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Ørsted wins 920MW offshore wind projects in Taiwan

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Taiwan's Ministry of Economic Affairs has announced the outcome of its first offshore wind auction. Ørsted was awarded 920MW capacity for its offshore wind sites in the Changhua region. Subject to Ørsted obtaining relevant permits and taking final investment decision, the projects are to be built in 2025. Ørsted's winning bid price was TWD2,548 (approx. EUR72.3) per MWh.

With today's result, Ørsted has a total offshore wind pipeline in Changhua of 1,820MW including [the 900MW which were awarded to Ørsted in April](#).

Martin Neubert, Executive Vice President and CEO of Ørsted Wind Power, says: "Following a highly competitive auction process, we're very pleased with adding further value-creating capacity in Changhua."

"Today's results are promising for Taiwan's transition to renewable energy. The outcome of the auction proves once again that when governments commit to ambitious buildout targets and create stable, transparent and good framework conditions, the offshore wind industry will deliver."

Matthias Bausenwein, General Manager for Ørsted in Asia-Pacific, says: "Ørsted has come to Taiwan and set up its Asia-Pacific hub here. We are very happy to see the offshore wind industry in Taiwan mature and to be able to significantly contribute to this development. With the additional projects in 2025, we have a solid pipeline on which we will further strengthen our local presence."

Ørsted's bid was based on the following drivers:

- The projects awarded in the April grid allocation at a higher Feed-in-Tariff will help facilitate the investments required to establish and mature a local supply chain. This will reduce costs and risk on the projects awarded today towards our final investment decision in 2023.

The Ørsted vision is a world that runs entirely on green energy. Ørsted develops, constructs and operates offshore wind farms, bioenergy plants and innovative waste-to-energy solutions and provides smart energy products to its customers. Headquartered in Denmark, Ørsted employs 5,700 people. Ørsted's shares are listed on Nasdaq Copenhagen (Ørsted). 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.

- Further cost-out in the industry towards final investment decision driven by technology advances, e.g. larger turbines.
- Scalable O&M: We will operate all our Greater Changhua projects from the same hub.
- Transmission synergies: With the capacity added to our Changhua portfolio today, we will be able to fully utilize the transmission asset, which we will be building for our early Changhua projects.
- Learnings from our first Greater Changhua projects, which are to be procured and constructed in 2019-2021, and our increased presence in Taiwan over time, will enable an even more efficient and optimised EPC process on the projects awarded today which are to be procured and constructed in 2023-2025.

Next step for Ørsted's projects is to obtain the establishment permit and to secure the feed-in-tariff by signing a power purchase agreement with Taipower. Subject to Ørsted taking final investment decision, Ørsted will start construction works in 2023 and expects the projects to be commissioned in 2025.

About Ørsted in Taiwan

- In April 2018, Taiwan awarded Ørsted the right to connect 900MW offshore wind to Taiwan's power grid, also from Ørsted's Greater Changhua sites. Subject to Ørsted obtaining permits and taking final investment decision, Ørsted will build these 900MW in 2021.
- Ørsted has obtained site exclusivity on four offshore wind sites located between 35 and 60km from the shore of Changhua County. The four sites, which have a total potential capacity of 2.4GW, received environmental impact assessment approvals in February 2018. A total of 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's four Greater Changhua offshore wind farms could in total power approx. 2.8 million Taiwanese households and create thousands of jobs over their lifetime.
- 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 has installed more than 1,200 offshore wind turbines with a total capacity of approx. 5.1GW and has a further 3.8GW under construction. In addition, Ørsted has been awarded the above mentioned approx. 1.8GW offshore wind capacity in Taiwan, and secured the right to build approx. 1.1GW offshore wind capacity in Germany by 2025. It is Ørsted's ambition to have installed a total offshore wind capacity of 11-12GW worldwide by 2025.

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.

For further information

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