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ENERGY

Energy Market Review

August 2025



5th September 2025



Market Context

Seasonal gas prices trended down through August with the main bearish sentiment being driven by revived peace talks between Ukraine and Russia. Winter-25 gas prices reached their lowest level since April-24 before retracing some of those losses to end the month 10% lower than the end of July.

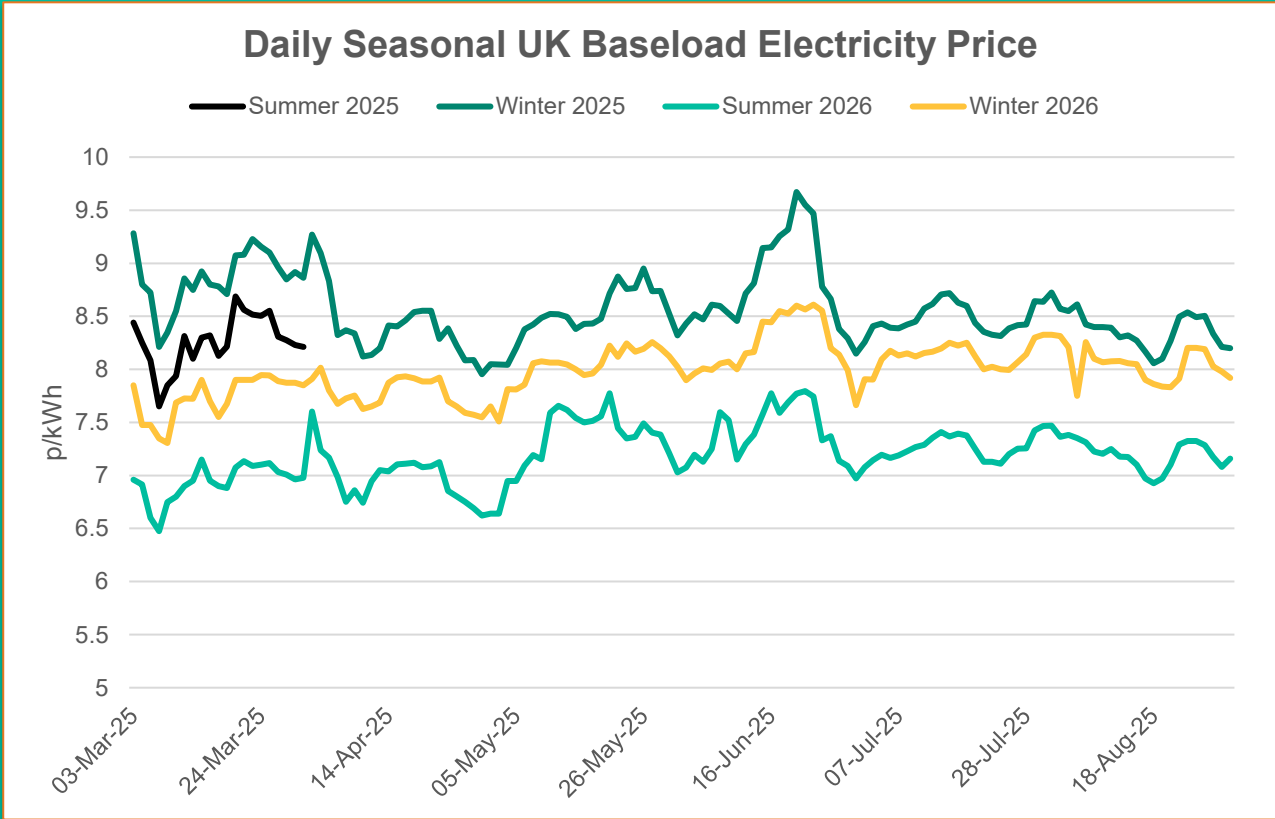
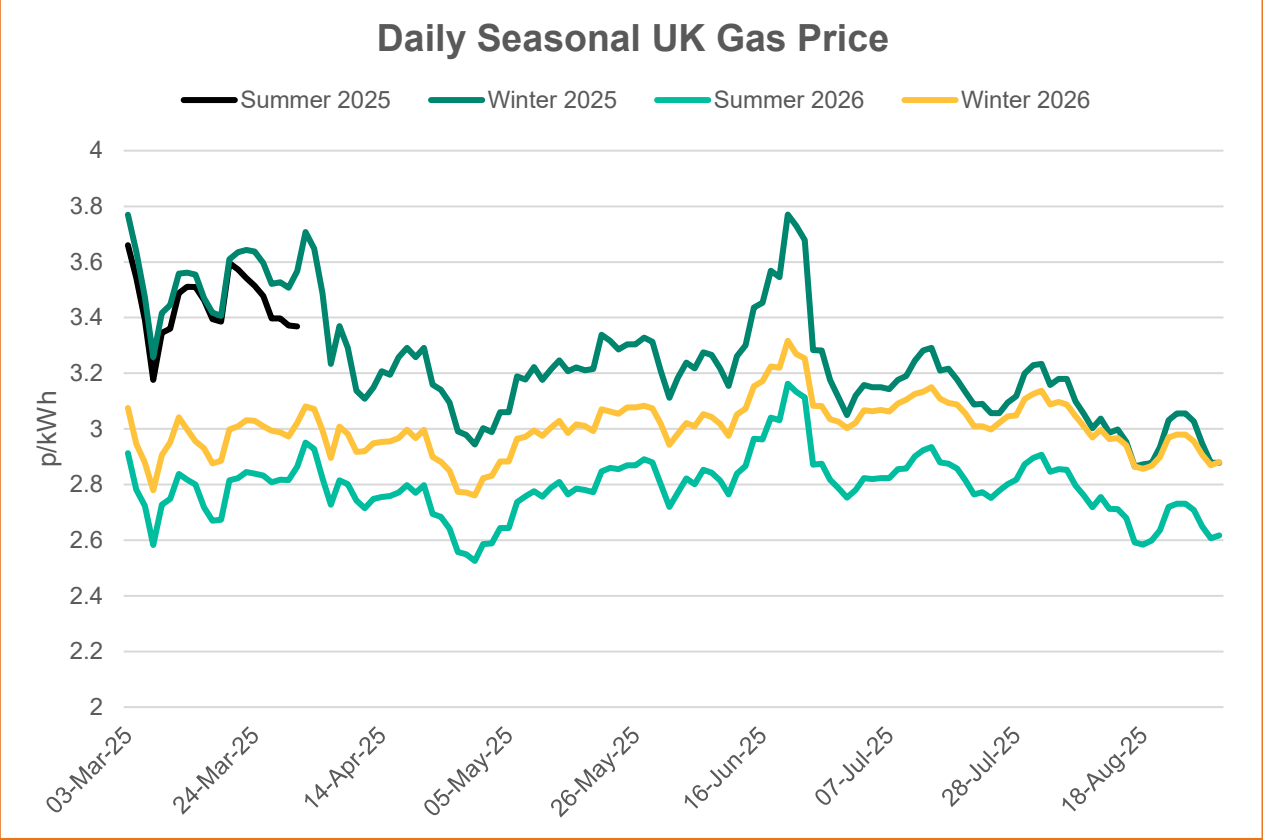
- Prices began to descend when it was announced President Trump would meet President Putin in Alaska to discuss the conflict.
- The bearish sentiment continued as President Trump hosted a meeting with President Zelensky who was accompanied by European leaders.
- The downward momentum paused as news went quiet with seemingly little progress being made whilst attacks intensified from both Russia and Ukraine.
- Further sanctions were placed on buyers of Russian oil whilst OPEC+ nations announced a hike in output helping to offset any potential supply issues caused by the sanctions.
- LNG demand remained low in Asia keeping European prices subdued. Supply to Europe is up 20% year-on-year.
- EU storage ended August at 77% which is positive given the low level at the start of summer but around 10% lower than the 5-year average.

