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Catalyst Commercial Services Energy Market Report: December 2010

Any views and recommendations are offered for your consideration, but may be wrong as the market is highly uncertain, with additional risks which are unknown until they arise. Statements in this press release regarding Catalyst's business that are not historical facts are "forward-looking statements" that involve risks and uncertainties. © 2001 - 2010 Catalyst Commercial Services Limited. - All Rights Reserved.

Short -Term Risk Drivers

Well the big news and main driver of prices for last month has been the weather, and so far the system has coped well with the increased demand. However any prolonged spells of cold weather will impact on storage levels and could leave us with potential shortfalls. So any expected deliveries of LNG will be greatly received and could contribute considerably to keeping supply margins in place. Prices have steadily risen throughout the last month and as we write this report gas demand is approaching all time highs as the wintery weather continues to cause distribution. Any serious system issues could have wider implications for our continued supply demand and with this uncertainty hanging over the market.

Long-Term Risk Drivers

The current issues influencing market factors are starting to push through to longer range pricing, as market uncertainty over supply and demand starts to take effect. In addition to this China is once again a driving factor in world energy prices as their demand for resources has started to increase in line with positive economical outlook.

Views and Recommendations

The market will remain extremely volatile as high demand factors and concerns over potential supply loss, add additional risk premiums to wholesale energy prices. This could on the other hand be balanced by further supplies of LNG and a shift in weather patterns. We believe that you should closely monitor both the gas and electricity markets at the moment, and select an opportunity to secure offers at a time when prices present a good offer. As always proceed with caution as long term volatility and unexpected price increases could commence without warning at any time. Our independent approach enables clients to manage their exposure to energy price risk, whilst at the same time benefiting from a first class service from a range of major and independent suppliers. Our procurement solutions make it simple, so contact a member of our team to discuss your requirements.