



DONG ENERGY A/S

(incorporated as a public limited company in Denmark with CVR number 36213728)

€[•]

Callable Subordinated Capital Securities due 3010

The €[•] Callable Subordinated Capital Securities due 3010 (the "**Securities**") will be issued by DONG Energy A/S (the "**Issuer**" or "**DONG**"). Interest on the Securities will accrue at a fixed rate of [•] per cent. per annum from (and including) 24 January 2011 to (but excluding) 1 June 2021 (the "**First Call Date**"), and is scheduled to be paid annually in arrear on 1 June in each year, commencing on 1 June 2011 (each a "**Fixed Coupon Payment Date**") and, from (and including) the First Call Date until the Coupon Payment Date falling on or nearest to 1 June 3010 (the "**Maturity Date**"), interest will accrue at the Euro Interbank Offered Rate for twelve-month euro deposits plus a margin of [•] per cent. (the "**Margin**"), scheduled to be paid in arrear on 1 June in each year (each a "**Floating Coupon Payment Date**" and together with the Fixed Coupon Payment Dates, the "**Coupon Payment Dates**"), as described under "Terms and Conditions of the Securities – Coupons".

Interest which accrues during a Coupon Period ending on but excluding an Optional Coupon Payment Date (as defined in the Terms and Conditions of the Securities (the "**Conditions**")) will be due and payable on that Optional Coupon Payment Date, unless the Issuer elects to defer the relevant Coupon Payment in whole or in part (see "Terms and Conditions of the Securities – Due date for coupon payments; deferral of coupon payments – Optional coupon deferral"). If a Mandatory Deferral Event (as defined in the Conditions) has occurred and is continuing on any Coupon Payment Date, interest which accrues during the period ending on but excluding such Coupon Payment Date will not become due and payable on that Coupon Payment Date and must be deferred (see "Terms and Conditions of the Securities – Due date for coupon payments; deferral of coupon payments – Mandatory coupon deferral").

Payments on the Securities will be made without deduction for or on account of taxes of the Kingdom of Denmark to the extent described under the "Terms and Conditions of the Securities – Taxation".

If not redeemed or purchased and cancelled earlier, the Securities will be redeemed on the Maturity Date at their principal amount (together with accrued interest in respect of the immediately preceding Floating Coupon Period ending on but excluding the Maturity Date). Any Outstanding Payments (as defined in the Conditions) will be cancelled on the Maturity Date. In addition, the Securities are redeemable at the option of the Issuer in whole but not in part on the First Call Date or any Coupon Payment Date thereafter at their principal amount (together with accrued interest), subject to the settlement of all Outstanding Payments. In addition, the Securities are redeemable at the option of the Issuer in whole but not in part at the amount specified in the Conditions upon the occurrence of (i) a Tax Event, (ii) an Accounting Event, (iii) a Ratings Event, or (iv) in the event that the Issuer has purchased and cancelled 90 per cent. or more of the initial principal amount of the Securities, all as more fully described in "Terms and Conditions of the Securities – Redemption and Purchase".

The Securities and the Coupons will constitute direct, unsecured and subordinated obligations of the Issuer. See "Terms and Conditions of the Securities – Status".

This prospectus in respect of the Securities (the "**Prospectus**") constitutes a prospectus within the meaning of Article 5.3 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (the "**Prospectus Directive**"). This Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange (www.bourse.lu). This Prospectus has been approved by the Commission de Surveillance du Secteur Financier (the "**CSSF**") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities (the "**Luxembourg Law**"), for the purposes of the Prospectus Directive. The Issuer will prepare and make available on the website of the Luxembourg Stock Exchange (www.bourse.lu) an appropriate supplement to this Prospectus if at any time the Issuer will be required to prepare a prospectus supplement pursuant to Article 13 of the Luxembourg Prospectus Law. The Issuer has also requested the CSSF to provide the competent authorities in the Offer Jurisdictions (as defined in "Subscription and Offer of the Securities") with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Luxembourg Law. Application has also been made to the Luxembourg Stock Exchange for the Securities to be admitted to the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. References in this Prospectus to the Securities being "listed" (and all related references) shall mean that the Securities have been admitted to the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

The Issue Price, the aggregate principal amount of Securities to be issued, the fixed rate of interest, the Margin, the issue proceeds and the yield of the issue will be included in the Pricing Notice (as defined in the section "Subscription and Offer of the Securities") which will be filed with the CSSF and published on the website of the Luxembourg Stock Exchange (www.bourse.lu) on or prior to the issue date of the Securities.

The denomination of the Securities shall be €1,000.

The Securities are expected to be rated BB+ by Standard & Poor's and Baa3 by Moody's. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Credit ratings included or referred to in this Prospectus have been issued by Standard & Poor's and Moody's, each of which is established in the European Union and has applied to be registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Prospectus.

Joint Lead Managers

BARCLAYS CAPITAL

DEUTSCHE BANK
Structuring Adviser

J.P. MORGAN
Structuring Adviser

SOCIÉTÉ GÉNÉRALE
CORPORATE & INVESTMENT
BANKING

Co-Managers

DANSKE BANK

NORDEA

RESPONSIBILITY STATEMENT

The Issuer (the "**Responsible Person**") accepts responsibility for the information contained or incorporated by reference in this Prospectus and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained or incorporated by reference in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

NOTICE

This Prospectus is to be read in conjunction with any supplement hereto and the Pricing Notice, once available, and with all the documents which are incorporated herein by reference (see "Documents Incorporated by Reference").

The Issuer has confirmed to Barclays Bank PLC, Deutsche Bank AG, London Branch, J.P. Morgan Securities Ltd. and/or Société Générale (together, the "**Joint Lead Managers**" and each, a "**Joint Lead Manager**") and Danske Bank A/S and Nordea Bank Danmark A/S (together, the "**Co- Managers**" and, together with the Joint Lead Managers, the "**Managers**" and each, a "**Manager**") that (i) this Prospectus contains all information with respect to the Issuer and its subsidiaries taken as a whole (the "**Group**") and to the Securities which is material in the context of the issue, offering and listing of the Securities, including all information required by applicable laws and the information which, according to the particular nature of the Issuer and of the Securities is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and the Group and of the rights attached to the Securities; (ii) the statements contained in this Prospectus relating to the Issuer, the Group and the Securities are in every material respect true and accurate and not misleading; (iii) any opinions and intentions expressed by the Issuer herein are honestly held and based on reasonable assumptions; (iv) there are no other facts in relation to the Issuer, the Group or the Securities the omission of which would, in the context of the issue and offering of the Securities, make any statement in the Prospectus misleading in any material respect and (v) all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

The Securities may be offered to the public by the Managers in any of the Offer Jurisdictions as set out below under "Subscription and Offer of the Securities".

Any offer of Securities in the Offer Jurisdictions, in any Member State of the European Economic Area or in any other jurisdiction, must be made in compliance with all applicable securities laws. Neither the Issuer nor any Manager has authorised, nor does it authorise, the making of any offer of Securities by any other person or in any manner other than as described herein.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Managers to subscribe for or purchase, any of the Securities. The distribution of this Prospectus and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions.

For a description of further restrictions on offers and sales of Securities and distribution of this Prospectus, see "Selling Restrictions" below. In particular, the Securities have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, Securities may not be offered, sold or delivered within the United States or to U.S. persons.

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Managers. Neither the delivery of this Prospectus nor any sale

made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently supplemented or that the information contained in it or any other information supplied in connection with the Securities is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Managers have not separately verified the information contained in this Prospectus. Accordingly, no representation, warranty or undertaking, express or implied, is made as to the accuracy, completeness or verification of the information contained or incorporated by reference in this Prospectus or any other information supplied in connection with the Securities or the Prospectus. To the fullest extent permitted by law, the Managers accept no responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by a Manager or on its behalf in connection with the Issuer or the issue and offering of the Securities. Each Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or the Managers that any recipient of this Prospectus should purchase any of the Securities. Each investor contemplating purchasing Securities should make its own independent investigation of the financial condition and affairs of, and its own appraisal of the creditworthiness of the Issuer. Each investor should consult with his or her own advisers as to the legal, tax, business, financial and related aspects of a purchase of the Securities.

In connection with the issue of the Securities, Deutsche Bank (the "**Stabilising Manager**") (or any person acting on behalf of the Stabilising Manager) may over-allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Securities is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Securities and 60 days after the date of the allotment of the Securities. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

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Summary

*This summary (the "**Summary**") must be read as an introduction to this Prospectus and any decision to invest in the Securities should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area (an "**EEA State**"), no civil liability will attach to the Responsible Person(s) in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in an EEA State, the plaintiff may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.*

Phrases used in this Summary and not otherwise defined shall have the meanings given to them in the "Terms and Conditions of the Securities"

Summary of the Terms and Conditions of the Securities

Issuer	DONG Energy A/S
Securities	Euro-denominated Callable Subordinated Capital Securities due 3010 (the " Securities ")
Trustee	Citicorp Trustee Company Limited
Principal Paying Agent	Deutsche Bank AG, London Branch
Agent Bank	Deutsche Bank AG, London Branch
Denomination	The Securities are in the denomination of €1,000, each with Coupons, and one Talon, attached on issue.
Subordination	<p>The Securities and the Coupons constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves.</p> <p>The rights and claims of the Trustee, the Securityholders and the Couponholders against the Issuer in respect of the Securities and the Coupons shall, save for such exceptions as may be provided by applicable legislation, rank behind the claims of Senior Creditors, pari passu with the holders of Parity Securities and in priority only to the rights and claims of holders of all Issuer Shares.</p> <p>"Issuer Shares" means Ordinary Shares and any other shares of any class of the Issuer (if any) ranking pari passu among themselves and pari passu with Ordinary Shares.</p> <p>"Ordinary Shares" means ordinary shares in the capital of the Issuer, having on the issue date a minimum principal value of DKK10 each.</p> <p>"Parity Securities" means, in respect of the Issuer, any securities or obligations issued or owed by the Issuer (including guarantees or indemnities given by the Issuer in respect of securities or obligations</p>

owed by other persons) and effectively ranking or expressed to rank pari passu with the Securities; and

"**Senior Creditors**" means, in respect of the Issuer, all creditors of the Issuer other than creditors whose claims are in respect of the Securities and the Coupons or Parity Securities.

Interest

From (and including) 24 January 2011 to (but excluding) 1 June 2021 (the "**First Call Date**") the Securities bear interest at a fixed rate of [•] per cent. per annum scheduled to be paid annually in arrear on 1 June in each year (a "**Fixed Coupon Payment Date**"). From (and including) the First Call Date to (but excluding) the Maturity Date the Securities bear interest at the twelve-month EURIBOR plus a margin of [•] per cent. (the "**Margin**"), scheduled to be paid in arrear on 1 June in each year (each a "**Floating Coupon Payment Date**" and together with the Fixed Coupon Payment Dates, the "**Coupon Payment Dates**").

Determination of Pricing Details

The Issue Price, the aggregate principal amount of Securities to be issued, the fixed rate of interest, the Margin, the issue proceeds, and the yield of the issue (together, the "**Pricing Details**") will be set out in a notice (the "**Pricing Notice**") which will be filed with the CSSF and published on the website of the Luxembourg Stock Exchange (www.bourse.lu) on or after the pricing date and prior to the Issue Date.

Optional coupon deferral

Interest which accrues during a Coupon Period ending on but excluding an Optional Coupon Payment Date will be due and payable on that Optional Coupon Payment Date, unless the Issuer elects to defer the relevant Coupon Payment in whole or in part. Each such Coupon Payment that is not due and payable in accordance with this provision shall be referred to as an "**Optionally Deferred Payment**". Any such Optionally Deferred Payment will bear interest at the then current rate of interest on the Securities. The nominal amount of any Optionally Deferred Payment together with any interest accrued thereon shall constitute an "**Optionally Outstanding Payment**".

"**Optional Coupon Payment Date**" means each Coupon Payment Date which is not a Compulsory Coupon Payment Date and on which no Mandatory Deferral Event has occurred or is continuing.

"**Compulsory Coupon Payment Date**" means any Coupon Payment Date not more than 3 months prior to which a Compulsory Payment Event occurred, and on which no Mandatory Deferral Event has occurred and is continuing.

"**Compulsory Payment Event**" means any of the following events:

- (i) the shareholders of the Issuer have resolved at the annual general meeting on the proposal by the Board of Directors to pay or distribute a dividend or make a payment on any Issuer Shares, other than a dividend, distribution or payment which is made in the form of any Issuer Shares; or

- (ii) the Issuer redeems Issuer shares or the Issuer or any of its Subsidiaries repurchases or otherwise acquires any Issuer Shares (other than (x) in connection with the satisfaction by the Issuer of its obligations under any existing or future buy-back programme, share option or free share allocation plan or any employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants, or (y) as a result of the exchange or conversion of one class of Issuer Shares for another class).

Mandatory coupon deferral

If a Mandatory Deferral Event has occurred on the day which is 10 business days prior to any Coupon Payment Date in respect of such Coupon Payment Date, interest which accrues during the period ending on but excluding such Coupon Payment Date will not become due and payable on that Coupon Payment Date (such Coupon Payment Date, a "**Mandatory Deferral Date**").

Any Coupon Payment not due and payable in accordance with this provision will constitute a mandatorily deferred payment (a "**Mandatorily Deferred Payment**").

Any Mandatorily Deferred Payment will bear interest at the then current rate of interest on the Securities.

The amount of any Mandatorily Deferred Payments, together with any interest accrued thereon, shall constitute "**Mandatorily Outstanding Payments**" (and, together with any Optionally Outstanding Payment, an "**Outstanding Payment**").

"**Mandatory Deferral Event**" means that Standard & Poor's has assigned an Issuer Credit Rating of 'BB+' or below.

Payment of Outstanding Payments

Settlement of Optionally Outstanding Payments

- (i) Optional Settlement of Optionally Outstanding Payments.

Provided that no Mandatory Deferral Event has occurred and is continuing at that time, the Issuer will be entitled to pay Optionally Outstanding Payments (in whole or in part) at any time.

- (ii) Mandatory Settlement of Optionally Outstanding Payments.

The Issuer must pay all Optionally Outstanding Payments (in whole but not in part) then outstanding on any Mandatory Settlement Date.

"**Mandatory Settlement Date**" means the earliest of:

- (A) the date falling 10 business days after the date on which a Compulsory Payment Event has occurred;
- (B) the date, other than the Maturity Date, on which the Securities fall due for redemption upon the occurrence of a Tax Event, an Accounting Event, a Ratings Event, redemption at the option of the Issuer or in the event that

the Issuer has purchased and cancelled 90 per cent. or more of the initial principal amount of the Securities; and

- (C) the date on which an order is made for the bankruptcy (konkurs), winding up, liquidation, reconstruction (rekonstruktion) or dissolution of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).

Settlement of Mandatorily Outstanding Payments

- (i) Optional Settlement of Mandatorily Outstanding Payments.

Subject to the conditions set out in the next sentence being met, the Issuer will be entitled to pay Mandatorily Outstanding Payments (in whole but not in part) at any time. The Issuer will only be entitled to make such payment if:

- (A) the Mandatory Deferral Event is cured; or
- (B) at least 5 years have passed since the relevant Mandatory Deferral Date.

- (ii) Mandatory Settlement of Mandatorily Outstanding Payments.

The Issuer must pay all Mandatorily Outstanding Payments (in whole but not in part) then outstanding on the earliest of the following dates:

- (A) the date falling 10 business days after the date on which a Compulsory Payment Event has occurred, provided that on such date either (x) the Mandatory Deferral Event is cured or (y) at least 5 years have passed since the relevant Mandatory Deferral Date;
- (B) the date, other than the Maturity Date, on which the Securities fall due for redemption upon the occurrence of a Tax Event, an Accounting Event, a Ratings Event, redemption at the option of the Issuer or in the event that the Issuer has purchased and cancelled 90 per cent. or more of the initial principal amount of the Securities; and
- (C) the date on which an order is made for the bankruptcy (konkurs), winding up, liquidation, reconstruction (rekonstruktion) or dissolution of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).

Redemption

If not redeemed or purchased and cancelled earlier, the Securities will be redeemed on the Coupon Payment Date falling on or nearest to 1 June

3010 (the "**Maturity Date**") at their principal amount together with accrued interest in respect of the Floating Coupon Period ending on (but excluding) the Maturity Date. On the Maturity Date, any Outstanding Payments will automatically be cancelled. In addition, subject to settlement of all Outstanding Payments, the Securities are redeemable in whole but not in part at the option of the Issuer on the First Call Date or on any Coupon Payment Date thereafter at their principal amount, together with accrued interest.

