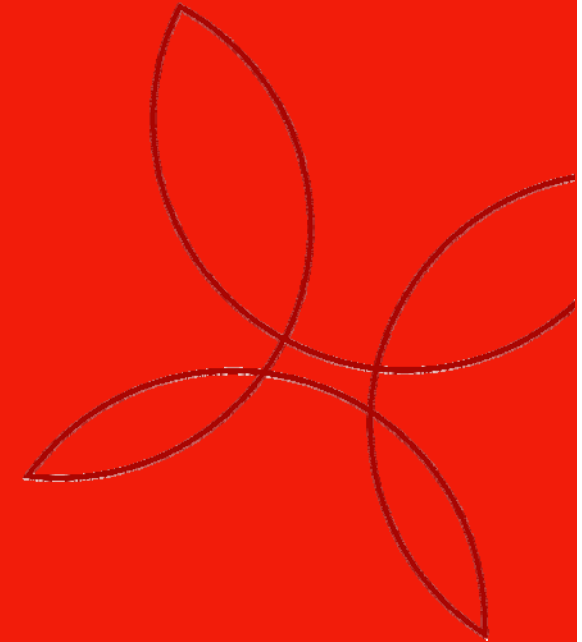




Climate &
Renewables



Offshore Wind: The Operating Challenge

Nomura Offshore Wind Seminar

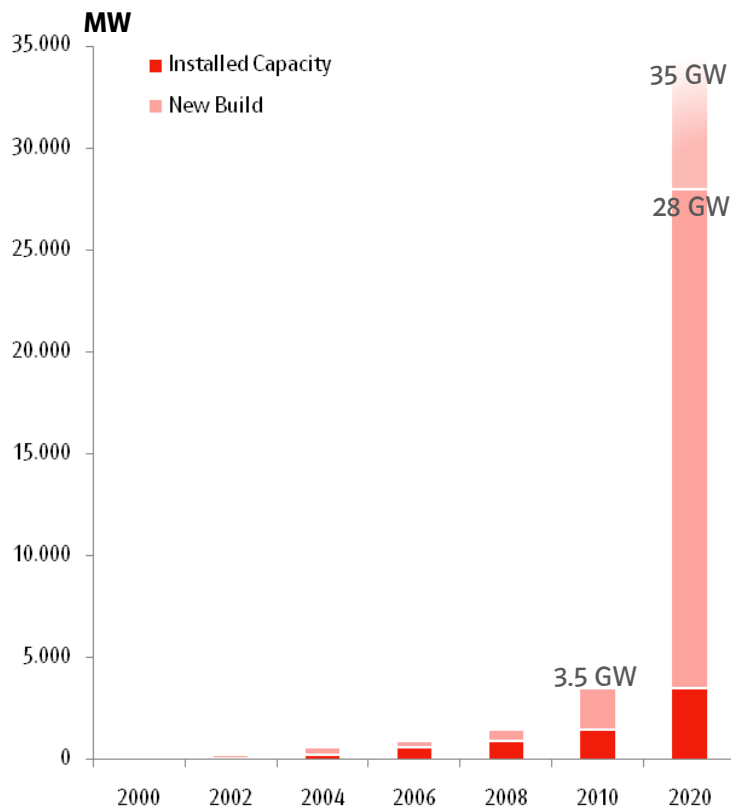
January 22, 2010

E.ON Climate & Renewables

Michael Lewis, Managing Director Europe

Strong Capacity Growth in European Waters

Capacity Development and Forecast*

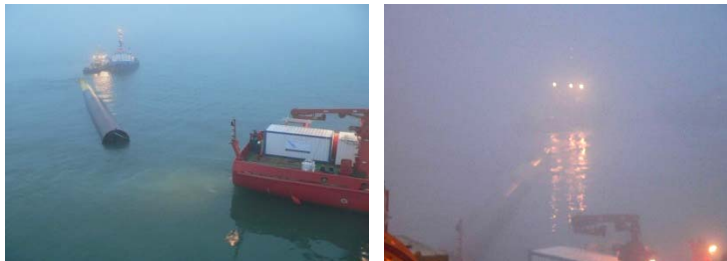


- Adding 30,000 MW offshore wind capacity requires to build 2 large offshore wind turbines per day until 2020
- Major challenges in construction and operation of offshore wind farms need to be mastered

