

Company announcement

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DONG Energy concludes strategic review of E&P business

In connection with the announcement of DONG Energy's IPO roadmap on 18 September 2015, it was announced that DONG Energy would undertake a strategic review of the Exploration & Production (E&P) business.

DONG Energy has now concluded the strategic review with the following key conclusions:

- DONG Energy confirms its intention to build a world-class clean energy company with a portfolio based on leading competences in offshore wind, bioenergy and green distribution and customer solutions.
- DONG Energy has decided to keep E&P as part of the planned IPO. Going forward, the cash flows from E&P will be part of funding DONG Energy's investments in renewable energy.
- The E&P business consists of a high-quality portfolio of oil and gas assets in Denmark, Norway and the UK with attractive lifting costs.
- In line with the rest of the industry, E&P needs to adapt to the significant decline in oil and gas prices. Actions are being undertaken to de-risk the E&P portfolio and focus on cash generation within the new market reality.
- With this revision of DONG Energy's portfolio strategy, investments to support future growth will be focused on renewable energy. This will further reinforce DONG Energy's position as a global leader in renewables.

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Write-down of E&P assets

In DONG Energy's 2015 annual accounts, DONG Energy will make a write-down of approximately DKK 16 billion in the carrying value of the E&P business. The write-down is caused by the continued decline in oil and gas prices, reduced reserve estimates as well as project-specific factors, in particular with regard to the Hejre project which continues to face significant challenges.

Due to DONG Energy's active hedging policy, the value of the oil and gas hedges has increased and amounts to approximately DKK 7 billion.

The information provided in this announcement does not change DONG Energy's financial guidance for the 2015 financial year or the announced expected investment level for 2015-2016.

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DONG Energy is one of the leading energy groups in Northern Europe, headquartered in Denmark. Around 6,700 ambitious employees are engaged in producing energy from offshore wind farms, bioenergy and thermal heat and power plants, oil and gas fields as well as providing energy solutions to residential and business customers. Group revenue was DKK 67bn (EUR 9.0bn) in 2014. For further information, see www.dongenergy.com