

Minutes

DONG Energy A/S

Annual General Meeting 2014

On 12 March 2014 at 1.00 p.m. the annual general meeting was held in DONG Energy A/S (company registration no. (CVR) 36 21 37 28), Municipality of Fredericia, at the company's office at Kraftværksvej 53, Skærbæk, DK-7000 Fredericia.

The agenda was as follows:

1. The Board of Directors' report on the activities of the company and its subsidiaries during the period from 1 January 2013 until 31 December 2013.
2. Presentation of the audited annual report for adoption.
3. Resolution on the discharge from liability of the members of the Board of Directors and the Executive Board.
4. Resolution on the cover of loss according to the adopted annual report.
5. Any further proposals submitted by the Board of Directors or the shareholders.
6. Appointment of the Chairman and Deputy Chairman of the Board of Directors and of other members of the Board of Directors.
7. Determination of the remuneration payable to the Board of Directors for the financial year 2014.
8. Appointment of auditor.
9. Any other business.

Fritz H. Schur addressed a few words of welcome to the shareholders and stated that the Board of Directors had appointed Christian Th. Kjølbye, Attorney, chairman of the meeting.

The chairman of the meeting established that the annual general meeting had been convened by email and by letter of 25 February 2014 to all shareholders.

The chairman of the meeting then established that all shareholders and the entire voting share capital were represented.

The chairman of the meeting also established that the requirements for convening the meeting stipulated in sections 94-98 of the Danish Companies Act and article 6 of the Articles of Association had been fulfilled.

The chairman of the meeting stated *that* notification of the annual general meeting had been given to the employees via the intranet (Vital) on 26 February 2014, *that* the notice convening the meeting had been submitted electronically to the Danish Business Authority and to the shareholders in compliance with article 6.6 of the Articles of Association and section 97(3) of the Companies Act, *that* the agenda and the full wording of the proposals and appendices had been available for inspection by the shareholders in compliance with article 6.8 of the Articles of Association and section 98 of the Companies Act, *that* the recommendations by the Nomination Committee on the appointment of members of the Board of Directors to be appointed by the annual general meeting had been sent to the shareholders on 25 February 2014 together with the notice convening the meeting, and *that* updated recommendations from the Nomination Committee had been sent to all shareholders and uploaded electronically to the Danish Business Authority on 11 March 2014.

The chairman of the meeting then established that the annual general meeting had been lawfully convened and was legally competent to transact business in every respect.

The chairman of the meeting mentioned that according to the rules on state-owned limited companies, the annual general meeting was open to the press.

- 1. The Board of Directors' report on the activities of the company and its subsidiaries during the period from 1 January 2013 until 31 December 2013**
- 2. Presentation of the audited annual report for adoption**

On behalf of the Board of Directors, Fritz H. Schur, Chairman of the Board of Directors, presented the Board's report on the activities of the company and its subsidiaries throughout the year under review and presented the audited annual report for adoption.

The annual report included an auditors' report which is unqualified and without any supplementary information.

In continuation of the review printed in the annual report, the Chairman of the Board of Directors stated the following:

"After an extremely challenging 2012, DONG Energy saw a far more satisfactory development in 2013 and a marked improvement in its operating profit.

In 2012, DONG Energy – like all the other large energy companies all over Europe – was hard hit by developments in the gas market in the form of surplus capacity as well as low coal and CO₂ prices. This meant that earnings in Energy Markets were significantly lower than expected, and provisions had to be made for onerous contracts on gas storage facilities and LNG capacity as well as impairment losses on our gas-fired power stations in the Netherlands and the UK. Our challenges were further aggravated by production problems in some of our oil and gas fields and late start-up of operation of new wind farms.

All in all, the considerable impairment losses and production problems resulted in a net loss of DKK 4 billion in 2012. The significant financial losses resulted in a deterioration in DONG Energy's capital structure ratios, which fell to a level far below the targets defined by the Board of Directors.

In 2013, the Board of Directors and the Executive Board have therefore focused on re-establishing the financial platform for the company's continued growth.

Based on a targeted financial action plan, we have in 2013 strengthened the capitalisation through divestments totalling more than DKK 15 billion and through the addition of new equity of DKK 13 billion. Cost efficiencies totalling DKK 1.4 billion have been realised in operations, while earnings from gas activities have been turned from a considerable loss in 2012 to a plus in 2013.

The important steps taken in 2013 are reflected in the figures which we can now report for 2013. Revenue was up 9 per cent at DKK 73 billion, while operating profit increased by 74 per cent to DKK 15 billion.