**Redemption for Tax Event,
Accounting Event or Ratings
Event**

The Securities may be redeemed at the option of the Issuer in whole, but not in part, on or prior to the First Call Date at any time and thereafter on any Coupon Payment Date, subject to the settlement of all Outstanding Payments if

- (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice by providing an opinion of a recognised tax counsel or tax adviser satisfactory to the Trustee stating that the Issuer
 - (A) either has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Denmark or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, in which case the Issuer will redeem each Security at its principal amount (together with interest accrued to the date fixed for redemption); or
 - (B) the Issuer's treatment of items of expense with respect to the Securities as deductible interest expense for Danish tax purposes as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be respected by a taxing authority, which subjects the Issuer to more than a de minimis amount of additional taxes, duties or governmental charges, in which case the Issuer will redeem the Securities (I) prior to the First Call Date at their Early Redemption Amount (together with interest accrued to the date fixed for redemption) and (II) on or after the First Call Date at their principal amount (together with interest accrued to the date fixed for redemption)

(each, a "**Tax Event**") and

- (ii) such Tax Event cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Securities then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a certificate

signed by two Directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (i) above in which event it shall be conclusive and binding on the Securityholders and the Couponholders.

The Securities may be redeemed at the option of the Issuer in whole, but not in part, on or prior to the First Call Date at any time and thereafter on any Coupon Payment Date, subject to the settlement of all Outstanding Payments, (i) prior to the First Call Date, at their Early Redemption Amount (together with interest accrued to the date fixed for redemption) and (ii) on or after the First Call Date, at their principal amount, (together with interest accrued to the date fixed for redemption), if a recognised accountancy firm satisfactory to the Trustee, acting upon instructions of the Issuer, has delivered an opinion to the Trustee, stating that as a result of a change in accounting principles (or the application thereof) since the Issue Date the obligations of the Issuer in respect of the Securities may not or may no longer be recorded as "equity" in the consolidated financial statements of the Issuer pursuant to International Financial Reporting Standards ("**IFRS**") or any other accounting standards that may replace IFRS for the purposes of preparing the annual consolidated financial statements of the Issuer (an "**Accounting Event**").

The Securities may be redeemed at the option of the Issuer in whole, but not in part, on or prior to the First Call Date at any time and thereafter on any Coupon Payment Date, subject to the settlement of all Outstanding Payments, (i) prior to the First Call Date, at their Early Redemption Amount (together with interest accrued to the date fixed for redemption) and (ii) on or after the First Call Date, at their principal amount (together with interest accrued to the date fixed for redemption), if (a) the Issuer has received, and has provided the Trustee with a copy of, a written confirmation from any rating agency from whom the Issuer is assigned a Solicited Rating that, due to a change in hybrid capital methodology or the interpretation thereof, the Securities will no longer be eligible for the same or a higher category of "equity credit" or such similar nomenclature as may be used by that rating agency from time to time to describe the degree to which the terms of an instrument are supportive of the Issuer's senior obligations, attributed to the Securities at the Issue Date or at any later date on which the Securities were attributed a higher category of "equity credit" compared to the category of "equity credit" attributed to them on the Issue Date (a "**Ratings Event**") and (b) the Issuer has given notice of such Ratings Event to Securityholders in accordance with Condition 16 prior to giving the notice of redemption pursuant to this Condition.

"**Early Redemption Amount**" means 101.00 per cent. of the principal amount per Security.

"Solicited Rating" means a rating assigned by a rating agency with whom the Issuer has a contractual relationship under which the Securities are assigned a rating and an equity credit.

Redemption for minimum outstanding amount

In the event that the Issuer and/or any Subsidiary has purchased 90 per cent. or more of the initial aggregate principal amount of the Securities, the Issuer may redeem the remaining Securities (in whole but not in part): (i) prior to the First Call Date at their Early Redemption Amount (together with interest accrued to the date fixed for redemption and all Outstanding Payments) and (ii) on or after the First Call Date at their principal amount (together with accrued interest and any Outstanding Payments).

Taxation

The Issuer will pay additional amounts to holders of the Securities to gross up payments upon the imposition of Danish withholding tax, subject to certain exceptions.

Default

The Trustee may initiate proceedings to obtain payment of any amount due or institute proceedings in Denmark (but not elsewhere) for the bankruptcy of the Issuer, but the Issuer shall not be obliged to pay any sum sooner than it would otherwise have been payable.

Form

Bearer. The Securities will be represented initially by the Temporary Global Security, without Coupons, which will be deposited with a common depository for Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**") on or about 20 January 2011. The Temporary Global Security will be exchangeable for interests in the Permanent Global Security, without Coupons, on or after a date which is expected to be 7 March 2011 upon certification as to non-US beneficial ownership as required by US Treasury regulations and as described in the Temporary Global Security. Save in limited circumstances, Securities in definitive bearer form with Coupons and a Talon attached on issue will not be issued in exchange for interests in the Permanent Global Security.

Listing and Admission to Trading

The Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market.

Governing Law

English (except that the provisions of the Securities and the Trust Deed relating to subordination shall be governed by Danish law).

Ratings

The Securities are expected to be rated BB+ by Standard & Poor's and Baa3 by Moody's. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Replacement Capital Covenant

*The Issuer will enter into a replacement capital covenant ("**RCC**") for the benefit of persons that are the holders from time to time of one or more designated series of the Issuer's debt securities ranking senior to the Securities. The terms of such RCC provide that from (and including) the Issue Date to (and including) the Coupon Payment Date falling closest to 1 June 2046 the Issuer will not redeem or repurchase any Securities, and*

will not permit any Subsidiary to purchase any Securities, unless the Issuer or one or more of its Subsidiaries, which has the corporate function of raising financing and passing it on to its affiliates and which holds no significant operating assets or has any ownership in the operating companies of the Issuer, has sold or issued shares or certain other securities (as described in detail in the RCC) in a certain aggregate principal amount (as described in detail in the RCC), in each case, during the twelve months prior to such redemption, repurchase or purchase date. If not previously terminated in accordance with its terms, such undertaking will terminate upon redemption in full of the Securities.

Please note that the RCC does not form part of the Terms and Conditions.

***Deterioration of the Issuer's
Financial Profile***

In case of a material deterioration of the Issuer's financial profile from its stated targets, the Issuer intends, in order to facilitate a restoration of its financial profile and with a view to maintain access to the fixed income markets, to take such action, which may include but is not restricted to the following:

- (i) not to propose a dividend, distribution or other payment on any class of shares at the annual general meeting of shareholders of the Issuer; and*
- (ii) not to, and procure that no Subsidiary would, redeem, repurchase or otherwise acquire any shares of any class of the Issuer.*

Please note that this intention does not form part of the Terms and Conditions.

Summary in respect of the Issuer and the Group

The Issuer is an integrated energy company with strong market positions in Denmark as well as positions in other key Northern European markets. The Issuer's principal activities include generation of power and heat, including thermal generation and renewable generation; exploration for, and development and production of, gas and oil; distribution of power and gas; gas and power wholesale activities, with a particular focus on the sourcing and sale of gas; sale of gas and power to end-customers; and ownership and operation of certain infrastructure assets, including a gas storage facility in Denmark.

The Issuer divides its operations into four operating and reporting segments, referred to as "E&P" (Exploration & Production), "Generation", "Energy Markets" and "Sales & Distribution".

The Issuer is a public limited company incorporated in Denmark under Danish law and registered under CVR no. 36 21 37 28. The principal executive office of the Issuer is located at Kraftværksvej 53, Skærbæk, DK-7000 Fredericia, Denmark, and the telephone number of the Issuer is +45 99 55 11 11. The Issuer was founded as Dansk Naturgas A/S by the Kingdom of Denmark on 27 March 1972, as a vehicle for the development of Danish energy activities (the Issuer's name was changed to Danskolie og Naturgas A/S on 20 December 1973, and to DONG A/S on 12 May 2002). According to Article 3 of the Issuer's Articles of Association, the corporate purpose of the Issuer is to carry on business in the energy sector and activities related thereto.

The Issuer is governed by the Board of Directors, which has overall responsibility for the management of the Issuer's business. The Issuer's Group Executive Management is in charge of the day-to-day management and in that capacity follows the directions and guidelines provided by the Board of Directors.

The share capital of the Issuer is DKK 2,937,099,000 and is divided into shares of DKK 10 each or multiples thereof. The issued share capital is fully paid-up. There are no other classes of shares besides the ordinary shares. There are no non-voting shares.

Summary Financial Information

	FY 2008*	FY 2009**	First Nine Months Of 2009	First Nine Months Of 2010
	(in DKK millions)			
Revenue	60,777	49,262	35,791	38,490
EBITDA.....	13,622	8,840	6,830	10,032
Profit after Tax	4,815	1,138	1,081	3,091
Assets.....	106,085	120,552	121,976	126,224
Equity.....	46,190	44,808	45,141	46,871

*The financial year ended 31 December 2008

**The financial year ended 31 December 2009

Summary of the Risk Factors

There are various factors which may affect the ability of the Issuer to fulfil its obligations in respect of the Securities, including risks related to:

- *commodity prices and currency exchange rates*: including fluctuations in the prices of power, coal and other fuels used in power and heat generation; the price of crude oil, oil products and natural gas and in currency exchange rates relative to the Danish Krone;
- *the Issuer's industry*: including increased competition; the costs of compliance and the risks of non-compliance with EU and national laws and regulations; potentially adverse changes to applicable tax regimes and other laws; seasonal weather fluctuations and long-term shifts in climate, which may affect demand; failure to attract or retain suitably qualified personnel; delayed or insufficient supply of raw materials and equipment; actual size of oil and gas deposits may be materially different from estimated reserves and disruptions to operations; and
- *the Issuer's business*: including changing demand for power, uncertainty in the procurement of future natural gas supplies, inability to secure future financing or investment opportunities on economically attractive terms; integration and unknown obligations resulting from present and future transactions such as mergers and acquisitions; outcome of legal and arbitration proceedings; capital expenditure and cost overruns in construction projects, failure to reach full production levels at the Ormen Lange field in the projected timescales; possibility of further shut-downs of production at the Siri oil field; lack of control over strategic and operational decision-making in minority-controlled assets; operational risks associated with the Issuer's windpower business; risk management and trading activities; environmental disasters; uninsured losses; access to infrastructure; failure to develop new infrastructure assets, such as the Nord Stream pipeline, in line with expectations and the Kingdom of Denmark, as the Issuer's majority shareholder, may control important decisions such as dividend payments.

There are also a number of risks that are material for the purpose of assessing the suitability of the Securities as an investment, including:

- the Securities are complex financial instruments and may not be a suitable investment for all investors;
- the claims of Securityholders are subordinated to the claims of Senior Creditors, and there is no restriction of the amount of senior liabilities the Issuer may incur or guarantee;
- during the fixed rate interest period, no assurance can be given that the price of the Securities may not fall as a result of changes in the current interest rates in the capital markets (market interest rate), as the market interest rate fluctuates. For the floating rate interest period, investors should be aware that the floating interest rate interest income on the Securities cannot be anticipated and a definite yield of the Securities cannot be determined;
- the Issuer may, subject to certain conditions, elect to defer any Coupon Payment. If a Mandatory Deferral Event has occurred and is continuing on any Coupon Payment Date, interest will not become due and payable on that Coupon Payment Date and will be deferred. Any such deferral of interest shall not constitute a default for any purpose. In this event the Issuer will not be under any obligation to make the Coupon Payment on such Coupon Payment Date;
- any deferral of interest payments will likely have an adverse effect on the market price of the Securities. As a result of the interest deferral provision of the Securities, the market price of the Securities may be more volatile than the market prices of other debt securities and may be more sensitive generally to adverse changes in the Issuer's financial condition;
- the Securities may be redeemed at the option of the Issuer, in case of a minimum outstanding principal amount or following a Tax Event, an Accounting Event, or a Ratings Event and such redemption rights may affect the market value of the Securities.

Risk Factors

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Securities. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Securities are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Securities, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Securities for other reasons, and the Issuer does not represent that the statements below regarding the risks of holding the Securities are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

In 2008 and 2009, the Issuer was affected in various ways by the recent global economic downturn. See section "Risk Management" in the Issuer's Annual Report for the financial year ended 31 December 2008 which discusses the impact in 2008, and section "Consolidated Results" in the Issuer's Annual Report for the financial year ended 31 December 2009 which discusses the impact in 2009, as incorporated by reference herein, for further information.

Factors that may affect the Issuer's ability to fulfil its obligations with respect to the Securities

Risks relating to Commodity Prices, Currency Exchange Rates and Financial Markets

- The Issuer's risk exposure to fluctuations in commodity prices and currency exchange rates is complex and the results of some of its operations may benefit from an increase in the price of a commodity or value of a currency while the results of other operations may be adversely affected by the same increase. In addition, movements in one commodity price or currency value may be correlated at times with movements in prices of other commodities or currencies that are important to the Issuer, whereas at other times there will be no meaningful correlations.
- Fluctuations in the prices of power, coal and other fuels utilised in, and of certificates for the emission of carbon dioxide ("CO2 Certificates") related to, the Issuer's power and heat generation may materially adversely affect its results of operations, cash flows or financial condition.
- Fluctuations in the market prices of green certificates, including renewables obligation certificates in the UK market, related to the Issuer's renewable power generation may materially adversely affect its results of operations, cash flows or financial condition.
- Fluctuations in the prices of crude oil, oil products and natural gas may materially adversely affect the Issuer's results of operations, cash flows or financial condition.
- The pricing of the Issuer's natural gas supply and sales contracts is based on complex variables including market prices for various fuels and currency exchange rates, and is subject to indexations, periodic recalculations and potential renegotiations. A change in any of these factors could affect the profitability of the Issuer's sales of natural gas and may materially adversely affect its results of operations, cash flows or financial condition.
- Fluctuations in currency exchange rates, including, in particular, U.S. Dollars, and also Pounds Sterling, Norwegian Kroner, Euros, Polish Zloty and Swedish Kronor, relative to Danish Kroner may materially adversely affect the Issuer's results of operations, cash flows or financial condition.

- The Issuer anticipates significant capital expenditure in the coming years (see "DONG Energy A/S – Capital Expenditure") and makes significant long-term capital expenditures and commitments on the basis of forecasts of future prices which may turn out to be wrong. Any such inaccuracy may have a material adverse effect on the return on these capital expenditures and commitments, and as a result, the Issuer's business, results of operations or financial condition may be materially affected.
- The Issuer's ability to secure financing through the credit or capital markets may be materially adversely affected by a financial crisis, globally or affecting a particular geographic region, industry or economic sector or by a downgrade or potential downgrade in the Issuer's credit rating. For these or other reasons, the cost of financing may be significantly increased or, if sufficient financing proves to be unavailable even at unattractive terms, the Issuer may not be able to meet its financial requirements. Such increase in cost or inability to meet financing requirements could materially and adversely affect the Issuer's business, results of operations and financial condition.

Other Risks Relating to the Issuer's Industry

- The markets in which the Issuer operates are increasingly competitive and any failure on the Issuer's part to compete effectively on an ongoing basis could materially adversely affect the Issuer's business, results of operations or financial condition.
- The Issuer has been, is, and will continue to be subject to a number of EU and national laws and regulations including financial regulations on regulated activities and subsidy schemes which are subject to change, as well as competition and other regulatory investigations and decisions by EU and Danish competition authorities, such as for alleged abuse of dominant position, which could materially adversely affect the Issuer's business, results of operations or financial condition. See also "DONG Energy A/S – Legal Proceedings".
- The Issuer may incur material costs to comply with, or as a result of, health, safety, and environmental laws and other related national and EU regulations, in particular those relating to the release of carbon dioxide and other emissions as well as future oil and gas exploration and production. Such increases in costs may materially affect the Issuer's business, results of operations or financial condition.
- The Issuer is exposed to potentially adverse changes in the tax regimes in each jurisdiction in which it operates and changes to such regimes may have a material adverse impact on the Issuer's results of operations or financial condition.
- Seasonality and weather fluctuations and long-term shifts in climate, including, but not limited to, unseasonably warm weather in autumn and winter, high levels of precipitation and unexpected wind conditions, may affect both demand for the Issuer's products and the Issuer's generation levels for power and heat, which could materially adversely affect the Issuer's business, results of operations or financial condition.
- Failure to acquire or retain the personnel the Issuer needs for its operations, or cost inflation in relation to the acquisition or retention of such personnel, could materially adversely affect the Issuer's business, results of operations or financial condition. Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer will be unable to comply with its information disclosure obligations as a company with securities listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange.
- A delayed or insufficient supply of the materials and equipment that the Issuer needs for its operations, such as compressors, drilling rigs, offshore turbines and boilers, including with respect to its investment opportunities and projects, or cost inflation in relation to such material and equipment,

could result in significant cost overruns or delays in completion of the development of the Issuer's assets and could materially adversely affect its business, results of operations or financial condition.

