

**Company announcement
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Establishment permit and power purchase agreement delayed on Taiwanese offshore wind projects

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In April 2018, Taiwan's Ministry of Economic Affairs awarded Ørsted the right to install 900MW offshore wind from its Changhua 1 and 2a projects in 2021.

In accordance with Taiwan Civil Code, the deadline for signing the 2018 power purchase agreement (PPA) was extended to 2 January 2019. As Taiwan's Bureau of Energy has not issued an establishment permit for the projects by close of business local time, it is no longer possible for Ørsted and the Taiwanese utility Taipower to sign a 2018 PPA for Changhua 1 and 2a.

The 2019 feed-in-tariff has not been decided yet. However, in November 2018 the Taiwanese government proposed a 2019 feed-in-tariff of TWD5,106 (approx. EUR145) per MWh and suggested a production cap of 3,600 annual full-load hours.

Martin Neubert, CEO, Ørsted Offshore, says:

"We're disappointed with the process and the delay of the establishment permit and PPA. We will now pause and revisit all our project activities, the timeline of the projects, and our supply chain commitments and contracts as we had assumed signing of the PPA in 2018. We're very concerned about the suggested feed-in-tariff level for 2019 as well as the newly proposed cap on annual full-load hours. We will need to see significant changes to these proposals before we can progress any further towards a final investment decision on the projects."

The feed-in-tariff needs to reflect the extraordinarily high costs faced by Greater Changhua 1 and 2a, mainly related to creating a local supply chain at scale, reinforcing the onshore grid infrastructure and building, operating and maintaining offshore wind farms in challenging waters where typhoons and earthquakes occur.

"The proposed retrospective changes would jeopardise the creation of a local offshore wind supply chain, harm the planned transition to

The Ørsted vision is a world that runs entirely on green energy. Ørsted develops, constructs and operates offshore and onshore wind farms, bioenergy plants and innovative waste-to-energy solutions and provides smart energy products to its customers. Headquartered in Denmark, Ørsted employs 6,000 people. Ørsted's shares are listed on Nasdaq Copenhagen (Orsted). In 2017, the group's revenue was DKK 59.5 billion (EUR 8.0 billion). For more information on Ørsted, visit <https://orssted.com/> or follow us on Facebook, LinkedIn, Instagram and Twitter.

renewable energy and cause significant uncertainty among international investors looking to Taiwan. Only with a stable and predictable policy framework, Taiwan has the potential for developing large-scale clean power production while creating thousands of local jobs and becoming a hub for offshore wind in Asia-Pacific," says Martin Neubert.

The information provided in this announcement does not change Ørsted's previous financial guidance for the financial year of 2018 or the announced expected investment level for 2018.

About Ørsted in Taiwan

- In April 2018, [Taiwan awarded Ørsted the right to connect 900MW](#) offshore wind to Taiwan's power grid in 2021 from Ørsted's Greater Changhua sites.
- In June 2018, Ørsted [won the right to build an additional 920MW](#) offshore wind capacity from its Greater Changhua sites. Subject to Ørsted's final investment decision, these projects will be built in 2025.
- Ørsted's Greater Changhua projects comprise a total potential offshore wind capacity of 2.4GW. Approx 1.8GW have now been earmarked for buildout in 2021 and 2025, and the remaining approx 0.6GW can participate in future auction rounds.
- Ørsted is also the co-owner of Taiwan's first commercial-scale offshore wind project, Formosa 1, which will be extended from its current 8MW capacity to 128MW in 2019.

As the world leader in offshore wind, Ørsted operates more than 1,100 offshore wind turbines. Ørsted has installed approx 5.6GW offshore wind capacity and has a further 3.4GW under construction. In addition, Ørsted has secured the rights to build approx 1GW offshore wind in the US by 2023, approx 1.1GW in Germany by 2025, and approx 1.8GW in Taiwan. It is Ørsted's ambition to have installed a total of 15GW offshore wind capacity worldwide by 2025.

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