

Company announcement

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DONG Energy to build new record size offshore wind farm

DONG Energy has made a final investment decision to build the giant Hornsea Project One offshore wind farm (Hornsea) in the UK. With a capacity of 1.2 gigawatt (GW), Hornsea will on completion be the world's first offshore wind farm to exceed 1,000 MW in capacity and by a large margin become the world's largest offshore wind farm. It will be able to meet the electricity needs of well over one million UK homes.

Henrik Poulsen, CEO of DONG Energy, said:

"We are excited about building this huge wind farm and pushing the boundaries of the offshore wind industry. Hornsea together with Race Bank, Westermost Rough and Lincs will make up a giant production area off the British east coast, supporting our efforts to deliver green and independent energy to society."

Hornsea was granted a Final Investment Decision Enabling contract (Contract for Difference) by the UK Government in April 2014 and will receive a fixed tariff for the first 15 years of production. The wind farm is expected to be fully commissioned in 2020.

Hornsea will be the final stage towards DONG Energy delivering on its strategic target of installing 6.5 GW of offshore wind by 2020.

Henrik Poulsen said:

"Reaching our strategic target is important as volume is required to reduce the cost of a new technology. It is vital in order to make all players in the value chain advance up the learning curve. As such Hornsea will be another major step in our ongoing efforts to significantly reduce the cost of electricity for offshore wind."

Hornsea will surpass Walney Extension, which had a final investment decision in October 2015, as the world's largest offshore wind farm. Walney Extension will have a capacity of 660 MW so Hornsea is almost double the size.

Brent Cheshire, DONG Energy UK' Country Chairman, said:

"Our decision to construct this giant wind farm underlines our commitment to the UK market. Hornsea Project One will support the supply chain and help create local jobs. To have the world's biggest ever offshore wind farm located off the Yorkshire coast is hugely significant, and highlights the vital role offshore wind will play in the UK's need for new low-carbon energy."

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DONG Energy is one of the leading energy groups in Northern Europe, headquartered in Denmark. Around 6,700 ambitious employees are engaged in producing energy from offshore wind farms, bioenergy and thermal heat and power plants, oil and gas fields as well as providing energy solutions to residential and business customers. Group revenue was DKK 67bn (EUR 9.0bn) in 2014. For further information, see www.dongenergy.com

Hornsea is located 120km off the Yorkshire coast and covers approximately 407 square kilometers. DONG Energy has chosen the Siemens 7.0MW wind turbine for Hornsea. DONG Energy is the sole owner of Hornsea after acquiring the 66.66% ownership share from Smart Wind in February 2015. DONG Energy also have the project rights to the Hornsea Project Two and Three, which have the potential of further 3 GW offshore wind power capacity in total.

The information provided in this announcement does not change DONG Energy's previous financial guidance for the 2015 financial year or the announced expected investment level for 2015-2016.

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