.55	80.50	4.39	108.00
Last month 7 Mar 14	58.05	63.55	44.80	52.90	80.80	6.86	108.50
Last year 5 Apr 13	81.50	67.98	60.00	56.08	93.65	5.00	106.28
Year-on-year % change	(41%)	(16%)	(33%)	(13%)	(15%)	(3%)	0%
Year high	81.50	68.93	60.00	52.66	94.65	7.22	116.17
Year low	48.00	58.38	40.25	46.45	80.00	2.70	97.70

This table shows the price this week compared with prices from the previous week, month and year. The graphs show the position of this week's prices with a red X and the range of prices over the year is represented by the black line.



About EDW Technology Limited

EDW has an extensive history of developing, implementing and supporting its 'best of breed' retail electricity software solutions.

In 2000, EDW began building a revolutionary new electricity software platform to support the rigorous demands of the UK's deregulated electricity supply market – a market characterised by rapidly changing government regulation, business processes, market rules, industry dataflows and customer demands. EDW were founded as a provider of high quality, end-to-end IT services and we have remained true to that aim ever since, servicing a range of companies in the energy industry.

For over 13 years, our software product ERS has empowered business electricity suppliers to transform customer experience, improve business efficiency, reduce costs to serve and improve profitability.

EDW has a UK based team of 85 employees working from the EDW offices in Milton Keynes.

Industrial and commercial billing specialists

The industrial and commercial electricity supply market has unique business requirements that need to be serviced with a specialised set of IT system capabilities. Sophisticated business customers are willing to actively engage in the management of their energy accounts and solutions need to provide tools that support enhanced service interaction. EDW has gathered an extensive knowledge of the industrial and commercial market sector that enables the delivery of a powerful set of system capabilities essential to your requirements to service this complex and demanding market sector.

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