* Sources: European Wind Energy Association, Emerging Energy Research, BMU (Germany), BERR (UK), VROM (Netherlands)

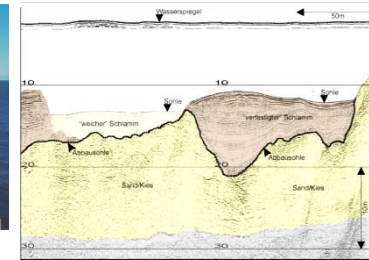
Major Operational Challenges of Offshore Wind

Distance to shore, Weather, Wind, Waves

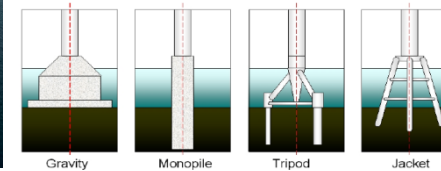


Challenges for construction and operations

Water depth, soil conditions



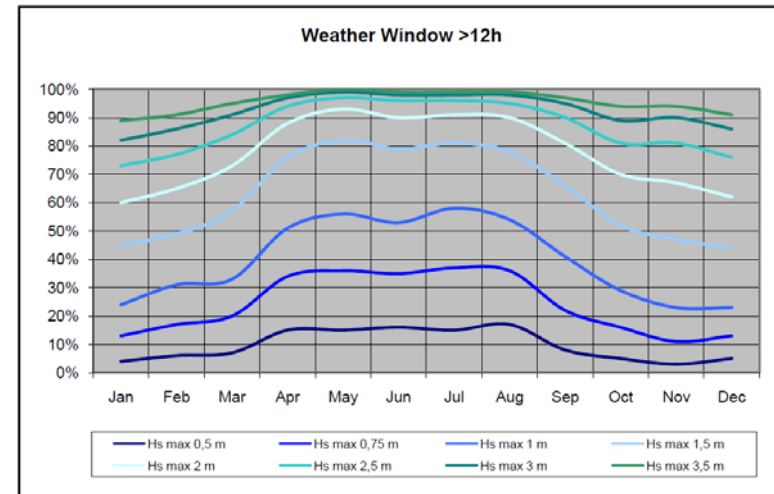
Foundations / Fundamente



Leading edge - limited value in experiences from oil & gas

Critical O&M Challenges

- Limited accessibility due to ambient marine conditions
- O&M staff needs distinctive marine experience
- O&M concepts for far-shore projects need to be developed
- Suitable O&M systems (e.g. boat landing) need to be developed



Efficient and reliable O&M concepts and systems are still not available and need to be developed based on project experience