However, unfortunately, considerable impairment losses were posted again in 2013. They mainly concern our oil and gas business and include a downward adjustment of the reserve estimates for the Norwegian Oselvar and Ula fields as well as lower production from the Siri fields due to repair work. Moreover, further impairment losses have been posted for the gas-fired Enecogen power station in the Netherlands.

So despite a substantial increase in operating profit, this resulted in a net loss for the year of just under DKK 1 billion. Of course, this is deeply unsatisfactory even though it represents a clear improvement relative to the results for 2012.

The positive development in EBITDA can primarily be ascribed to the results of the company's focus on offshore wind. We have commissioned the wind farms London Array in the UK and Anholt in Denmark. This resulted in almost a doubling of Wind Power earnings from 2012 to 2013. Moreover, the higher ownership interest in the Ormen Lange gas field from July 2013 has also resulted in a considerable increase in the company's operating profit and gas reserves. Finally, the marked improvement in earnings is also underpinned by a reduction in the group's total costs of DKK 1.4 billion.

Looking at developments within the four business units, the following must be stressed:

Oil and gas production

In 2013, oil and gas production increased by 11 per cent relative to 2012 to 87,000 barrels of oil equivalents per day. The increase is primarily attributable to DONG Energy's increased ownership interest in the Ormen Lange gas field. The target for our 2020 strategy is 150,000 barrels in 2020. The Danish Syd Arne field is being developed, and the first oil from phase 3 of the ongoing development was produced in November 2013. Here, we are using the existing infrastructure to exploit nearby reservoirs and optimise the combined value creation of the field. Together with the Laggan-Tormore and Hejre fields, which are expected to start production in 2014 and 2016, we believe that the ambitious 2020 target is realistic.

West of the Shetland Isles we expect the Laggan gas field to start production in the second half of 2014. This is our first production in the British Isles, and the area west of the Shetland Isles will be further matured in the coming years.

Production from the Hejre field in the Danish part of the North Sea is expected to start in 2016. The field is expected to hold 170 million barrels of extractable oil equivalents, corresponding to Denmark's oil and gas consumption for two years. DONG Energy owns 60 per cent of the field and is the operator.

Intense efforts are going into the structural repair of the Siri platform, reinforcing the platform due to crack formation. No environmental complications are entailed by what has happened, but the repairs are necessary to ensure the continued operation of the platform, thereby enabling us to produce the remaining reserves in the Siri area. We expect to spend a total of DKK 3.5 billion on the extensive repairs. The repair work is on schedule, and we expect normal operations to resume on Siri in the second half of 2014.

In autumn 2013, we also carried out a drilling under our Solsort licence in the Danish part of the North Sea. We found oil there in 2010. The Solsort find looks promising, but careful analysis of the drillings is needed before deciding on any further investments.

Wind Power

Wind Power earnings almost doubled in 2013. As mentioned earlier, this is primarily due to the commissioning of the two large-scale wind farms London Array in the UK and the

Danish Anholt offshore wind farm. Moreover, 2013 also saw the commissioning of the Lincs wind farm in the UK, and all three wind farms are now producing well.

Four offshore wind farms are currently being developed or erected – two in the UK and two in Germany. The West of Duddon Sands wind farm in the UK and the Borkum Riffgrund 1 wind farm in Germany have progressed the furthest. West of Duddon Sands is expected to start producing to full capacity in the second half of 2014, and Borkum Riffgrund 1 in 2015. Next is the Westermost Rough wind farm in the UK, which is also expected to commence full production in 2015. In February this year, the first foundations were installed for this wind farm, the ninth British offshore wind farm to be established by us. The wind farm will be the first commercial project using a new generation of wind turbines, the Siemens 6MW turbines, and the project represents an important step in DONG Energy's strategy for reducing the costs of offshore wind.

The fourth offshore wind farm project launched comprises the German offshore Gode Wind 1 and 2 wind farms with a combined capacity of 582MW. DONG Energy made the decision to establish these two wind farms in November 2013. They are expected to be in full operation in the second half of 2016.

With these large investments, we are maintaining our position as a global market leader within the development, erection and operation of offshore wind farms. The combined target for this department is the erection of 6.5GW of offshore wind power by 2020.

DONG Energy is dedicated to reducing the cost of offshore wind farms by 35-40 per cent by 2020. This is expected to be achieved by standardising our future offshore wind farms so as to be able to reduce costs through joint procurement and development across our project portfolio.

