

DONG Energy agrees on settlement regarding the Hejre EPC-contract

DONG Energy A/S
Kraftværksvej 53
Skærbæk
7000 Fredericia

As announced on 29 March 2016, DONG Energy and Bayerngas terminated the contract for the engineering, procurement and construction (EPC) of the Hejre platform with the supplier consortium. Subsequently, disputes around the termination of contract arose.

www.dongenergy.com
CVR-nr. 36 21 37 28

4 May 2017

Today, DONG Energy and the supplier consortium consisting of Technip France SAS and Daewoo Shipbuilding and Marine Engineering Co. Ltd (DSME) have entered into a settlement agreement regarding the dispute, including the arbitral claims, related to the EPC contract.

According to the agreement, the supplier consortium holds full responsibility for the disposal of the Hejre platform, which will be dismantled by DSME. DONG Energy will have no further responsibilities or liabilities with regard to the platform.

The settlement agreed will have a positive impact for DONG Energy on cashflow and will reduce provisions made in relation to the Hejre project with a positive EBIT effect of DKK 0.9 billion within discontinued operations.

David Cook, Executive Vice President in DONG Energy, said:

“This is a good outcome for our business. I’m very satisfied that we’ve reached a solution on the disputes and arbitral claims with the supplier consortium. We can now put this issue behind us and continue our focus on running a safe, successful and sustainable oil and gas business.”

As per agreement with the Hejre licence partner, Bayerngas, DONG Energy has been controlling the termination process with the supplier consortium on behalf of the Hejre licence partners and assumed all potential liabilities, rights and benefits arising out of the contract and the termination process.

The settlement does not affect the ongoing assessment with Bayerngas on re-development alternatives for the Hejre field.

The information provided in this announcement does not change DONG Energy's previously announced outlook for the 2017 financial year as Oil & Gas is presented as an asset held for sale and discontinued operations.

DONG Energy (NASDAQ OMX: DENERG) is one of Northern Europe's leading energy groups and is headquartered in Denmark. Around 6,200 ambitious employees develop, construct and operate offshore wind farms, generate power and heat from our power stations as well as supply and trade in energy to wholesale, business and residential customers. The continuing part of the Group has approx 5,800 employees and generated a revenue in 2016 of DKK 61 billion (EUR 8.2 billion). Read more on www.dongenergy.com.

Further information:

Media Relations

Ulrik Frøhlke
+45 99 55 95 60

Investor Relations

Henrik Brünniche Lund
+45 99 55 97 22
hebrl@dongenergy.dk