

**Company announcement**

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**DONG Energy A/S**  
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7000 Fredericia[www.dongenergy.com](http://www.dongenergy.com)  
CVR-nr. 36 21 37 28**DONG Energy wins tender for Dutch offshore wind farms**

The Netherlands' Minister of Economic Affairs has awarded DONG Energy the concession to build the Netherlands' offshore wind farms Borssele 1 and 2. DONG Energy won the concessions with an average bid strike price, excluding transmission costs of 72.70 EUR per MWh during the first 15 years of the contract. After that, the wind farms will receive the market price.

5 July 2016

Only four years ago, DONG Energy set an ambitious 2020 cost target of reaching EUR 100 per MWh over the life-time of a wind farm – the so-called levelized cost of electricity – including transmission costs. This target, which was later adopted by the offshore wind industry, has now been reached.

Executive Vice President and Head of Wind Power in DONG Energy, Samuel Leupold, says: "Winning this tender in a highly competitive field of bidders is another proof of our market-leading position and our business model which builds on continued innovation, industrialisation and scale. With Borssele 1 and 2, we're crossing the levelized cost of electricity mark of EUR 100 per MWh for the first time and are reaching a critical industry milestone more than three years ahead of time. This demonstrates the great potential of offshore wind."

DONG Energy will, in accordance with the Dutch tender regulation, build Borssele 1 and 2 within four years from today with a flexibility of one year. The wind farms' capacity of two times 350MW will translate into supply of CO<sub>2</sub>-free electricity covering the annual power consumption of approximately one million Dutch households.

Country Manager for DONG Energy Netherlands, Jasper Vis, says: "The Dutch government has introduced an ambitious, long-term development plan for offshore wind. The Borssele concessions mark a milestone in the Netherlands' shift towards green energy, and we look forward to bringing our more than 20 years' experience with offshore wind into these projects."

**Innovation and scale reduce the cost of electricity**

The reduction of cost of electricity is driven by cross-industry collaboration, ongoing innovation of wind turbines and blades, continuous improvements

DONG Energy (NASDAQ OMX: DENERG) is one of the leading energy groups in Northern Europe, headquartered in Denmark. Around 6,700 ambitious employees are engaged in developing, constructing and operating offshore wind farms; generating power and heat from our power stations; providing energy to residential and business customers and producing oil and gas. Group revenue was DKK 71bn (EUR 9.5bn) in 2015. For further information, see [www.dongenergy.com](http://www.dongenergy.com).

of foundation design and installation methods, higher cable capacity, a growing and competitive supply chain and not least the synergies from building large-scale capacity sites such as Borssele 1 and 2. In addition, the Dutch sites offer good seabed conditions as well as good and stable wind speeds, which contribute to high output from each turbine.

The information provided in this announcement does not change DONG Energy's previous financial guidance for the financial year of 2016 or the announced expected investment level for 2016-2017.

### **Facts about Borssele 1 and 2**

- Borssele 1 and 2 will be owned by DONG Energy and have a capacity of 2 x 350MW.
- Subsidy period of 15 years. The bid strike price will not be adjusted to inflation.
- Monopile foundations.
- The wind farms will be located 22km from the coast of the Dutch province of Zeeland with a water depth of 14-38m. They will cover an area of 128.3km<sup>2</sup> and benefit from an annual average wind speed of 9.5m/s.
- DONG Energy will, in accordance with the Dutch tender regulation, build Borssele 1 and 2 within four years from today with a flexibility of 1 year.
- The Dutch offshore grid operator, TenneT, is responsible for construction, operation and ownership of the substations and the export cable.

For additional information, please contact:

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