- The Issuer's exploration for, and development and production of, natural gas and oil exposes it to inherent risks and uncertainties, such as unexpected natural phenomena, unpredictability of discoveries and environmental hazards, that could materially adversely affect its business, results of operations or financial condition.
- Disruptions to the Issuer's operations, which may be caused by technical breakdowns at the Issuer's power stations, wind power assets, gas and oil assets, distribution grids or other assets, aged or defective facility components, adverse weather conditions, natural disasters, labour disputes, ill-intentioned acts or other accidents or incidents, could result in shutdowns, delays, or long-term stoppages in production or distribution, materially adversely affecting the Issuer's results of operations or financial condition and resulting in harm to the Issuer's reputation.
- The Issuer's proved plus probable ("2P") natural gas and oil reserves set forth herein and field production expectations are only estimates and are inherently uncertain, and the actual size of deposits and production may differ materially from these estimates and expectations. Changes to the reserve estimates in relation to an unitisation of licences ("**Cluster**") in which the Issuer has an ownership interest, may lead to a redetermination of the Issuer's ownership share in the Cluster, which may affect the Issuer's 2P reserves, capital expenditure and/or production in and from the Cluster.

Risks Relating to the Issuer's Business

- Adverse changes in the level of economic activity, including as a result of the current global financial crisis, may lead to lower prices and to declining demand for power, particularly as a result of reduced activity in industry. If such decline in demand continues, it could materially and adversely affect the Issuer's business, results of operations and financial condition. Similarly, an increase in power supply and/or interconnector capacity in the Nordic region could lead to a general decline in market prices which could materially and adversely affect the Issuer's business, results of operations and financial conditions.
- The Issuer faces risks and uncertainties in the procurement of natural gas. It expects to receive significantly less gas through certain of its existing long-term supply contracts in the coming years, particularly through its contracts with the DUC (from which the Issuer has historically sourced a substantial majority of its natural gas requirements) due to gas depletion and other reasons. The Issuer may not be able to obtain alternative natural gas or obtain such gas at commercially attractive prices, which could materially and adversely affect the Issuer's business, results of operations and financial condition.
- The Issuer's strategy for the future development of its business is supported by an investment portfolio with regard to which it anticipates making significant capital expenditures in the coming years (see "DONG Energy A/S – Capital Expenditure"). There can be no assurance that it will be able to secure the various investment opportunities on economically attractive terms or secure investment opportunities at all or that, once secured, such opportunities will ultimately prove profitable. Any such failure may have a material adverse effect on the Issuer's business, results of operations or financial condition.
- The Issuer faces risks, such as those relating to integration and unknown obligations, in respect of its recent transactions, including mergers, acquisitions, alliances and partnerships, and it would also face similar risks in the future if it engages in similar transactions.

- The Issuer is involved in litigation and arbitration proceedings which, if determined against it, could have a material adverse effect on the Issuer's business, results of operations or financial condition, and it remains exposed to such liability in the future. For further details, see "DONG Energy A/S – Legal Proceedings".
- The Issuer faces risk in connection with new construction projects, including risks relating to capital expenditure overruns and delays (such delays can additionally lead to obligations to pay liquidated damages to authorities granting the project licenses) which could materially and adversely affect the Issuers' business, results of operations and financial conditions. The Issuer has entered into partnerships under which the Issuer as operator has given certain guarantees for the construction and/or operation of the projects, and the Issuer may consequently face a larger risk in connection with the construction projects than its ownership interest may imply.
- The Issuer holds minority interests in a number of assets, including the Ormen Lange field and the Gassled system. A lack of control over such assets could result in collective strategic, tactical and operational decisions with respect to these assets diverging from the Issuer's individual interests, which could materially adversely affect the Issuer's results of operations or financial condition.
- Until a permanent repair solution of the cracks related to the subsea tank structure for the Siri oil field is in place there is a risk of more frequent shut downs of the production from the area.
- The Issuer's windpower business is subject to certain risks, including technical defects in construction, equipment and machinery, batch faults, adverse weather conditions, change of subsidy schemes, business interruptions against which the Issuer is not insured and obsolescence of the technologies, resulting from development of new technology, rapid technological change and the location of the Issuer's offshore wind farms, which may adversely affect the Issuer's business, results of operations or financial condition.
- The Issuer's results of operations or financial condition may be materially adversely affected if it does not effectively manage its exposure to commodity, currency exchange, interest rate or counterparty risk.
- The Issuer's trading activities, which mainly cover hedging of commodities price and currency exchange rate fluctuations but also include some proprietary trading, may result in losses which could materially adversely affect the Issuer's results of operations or financial condition if the hedging in place, which in some cases may be based on expected high correlations between different types of energy commodities, proves not to be efficient or suffers from illiquidity or inefficiencies in the relevant markets, if the Issuer's risk management systems and procedures do not adequately capture the risk exposure from these activities or if the IT systems and contingency procedures that support these activities break down or are inadequate.
- The Issuer operates facilities and infrastructure that may cause significant harm to the natural or human environment and accidents in or near, or external attacks to, such facilities and infrastructure may have serious consequences and could materially adversely affect the Issuer's results of operations or financial condition.
- The Issuer has entered into energy sourcing and supply contracts which are conditional upon the completion of new infrastructure assets, such as the Nord Stream pipeline. In the event such infrastructure assets are not developed or do not operate according to expectations this may materially adversely affect the Issuer's results of operations or financial condition.

- The Issuer is dependent upon the availability of gas and power transmission and distribution infrastructure owned by external parties in order to meet its contractual supply obligations or for the transportation of the Issuer's own production of gas and power. If such essential infrastructure is no longer available for whatever reason, or if booked capacity with gas or power transmission or distribution operators cannot be utilised or sold, it could materially adversely affect the Issuer's results of operations or financial condition.
- The Issuer is not insured against all potential losses and could be seriously harmed by operational catastrophes or external attacks. For further detail, see "DONG Energy A/S – Risk Management – Insurable Risks". Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer will be unable to comply with its information disclosure obligations as a company with securities listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange.
- The Kingdom of Denmark is the Issuer's majority shareholder and may control or otherwise influence important actions it takes, such as decisions on dividends, approval of the financial reports or amendments to the Issuer's corporate documents. Conversely, if the Kingdom of Denmark ceases to be the Issuer's majority shareholder, the Issuer will be required to sell certain of its Danish natural gas infrastructure assets. For further detail, see "DONG Energy A/S – History and Development – General Overview".

Factors which are material for the purpose of assessing the market risks associated with the Securities

Factors which are material for the purpose of assessing the suitability of the Securities as an investment

The Securities may not be a suitable investment for all investors

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including where the potential investor's currency is not the euro;
- understand thoroughly the terms of the Securities and be familiar with the behaviour of the relevant financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Securities are complex financial instruments and such instruments may be purchased by potential investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Securities unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the

resulting effects on the value of the Securities and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of the Securities

The Securities are subordinated obligations

The rights and claims of the Securityholders and the Couponholders will be subordinated to the claims of Senior Creditors (as defined in the Conditions). Upon any winding-up of the Issuer, the claims of the Securityholders and the Couponholders will, for the purpose of calculating the amounts payable in respect of each Security, rank *pari passu* without any preference among themselves and *pari passu* with the holders of all Parity Securities (as defined in the Conditions).

Fixed to Floating Rate Securities

The Securities bear interest at a fixed rate to but excluding the First Call Date.

A holder of a fixed interest rate security is exposed to the risk that the price of such security may fall because of changes in the market interest rate. While the nominal interest rate of a fixed interest rate note is fixed during the life of such security or during a certain period of time, the current interest rate on the capital market (market interest rate) typically changes on a daily basis. As the market interest rate changes, the price of such security changes in the opposite direction. If the market interest rate increases, the price of such security typically falls, until the yield of such security is approximately equal to the market interest rate. If the market interest rate falls, the price of a fixed interest rate security typically increases, until the yield of such security is approximately equal to the market interest rate. Securityholders should be aware that during the period in which the Securities bear interest at a fixed rate movements of the market interest rate can adversely affect the price of the Securities and can lead to losses for the Securityholders if they sell Securities while the market interest rate exceeds the fixed interest rate of the Securities.

From and including the First Call Date to but excluding the Maturity Date, the Securities bear interest at a floating rate.

Investors should be aware that the floating rate interest income on the Securities cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of the Securities at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. In addition, after interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline because investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Optional Deferral and Mandatory Deferral of Interest Payments

The Issuer may, subject to certain conditions, elect to defer any Coupon Payment, in whole or in part, payable for any period of time.

If a Mandatory Deferral Event has occurred and is continuing on any Coupon Payment Date, interest which accrues during the period ending on but excluding such Coupon Payment Date will not become due and payable on that Coupon Payment Date and will be deferred. Any such deferral of interest shall not constitute a default for any purpose. In this event the Issuer will not be under any obligation to make the Coupon Payment on such Coupon Payment Date.

Any such deferral of interest shall not constitute a default for any purpose. Any deferral of interest payments will likely have an adverse effect on the market price of the Securities. In addition, as a result of the interest deferral provision of the Securities, the market price of the Securities may be more volatile than the market

prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferral and may be more sensitive generally to adverse changes in the Issuer's financial condition.

The Issuer's financial policy

In case of a material deterioration of the Issuer's financial profile from its stated targets, the Issuer intends, in order to facilitate a restoration of its financial profile and with a view to maintain access to the fixed income markets, to take such action, which may include but is not restricted to the following:

- (i) not to propose a dividend, distribution or other payment on any class of shares at the annual general meeting of shareholders of the Issuer; and
- (ii) not to, and procure that no Subsidiary would, redeem, repurchase or otherwise acquire any shares of any class of the Issuer

Please note that this intention does not form part of the Terms and Conditions.

Redemption risk

Unless previously redeemed or purchased and cancelled, the Issuer will redeem the Securities on the Coupon Payment Date falling on or nearest to 1 June 3010 at their principal amount together with any accrued and unpaid interest, in respect of the immediately preceding Floating Coupon Period ending on but excluding the Maturity Date but excluding Outstanding Payments which will be cancelled on such date. However, the Securities may, subject as provided in Condition 6(b), be redeemed at the option of the Issuer, in whole but not in part, on the First Call Date or on any Coupon Payment Date thereafter, at their principal amount together with any accrued and unpaid interest in respect of the immediately preceding Coupon Period, subject to settlement of any Outstanding Payments. In addition, upon the occurrence of certain other specified events (as more fully described in Conditions 6(c), (d), (e) and (f)), the Issuer shall have the option to redeem the Securities at the prices set out in the Conditions, in each case together with any accrued and unpaid interest to the redemption date and any Outstanding Payments. During any period when the Issuer may elect to redeem the Securities, the market value of the Securities generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem the Securities when its cost of borrowing is lower than the interest payable on the Securities. At such times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest payable on the Securities being redeemed and may only be able to reinvest the redemption proceeds at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Replacement Capital Covenant

The Issuer has entered into a Replacement Capital Covenant ("**RCC**") for the benefit of persons that are the holders from time to time of one or more designated series of the Issuer's debt securities ranking senior to the Securities. The terms of such RCC provide that from (and including) the Issue Date to (and including) the Coupon Payment Date falling closest to 1 June 2046, subject to certain exceptions, the Issuer will not redeem or repurchase any Securities, and will not permit any Subsidiary to purchase any Securities, unless the Issuer or one or more of its Subsidiaries, which has the corporate function of raising financing and passing it on to its affiliates and which holds no significant operating assets or has any ownership in the operating companies of the Issuer, has sold or issued shares or certain other securities (as described in detail in the RCC) in a certain aggregate principal amount (as described in detail in the RCC), in each case, during the twelve months prior to such redemption, repurchase or purchase date. If not previously terminated in accordance with its terms, such undertaking will terminate upon redemption in full of the Securities. This undertaking may result in the Issuer being unable or unwilling to exercise its option to redeem the Securities on the First Call Date or

on any Coupon Payment Date thereafter until the expiry of such undertaking. Please note that the RCC does not form part of the Terms and Conditions.

No limitation on issuing senior or pari passu securities

There is no restriction on the amount of securities or other liabilities which the Issuer may issue, guarantee or incur and which rank senior to, or *pari passu* with, the Securities. The issue of any such securities or the incurrance of any such other liabilities may reduce the amount (if any) recoverable by Securityholders on a winding-up of the Issuer and/or may increase the likelihood of a deferral of interest payments under the Securities.

Securityholders will lose their rights to Outstanding Payments on the Maturity Date

If not redeemed or purchased and cancelled earlier, the Securities will be redeemed on the Maturity Date at their principal amount, together with accrued but unpaid interest for the immediately preceding Coupon Period ending on (but excluding) the Maturity Date. Any Outstanding Payments (as defined in the Conditions) will automatically be cancelled on the Maturity Date. Consequently, if the Securities are not redeemed until the Maturity Date, Securityholders will lose all rights and claims in respect of Outstanding Payments at that date.

Securityholders have no voting rights

The Securities are non-voting with respect to general meetings of the Issuer. Consequently, the holders of the Securities cannot influence, *inter alia*, any decisions by the Issuer to defer payments of Coupons or to optionally settle Outstanding Payments or any other decisions by the Issuer's shareholders concerning the capital structure of the Issuer.

Events of Default and Limited Remedies

The only remedy against the Issuer available to the Trustee or (where the Trustee has failed to proceed against the Issuer as provided in the Conditions) any Securityholder for recovery of amounts which have become due in respect of the Securities will be the institution of proceedings for the winding-up of the Issuer and/or proving in such winding-up and/or claiming in the liquidation of the Issuer.

Modification, waivers and substitution

The Conditions contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders, including Securityholders who do not attend and vote at the relevant meeting and Securityholders who vote in a manner contrary to the majority.

The Conditions also provide that the Trustee may, without the consent of the Securityholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Securities or (ii) the substitution of another company as principal debtor under the Trust Deed and the Securities in place of the Issuer, in each case in the circumstances described in Conditions 12(b) and (c).

Risks related to the market generally

Legal considerations may restrict certain investments

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should determine whether the Securities are a lawful investment for it, and the regulatory implications for it of making such an investment.

EU Savings Tax Directive

Under measures implemented in order to comply with European Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period (the ending of which depends on the conclusion of certain other agreements relating to information exchange with certain other countries), Austria and Luxembourg are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland). If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Security as a result of the imposition of such withholding tax. If a withholding tax is imposed on payments made by a Paying Agent, the Issuer will be required (save as provided in the Conditions) to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

Change of law

Except for Condition 2, which is governed by, and construed in accordance with, the laws of the Kingdom of Denmark) the Conditions of the Securities are based on English law in effect as at the date of issue of the Securities. No assurance can be given as to the impact of any possible judicial decision or change to English law or the laws of the Kingdom of Denmark or the administrative practice in either jurisdiction after the date of issue of the Securities.

Exchange rate risk and exchange controls

The Issuer will pay principal and interest on the Securities in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currencies (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euro would decrease (a) the Investor's Currency equivalent yield on the Securities, (b) the Investor's Currency equivalent value of the principal payable on the Securities and (c) the Investor's Currency equivalent market value of the Securities. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Absence of prior public markets

The Securities constitute a new issue of securities by the Issuer. Prior to such issue, there will have been no public market for the Securities. Although applications have been made for the Securities to be listed, there can be no assurance that an active public market for the Securities will develop and, if such a market were to develop, neither the Managers nor any other person is under any obligation to maintain such a market. The liquidity and the market prices for the Securities can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Issuer and the Group and other factors that generally influence the market prices of securities. Illiquidity may have an adverse effect on the market value of the Securities.

Credit ratings may not reflect all risks

The Securities are expected to be assigned a rating of Moody's Investors Service, Ltd. ("**Moody's**") and Standard & Poor's Ratings Services, a subsidiary of the McGraw-Hill Companies, Inc. ("**Standard & Poor's**"). The ratings may not reflect the potential impact of all risks related to the structure, market, additional factors discussed above, and other factors that may affect the value of the Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant organisation. The relationship between ratings assigned to the Issuer's senior securities and the ratings assigned to the Securities (sometimes called "notching") is based on the current practice of the rating agencies. If the ratings of the senior securities (or the Issuer credit rating) falls below current levels, the notching of the Securities may widen, especially in the case of Standard and Poor's.

Terms and Conditions of the Securities

The following are the terms and conditions substantially in the form in which they will be endorsed on the Securities. Any sections in italics do not form part of the terms and conditions.