In other news

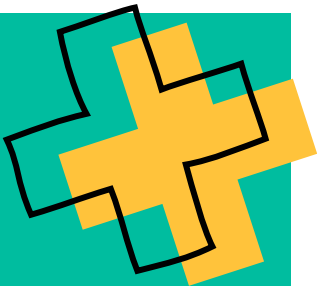
The number of data centres in the UK is forecast to increase by almost a fifth. However, there are concerns about the huge amount of energy and water the new data centres will consume. Some experts have warned it could drive up prices paid by consumers.

According to the National Energy System Operator, NESO, the projected growth of data centres in Great Britain could "add up to 71 TWh (15-20%) to UK electricity demand" in the next 25 years, which it says redoubles the need for clean power - such as offshore wind.

Seasonal Prices



Price Table

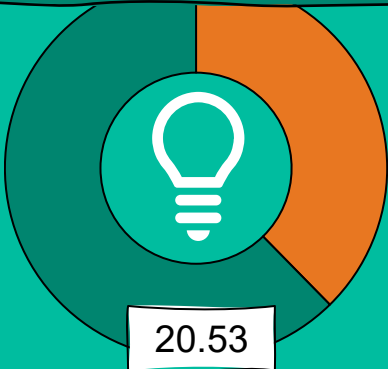
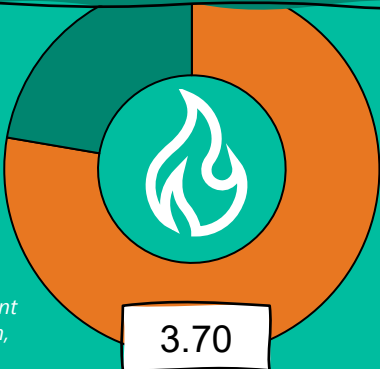


Prices across the curve descended month-on-month with front season gas prices hitting their lowest levels in around 18-months thanks to improved fundamentals and progress seemingly being made on a peace deal in Ukraine.

	Month End <u>Energy Only</u> Prices			
	Fuel	August-25 (p/kWh)	July-25 (p/kWh)	Month-on- Month Difference
Spot Prices	Gas (NBP)	2.66	2.84	-6%
	Power (UK Baseload)	8.25	8.23	0%
Front Month	Gas (NBP)	2.67	2.85	-6%
	Power (UK Baseload)	7.52	7.74	-3%
Front Season	Gas (NBP)	2.88	3.23	-11%
	Power (UK Baseload)	8.20	8.72	-6%
Annual Price (Oct-25)	Gas (NBP)	2.80	3.14	-11%
	Power (UK Baseload)	7.73	8.16	-5%

Fully delivered annual energy unit rates (p/kWh)*

- Energy
- Non-energy



**Quoted figures are approx. average prices for 12-month from October 25 and do not include supplier risk premiums. Actual prices vary dependent on, customer, meter type, size, location, and contract duration.*

Outlook

Norway is set for its biggest gas infrastructure maintenance month but barring any prolonged extensions the risk should already be factored into prices. The storage outlook should continue to improve if LNG keeps arriving in Europe. Any further developments on potential peace in Ukraine could add further bearish pressure. With a stable fundamental outlook, geopolitical news will continue to be a large driver of price direction.



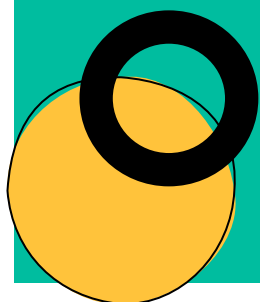
Bearish signals

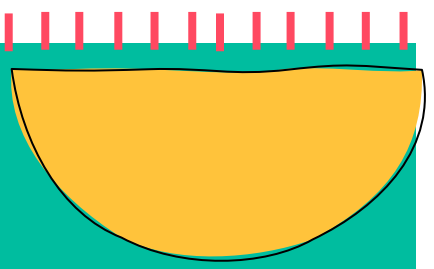
- Norwegian maintenance completed with no extensions/outages.
- Continued strong supply of LNG to Europe.
- Possible further progress on peace in Ukraine.



Bullish signals

- Unplanned outages or extensions to Norwegian gas infrastructure maintenance.
- Potential damage to Ukrainian and Russian gas infrastructures as fighting intensifies.
- Possible issues with French nuclear fleet as safety check are typically carried out during September.





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