Thermal Power

Despite the difficult market conditions for our power stations, Thermal Power made a solid contribution to EBITDA in 2013.

The strategy for DONG Energy's nine central power stations in Denmark is for them to support and enable the expansion of renewable energy through flexible and efficient operations. Increased flexibility at power stations will increase the potential for swiftly ramping production up or down in line with fluctuations in the generation of renewable energy.

While making the power stations more efficient and flexible, we are also in the process of converting them from coal and natural gas to wood pellets and wood chips. The conversion to biomass meets our customers' demand for green electricity and heat and contributes to ensuring that DONG Energy can maintain a leading position within the use of biomass for energy.

In 2013, 18 per cent of DONG Energy's thermal power station production was based on biomass. This corresponds to the annual electricity and heat consumption of 380,000 Danish households.

In the coming years, DONG Energy will continue the conversion of a number of power stations to firing with wood pellets and wood chips rather than coal and natural gas. The aim is to convert at least 50 per cent of our Danish capacity to biomass in the period leading up to 2020, thereby making a noticeable contribution to greening Danish power stations.

At the same time, Thermal Power will in the coming years focus on commercialising DONG Energy's biotechnologies for converting by-products from households and the agricultural sector to energy.

Customers & Markets

Customers & Markets was established as a department in spring 2013 through the merger of the two business units Sales & Distribution and Energy Markets. The new business unit faced a number of major challenges, primarily due to the loss-making contracts on gas storage facilities and LNG capacity. In 2013, it successfully turned a loss of DKK 1.5 billion into a plus of DKK 2.3 billion.

The good results were created both on the distribution side and within sales to customers and in the energy market. This can be attributed to the renegotiation of a number of loss-making gas contracts and a number of cost-reducing measures.

Solid progress was made in the UK in 2013, and Customers & Markets is today the second-largest supplier of gas to commercial customers in the UK market. This development will continue in 2014. At the same time, we will focus more on the German market.

Customers & Markets also focuses on identifying energy savings among our customers, and we want to quadruple energy savings among our Danish customers in the 2012-2020 period. This will be achieved, for example, by entering into climate partnerships and through the sale of consultancy services to businesses. At the end of 2013, DONG Energy's customers had realised accumulated savings corresponding to the annual electricity and heat consumption of 188,000 Danes.

Financial platform in place

As mentioned in the introduction, we have succeeded in establishing a strong financial platform for the company's continued operation. This has been done by realising the five steps in the financial action plan comprising divestment of non-core activities, a reduction of the ownership interest in core activities, cost reductions, restructuring of the loss-making gas business and injection of additional equity. We therefore regard the financial action plan as having been realised.

This means that we can now continue to develop DONG Energy as one of Europe's most progressive energy companies – for the benefit of our customers, employees and shareholders, and for Danish society.

The coming years

In the coming years, DONG Energy must realise its ambitious growth strategy. An important strategic benchmark is a doubling of the daily production of oil and gas relative to 2012 in our existing focus area. And we must continue the roll-out of offshore wind farms. In the coming years, we must consequently continue to invest in our wind power business and our oil and gas business. Net investments for the coming two years are expected to amount to DKK 30 billion.

The two growth areas constitute potential for profitable growth, which means that our target is an operating profit of DKK 15-17 billion in 2014 and a return on capital employed (ROCE) of at least 10 per cent in 2016.

Following the capital increase, DONG Energy is able to extend an offer to its employees of also becoming co-owners of the company in the period leading up to the IPO: This will now strengthen ties between the company's shareholders and employees with a view to realising our 2020 strategy.

Rounding off

By way of conclusion and on behalf of the Board of Directors, I would like to thank the company's competent employees and management for their hard work in 2013. It is thanks to the considerable and consistent efforts of both management and employees that we have succeeded in turning the group around and doing it so swiftly that we are now ahead of our plan.

I am pleased that the company – in Henrik Poulsen and his management team – has a strong team which is dedicated to realising the company's ambitious growth strategy. With the capital injection and the new investors which have come on board, the company has every opportunity for realising it.

This marks the beginning of a new phase leading up to the IPO, probably in 2017 or 2018.

It is with particular pride that I look back on the start of my chairmanship and on bringing the merger of the six energy companies back on course.

In the past nine years, the company has realised considerable growth and created value for its owners, as well as workplaces both in the company itself and among numerous sub-suppliers. Since 2005, DONG Energy has paid out DKK 9.5 billion in dividend, and at the same time equity has grown from DKK 18.1 billion to DKK 33.4 billion. I am delighted to have been part of this.