The issue of the Callable Subordinated Capital Securities due 3010 (the "**Securities**") on 24 January 2011 (the "**Issue Date**") was authorised by a resolution of the Board of Directors of DONG Energy A/S (the "**Issuer**") passed on 9 December 2010. The Securities are constituted by a Trust Deed (the "**Trust Deed**") dated 24 January 2011 between the Issuer and Citicorp Trustee Company Limited (the "**Trustee**" which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders of the Securities (the "**Securityholders**"). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Securities and the coupons (the "**Coupons**") and talons for further Coupons (the "**Talons**") relating to them. Capitalised terms used in these Conditions and not defined herein shall have the meaning given to them in the Trust Deed. Copies of the Trust Deed and of the Agency Agreement (the "**Agency Agreement**") dated 24 January 2011 relating to the Securities between the Issuer, the Trustee, Deutsche Bank AG, London Branch as agent bank, acting as calculation agent, (the "**Agent Bank**" which expression includes any bank appointed as the Agent Bank from time to time) and the initial principal paying agent and paying agents named in it, are available for inspection during usual business hours at the principal office of the Trustee (presently at 14th Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB) and at the specified offices of the principal paying agent from time to time (the "**Principal Paying Agent**") and the banks appointed as paying agents from time to time (the "**Paying Agents**", which expression shall include the "**Principal Paying Agent**"). The Securityholders and the holders of the Coupons and Talons (whether or not such Coupons and Talons are attached to the relevant Securities) (the "**Couponholders**") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

1 Form, Denomination and Title

(a) *Form and denomination*

The Securities are serially numbered and in bearer form in the denomination of €1,000 each with Coupons and a Talon attached on issue.

(b) *Title*

Title to the Securities, Coupons and Talons passes by delivery. The holder of any Security, Coupon or Talon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

2 Status

The Securities and the Coupons constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves.

The rights and claims of the Trustee, the Securityholders and the Couponholders against the Issuer in respect of the Securities and the Coupons shall, save for such exceptions as may be provided by applicable legislation, rank behind the claims of Senior Creditors, *pari passu* with the rights and claims of holders of Parity Securities and in priority only to the rights and claims of holders of all Issuer Shares (as defined below).

For the purposes of these Conditions,

"Issuer Shares" means Ordinary Shares and any other shares of any class of the Issuer (if any) ranking *pari passu* among themselves and *pari passu* with Ordinary Shares.

"Ordinary Shares" means ordinary shares in the capital of the Issuer, having on the issue date a minimum principal value of DKK10 each (*as at the Issue Date, the Issuer had Ordinary Shares in an aggregate principal value of DKK 2,937,099,000 in issue*).

"Parity Securities" means, in respect of the Issuer, any securities or obligations issued or owed by the Issuer (including guarantees or indemnities given by the Issuer in respect of securities or obligations owed by other persons) and effectively ranking or expressed to rank *pari passu* with the Securities (*as at the date of this Prospectus the only Parity Securities of the Issuer outstanding were its €1,100,000,000 Subordinated Capital Securities due 3005, ISIN: XS0223249003*); and

"Senior Creditors" means, in respect of the Issuer, all creditors of the Issuer other than creditors whose claims are in respect of the Securities and the Coupons or Parity Securities.

3 Coupons

(a) *Fixed Coupon Payment Dates*

From (and including) the Issue Date to (but excluding) the First Call Date (as defined in Condition 6(b)) the Securities bear interest at a rate of [•] per cent per annum (the **"Fixed Coupon Rate"**). During such period, interest is scheduled to be paid (subject to Conditions 4 and 5) annually in arrear on 1 June in each year (each a **"Fixed Coupon Payment Date"**). Where, prior to the First Call Date, interest is to be calculated in respect of a period which is equal to or shorter than a Fixed Coupon Period (as defined below), the day-count fraction used will be the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Fixed Coupon Period in which the relevant period falls (including the first such day but excluding the last). The period beginning on, and including, the Issue Date and ending on, but excluding, the first Fixed Coupon Payment Date and each successive period beginning on, and including, a Fixed Coupon Payment Date and ending on, but excluding, the next succeeding Fixed Coupon Payment Date is called a **"Fixed Coupon Period"**. The amount of interest payable on each Security for the Fixed Coupon Period (the **"Fixed Coupon Amount"**) shall be determined by applying the Fixed Coupon Rate to the principal amount of one Security.

(b) *Floating Coupon Payment Dates*

From (and including) the First Call Date the Securities bear interest at the rate determined in accordance with Conditions 3(c) and (d) (the **"Floating Coupon Rate"**). During such period, interest is scheduled to be paid (subject to Conditions 4 and 5) in arrear on 1 June in each year (each a **"Floating Coupon Payment Date"** and together with the Fixed Coupon Payment Dates, the **"Coupon Payment Dates"**). If any Floating Coupon Payment Date would otherwise fall on a day which is not a business day (as defined below), it shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the First Call Date and ending on (but excluding) the first Floating Coupon Payment Date and each successive period beginning on (and including) a Floating Coupon Payment Date and ending on (but excluding) the next succeeding Floating Coupon Payment

Date is called a "**Floating Coupon Period**" and, together with the Fixed Coupon Periods, the "**Coupon Periods**". The amount of interest payable for the relevant Floating Coupon Period on each Security determined in accordance with Condition 3(c) and (d) is called a "**Floating Coupon Amount**", and a Floating Coupon Amount or a Fixed Coupon Amount, as the case may be, is called a "**Coupon Payment**".

(c) **Floating Coupon Rate**

The Floating Coupon Rate in respect of the Securities will be determined by the Agent Bank on the following basis:

- (i) On the second business day before the beginning of each Floating Coupon Period (the "**Floating Coupon Determination Date**") the Agent Bank will determine the Euro Interbank Offered Rate ("**EURIBOR**") for twelve-month euro deposits as at 11.00 a.m. (Brussels time) on the Floating Coupon Determination Date in question. Such offered rate will be that which appears on the display designated as "EURIBOR01" on the Reuters Monitor Money Rates Service (or such other page or service as may replace it for the purpose of displaying such rates).

From (and including) the First Call Date to (but excluding) the Coupon Payment Date falling closest to 1 June 3010, the Floating Coupon Rate for each Floating Coupon Period shall be the aggregate of the Margin (as defined below) and the rate which so appears, as determined by the Agent Bank.

- (ii) If for any reason such offered rate does not so appear, or if the relevant page is unavailable, the Agent Bank will determine EURIBOR based on quotations from five major banks in the Euro-zone interbank market chosen by the Agent Bank, with the consent of and appointed by, the Issuer (the "**Reference Banks**") for EURIBOR for a period of twelve months as at 11.00 a.m. (Brussels time) on the Floating Coupon Determination Date in question.

The Floating Coupon Rate for such Floating Coupon Period shall be the aggregate of the Margin and the arithmetic mean (rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards) of such quotations (or of such of them, being at least two, as are so provided), as determined by the Agent Bank.

If on any Floating Coupon Determination Date in respect of which the Floating Coupon Rate is to be calculated pursuant to this paragraph (ii) one only or none of the Reference Banks provides such quotation, the Floating Coupon Rate for the next Floating Coupon Period shall be whichever is the higher of:

- (x) the Floating Coupon Rate in effect for the last preceding Floating Coupon Period and
- (y) the rate per annum which the Agent Bank determines to be the aggregate of the Margin and the arithmetic mean (rounded, if necessary, up to the nearest fifth decimal place, with 0.000005 being rounded upwards) of the euro lending rates which banks in the Euro-zone Interbank Market selected by the Agent Bank are quoting, on the relevant Floating Coupon Determination Date, for the next Floating Coupon Period, to the Reference Banks or those of them (being at least two in number) to which such quotations are, in the opinion of the Agent Bank, being so made.

"**Euro-zone**" means the region comprised of Member States of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on the European Union.

(iii) In this Condition 3:

"**business day**" means a day upon which the TARGET System is operating.

"**Margin**" means [•] per cent. per annum¹.

"**TARGET System**" means the Trans-European Automated Real-time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

(d) ***Determination of Floating Coupon Rate and calculation of Floating Coupon Amount***

The Agent Bank will, as soon as practicable after 11.00 a.m. (Brussels time) on each Floating Coupon Determination Date, determine the Floating Coupon Rate and the Floating Coupon Amount for the relevant Floating Coupon Period. The Floating Coupon Amount shall be calculated by applying the Floating Coupon Rate to the principal amount of one Security, multiplying such product by the actual number of days in the Floating Coupon Period concerned divided by 360 and rounding the resulting figure to the nearest euro 0.01 (euro 0.005 being rounded upwards). The determination of the Floating Coupon Rate and the Floating Coupon Amount by the Agent Bank shall (in the absence of manifest error) be final and binding upon all parties.

(e) ***Publication of Floating Coupon Rate and Floating Coupon Amount***

The Agent Bank will cause the Floating Coupon Rate and the corresponding Floating Coupon Amount for each Floating Coupon Period and the relevant Floating Coupon Payment Date, to be notified to the Trustee, each of the Paying Agents and any stock exchange on which the Securities are for the time being listed and to be notified to Securityholders as soon as possible after their determination but in no event later than the second business day thereafter. The Floating Coupon Amount and Floating Coupon Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent in writing of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Floating Coupon Period.

(f) ***Determination or calculation by Trustee***

If the Agent Bank, at any time for any reason, does not determine the Floating Coupon Rate or calculate the corresponding Floating Coupon Amount for a Floating Coupon Period, the Trustee (or an agent appointed by it) shall do so and such determination or calculation shall be deemed to have been made by the Agent Bank. In doing so, the Trustee shall apply the foregoing provisions of this Condition 3, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(g) ***Reference Banks and Agent Bank***

The Issuer will procure that, so long as any Security is outstanding, there shall at all times be the number of Reference Banks provided above (where the Floating Coupon Rate is to be calculated by reference to them) and an Agent Bank for the purposes of the Securities. If any such bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Agent Bank, as the case may be, or if the Agent Bank fails duly to establish the Floating Coupon Rate for any Floating Coupon Period or to calculate the corresponding Floating Coupon Amount, the Issuer shall

¹ The Margin will include a 100 bps step-up.

(with the prior approval in writing of the Trustee) appoint another leading bank engaged in the Euro-zone interbank market (acting through its principal London office) to act as such in its place. The Agent Bank may not resign its duties without a successor having been so appointed.

(h) *Coupon Payments*

Each Security will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest in accordance with this Condition (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Security up to that day are received by or on behalf of the relevant Securityholder, and (ii) the day seven days after the Trustee or the Principal Paying Agent has notified Securityholders of receipt of all sums due in respect of all the Securities up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

(i) *Notifications etc. to be binding*

All notifications, opinions, determinations, certifications, conditions, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 3, whether by the Agent Bank or the Trustee (or its agent), shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent Bank, the Trustee, the Paying Agents and on all Securityholders and Couponholders and (in the absence of the aforesaid) no liability to the Securityholders, the Couponholders or the Issuer shall attach to the Agent Bank, the Paying Agents or the Trustee in connection with the exercise or non-exercise by them of any of their powers, duties or discretions.

4 Due date for coupon payments; deferral of coupon payments

(a) *Due date for coupon payments*

Interest which accrues during a Coupon Period ending on but excluding a Compulsory Coupon Payment Date will be due and payable in full on such Coupon Payment Date.

(b) *Optional coupon deferral*

Interest which accrues during a Coupon Period ending on but excluding an Optional Coupon Payment Date will be due and payable on that Optional Coupon Payment Date, unless the Issuer, by giving notice to the Securityholders, the Agent Bank, the Principal Paying Agent and the Trustee in accordance with Condition 16, not less than 16 business days prior to the Coupon Payment Date (an "**Optional Deferral Notice**"), elects to defer the relevant Coupon Payment in whole or in part.

If the Issuer elects not to pay accrued interest on an Optional Coupon Payment Date, it will not have any obligation to pay interest on such Optional Coupon Payment Date.

Each such Coupon Payment that is not due and payable in accordance with this Condition 4(b) shall be referred to as an "**Optionally Deferred Payment**". Any such Optionally Deferred Payment will bear interest at the then current rate of interest on the Securities from (and including) the Optional Coupon Payment Date on which such Optionally Deferred Payment would otherwise than by reason of the operation of this Condition 4(b) become due to (but excluding) the date on which the Optionally Deferred Payment is satisfied in accordance with Condition 5. The non-payment of any interest deferred by the giving of any Optional Deferral Notice in respect thereof shall not constitute a Default (as defined in Condition 9) or otherwise constitute a default of the Issuer or any other breach of its obligations under the Securities or for any other purpose or be subject to enforcement (in accordance

with Condition 9) until such time as such interest shall have become due under Condition 5 and remain unpaid.

The amount of any Optionally Deferred Payments, together with any interest accrued thereon, shall constitute "**Optionally Outstanding Payments**" from the day following the Coupon Payment Date on which such Optionally Deferred Payment would have become due but for the operation of this Condition 4(b).

(c) ***Mandatory coupon deferral***

If a Mandatory Deferral Event has occurred on the day which is 10 business days prior to any Coupon Payment Date in respect of such Coupon Payment Date, interest which accrues during the period ending on but excluding such Coupon Payment Date will not become due and payable on that Coupon Payment Date (such Coupon Payment Date a "**Mandatory Deferral Date**"). The Issuer will give notice to the Securityholders, the Agent Bank, the Principal Paying Agent and the Trustee of the occurrence of the Mandatory Deferral Event in accordance with Condition 16 as soon as possible after its determination but in no event later than 10 business days prior to the relevant Coupon Payment Date.

Any Coupon Payment not due and payable in accordance with this Condition 4(c) will constitute a mandatorily deferred payment (a "**Mandatorily Deferred Payment**"). The non-payment of any interest as a result of a Mandatory Deferral Event shall not constitute a Default (as defined in Condition 9) or otherwise constitute a default of the Issuer or any other breach of its obligations under the Securities or for any other purpose or be subject to enforcement (in accordance with Condition 9) until such time as such interest shall have become due under Condition 5 and remains unpaid.

Any Mandatorily Deferred Payment will bear interest at the then current rate of interest on the Securities from (and including) the Coupon Payment Date on which such Mandatorily Deferred Payment would otherwise than by reason of the operation of this Condition 4(c) become due to (but excluding) the date on which the Mandatorily Deferred Payment is satisfied in accordance with Condition 5.

The amount of any Mandatorily Deferred Payments, together with any interest accrued thereon, shall constitute "**Mandatorily Outstanding Payments**" (and, together with any Optionally Outstanding Payment, an "**Outstanding Payment**") from the day following the Coupon Payment Date on which such Deferred Payment would have become due but for the operation of Condition 4(c).

(d) ***Definitions***

For the purposes of Conditions 4 and 5:

"**business day**" shall mean a day, other than a Saturday or Sunday, on which commercial banks are open in London and Copenhagen.

"**Compulsory Coupon Payment Date**" means any Coupon Payment Date not more than 3 months prior to which a Compulsory Payment Event occurred, and in respect of which no Mandatory Deferral Event has occurred and is continuing.

"**Compulsory Payment Event**" means any of the following events:

- (i) the shareholders of the Issuer have resolved at the annual general meeting on the proposal by or with the consent of the Board of Directors to pay or distribute a dividend or make a payment on any Issuer Shares, other than a dividend, distribution or payment which is made in the form of any Issuer Shares; or

- (ii) the Issuer redeems Issuer Shares or the Issuer or any of its Subsidiaries repurchases or otherwise acquires any Issuer Shares (other than (x) in connection with the satisfaction by the Issuer of its obligations under any existing or future buy-back programme, share option or free share allocation plan or any employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants, or (y) as a result of the exchange or conversion of one class of Issuer Shares for another class).

"**Mandatory Deferral Event**" means that Standard & Poor's has assigned an Issuer Credit Rating of 'BB+' or below, where "**Issuer Credit Rating**" means the long-term local issuer credit rating assigned to the Issuer by Standard & Poor's.

"**Optional Coupon Payment Date**" means each Coupon Payment Date which is not a Compulsory Coupon Payment Date and on which no Mandatory Deferral Event has occurred or is continuing.

5 Payment of Outstanding Payments

(a) *Settlement of Optionally Outstanding Payments.*

- (i) Optional Settlement of Optionally Outstanding Payments.

Provided that no Mandatory Deferral Event has occurred and is continuing at that time, the Issuer will be entitled to pay Optionally Outstanding Payments (in whole or in part) at any time by giving notice to the Securityholders, the Agent Bank, the Principal Paying Agent and the Trustee in accordance with Condition 16, not less than 16 business days prior to the date fixed by the Issuer for such payment (the "**Optional Settlement Date**") which notice must specify (x) the amount of Optionally Outstanding Payments to be paid and (y) the Optional Settlement Date.

Upon such notice being given, the amount of Optionally Outstanding Payments specified in the relevant notice will become due and payable, and the Issuer will pay such amount of Optionally Outstanding Payments on the specified Optional Settlement Date.

- (ii) Mandatory Settlement of Optionally Outstanding Payments.

The Issuer must pay all Optionally Outstanding Payments (in whole but not in part) then outstanding on any Mandatory Settlement Date.

"**Mandatory Settlement Date**" means the earliest of:

- (A) the date falling 10 business days after the date on which a Compulsory Payment Event has occurred;
- (B) the date, other than the Maturity Date, on which the Securities fall due for redemption in accordance with Conditions 6(b), (c), (d), (e) or (f); and
- (C) the date on which an order is made for the bankruptcy (*konkurs*), winding up, liquidation, reconstruction (*rekonstruktion*) or dissolution of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).

