

DONG Energy and ScottishPower Renewables to build West of Duddon Sands offshore wind farm

DONG Energy and ScottishPower Renewables, part of the Iberdrola Group, have decided to go ahead with the construction of the West of Duddon Sands offshore wind farm in the Irish Sea in a 50/50-partnership. The total cost of construction is up to GBP 1.6 billion (approx. DKK 14 billion), which includes the cost to construct the offshore transmission assets. When the wind farm goes into operation, these assets will be sold to an offshore transmission operator, selected by Ofgem, and the costs of the transmission assets will be returned.

16 June 2011

The production from West of Duddon Sands is expected to be equivalent to approx. 300.000 British households annual electricity consumption. It will consist of 108 Siemens 3.6MW turbines and have a total capacity of 389MW. This will make it among the largest offshore wind farms in the world at the time of commissioning in 2014.

Anders Eldrup, CEO of DONG Energy, said:

"We look forward to the partnership with ScottishPower Renewables. West of Duddon Sands will be DONG Energy's ninth wind offshore wind farm in the UK and therefore underlines DONG Energy's position as market leader within offshore wind."

Keith Anderson, CEO of ScottishPower Renewables, said: "West of Duddon Sands will be the first offshore wind project in our pipeline to be commissioned, and marks the start of our extensive investment programme in the offshore wind sector."

"We've been working with DONG on this project for many years now and we look forward to continuing this partnership throughout the construction and the operation of the windfarm."

The Irish Sea is today one of UK's most important wind power hubs. This position will be further strengthened by the construction of West of Duddon

Sands. The wind farm will be adjoining DONG Energy's Walney 1 and 2 wind farms. These two wind farms will be commissioned in 2011 and have a total capacity of 367 MW.

In February 2011 DONG Energy and Belfast Harbour signed a letter of intent whereby Belfast Harbour will establish a new tailor-made installation harbour. The agreement will now be finalised and DONG Energy will be renting this facility.

The information provided in this announcement will not change DONG Energy's previous financial guidance for the financial year 2011 or the expected investment level.

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About DONG Energy:

DONG Energy is one of the leading energy groups in Northern Europe. We are headquartered in Denmark. Our business is based on procuring, producing, distributing and trading in energy and related products in Northern Europe. We have approximately 6,000 employees and generated DKK 55 billion (EUR 7.3 billion) in revenue in 2010. For further information, see www.dongenergy.com.

DONG Energy is strongly involved in the production and expansion of renewable energy in the UK. The company is, in addition West of Duddon Sands, involved in building three new major UK offshore wind farms, including what will be the world's largest offshore wind farm London Array (630 MW), due to enter into operation in 2012. The other two wind farms, Walney (367 MW) and Lincs (270 MW) are scheduled for completion in 2011 and 2012, respectively. In addition, DONG Energy currently operates the offshore wind farms Gunfleet Sands (172 MW), Burbo Bank (90 MW) and Barrows (90 MW).

About ScottishPower Renewables:

ScottishPower Renewables is part of Iberdrola, the largest wind power company in the world. Its global offshore wind power headquarters are based in Glasgow.