

**Company announcement
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Taiwan announces 2019 feed-in-tariff

Taiwan's Ministry of Economic Affairs has today announced the feed-in-tariff for offshore wind projects which sign a power purchase agreement with Taipower in 2019.

Developers have the option to choose between a 20-year flat tariff of TWD5,516 (approx. EUR157) per MWh or a tiered tariff of TWD6,279.5 (approx. EUR178) per MWh for the first 10 years and TWD4,142.2 (approx. EUR118) per MWh for the subsequent 10 years.

There will be a tiered production cap:

- 100% of feed-in-tariff for production up to 4,200 annual full-load hours (48% load factor).
- 75% of feed-in-tariff for production from 4,200 to 4,500 annual full-load hours (from 48% to 51% load factor).
- 50% of feed-in-tariff production above 4,500 annual full-load hours (above 51% load factor).

Martin Neubert, Executive Vice President and CEO, Ørsted Offshore, says:

"We take note of the 6% tariff reduction compared to the 2018 tariff as well as the introduction of a cap on annual full-load hours. The production cap has material adverse impact by preventing an optimal and efficient use of the wind farm. In addition, it puts far-shore projects at a disadvantage versus the near-shore projects which remain unaffected by the cap."

"We will now collaborate closely with the supply chain to mitigate the adverse impacts from the production cap and the reduced feed-in-tariff with the objective of making the projects investable."

Greater Changhua 1 and 2a are facing extraordinarily high costs related to creating a local supply chain at scale, reinforcing the onshore grid infrastructure and building, operating and maintaining offshore wind farms in challenging site and weather conditions.

In the coming weeks, Ørsted will work with the Taiwanese authorities and local stakeholders to reach key outstanding project milestones, such as

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Ørsted has a vision of creating 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 (Ørsted). In 2017, the company's revenue was DKK 59.5 billion (EUR 8.0 billion). For more information on Ørsted, visit oreded.com or follow us on Facebook, LinkedIn, Instagram and Twitter.

obtaining the establishment permit, completing the supply chain plan and signing the power purchase agreement.

Ørsted's Board of Directors will review and decide on the final investment case once we have clarity on the outcome of supply contract renegotiations and relevant project milestones being achieved in time to keep Changhua 1 and 2a on track for potential commissioning in 2021.

About Ørsted in Taiwan

- In April 2018, [Taiwan awarded Ørsted the right to connect 900MW](#) offshore wind to Taiwan's power grid from Greater Changhua 1 and 2a. Subject to Ørsted obtaining permits and taking final investment decision, Ørsted will build these 900MW in 2021.
- In June 2018, Ørsted was awarded the right to build another 920MW offshore wind in Taiwan through its [Changhua 2b and 4 sites](#). Changhua 2b and 4 are to be built in 2025, subject to Ørsted taking final investment decision on the projects in 2023.
- Ørsted's Greater Changhua offshore wind sites have a total potential capacity of 2.4GW. With a total of approx. 1.8GW earmarked for buildout in 2021 and 2025, 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 world-wide by 2025.

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