(b) *Settlement of Mandatorily Outstanding Payments.*

- (i) Optional Settlement of Mandatorily Outstanding Payments.

Subject to the conditions set out in sentence 2 of this Condition 5(b) being met, the Issuer will be entitled to pay Mandatorily Outstanding Payments (in whole but not in part) at any time by

giving notice to the Securityholders, the Agent Bank, the Principal Paying Agent and the Trustee in accordance with Condition 16, not less than 16 business days prior to the Optional Settlement Date which notice must specify (x) the amount of Mandatorily Outstanding Payments to be paid and (y) the Optional Settlement Date. The Issuer will only be entitled to give such notice if:

- (A) the Mandatory Deferral Event is cured; or
- (B) at least 5 years have passed since the relevant Mandatory Deferral Date.

(ii) **Mandatory Settlement of Mandatorily Outstanding Payments.**

The Issuer must pay all Mandatorily Outstanding Payments (in whole but not in part) then outstanding on the earliest of the following dates:

- (A) the date falling 10 business days after the date on which a Compulsory Payment Event has occurred, provided that on such date either (x) the Mandatory Deferral Event is cured or (y) at least 5 years have passed since the relevant Mandatory Deferral Date;
- (B) the date, other than the Maturity Date, on which the Securities fall due for redemption in accordance with Conditions 6(b), (c), (d), (e) or (f); and
- (C) the date on which an order is made for the bankruptcy (*konkurs*), winding up, liquidation, reconstruction (*rekonstruktion*) or dissolution of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).

6 Redemption and Purchase

(a) ***Maturity date***

If not redeemed or purchased and cancelled earlier, the Securities will be redeemed on the Coupon Payment Date falling on or nearest to 1 June 3010 (the "**Maturity Date**") at their principal amount together with accrued interest in respect of the Floating Coupon Period ending on (but excluding) the Maturity Date. Any Outstanding Payments shall automatically be cancelled on the Maturity Date. The Securities may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

(b) ***Redemption at the option of the Issuer***

On giving not less than 30 nor more than 60 days' irrevocable notice (an "**Optional Redemption Notice**") to the Trustee and the Securityholders in accordance with Condition 16 and subject to the settlement of all Outstanding Payments in accordance with Condition 5, the Issuer may redeem all but not some only of the Securities on the date (the "**Optional Redemption Date**") that is 1 June 2021 (the "**First Call Date**") or that is any Coupon Payment Date thereafter as specified in the Optional Redemption Notice at their principal amount (together with interest accrued to (but excluding) the Optional Redemption Date).

(c) ***Redemption for taxation reasons***

The Securities may be redeemed at the option of the Issuer in whole, but not in part, on or prior to the First Call Date at any time and thereafter on any Coupon Payment Date, on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable) in accordance with Condition 16 and subject to the settlement of all Outstanding Payments in accordance with Condition 5, if

- (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice by providing an opinion of a recognised tax counsel or tax adviser satisfactory to the Trustee stating that the Issuer
 - (A) either has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Denmark or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, in which case the Issuer will redeem each Security at its principal amount (together with interest accrued to the date fixed for redemption); or
 - (B) the Issuer's treatment of items of expense with respect to the Securities as deductible interest expense for Danish tax purposes as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be respected by a taxing authority, which subjects the Issuer to more than a *de minimis* amount of additional taxes, duties or governmental charges, in which case the Issuer will redeem the Securities (I) prior to the First Call Date at their Early Redemption Amount (together with interest accrued to the date fixed for redemption) and (II) on or after the First Call Date at their principal amount (together with interest accrued to the date fixed for redemption)

(each, a "**Tax Event**"), and

- (ii) such Tax Event cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Securities then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (i) above in which event it shall be conclusive and binding on the Securityholders and the Couponholders.

(d) ***Redemption for an Accounting Event***

The Securities may be redeemed at the option of the Issuer in whole, but not in part, on or prior to the First Call Date at any time and thereafter on any Coupon Payment Date, on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable) in accordance with Condition 16 and subject to the settlement of all Outstanding Payments in accordance with Condition 5, (i) prior to the First Call Date, at their Early Redemption Amount (together with interest accrued to the date fixed for redemption) and (ii) on or after the First Call Date, at their principal amount, (together with interest accrued to the date fixed for redemption), if a recognised accountancy firm satisfactory to the Trustee, acting upon instructions of the Issuer, has delivered an opinion to the Trustee, stating that as a result of a change in accounting principles (or the application thereof) since the Issue Date the obligations of the Issuer in respect of the Securities may not or may no longer be recorded as "equity" in the consolidated financial statements of the Issuer pursuant to International Financial Reporting Standards ("**IFRS**") or any other accounting standards that may replace IFRS for the purposes of preparing the annual consolidated financial statements of the Issuer (an "**Accounting Event**").

(e) ***Redemption for a Ratings Event***

The Securities may be redeemed at the option of the Issuer in whole, but not in part, on or prior to the First Call Date at any time and thereafter on any Coupon Payment Date, on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable) in accordance with Condition 16 and subject to the settlement of all Outstanding Payments in accordance with Condition 5, (i) prior to the First Call Date, at their Early Redemption Amount (together with interest accrued to the date fixed for redemption) and (ii) on or after the First Call Date, at their principal amount (together with interest accrued to the date fixed for redemption), if (a) the Issuer has received, and has provided the Trustee with a copy of, a written confirmation from any rating agency from whom the Issuer is assigned a Solicited Rating that, due to a change in hybrid capital methodology or the interpretation thereof, the Securities will no longer be eligible for the same or a higher category of "equity credit" or such similar nomenclature as may be used by that rating agency from time to time to describe the degree to which the terms of an instrument are supportive of the Issuer's senior obligations, attributed to the Securities at the Issue Date or at any later date on which the Securities were attributed a higher category of "equity credit" compared to the category of "equity credit" attributed to them on the Issue Date (a "**Ratings Event**") and (b) the Issuer has given notice of such Ratings Event to Securityholders in accordance with Condition 16 prior to giving the notice of redemption pursuant to this Condition.

For the purpose of this Condition, "**Solicited Rating**" means a rating assigned by a rating agency with whom the Issuer has a contractual relationship under which the Securities are assigned a rating and an equity credit.

(f) ***Redemption for a minimum outstanding principal amount***

The Securities may be redeemed at the option of the Issuer in whole, but not in part, on or prior to the First Call Date at any time and thereafter on any Coupon Payment Date, on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable) in accordance with Condition 16 and subject to the settlement of all Outstanding Payments in accordance with Condition 5, (i) prior to the First Call Date, at their Early Redemption Amount (together with interest accrued to the date fixed for redemption) and (ii) on or after the First Call Date, at their principal amount, (together with interest accrued to the date fixed for redemption), if the Issuer or any of its Subsidiaries (as defined in the Trust Deed) has purchased (in accordance with Condition 6(h)) and cancelled (in accordance with Condition 6(i)) Securities with an aggregate principal amount of equal to or greater than 90 per cent. of the initial aggregate principal amount of the Securities.

(g) ***Notice of Redemption***

Where a notice of redemption is given under this Condition 6 all Securities shall be redeemed on the date specified in such notice in accordance with this Condition 6.

(h) ***Purchase***

The Issuer or any of its Subsidiaries may at any time when there are no unsatisfied Outstanding Payments and subject to the third sentence of this Condition 6(h) purchase Securities in the open market or otherwise at any price (provided that they are purchased together with all unmatured Coupons and Talons relating to them). The Securities so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Securityholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Securityholders or for the purposes of Condition 9(a) or 12(a). If the aggregate principal amount of Securities purchased by the Issuer or any of its Subsidiaries exceeds the Permitted Repurchase

Amount, the repurchase price paid for any Securities in excess of the Permitted Repurchase Amount may not exceed the net cash proceeds raised during the Refinancing Period from the sale or issue by the Issuer or any of its Subsidiaries of Replacement Capital Financing Instruments.

"Permitted Repurchase Amount" means an aggregate principal amount of Securities equal to 10 per cent. of the aggregate principal amount of the Securities outstanding on the date of purchase of the Securities.

"Refinancing Period" means the period commencing 360 days before, and ending on (and including), the date of purchase of the Securities.

"Replacement Capital Financing Instruments" means any instrument which achieves at least the same euro amount of equity credit from Standard & Poor's as the Securities at the time of their issuance or, if higher, at the date of purchase of the Securities.

"Subsidiary" means any *"dattervirksomhed"* (as defined in Section 5(3) of the Danish Companies Act (Act. No. 470 of 12 June 2009 as amended)) of the Issuer.

(i) ***Cancellation***

All Securities so redeemed or purchased and any unmatured Coupons or Talons attached to or surrendered with them will be cancelled and may not be re-issued or resold.

(j) ***Definitions***

For the purposes of these Conditions:

"Early Redemption Amount" means 101.00 per cent. of the principal amount per Security.

Securityholders are notified that the Issuer has entered into a replacement capital covenant ("RCC") for the benefit of one or more designated series of persons that are the holders from time to time of the Issuer's debt securities ranking senior to the Securities. The terms of such RCC provide that from (and including) the Issue Date to (and including) the Coupon Payment Date falling closest to 1 June 2046 the Issuer will not redeem or repurchase any Securities, and will not permit any Subsidiary to purchase any Securities, unless the Issuer or one or more of its Subsidiaries, which has the corporate function of raising financing and passing it on to its affiliates and which holds no significant operating assets or has any ownership in the operating companies of the Issuer, has sold or issued shares or certain other securities (as described in detail in the RCC) in a certain aggregate principal amount (as described in detail in the RCC), in each case, during the twelve months prior to such redemption, repurchase or purchase date. If not previously terminated in accordance with its terms, such undertaking will terminate upon redemption in full of the Securities.

7 Payments and Talons

(a) ***Method of Payment***

Subject to Condition 4, payments of principal and interest will be made against presentation and surrender (or, in the case of a partial payment, endorsement) of Securities or the appropriate Coupons (as the case may be) at the specified office of any Paying Agent by euro cheque drawn on, or by transfer to a euro account maintained by the payee with, a bank in a city in which banks have access to the TARGET System. Payments of interest due in respect of any Security other than on presentation and surrender of matured Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Security.

(b) *Payments subject to laws*

All payments are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8. No commissions or expenses shall be charged to the Securityholders or Couponholders in respect of such payments.

(c) *Unmatured Coupons and un-exchanged Talons*

Each Security should be presented for redemption together with all unexpired Coupons relating to it, failing which the amount of any such missing unexpired Coupon that is due on a Fixed Coupon Payment Date (or in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon which the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon not later than 10 years after the Relevant Date (as defined in Condition 8) for the relevant payment of principal.

Upon the due date for redemption of any Security, unexpired Coupons that are due on a Floating Coupon Payment Date relating to such Security and unexpired Talons relating to such Security (in each case, whether or not attached) shall become void and no payment shall be made in respect of such Coupons and no Coupons shall be delivered in respect of such Talons. Where any Security is presented for redemption without all unexpired Coupons or unexpired Talons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(d) *Payments on business days*

A Security or Coupon may only be presented for payment on a day which is a business day in the place of presentation (and, in the case of payment by transfer to a euro account, in a city where banks have access to the TARGET System). No further interest or other payment will be made as a consequence of the day on which the relevant Security or Coupon may be presented for payment under this paragraph falling after the due date. In this Condition 7 "**business day**" means a day on which commercial banks and foreign exchange markets are open in the relevant city.

(e) *Paying Agents*

The initial Paying Agents and Agent Bank and their initial specified offices are listed below. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of any Paying Agent or the Agent Bank and appoint additional or other Paying Agents, provided that it will maintain (i) a Principal Paying Agent, (ii) an Agent Bank, (iii) Paying Agents having specified offices in at least two major European cities approved by the Trustee and (iv) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26th-27th November 2000.

If either of the Agent Bank or Principal Paying Agent is unable or unwilling to act as such or if it fails to make any determination or calculation or otherwise fails to perform its duties under these Conditions or the Agency Agreement (as the case may be), the Issuer shall appoint at its own expense, on terms acceptable to the Trustee, an independent financial institution acceptable to the Trustee to act as such in its place. All calculations and determinations made by the Agent Bank or the Principal Paying Agent in relation to the Securities shall (save in the case of manifest error) be final and binding on the Issuer, the Trustee, the Paying Agents, the Securityholders and the Couponholders.

(f) **Talons**

On or after the Coupon Payment Date of the final Coupon forming part of a Coupon sheet issued in respect of any Security, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent in exchange for a further Coupon sheet (and, if necessary, another Talon for a further Coupon sheet) (but excluding any Coupon that may have become void pursuant to Condition 10).

8 **Taxation**

All payments of principal and interest by or on behalf of the Issuer in respect of the Securities and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Kingdom of Denmark or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Securityholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Security or Coupon presented for payment:

(a) **Other connection**

by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Security or Coupon by reason of his having some connection with the Kingdom of Denmark other than the mere holding of the Security or Coupon; or

(b) **Presentation more than 30 days after the Relevant Date**

more than 30 days after the Relevant Date (as defined below) except to the extent that the holder of it would have been entitled to such additional amounts on presenting such Security or Coupon for payment on the last day of such period of 30 days; or

(c) **Payment to individuals**

where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26th-27th November 2000; or

(d) **Payment by another Paying Agent**

by or on behalf of a Securityholder or a Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Security or Coupon to another Paying Agent in a Member State of the European Union.

"Relevant Date" means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Securityholders. Any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under this Condition or any undertaking given in addition to or substitution for it under the Trust Deed and any Outstanding Payments (subject to the application of Condition 5).

9 Default and Enforcement

(a) *Event of Default and Liquidation*

Subject to Condition 4(b), if the Issuer fails to pay any interest on any of the Securities when due (a "Default"), the Trustee at its discretion may, and if so instructed by Securityholders holding not less than one-fifth in principal amount of the outstanding Securities or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) shall, subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction, by written notice addressed to the Issuer, institute proceedings to obtain payment of the amounts due or institute proceedings in the Kingdom of Denmark (but not elsewhere) for the bankruptcy (*konkurs*) of the Issuer. On a bankruptcy of the Issuer, each Security shall entitle the holder thereof to claim for an amount equal to the principal amount of such Security plus all accrued but unpaid interest in respect of the then current interest period and Outstanding Payments, if any, subject to Condition 2. Notwithstanding the above, no amount in respect of the Securities or the Coupons shall, as a result of any proceeding instituted under this Condition 9(a), be or become payable sooner than the same would otherwise have been payable by the Issuer had no such proceeding been instituted.

(b) *Breach of Obligations*

Subject to Condition 4(b), the Trustee may at its discretion institute such steps, actions or proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under the Securities, the Coupons or the Trust Deed (other than as provided in Condition 9(a)); provided that:

- (i) the Issuer shall not by virtue of the institution of any such steps, actions or proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it; and
- (ii) the Trustee shall not be obligated to institute proceedings unless it has been directed or requested to do so and indemnified and/or secured and/or prefunded as described under Condition 9(a).

The proviso to this Condition 9(b) shall not apply to amounts due to the Trustee in its personal capacity under the Trust Deed.

(c) *Other Remedies and Rights of Securityholders*

No remedy against the Issuer, other than the institution of the proceedings by the Trustee referred to in Conditions 9(a) and (b) or the proving or claiming in any liquidation, bankruptcy or dissolution of the Issuer, shall be available to the Trustee, the Securityholders or the Couponholders whether for the recovery of amounts owing in respect of the Securities or the Coupons or in respect of any breach by the Issuer of any other obligation, condition, undertaking or provision binding on it under the Securities, the Coupons or the Trust Deed, provided that the proviso to Condition 9(b) shall apply to this Condition 9(c) and includes reference to proving or claiming in the liquidation, bankruptcy or dissolution of the Issuer. No Securityholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound to proceed, fails to do so within a reasonable time and such failure is continuing.

10 Prescription

Claims in respect of principal and interest will become void unless presentation for payment is made as required by Condition 7 within a period of 10 years in the case of principal and five years in the case of interest from the appropriate Relevant Date.

11 Replacement of Securities, Coupons and Talons

If any Security, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of any Paying Agent subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Securities, Coupons or Talons must be surrendered before replacements will be issued.

12 Meetings of Securityholders, Modification, Waiver and Substitution

(a) Meetings of Securityholders

The Trust Deed contains provisions for convening meetings of Securityholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Securityholders holding not less than 10 per cent. in principal amount of the Securities for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing a clear majority in principal amount of the Securities for the time being outstanding, or at any adjourned meeting two or more persons being or representing Securityholders whatever the principal amount of the Securities held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Securities or the dates on which interest is payable in respect of the Securities, (ii) to reduce or cancel the principal amount of, or interest on or to vary the method of calculating the rate of interest on, the Securities, (iii) to change the currency of payment of the Securities or the Coupons, (iv) to modify the provisions relating to status or (v) to modify the provisions concerning the quorum required at any meeting of Securityholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Securities for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Securityholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of holders of not less than 90 per cent. in principal amount of the Securities outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Securityholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Securityholders.

