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Press release

## **Polenergia and Statoil intend to construct wind farms in the Baltic Sea**

**Polenergia S.A. ('Polenergia'), the largest Polish private and vertically integrated energy group, signed a preliminary agreement to dispose of 50 percent of shares of its subsidiaries Polenergia Bałtyk II and Polenergia Bałtyk III implementing the construction of offshore wind farms with the capacity of 1,200 MW. The agreement was concluded with Statoil Group.**

- **Acquiring reputable investor is a breakthrough on the market and confirmation of the potential of Polenergia's projects;**
- **Realization of offshore projects in the Baltic Sea will positively affect the Polish power system, guaranteeing a stable renewable source of energy;**
- **Polenergia has a signed grid connection agreement as well as two valid environmental decisions for the construction of offshore wind farms with the total capacity of 1,200 MW;**

Having signed the promised agreement, Polenergia will acquire a partner who will substantially improve the perspectives of implementation of wind farms in the Baltic Sea. As one of the leaders of offshore investments in the world, Statoil group will introduce to the projects some new, proven and cost-optimized technologies as well as a new look at the Polish renewable energy sector from the position of a global player. The preliminary agreement provides for the transfer of 50 percent of shares in Polenergia's subsidiaries, Polenergia Bałtyk II and Polenergia Bałtyk III, to Statoil. As a part of the signed agreement, an option was also granted for the purchase of 50 percent of shares in Polenergia Bałtyk I. The transaction requires a consent of the President of the Office of Competition and Consumer Protection in Poland.

Acquiring such a reputable partner confirms, on one hand, a positive assessment of the Polish market, and, on the other hand, the attractiveness of Polenergia's projects, as well as expresses recognition for the quality of the works carried out by the company. Polenergia Bałtyk II and Polenergia Bałtyk III Wind Farms are a strategic investment that, when realized, will allow not only the company, but above all the Polish economy to obtain significant economic benefits. Expert calculations show that by constructing in the Baltic Sea wind power plants with the total capacity of 6,000 MW by 2030, the Polish GDP will gain PLN 60 billion, and the market will be increased by

additional 77 thousand new jobs. The domestic enterprises, directly or indirectly, will be able to apply for contracts for the supply of foundations, towers, cables and offshore transformer stations, provision of construction services, and potentially the production of rotors or delivery of ships.

*“The prospect of entry of such a stable professional investor proves that the decision already taken in 2010 to get into the offshore wind energy in the Baltic Sea was the right one. Thus, Polenergia passed the test of credibility, which confirmed its professionalism and potential. A combination of strength and experience of Polenergia and Statoil group guarantees the implementation of the project that opens a new chapter in the history of Polish renewable energy. Above all, it will provide new generation capacities, so desired by the Polish power system in the coming years”, says Jacek Głowacki, director of the works of the Management Board of Polenergia.*

Polenergia is the first and only entity in Poland having two legally binding environmental decisions and the signed grid connection agreement, which enable it to work on the technical design of two offshore wind farms with the total capacity of up to 1,200 MW. Polenergia’s offshore wind farms in the Baltic Sea will be located north of the coastline, at the level of Smołdzino commune and Łeba municipal commune in Pomorskie voivodship. Thanks to very good wind conditions in the Baltic Sea, and larger and more cost efficient Wind Turbines, the offshore wind farms will provide stable and competitive renewable energy to the Polish market.

From January 2017 a wind measurement campaign is being carried out by means of a LIDAR system. Also a geological investigation of the seabed and soil conditions is in progress. Furthermore, there are efforts to obtain the environmental decision regarding the offshore transmission infrastructure. The first electricity from Polenergia Bałtyk III Offshore Wind Farm may flow to the Polish coast in 2025, whereas from Polenergia Bałtyk II Offshore Wind Farm – in 2027. The lifetime of both offshore wind farms is expected to be 25 years. The projects expect that there will be Wind Turbines available in the market in the mid-2020s that exceeds 10 MW capacity per turbine. They are going to be the largest wind power plants that have ever been constructed in Poland.

Polenergia’s advisor in the process of acquiring the investor was Credit Suisse.

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**Polenergia** – a Polish private group in the power industry with an international reach, which is made up of vertically integrated companies functioning in the area of generation of energy from conventional and renewable sources, as well as electricity distribution and trade. It is one of the strategic assets of an international investment group Kulczyk Investments. Read more: [www.polenergia.pl](http://www.polenergia.pl)

**Statoil** - a global energy provider developing oil, gas and energy solutions for today and tomorrow. Statoil has more than 40 years of experience developing oil and gas on the Norwegian Continental shelf and now operate in more than 30 countries. Statoil’s purpose is to turn natural resources into energy for people and progress for society. We will build on



our legacy of safe, secure and efficient operations, technical capabilities and innovation to solve the challenges of tomorrow. Statoil is headquartered in Stavanger Norway and listed on the New York and Oslo stock exchanges. We employ approximately 22,000 people worldwide. Read more: [www.statoil.com](http://www.statoil.com)

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