Operations Management as Key Value Driver

Successfully mastering the operational challenges has a strong economic impact

O&M costs

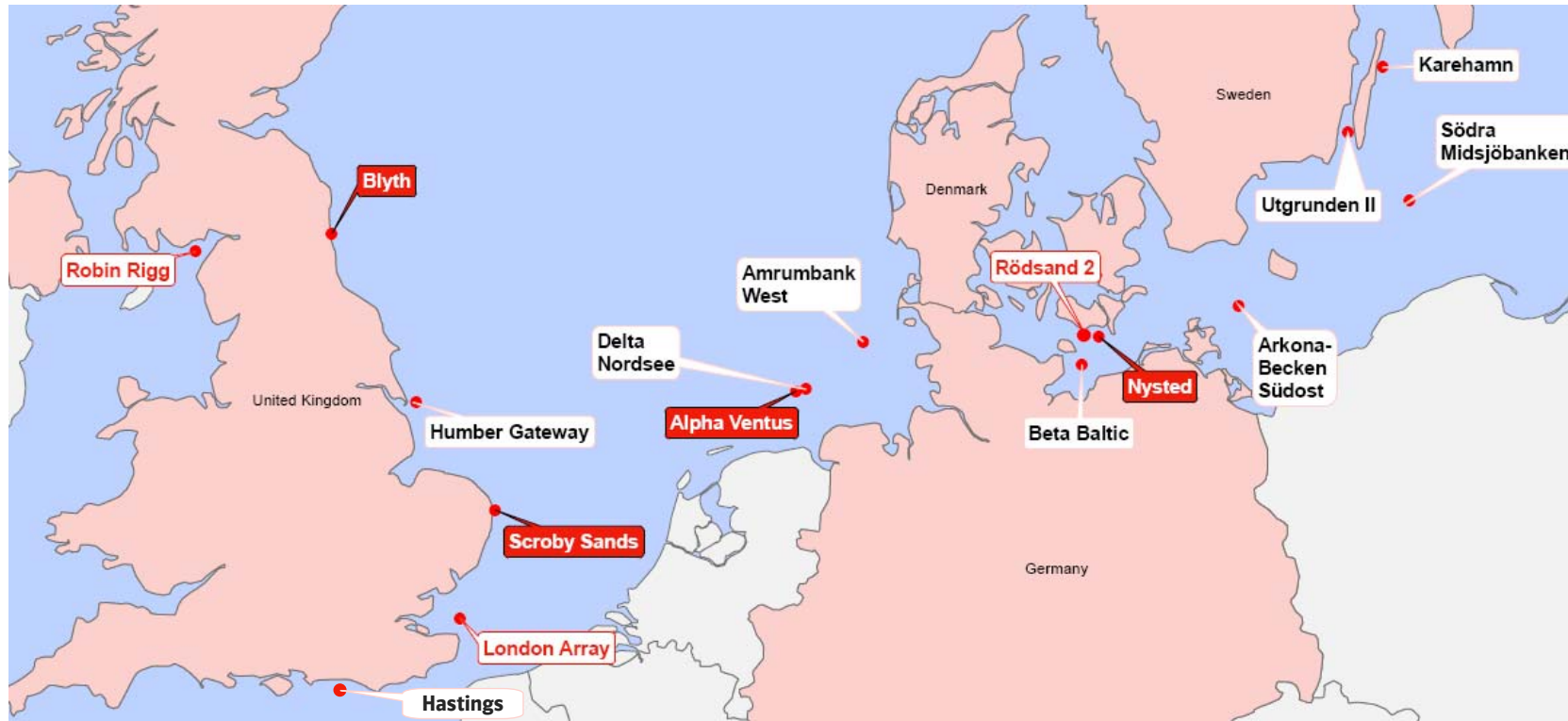
- 10% reduction → ~4% EBIT increase¹
- ~30 bps higher project returns¹