(b) Modification and Waiver

The Trustee may agree, without the consent of the Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which, in its opinion, is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of

any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver shall be binding on the Securityholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Securityholders as soon as practicable.

(c) Substitution

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Securityholders or the Couponholders, to the substitution of certain Subsidiaries, which have the corporate function of raising financing and passing it on to affiliates and which hold no significant operating assets or have any ownership in the operating companies of the Issuer or its Subsidiaries in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Securities. In the case of such a substitution the Trustee may agree, without the consent of the Securityholders or Couponholders, to a change of the law governing the Securities, the Coupons, the Talons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Securityholders.

(d) Entitlement of the Trustee

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Securityholders as a class and shall not have regard to the consequences of such exercise for individual Securityholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Securityholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Securityholders or Couponholders.

13 Enforcement

At any time after the Securities become due and payable and subject to Condition 9, the Trustee may, at its discretion and without further notice, institute such steps, actions or proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Securities and the Coupons, but it need not take any such steps, actions or proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Securityholders holding at least one-fifth in principal amount of the Securities outstanding, and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Securityholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

14 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

15 Further Issues

The Issuer may from time to time without the consent of the Securityholders or Couponholders create and issue further securities either (i) having the same terms and conditions as the Securities in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Securities) or (ii) upon such terms as the Issuer may in its sole discretion determine at the time of their issue. References in

these Conditions to the Securities include (unless the context requires otherwise) any other issued securities as described in clause (i) of the preceding sentence of this Condition and forming a single series with the Securities. Any further securities forming a single series with the outstanding securities of any series (including the Securities) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Securityholders and the holders of securities of other series where the Trustee so decides.

16 Notices

Notice to Securityholders shall be made in compliance with § 10(3) of the Danish Executive Order on Issuers' Disclosure Obligations (udstederbekendtgørelsen). In particular, the Issuer shall publish notices, or distribute circulars, concerning the place, time and agenda of meetings of Securityholders, the payment of interest, the exercise of any conversion, exchange, subscription, redemption or cancellation rights, and repayment, as well as the right of those Securityholders to participate therein.

In order to comply with § 10(3) of the Danish Executive Order on Issuers' Disclosure Obligations (udstederbekendtgørelsen), the Issuer has entered into an agreement with OMX News Service, a Danish regulated information service, through which the Issuer disseminates information to Securityholders.

In addition to disclosure through OMX News Service, notices to Securityholders shall be published in (i) a leading newspaper having general circulation in London (which is expected to be the Financial Times), and (ii) (so long as the Securities are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange and the rules of that Stock Exchange so require) published either on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a leading newspaper having general circulation in Luxembourg (which is expected to be the Luxemburger Wort) or, if in the opinion of the Trustee such publication shall not be practicable, in an English language newspaper of general circulation in Europe. Any such notice shall be deemed to have been given on the third day following the date of such publication or, if published more than once or on different dates, on the first date on which publication is made. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Securityholders in accordance with this Condition.

17 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Securities under the Contracts (Rights of Third Parties) Act 1999.

18 Governing Law

(a) Governing Law

Save as provided in the following sentence, the Trust Deed, the Securities, the Coupons and the Talons, and any non-contractual obligations arising out of or in connection with them, are governed by and shall be construed in accordance with English law. Condition 2 of the Securities and Clause 5 of the Trust Deed are governed by and shall be construed in accordance with the laws of the Kingdom of Denmark.

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Securities, the Coupons or the Talons and accordingly any legal action or proceedings arising out of or in connection with the Securities, the Coupons or the Talons

("Proceedings") may be brought in such courts. Pursuant to the Trust Deed, the Issuer has irrevocably submitted to the jurisdiction of such courts.

(c) *Agent for Service of Process*

Pursuant to the Trust Deed, the Issuer has irrevocably appointed an agent in England to receive service of process in any Proceedings in England based on any of the Securities, the Coupons or the Talons.

Summary of Provisions relating to the Securities while in Global Form

The Temporary Global Security and the Global Security contain provisions which apply to the Securities while they are in global form, some of which modify the effect of the terms and conditions of the Securities set out in this document. The following is a summary of certain of those provisions:

1 Exchange

The Temporary Global Security is exchangeable in whole or in part for interests in the Global Security on or after a date which is expected to be 7 March 2011, upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Security. The Global Security is exchangeable in whole but not in part (free of charge to the holder) for the Definitive Securities described below if the Global Security is held on behalf of a clearing system and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. Thereupon, the holder may give notice to the Principal Paying Agent of its intention to exchange the Global Security for Definitive Securities on or after the Exchange Date specified in the notice.

On or after the Exchange Date (as defined below) the holder of the Global Security may surrender the Global Security to, or to the order of, the Principal Paying Agent. In exchange for the Global Security, the Issuer shall deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Securities (having attached to them all Coupons and one Talon in respect of interest which has not already been paid on the Global Security), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 1 to the Trust Deed. On exchange of the Global Security, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with any relevant Definitive Securities.

"Exchange Date" means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Principal Paying Agent is located.

2 Payments

No payment will be made on the Temporary Global Security unless exchange for an interest in the Global Security is improperly withheld or refused. Payments of principal and interest in respect of Securities represented by the Global Security will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Securities, surrender of the Global Security to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Securityholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to the Global Security, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Securities. Condition 7(e)(iv) and Condition 8(d) will apply to the Definitive Securities only.

3 Notices

So long as the Securities are represented by the Global Security and the Global Security is held on behalf of a clearing system, notices to Securityholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions except that, (i) notices to Securityholders shall always (as a minimum) be given through OMX News Service, and (ii) so long as the Securities are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange and the rules of that Exchange so require, notices shall also be published either on the website of the Luxembourg Stock

Exchange (www.bourse.lu) or in a leading newspaper having general circulation in Luxembourg (which is expected to be *the Luxemburger Wort*).

4 Prescription

Claims against the Issuer in respect of principal and interest on the Securities while the Securities are represented by the Global Security will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

5 Meetings

The holder of the Global Security shall (unless the Global Security represents only one Security) be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Securityholders and, at any such meeting, as having one vote in respect of each €1,000 in principal amount of Securities.

6 Purchase and Cancellation

Cancellation of any Security required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the Global Security.

7 Trustee's Powers

In considering the interests of Securityholders while the Global Security is held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Security and may consider such interests as if such accountholders were the holder of the Global Security.

DONG Energy A/S

General Overview

The Issuer is an integrated energy company with leading market positions in Denmark as well as positions in other key Northern European markets. The Issuer's principal activities include construction of power plants, generation of power and heat, including thermal generation and renewable generation; exploration for, and development and production of, gas and oil; distribution of power and gas; gas and power wholesale activities, with a particular focus on the sourcing and sale of gas; sale of gas and power to end-customers; and ownership and operation of certain infrastructure assets, including a gas storage facility in Denmark.

Over the past decade, the Issuer has transformed from a company focused primarily on gas sourcing and wholesale as well as exploration and production of gas and oil into its current position as an integrated energy company. This has been achieved through a series of transactions, which include the acquisitions of Elsam A/S, Energi E2 A/S, Nesa A/S, Københavns Energi Holding A/S, Frederiksberg Elnet A/S, Frederiksberg Forsyning A/S and Frederiksberg Forsynings Ejendomsselskab A/S (the "**Acquired Companies**") in 2006 and divestments related thereto. Through the purchase of the Acquired Companies and the development of further renewable net installed power capacity, the Issuer has assembled a thermal and renewable generation portfolio with power production of 18,074 GWh in 2009 and is Denmark's largest generator of power and heat for district heating (source: The Danish Energy Agency), a leader in offshore wind power generation and one of the largest sellers and distributors of power in Denmark, with additional activities in Norway, Sweden, the Netherlands, the UK, Germany and Poland.

As well as creating this significant position in power generation, the Issuer has also strengthened its gas and oil exploration and production business in recent years by transforming it from its historic position as the vehicle for the Kingdom of Denmark's state participation in Danish exploration licences into a broader Northern European-focused exploration and production business with an ongoing expansion of its portfolio of licences, exploration, production and operating activities. Highlighting this transformation, in 2005 the Issuer purchased a 10.342 per cent. interest in the Ormen Lange field, one of the most significant gas discoveries on the Norwegian continental shelf, which started commercial production in October 2007. The field is expected to reach plateau level in 2010. In 2009, the Issuer's net production of oil and gas was 24.0 million boe and, as at 31 December 2009, the Issuer was participating in 70 oil and gas exploration and production licences in Denmark, Norway, United Kingdom (West of Shetland area), the Faroe Islands and Greenland and had oil and gas reserves of 364 million boe (proved plus probable (2P) reserves). At the same time, the Issuer has maintained its position as one of the largest sellers of gas to end-customers in the liberalised and increasingly competitive Danish and Swedish gas markets and has further developed and expanded its operations in other Northern European countries. Today, the Issuer has a balanced portfolio of assets across both competitive and regulated businesses, across technologies including, among others, thermal and renewable generation, and increasingly across different geographic markets and regulatory regimes. Reflecting the global emphasis on climate change, security of supply and the favourable fiscal regimes offered to support renewable energy investments, the Issuer plans to expand its low carbon and renewable activities significantly in the future.

The Issuer's strategic aim is to create shareholder value through its continued development as a leading Northern European energy company. The Issuer's strategy is supported by an investment portfolio which includes a range of investment opportunities capitalising on the Issuer's core competencies and existing market positions within the Issuer's business units as well as synergies within and across its business units.

The Issuer divides its operations into four operating and reporting segments, referred to as "E&P" (Exploration & Production), "Generation", "Energy Markets" and "Sales & Distribution". These operating segments are engaged principally in the following activities:

E&P: E&P explores for and produces oil and gas. The activities are focused in the waters around Denmark, Norway, the United Kingdom (West of Shetland area), the Faroe Islands and Greenland, see – "DONG Energy A/S – Exploration & Production".

Generation: Generation produces power and heat from thermal power stations and renewable energy sources, primarily in Denmark, but with an increasing focus elsewhere in Northern Europe, see – "DONG Energy A/S – Generation".

Energy Markets: Energy Markets optimises the Issuer's energy portfolio, forming the link between the Issuer's procurement and sale of Energy. Energy Markets trades in natural gas and power with manufacturers and wholesale customers as well as on European energy hubs and exchanges. Energy Markets also owns and operates parts of the Issuer's natural gas infrastructure and is responsible for the Issuer's portfolio of natural gas purchase contracts, see – "DONG Energy A/S – Energy Markets".

Sales & Distribution: Sales & Distribution sells gas, power and related products to private customers, companies and public institutions in Denmark, Sweden and the Netherlands. Sales & Distribution also operates the Issuer's gas distribution network, power grids, gas storage facility and oil pipeline, each of which are located in Denmark and the revenues from which are regulated, see – "DONG Energy A/S – Sales & Distribution".

Summary Key Operating Data

	FY 2008	FY 2009	First Nine Month 2009	First Nine Month 2010
Power generation (GWh)	18,536	18,074	12,731	13,723
Heat production (TJ)	46,380	46,686	31,207	35,386
Renewables share of power generation (per cent.) ⁽¹⁾	14	16	14	20
Net oil and gas production (year):				
Oil (mmbbl) ⁽¹⁾	10	8	7	7
Gas (mmboe) ⁽¹⁾	9	16	11	11
Total (mmboe) ⁽¹⁾	19	24	18	18
Volume of power distribution (GWh)	9,371	9,156	6,707	6,669
Volume of gas distribution (GWh)	10,346	9,966	6,858	7,614
Volume of gas sales (GWh) ⁽²⁾	99,413	93,961	72,121	88,346
Volume of power sales (GWh)	10,853	10,723	7,770	7,609

Notes:

- (1) Gas converted into barrels of oil equivalent (boe) at 150.622 cubic metres (cm) per boe. Figures have been rounded.
- (2) The data exclude internal gas sales to Generation covering consumption relating to power generation in Denmark.

	As at 31 December 2008	As at 31 December 2009
Total 2P oil and gas reserves (mmboe) ⁽¹⁾	392	364

Note:

- (1) The figures shown are the Issuer's estimates of its proved plus probable (2P) reserves. In estimating the reserves in the licences in which the Issuer holds interests, it has followed international standards promulgated by the Society of Petroleum Engineers ("SPE") and the World Petroleum Congress ("WPC") in March 1997 and later supplemented (with the American Association of Petroleum Geologists ("AAPG")) in 2000, 2001 and 2005, as well as in 2007 when the SPE, WPC, AAPG and the Society of Petroleum Evaluation Engineers approved and promulgated revised standards (the Petroleum Resources Management System (PRMS)).

History and Development

General Overview

The Issuer was founded as Dansk Naturgas A/S by the Kingdom of Denmark on 27 March 1972, as a vehicle for the development of Danish energy activities (the Issuer's name was changed to Dansk Olie og Naturgas A/S on 20 December 1973, and to DONG A/S on 12 May 2002). The Issuer has since undergone significant development through organic growth and acquisitions both in Denmark and elsewhere in Europe, including the merger with the operations of the Acquired Companies in 2006 as well as the development of operations in a number of Northern European countries. On 19 April 2006, the Issuer changed its name from DONG A/S to DONG Energy A/S to reflect the Issuer's position as an integrated energy company.

From the Issuer's incorporation in 1972 until 2006, the Issuer was a 100 per cent. state-owned company of the Kingdom of Denmark. On 19 April 2006, the Kingdom of Denmark reduced its interest to 72.98 per cent., when certain former Elsam A/S ("**Elsam**") and Energi E2 A/S ("**Energi E2**") shareholders exchanged their shares in Elsam and Energi E2 for new shares in the Issuer. In 2010, the Kingdom of Denmark has acquired 3.51 per cent. from minority shareholders taking Kingdom of Denmark's interest to 76.49 per cent. Of the Issuer's current share capital, 23.51 per cent. is held by former Elsam and Energi E2 shareholders. The Kingdom of Denmark exercises its shareholder rights through the Danish Ministry of Finance. The shares owned by the Kingdom of Denmark have the same voting rights as all other shares in the Issuer. The Danish Companies Act provides the minority shareholders with certain minority protection rights, including that no resolutions shall be passed at the general meeting of shareholders which are clearly likely to confer upon certain shareholders an undue advantage over other shareholders of the Issuer.

Historically, the Kingdom of Denmark has played an active part in the development of the Issuer's business, including through the adoption of a number of political agreements forming the basis of Danish energy policy. Since 2004, the Kingdom of Denmark has not been directly represented on the Issuer's Board of Directors (the "**Board of Directors**"), because the Danish government decided as a general matter not to appoint civil servants employed in the central administration as members of the boards of directors of state-owned companies. The Kingdom of Denmark will continue not to be directly represented on the Board of Directors unless this policy is changed, or an exception is made, either by the current or by a future Danish government.

On 7 October 2004, the Danish government and a broad majority of the parties in the Danish Parliament entered into a political agreement (the "**Political Agreement**") which provides for the eventual sale of the Kingdom of Denmark's shares in the Issuer. According to the Political Agreement, the parties agreed that previous political agreements, dated 22 March 2000 and 29 May 2001, which require that the Danish "gas

infrastructure" remains publicly-owned, shall be deemed fulfilled as long as the Kingdom of Denmark retains a majority ownership interest in the Issuer. If the Kingdom of Denmark wishes to reduce its ownership interest to below a majority, the Political Agreement requires that the Kingdom of Denmark would purchase the Issuer's Danish "gas infrastructure" assets as defined in the Issuer's Articles of Association, in advance of such reduction. Moreover, the Political Agreement requires that, until 1 January 2015, the Kingdom of Denmark may only reduce its ownership interest to below a majority interest if agreed by all parties to the Political Agreement.

Development of the Issuer's Gas Business

The Issuer took the first major step in developing its gas business in 1979, when it obtained a sole concession from the Kingdom of Denmark to import, transport and store gas in Denmark (this sole concession was later withdrawn). In 1979, the Issuer began its supply relationship with the DUC, the partners of which are currently composed of A.P. Møller – Mærsk A/S, Shell Olie- og Gasudvinding Danmark B.V. and Chevron Denmark Inc. (the "**DUC Partners**"), and entered into the first of its contracts with the DUC Partners for the supply of gas from the DUC Partners produced at the Tyra gas field in the Danish North Sea to the Issuer. The Issuer subsequently entered into further contracts with the DUC Partners in 1990 and 1993.

Gas supply sourced through the contracts with the DUC Partners has historically been the Issuer's main source of gas. In the future this source is expected to be substituted by equity gas from the E&P operating segment, as well as through other long term supply agreements with, *inter alia*, Gazprom Export and long term LNG supply agreements.

