

**Company announcement**

No. 24/2017

**DONG Energy enters an agreement to divest its upstream oil and gas business to INEOS****DONG Energy A/S**  
Kraftværksvej 53  
Skærbæk  
7000 Fredericiawww.dongenergy.com  
CVR no. 36 21 37 28

DONG Energy has today agreed to divest the entire share capital of DONG E&P A/S to INEOS for an unconditional payment of USD 1,050 million (DKK 7.0 billion) on a cash and debt free basis, a contingent payment of USD 150 million (DKK 1.0 billion) related to the Fredericia stabilisation plant and a contingent payment of up to USD 100 million (DKK 0.7 billion) subject to the development of the Rosebank field.

24 May 2017

INEOS will, by acquiring DONG E&P A/S, take over decommissioning liabilities of approximately DKK 7.0 billion. DONG Energy will retain all cash flows until 30 June 2017 (free cash flow was DKK 2.1 billion in Q1, 2017) and retain all hedge contracts related to the Oil & Gas business (market value was DKK 1.9 billion as at 31 March 2017).

Henrik Poulsen, CEO of DONG Energy, said:

“Since the decision in 2016 to divest our upstream oil and gas business, we’ve actively worked to get the best transaction by selling the business as a whole, getting a good and fair price for it and ensuring the optimal conditions for the long-term development of the oil and gas business. With the agreement with INEOS we’ve obtained just that.”

“The transaction completes the transformation of DONG Energy into a leading, pure play renewables company,” Henrik Poulsen concluded.

The transaction is expected to result in a gain on sale of enterprises of approximately DKK 2.5 billion including the contingent payment related to the Fredericia stabilisation plant. The gain will be presented as part of net profit from discontinued operations in DONG Energy's financial statements after closing.

Of the USD 1,050 million unconditional consideration, USD 250 million (DKK 1.7 billion) will be payable from 2018 to 2020.

Closing of the transaction is subject to regulatory and certain other third party approvals and is expected to take place in the third quarter of 2017.

At closing of the transaction, approximately 440 employees working for DONG Energy Oil & Gas will transfer to employment with the INEOS group.

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](http://www.dongenergy.com).

J.P. Morgan acted as exclusive financial adviser to DONG Energy in connection with the transaction.

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.

A conference call for investors and analysts will take place today, Wednesday 24 May 2017, at 10:00 (CET).

Denmark: +45 35 44 55 83

UK: +44 (0) 203 194 0544

US: +1 855 269 2604

For further information, please contact:

Media Relations

Martin Barlebo

+45 99 55 95 52

Investor Relations

Henrik Brünniche Lund

+45 99 55 97 22

### **About INEOS**

- Leading manufacturer of petrochemicals, specialty chemicals and oil products
- 18,500 employees across 105 manufacturing sites worldwide
- Turnover of around USD 40 billion in 2016.

### **About DONG Energy Oil & Gas**

- Around 440 people are working in DONG Energy Oil & Gas
- In total 50 licences in Denmark, Norway and the UK
- Daily production of oil and gas in 2016 averaged 100,000 barrels of oil equivalents
- 70% of production in 2016 came from Norwegian fields, about 15% production from Danish fields and another 15% production from the West of Shetland fields in the UK.