It has been an interesting journey, and I would like to thank my colleagues on the Board, the Executive Board, all DONG Energy's employees, the Danish Ministry of Finance and the changing Ministers of Finance for our pleasant working relations.

I wish DONG Energy all the best in future."

The annual general meeting took note of the report from the Board of Directors and unanimously adopted the annual report for 2013.

3. Resolution on the discharge from liability of the members of the Board of Directors and the Executive Board

The shareholders in general meeting unanimously decided to discharge the Board of Directors and the Executive Board.

4. Resolution on the cover of loss according to the adopted annual report

The chairman of the meeting informed those present that the shareholders have agreed not to pay dividend for the 2013 financial year, and that the Board of Directors has accordingly proposed that no dividend be paid.

Moreover, the chairman stated that the part of the result for the year after tax (IFRS) in the parent company (DONG Energy A/S) attributable to shareholders was DKK -2,699 million, whereas the part of the result for the year after tax (Business Performance) in the DONG Energy Group attributable to shareholders was a loss of DKK 1,729 million.

In compliance with the proposal by the Board of Directors and the company's dividend policy, the shareholders in general meeting resolved not to distribute dividend and to carry forward the result to 2014.

5. Any further proposals submitted by the Board of Directors or the shareholders

The chairman of the meeting stated that no further proposals had been made by the Board of Directors or by shareholders.

6. Appointment of the Chairman and Deputy Chairman of the Board of Directors and of other members of the Board of Directors

The chairman of the meeting stated that the Chairman, the Deputy Chairman and the other members of the Board of Directors appointed by the general meeting resign in compliance with article 10.2 of the Articles of Association, and that the Chairman of the Board Fritz H. Schur, the Deputy Chairman Jakob Brogaard and Mogens Vinther have stated that they do not seek re-appointment.

The chairman of the meeting also stated that in 2008 a Nomination Committee had been set up (article 12 of the Articles of Association) and that the recommendations by the Nomination Committee on the appointment of members of the Board of Directors to be appointed by the general meeting had been sent to all shareholders on 25 February 2014 and 11 March 2014 (clause 2.2 of the Rules of Procedure for the Nomination Committee adopted by the shareholders in general meeting).

The Nomination Committee recommends,

1. Appointment of 6 members to be appointed by the annual general meeting.
2. The following members appointed by the annual general meeting are re-appointed: Jørn Peter Jensen, Poul Arne Nielsen, Pia Gjellerup, Benny D. Loft and Martin Hintze.
3. Claus Wiinblad is appointed new member appointed by the annual general meeting
4. Benny D. Loft is appointed Chairman of the Board, and Jørn Peter Jensen is appointed Deputy Chairman of the Board.

The recommendations by the Nomination Committee included information on the management positions held in enterprises outside the DONG Energy Group by the individuals nominated for the Board of Directors. The chairman of the meeting added that Pia Gjellerup is head of the Centre for Public Innovation.

The shareholders in general meeting adopted the proposal included in the recommendations by the Nomination Committee on the number of members for the Board of Directors to be appointed and on the appointment of members as well as the Chairman and Deputy Chairman of the Board of Directors.

7. Determination of the remuneration payable to the Board of Directors for the financial year 2014

The shareholders in general meeting unanimously decided that the remuneration for the Board of Directors for the financial year 2014 remains unchanged compared to the remuneration for 2013, which means that the remuneration is as follows:

Chairman of the Board of Directors	DKK 500,000
Deputy Chairman of the Board of Directors	DKK 300,000
Other members of the Board of Directors	DKK 175,000
Chairman of the Remuneration Committee	DKK 50,000
Other members of the Remuneration Committee	DKK 25,000
Chairman of the Audit and Risk Committee	DKK 100,000
Other members of the Audit and Risk Committee	DKK 50,000

No remuneration is paid to alternate members of the Board of Directors.

8. Appointment of auditor

The annual general meeting unanimously adopted the resolution to re-appoint PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab.

9. Any other business

On behalf of the Danish Ministry of Finance, Peter Brixen extended special thanks to Fritz H. Schur as he stepped down after having served as Chairman of the Board for nine years. The Ministry of Finance has greatly valued the zest, conscientiousness, commitment and enthusiasm with which the Chairman has discharged his duties through a long period which has been extremely demanding.

The general meeting was then closed.

Fritz H. Schur
Chairman

Christian Th. Kjølbye
Chairman of the meeting