The Issuer's gas distribution network and gas storage facility together with end-consumer sales form part of its Sales & Distribution operating segment. See "DONG Energy A/S – Sales & Distribution". Gas sourcing, wholesale activities and related infrastructure operations form part of the Issuer's Energy Markets operating segment. See "DONG Energy A/S – Energy Markets". As the gas volumes purchased from the DUC Partners exceeded total gas consumption in the Danish market, the Issuer began exporting gas to Germany in 1984 and to Sweden in 1985.

The Issuer's gas storage activities were established during the late 1980s and 1990s, when it constructed the two Danish gas storage facilities: Stenlille and L1. Torup. The Issuer owns Stenlille gas storage facility, while Energinet.dk has since acquired the L1. Torup gas storage facility, in accordance with the conditions attached to the European Commission's approval of the Issuer's acquisitions of the Acquired Companies in 2006.

During 1999 and 2000, in anticipation of the liberalisation of the gas market in Denmark, the Issuer expanded its operations by entering into end-customer gas sales and gas distribution activities.

On 1 July 2000, the liberalisation of the Danish gas market commenced, as required by European Union Directives. This was completed on 1 January 2004, with the result that all Danish gas customers were given a free choice of gas supplier. As part of the liberalisation, in 2003 the Issuer was required by the Danish Gas Supply Act to separate its gas activities into non-regulated activities and regulated activities. Also in connection with the liberalisation, the Issuer sold in 2004 the Danish gas transmission network, which it had developed, to the Kingdom of Denmark. Ownership of the Danish gas transmission network has since been transferred to Energinet.dk.

Since 2004, the Issuer has made a number of acquisitions to grow its business outside Denmark. In the third quarter of 2004, the Issuer acquired Nova Supply AB, renamed DONG Energy AB, a Swedish gas supply company. In 2005, it completed the acquisition of 25.1 per cent. of Energie und Wasser Lübeck GmbH, renamed Stadtwerke Lübeck GmbH ("**SWL**"), a northwest German *Stadtwerke* (utility company). With SWL, the Issuer established a joint sales company in Germany in 2005, E-nord GmbH, renamed DONG Energy Sales GmbH, in which the Issuer has a direct 74.9 per cent. interest. The Issuer has further developed its

relationship with SWL by agreeing to a swap of certain assets making the Issuer the sole owner of DONG Energy Sales GmbH; See recent developments. In addition, on 6 June 2005, the Issuer acquired the Dutch gas and power supplier, Intergas Supply, renamed DONG Energy Sales B.V., located in the southern part of the Netherlands and which supplies gas and power to end-customers throughout the Netherlands.

In 2007, the Issuer signed long term gas swap and delivery contracts with Wingas GmbH and Wintershall Erdgas Handelshaus for delivery of a total of 12 billion m³ (132 TWh) of natural gas from 2010 to 2020 in Northern Germany, against the Issuer delivering 5 billion m³ (59 TWh) of natural gas to WINGAS in the United Kingdom from 2007 to 2017.

In 2006, the Issuer signed a long term supply contract with Gazprom for annual supplies of 1 billion m³ (12 TWh) of natural gas from 2011 for a period of 20 years.

As part of the Issuer's gas sourcing activities, in 2007 the Issuer acquired 5 per cent. ownership of the company that owns the Gate terminal, a liquefied natural gas ("LNG") terminal currently under construction in Rotterdam, the Netherlands, and entered into agreements to provide the Issuer with import capacity of up to 3 billion m³ (36 TWh) of gas per year. The terminal is expected to come into operation in 2011. See "DONG Energy A/S – Energy Markets – Natural gas infrastructure".

The Issuer has entered into long-term gas storage contracts with a capacity of up to 6,800 GWh (approximately 565 million m³) in Germany with the aim of achieving more secure and more flexible supplies to customers in Germany and the Netherlands and improving the Issuer's possibilities for optimising its trading portfolio on the gas hubs.

In August 2009, the Issuer announced the acquisition of 83.57 per cent. of the shares in KOM-STROM AG, a German energy wholesale company, from Essent for EUR 27 million, or approximately DKK 200 million. KOM-STROM's core business consists of sales of energy-related commodities, see "DONG Energy A/S – Energy Markets – Power sale and purchase".

In October 2009, the Issuer exercised an option in the 2006 gas contract with Gazprom for annual supplies of 1 billion m³ (12 TWh) of natural gas via the Nord Stream pipeline in the Baltic starting from 2012, for a period of 18 years, see "DONG Energy A/S – Energy Markets – Sourcing of natural gas".

In December 2009, the Issuer signed an agreement to divest its 20.4 per cent. stake in the Swedish gas transmission company, Swedegas AB, see "DONG Energy A/S – Energy Markets – Natural gas infrastructure". The Issuer's sale of its 20.4 per cent. stake in Swedegas AB to EQT was closed on 4 February 2010 following approval of the transaction by the Swedish competition authorities.

On 16 March 2010, the Issuer and the Spanish company Iberdrola signed the commercial terms for Iberdrola to deliver LNG, corresponding to approximately 1 billion m³ (12 TWh) of natural gas per year to the Issuer from the end of 2011. The ten-year agreement, that will take effect in 2011, includes an option for a five-year extension. The final agreement was signed on 11 August 2010. The LNG will be delivered to the Gate terminal in the port of Rotterdam.

Development of the Issuer's Exploration & Production Business

The Issuer has been involved in exploration and production in Denmark since the first Danish licensing round in 1984. The Issuer's involvement began as the vehicle for the Kingdom of Denmark's state participation in all Danish exploration licences and included, from the beginning of such involvement, development of in-house exploration and production competencies. Until the sixth Danish licensing round, the results of which were announced in 2006, the Issuer was compulsorily assigned a share (normally 20 per cent.) in all Danish exploration licences. Because of the Issuer's planned privatisation pursuant to the Political Agreement, the Kingdom of Denmark abolished this model in advance of the sixth Danish licensing round. Consequently, in

that round and all subsequent Danish licensing rounds, the Issuer has applied for licences on equal terms with all other companies.

In 2000, the Issuer began expanding its exploration and production operations beyond The Kingdom of Denmark, particularly offshore Norway and the United Kingdom. The Issuer was brought its first Norwegian licence (Trym) in 2000 and acquired Pelican AS in 2001, a company in Norway which held a number of Norwegian exploration and production licences. This company was used as a vehicle for a number of further licence acquisitions on the Norwegian Continental Shelf. In 2002, the Issuer also acquired Statoil's exploration and production activities in Denmark.

In February 2005, the Issuer completed the acquisition of a 10.342 per cent. interest in the Ormen Lange field which lies offshore Norway. This acquisition resulted in a significant increase in the Issuer's gas reserves. Commercial production from the Ormen Lange field started in October 2007. In conjunction with the Issuer's acquisition of the 10.342 per cent. interest in the Ormen Lange field, it also acquired in February 2005 a 10.22 per cent. interest in the Langeled pipeline infrastructure, which transports gas produced from the Ormen Lange field to the Easington receiving terminal in the United Kingdom. The Issuer's interest in the Langeled pipeline infrastructure was subsequently merged into an interest in the Norwegian Gassled system in September 2006. The Issuer currently has a 0.662 per cent. interest in the Gassled joint venture which owns this system.

In 2007, the Issuer acquired all the interests and assets of ConocoPhillips on the Danish continental shelf. In 2008, the Issuer increased its stake from 50 per cent. to 60 per cent. in the Danish Hejre field, and raised its stake from 5 per cent. to 20 per cent. in the Norwegian Ula oil field.

In 2009, the Issuer also increased its stake from 40 per cent. to 55 per cent. and 50 per cent. respectively in the Norwegian Oselvar and Trym licences partly in exchange for the Issuer's interests in the Norwegian fields of Glitne and Enoch.

In the United Kingdom, the Issuer's exploration and production activities are concentrated in the West of Shetland area. The Issuer participates in 24 licences. The Issuer has participated in a large part of the discoveries in the area since its establishment in the United Kingdom in 2000.

The Issuer intends to continue to develop its E&P business by acquiring further licences as well as through licences captures and development of existing activities in Denmark, Norway, the United Kingdom, the Faroe Islands and Greenland.

The Issuer's exploration and production operations today constitute the Issuer's E&P operating segment. See "DONG Energy A/S – Exploration & Production".

Development of the Issuer's Power Generation and Sales & Distribution Business

Prior to liberalisation and subsequent consolidation of the Danish electricity market around 2005, the Danish power generation sector was largely regionally fragmented with Elsam in the western part of Denmark and Energi E2 in the eastern part of Denmark being, respectively, the largest and second largest generators of power and district heating in Denmark. Elsam and Energi E2 were owned by a number of power distribution and supply companies. The power distribution and supply market in Denmark was fragmented with a large number of power distribution and supply companies, the largest being Nesa A/S ("Nesa") with operations in Northern Zealand.

In 2003, the consolidation of the Danish power sector began, triggered by the sale of a number of Elsam and Nesa shares. This process led, through the completion of a series of transactions, to the Issuer's acquisition of a 100 per cent. interest in each of the Acquired Companies in 2006 from their respective consumer co-operative and municipal owners, thereby significantly changing the structure of the Danish power sector.

As part of a consolidation process the Issuer entered into an agreement with Vattenfall AB ("**Vattenfall**") on 31 May 2005 to acquire its 35.3 per cent. interest in Elsam. This agreement took effect on 1 July 2006, whereby the Issuer obtained a 100 per cent. interest in Elsam. Under the agreement the Issuer also acquired, through Energi E2, Vattenfall's 40 per cent. interest in Unit 2 of the Avedøre central power plant near Copenhagen. As part of the agreement, Elsam and Energi E2 transferred certain of their assets, liabilities and operations to Vattenfall, including three Danish central power plants and various other thermal generation and renewable energy operations.

Following the acquisition and as a consequence of requirements from the European Commission and the Danish Electricity Supply Act, respectively, the Issuer disposed of the LI. Torup gas storage facility in Jutland and the 132 kV regional power transmission network (formerly owned by Nesa) covering Northern Zealand, in both cases to Energinet.dk. Through the Acquired Companies, the Issuer has expanded its operations to thermal generation, sale and distribution of power and heat and enhanced its presence in renewable energy activities.

The Issuer has, since 2006, developed its renewable activities in Northern Europe. The offshore wind farms Barrow (50 per cent. ownership) and Burbo Banks in the United Kingdom went into operation in 2006 and 2007, respectively, with a total net power generation capacity of 135MW (the Issuer's share of capacity). In order to focus its activities geographically in line with its corporate strategy to focus on Northern Europe, the Issuer disposed of its Iberian renewable business to E.ON in 2007 and of its Greek wind power assets to the Mytilineus Group in 2008. In 2009, the Issuer started operation of five new wind parks including the United Kingdom offshore wind farm, Gunfleet Sands, with a capacity of 172MW and Horns Rev 2 in Denmark with a capacity of 209MW. In March 2009, in order to secure the supply of wind turbines at attractive conditions to support the growth strategy, the Issuer entered into a supply agreement with Siemens for up to 500 wind turbines of 3.6 MW each. To facilitate the installation of offshore wind turbines, the Issuer acquired the supplier of installation vessel services A2SEA in June 2009.

Finally, during 2009 and 2010, the Issuer acquired new or additional interests in several offshore wind projects in the United Kingdom, Holland and Germany, see "DONG Energy A/S – Generation – Wind power activities".

The Issuer is also developing its thermal generation portfolio outside of Denmark. The 260 MW gas-fired CHP plant at Mongstad, near Bergen in Norway, is expected to become commercially operational at the end of 2010 and will operate under a long-term contract with Statoil. In March 2009, the Issuer acquired the Severn gas-fired power plant from the Welsh Power Group. The Severn Power plant, which is located in the south of Wales, United Kingdom, is under construction and is expected to have a power generating capacity of approximately 850 MW and to go into operation at the end of 2010. In April 2009, the Issuer acquired a 50 per cent. stake in Enecogen, a gas-fired power station project to be built in the Port of Rotterdam, in the Netherlands and that will have a power generating capacity of approximately 870 MW. The power station is expected to be commissioned before the end of 2011.

With regard to the development of its Danish sales & distribution activities, the Issuer in 2008 sold its 65.5 per cent. ownership in the water and district heat business of EnergiGruppen Jylland to EnergiMidt for a price of approximately DKK 108 million, and in 2009 sold Frederiksberg Forsyning A/S and Frederiksberg Forsynings Ejendomsselskab A/S, other than the power distribution operations which were formerly part of these companies, which the Issuer retained, to the Municipality of Frederiksberg for a total price of approximately DKK 178 million.

In parallel with the underground installation of power cables in North Zealand and Copenhagen, the Issuer is installing empty conduits underground that can accommodate fibre optic networks. In 2009 the Issuer sold the fibre optic network to TDC, a Danish telecommunication company for a price of DKK 325 million. Further

the Issuer sold the Electricity Installation Business in the Business-to-Business market to NCC Construction. Both businesses were sold because of a lack of alignment to the Issuer's strategic focus.

Recent developments

As operator of the Siri oil field, the Issuer decided to stop production in August 2009 when a routine inspection revealed cracks in a subsea tank structure connected to the oil storage tank underneath the platform. There was no evidence of any oil spills. A temporary repair solution was established at the end of 2009, and production from the fields in the area was resumed at the end of January 2010. A permanent repair of the damage is being evaluated.

The Issuer's sale of its 20.4 per cent. stake in Swedegas AB to EQT was closed on 4 February 2010 following approval of the transaction by the Swedish competition authorities. The proceeds from the sale are reflected in the outlook for profit after tax for the 2010 financial year.

The Issuer and Siemens Project Ventures (SPV) have acquired a 50 per cent. stake in the Lincs offshore wind farm project from Centrica via a joint venture contract. The transaction was closed on 5 February 2010 against payment of 50 per cent. of the incurred development costs of around GBP 50 million. The Issuer's 25 per cent. share of the capital investment is expected to amount to DKK 1.6 billion in 2010-2013.

The Nini Øst field produced its first oil on 24 February 2010. DONG Energy is the operator of the Nini licence and has a 40 per cent. stake.

On 10 March 2010, the Issuer decided together with its partner TOTAL (Operator) to develop the Laggan and Tormore gas fields in the West of Shetland region in the United Kingdom. The partners' interests in the fields are the Issuer with 20 per cent. and TOTAL with 80 per cent. The fields are situated some 140 km north-west of the Shetland Islands in blocks 206/1 a and 205/5a respectively. The Issuer's expected total investment in the Laggan and Tormore fields is DKK 4.3 billion and first gas is expected in 2014.

On 16 March 2010, the Issuer and the Spanish energy company Iberdrola signed the commercial terms for Iberdrola to deliver LNG, corresponding to approximately 1 billion m³ (12 TWh) of natural gas per year to the Issuer from the end of 2011. The ten-year agreement, that will take effect in 2011, includes an option for a five-year extension. The final agreement was signed on 11 August 2010. The LNG will be delivered to the Gate terminal in the port of Rotterdam.

On 22 June 2010, the Issuer was awarded a concession by the Danish Energy Agency to build an offshore wind farm near the Danish island of Anholt in the Kattegat. The construction of the wind farm will require a total investment of approximately DKK 10 billion, and the wind farm will have a production capacity of 400 MW. First power to the grid is expected before the end of 2012.

On 24 June 2010, the Issuer agreed to sell its interests in Nordkraft and Salten Kraftsambad, two hydro-energy companies based in northern Norway, for DKK 1.1 billion and DKK 0.9 billion, respectively.

On 29 June 2010, Siemens signed an agreement whereby Siemens will take a 49 per cent. interest in A2SEA A/S, for approximately DKK 860 million.

In July 2010, the Issuer agreed on a development plan for the Norwegian gas field Marulk in which the Issuer's interest is 30 per cent. and the operator Eni and Statoil holds 20 per cent. and 50 per cent., respectively. The cost of developing the field are expected to be DKK 3.8 billion, of which the Issuer's share will amount to DKK 1.1 billion. The field is planned to be developed via the adjacent Norne field, which is already in production. Two production wells are to be connected to and controlled from the production vessel at the Norne field, via a sea-bed installation. The same solution was used when the gas field Alve, in which the Issuer is also a licensee, was connected to the Norne field in 2009. The gas will be transported from the production vessel via facilities on the west coast of Norway through the Gassled system to either the

European continent or the UK. The Norwegian Authorities have approved the development plan of the field and production is expected during 2012.

On 24 August 2010, the Issuer sold 15 per cent. of the Svane and Solsort licences (4/98 and 3/09) to VNG Danmark ApS. The Issuer has ownership interest and remains operator of the Svane and Solsort licences, respectively. The other owners are Bayerngas (30 per cent.), the Danish North Sea Fund (20 per cent.) and VNG Danmark ApS (15 per cent.). The Issuer and its licence partners have decided to drill an appraisal well on the Svane field. Drilling will be technically challenging due to the reservoir depth. An exploration well has been initiated in the Solsort licences and is expected to be completed in end of 2010.