Availability

- 1% increase → ~2% EBIT increase¹
- ~15 bps higher project returns¹

Excellence in O&M is critical to a profitable offshore wind business

E.ON – A leader in offshore wind energy

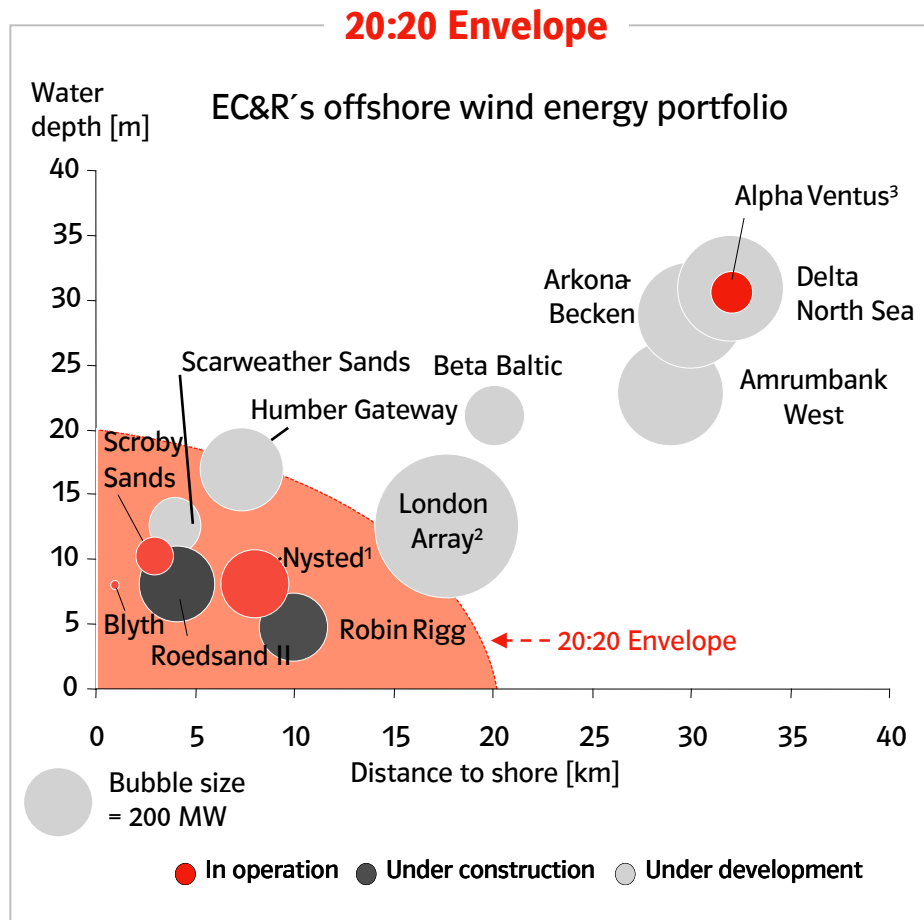


- Projects E.ON Offshore wind farm in operation
- Projects E.ON Offshore wind farm under construction
- Projects E.ON Offshore wind farm in development

E.ON Offshore Portfolio

- ➔ 113 MW in operation
- ➔ 376 MW under construction
- ➔ > 3,100 MW under development

EC&R offshore strategy: Mastering "deep waters"



EC&R's strategy

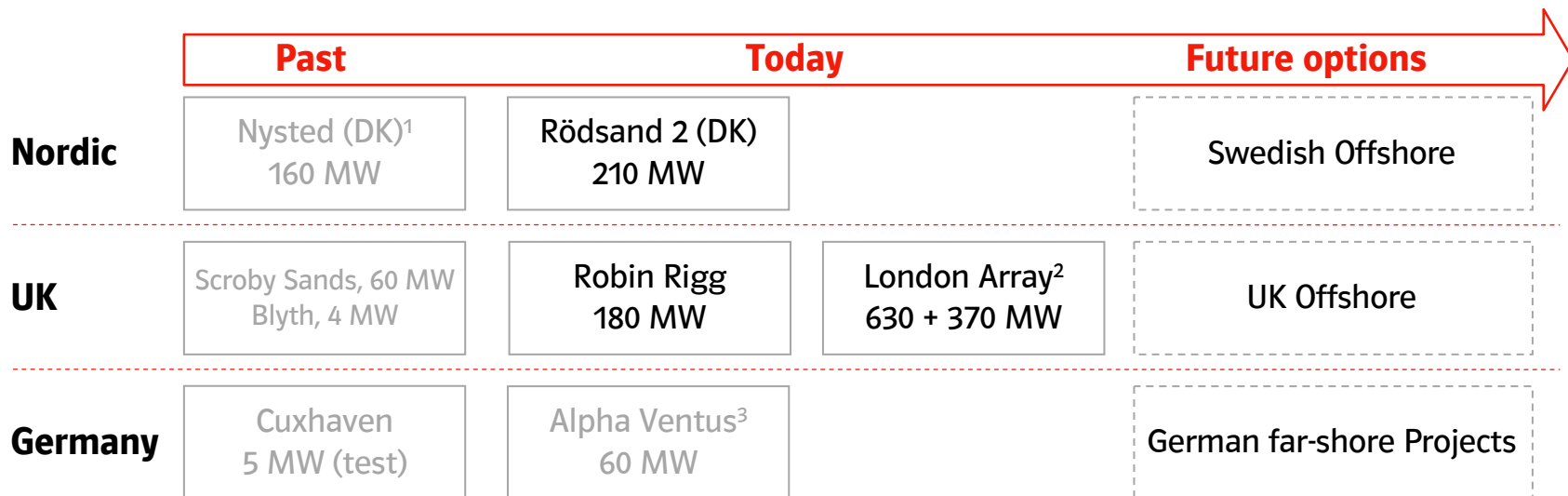
Our strategy is based on a stepwise approach:

- Continuous learning
- Develop offshore wind energy across a range of projects and locations
- Capacity build-up and transfer
- Standardization

¹ Joint Venture (JV) of EC&R (20%) and DONG (80%), ² JV of EC&R (30%), DONG (50%) and Masdar (20%), ³ JV of EC&R (26.25%), EWE (47.5%) and Vattenfall Europe (26.25%)

EC&R Offshore Road Map

A clear commitment to realize a range of options



¹ Joint Venture (JV) of EC&R (20%) and DONG (80%), ² JV of EC&R (30%), DONG (50%) and Masdar (20%), ³ JV of EC&R (26.25%), EWE (47.5%) and Vattenfall Europe (26.25%)

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