On 9 September 2010, the Issuer agreed to sell 50 per cent. of the Nysted offshore wind farm to PensionDanmark. In the transaction, which was completed in November 2010, the Issuer simultaneously acquired E.ON's 20 per cent. interest in the Nysted wind farm and sold that stake to PensionDanmark for DKK 0.3 billion. In addition, the Issuer also sold to PensionDanmark an additional 30 per cent. interest in the Nysted wind farm for DKK 0.4 billion. The Issuer will continue to be responsible for the operation of the wind farm.

On 30 September 2010, the Issuer has further developed its partnership with Stadtwerke Lübeck through agreeing on an asset swap. In the transaction, which was completed in December 2010, Stadtwerke Lübeck acquired a 7.25 per cent. interest in the Nysted offshore wind farm, and, in exchange, the Issuer acquired Stadtwerke Lübeck's 25.1 per cent. share in DONG Energy Sales GmbH, making the Issuer the sole owner of this entity.

On 14 October 2010, the Issuer and the Dutch energy company De Nederlandse Energie Maatschappij ("**NLE**") concluded supply contracts that increase the Issuer's supply of electricity and gas to the Dutch market. The cooperation also includes a contract under which the Issuer will provide back office services such as customer registration and billing to NLE. With the contracts, the number of household and business customer accounts in the Dutch market supplied directly or indirectly by the Issuer will increase from approximately 150,000 to approximately 380,000.

On 29 October 2010, the Issuer decided to phase out Unit 3 at Ensted Power Station near Aabenraa and Unit 2 at Stignæs Power Station near Skælskør. Both units are scheduled for mothballing on 1 January 2013. The planned phasing-out is due partly to expected lower future electricity consumption, including as a result of the financial crisis, and partly to an increased proportion of CO₂-free electricity generation in the market in the future, including from wind turbines.

On 26 November 2010, the Issuer decided, together with the operator Hess and the license partners, to further develop the Danish North Sea field Syd Arne. The Issuer's share of the investment amounts to about DKK 2.5 billion. The development's expected commercial reserves is about 15 million barrels of oil equivalents (boe) in the Issuer's share and is made up of both oil and natural gas. First oil and gas from the new wells is expected at the turn of the year 2012/2013.

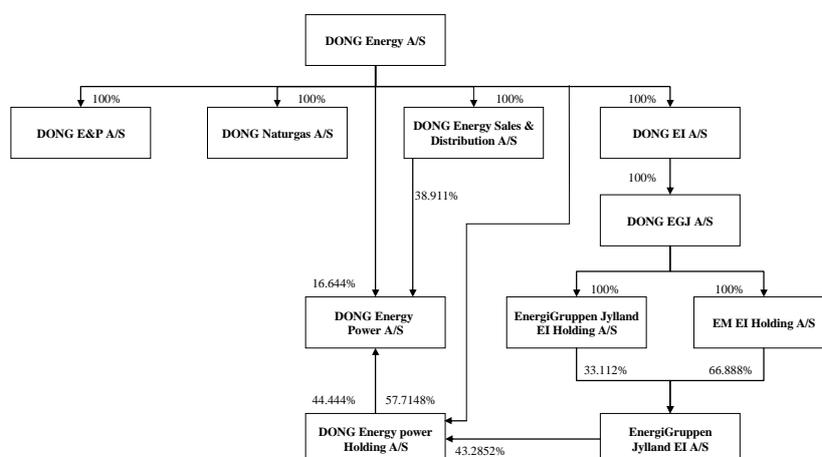
On 20 December 2010, the Issuer agreed to sell 24.8 per cent. of the Walney offshore wind farm, which is under construction, to a consortium of PGGM and Dutch Ampère Equity Fund, managed by Triodos Investment Management. Under the agreement, the consortium will pay to the Issuer a consideration of approximately GBP 16 million (approximately DKK 140 million) as well as its pro rata share of the construction costs. The purchase price excludes payment for the transmission assets, which are in the future to be owned by a separate transmission operator to be decided by the UK regulator.

Assets to be Divested

The Issuer continually reviews its asset portfolio to confirm its compatibility with the Issuer's strategy, and, in furtherance of the Issuer's strategy, the Issuer may decide to make other changes from its existing asset portfolio, including divestments of further assets.

Structure of the Issuer

The Issuer is a public limited company incorporated in Denmark under Danish law and registered under CVR no. 36 21 37 28. The principal executive office of the Issuer is located at Kraftværksvej 53, Skærbæk, DK-7000 Fredericia, Denmark, and the telephone number of the Issuer is +45 99 55 11 11. The Issuer serves as a holding company, with all primary business activities conducted through its subsidiaries. The following is the Issuer's structure chart showing the relationship of the Issuer with its principal subsidiaries (all of which are wholly owned by the Issuer, either directly or indirectly):



The share capital of the Issuer is DKK 2,937,099,000 and is divided into shares of DKK 10 each or multiples thereof. The issued share capital is fully paid-up. There are no other classes of shares besides the ordinary shares. There are no non-voting shares.

According to Article 3 of the Issuer's Articles of Association, the corporate purpose of the Issuer is to carry on business in the energy sector and activities related thereto.

The Issuer's strategy and focus areas

The Issuer's overall goal is to create shareholder value through its continued development as a leading integrated energy company based in Northern Europe. The Issuer plans to accomplish this aim by maintaining and further developing the Issuer's competitiveness and long-term energy market positions through profitable growth of the Issuer's business, with a particular focus on value creation from the development of:

- the Issuer's portfolio of thermal and renewable power generation assets;
- the Issuer's upstream position and competitive gas sourcing; and
- the Issuer's infrastructure assets, mid- and downstream positions.

The Issuer's strategy is supported by an investment portfolio which includes a range of investment opportunities across the Issuer's business activities which capitalise on existing market positions and core

competencies within the Issuer's operating segments, as well as synergies across the Issuer's operating segments.

The growing concerns for global climate change have materialised into regulatory initiatives on the EU level designed to make CO₂ emissions more costly for the industry. Under the heading "85/15" the Issuer has established ambitious targets for reducing its CO₂ emissions. In reaching the targets, substantial investments are required in renewable energy assets and low emission technologies as well as reduction of CO₂ emissions from the Issuer's energy current production.

Against this background, the Issuer has developed a vision to focus on stable and clean energy production. The vision is translated into a clear strategic direction focused on the following key points:

- Value creation through actively addressing the climate challenge
- Disciplined investment-driven growth

Actively addressing the climate challenge

The Issuer maintains a strong focus on and commitment to drive value creation through its long term transition to a low carbon energy company. As part of its efforts to create value through addressing climate challenge issues, the Issuer is undertaking a number of initiatives, such as making targeted efforts to reduce CO₂ emissions from its existing thermal energy generation through increased use of biomass fuels, expanding its renewable portfolio, investing in low carbon thermal capacity such as natural gas, while at the same time carrying out research into new forms of renewable energy. Particular attention is being put on developing and industrialising the Issuer's offshore wind operations by way of improving sourcing, logistics and operating and maintenance strategies.

The Issuer plans to continue focusing on introducing new responsible energy solutions in the years ahead to help customers make the most efficient use of energy. For example, the Issuer aims to enter into more so-called "climate partnerships" with both business and public-sector customers that are designed to reduce energy consumption and encourage the use of renewable energy.

Disciplined investment-driven growth

The Issuer is active in several significant energy markets in Northern Europe. As part of the Issuer's growth strategy, it is aiming to develop further its market positions, primarily outside Denmark, and predominantly within two operating segments: Exploration & Production and Generation. See "DONG Energy A/S – Capital Expenditure". The Issuer seeks to make investments in furtherance of this strategy in a disciplined manner, taking into account the long-term targets described under "DONG Energy A/S – Credit Ratings and Financial Targets."

The Issuer's Operating Segments

On the following pages each of the four operating segments are described in further detail.

	2008	2009	First Nine Months 2009	First Nine Months 2010
(DKK million)				
Consolidated Income Statement				
Revenue	60,777	49,262	35,791	38,490
Exploration & Production	7,114	6,579	4,988	5,763
Generation	15,298	12,441	8,486	9,817
Energy Markets	38,087	28,201	21,240	22,033
Sales & Distribution	15,595	13,386	9,642	10,271
Other (including eliminations)	(15,317)	(11,345)	(8,565)	(9,394)
EBITDA	13,622	8,840	6,830	10,032
Exploration & Production	4,053	3,427	2,882	3,438
Generation	3,155	915	481	2,506
Energy Markets	5,082	2,046	1,921	2,470
Sales & Distribution	1,827	2,239	1,643	1,527
Other (including eliminations)	(495)	213	(97)	91
EBITDA adjusted for special hydrocarbon tax	12,876	8,371	6,496	9,469
EBIT	8,004	3,757	3,056	5,846
Financial items, net	(1,134)	(1,362)	(1,144)	(1,008)
Profit after tax	4,815	1,138	1,081	3,091

Exploration & Production

Exploration & Production explores for and produces natural gas and oil in Denmark and Norway, on the Faroe Islands, in Greenland and in the West of Shetland area in the United Kingdom. The Issuer also has a stake in the overall natural gas pipeline network (Gassled) connecting the Norwegian fields with the European continent and the United Kingdom.

At the end of 2009, the Issuer had 14 production licences and 56 exploration and appraisal licences. Two of these are being developed and are expected to go on stream within the coming years. The Issuer is the operator of nine licences in Denmark, six in Norway, seven in the United Kingdom and one in Greenland.

In 2009, exploration for new reserves led to four new discoveries: one in Norway and three in the West of Shetland area in the United Kingdom. Out of these, the Issuer has developed its first United Kingdom well in an operatorship role, which led to the Glenlivet natural gas discovery – (See Exploration and Production – United Kingdom).

Also in an operatorship role, the Issuer initiated the development of the Trym and Oselvar natural gas field in Norway. In addition, the Issuer increased its stake in the Oselvar and Trym fields from 40 per cent. to 55 per cent. and 50 per cent. respectively and simultaneously disposed its stakes in the Glitne and Enoch fields.

The Issuer developed the Nini East oil field in the Siri area in Denmark in 2009 and production started in February 2010. The production from the field is transported to the Siri platform for treatment and then transported onwards by sea. The Issuer is the operator of all four production platforms and installations in the area.

Reserves

The Issuer's 2P oil and gas reserves amounted to 364 million boe (barrels of oil equivalent) at end 2009 compared with 392 million boe at end 2008. The lifespan (R/P) of oil and gas reserves (calculated as 2P reserves at end-2009 to production in 2009) was 15 years. The Issuer's long-term target is to maintain a lifespan of oil and gas reserves of at least eight years.

Reserves matured into 2P during 2009 came predominantly from the Laggan and Tormore fields as well as acquisition of additional interests in the Trym and Oselvar fields. Glitne and Enoch reserves were removed from the reserves base as a result of divestment. All production wells on the Ormen Lange field have performed as expected, whereas two appraisal wells in the Northern licence block of the field (licence PL 209) in 2008 and 2009 discovered less natural gas volumes than expected. The operator and licence partners' interpretation of the result has negatively impacted 2P reserves and the Issuer follows the operator's downward adjustment of reserves by 25 per cent. (approximately 70 million boe), which is included in the 2009 reserves. The near-future development program and production from Ormen Lange will not be affected. Ormen Lange is a unitised field, based on a unit operating agreement for the three licences making up the Ormen Lange field. The Issuer is not a party to licence PL 209 and may therefore not be affected by any adjustments in the Ormen Lange reserves.

Production

Natural gas and oil production totalled 24.0 million boe in 2009 compared with 18.5 million boe in 2008. Natural gas accounted for 15.5 million boe compared with 8.5 million boe in 2008, which meant that natural gas production exceeded oil production for the first time. This is in line with the Issuer's strategy to strengthen its security of supply by increasing its natural gas supply.

Production came primarily from Ormen Lange (61 per cent.), the new field Alve (5 per cent.), the mature fields Ula, Gyda and Tambar in Norway (14 per cent.) and Syd Arne, Siri/Stine, Nini and Cecilie in Denmark (19 per cent.). 81 per cent. of total natural gas and oil production came from Norway compared with 69 per cent. in 2008. The increase in production was primarily attributable to Ormen Lange. Production from Danish fields, on the other hand, was 22 per cent. down on 2008.

Denmark

Production on the Syd Arne oil field has been stable compared with 2008. In 2009, together with the operator of Syd Arne, the Issuer focused on preparations for the drilling of new production wells and in 2010 the Issuer decided, together with the operator and the license partners, to further develop the field.

As operator of the Siri oil field, the Issuer decided to stop production in August 2009 when a routine inspection revealed cracks in a subsea tank structure connected to the oil storage tank underneath the platform. There was no evidence of any oil spills. A temporary repair solution was established at the end of 2009, and production from the fields in the area was resumed at the end of January 2010. A permanent repair of the damage is being evaluated.

The Issuer developed the Nini East oil field in the Siri area in Denmark in 2009 and production commenced in February 2010. The production from the field is transported to the Siri platform for treatment and then transported onwards by sea. The Issuer is the operator of all four production platforms and installations in the area.

The Issuer is the operator of the Hejre field. The field contains both oil and wet natural gas, which requires the establishment of special technical installations for exporting the natural gas. The Issuer and partner Bayerngas has evaluated several options in parallel. The Issuer and the partner have selected and agreed on the development concept for the Hejre field which is now subject to detailed engineering and tender process.

Norway

In Norway, the Issuer has commenced the development of the Trym and Oselvar fields as operator. Such projects are a key element of the Issuer's growth strategy for Norway.

In 2009, the Issuer concluded a partial exchange agreement with Faroe Petroleum under which the Issuer increased its stake in the Trym field from 40 per cent. to 50 per cent. At the same time the Issuer relinquished its stakes in the producing Norwegian oil fields Glitne and Enoch.

In 2010 the Norwegian Authorities approved the development plan for the Trym field. Production is expected to commence at the end of 2010. Trym is located on the boundary between the Danish and Norwegian sectors of the continental shelf, and the natural gas will be transported from the subsea production facility on Trym via the Danish platforms Harald and Tyra to Nybro in Denmark or Den Helder in the Netherlands. The Issuer owns the pipelines from Harald to Tyra and from Tyra to Nybro and is co-owner of the pipeline from Tyra to a pipeline system in the Dutch sector. Oil and condensate from Trym will be transported from Harald via the Gorm field to Fredericia via the Issuer's oil pipeline.

The authorities approved the development of the Oselvar field in June 2009, and the field is expected to start production at the end of 2011. Oselvar is being developed through three horizontal production wells connected to the platform at the Ula field via a pipeline. The Issuer expects to sell part of the natural gas production to the Ula licence for injection with a view to increasing oil extraction, while the remaining natural gas is expected to be transmitted to the German market via the Ekofisk pipeline system. The field's oil production will be transported to the United Kingdom via the Ekofisk/Norpipe system.

Production from the Ormen Lange field was increased still further in 2009, and there were 10 producing wells on the field at the end of the year compared with six the year before. An appraisal well was drilled on the northern part of the field in 2009, and the assessment of the results from this well will form part of the continued development of the field. The field came on stream in 2007, and phase one of its development has been completed to plan.

The Alve field, which was brought on stream at the start of 2009, is estimated to have further potential. Further exploration on the licence in 2009 led to a new discovery.

In 2009, the Issuer was awarded its first two licences, including an operatorship, in the Barents Sea off the northern coast of Norway. The licence PL518 is located in the area west of the Goliat natural gas and oil field. In summer 2009, the Issuer acquired 3D seismic data that will be evaluated for exploration potential.

United Kingdom

In the United Kingdom, the Issuer's exploration and production activities are concentrated in the West of Shetland area. The area is key to the Issuer's growth strategy, and the Issuer participates in 24 licences. The Issuer has participated in a large part of the discoveries in the area since its establishment in the United Kingdom in 2000. In 2009, the Issuer participated in three discoveries in the Rosebank, Tornado and Glenlivet licences.

The discovery of natural gas on the Glenlivet licence was made from the Issuer's first well as operator in the United Kingdom. A total of three wells were drilled on the licence with the aim of delineating the extent of the discovery.

In 2009, a proposal for development plans for the Laggan and Tormore licences were submitted to the authorities. The development of Laggan and Tormore will include the establishment of new infrastructure in the area, which opens up the possibility for existing and future discoveries in the area being produced via this infrastructure.

Faroe Islands

On the Faroe Islands, the Issuer participates in three licences. In 2009, efforts focused on appraising the exploration potential of existing licences, which resulted in one licence being relinquished. In addition, a decision was made to drill an exploration well in licence F008, which is located immediately west of the Rosebank discovery.

Greenland

In Greenland, the Issuer participates as operator of exploration in West Greenland. Seismic surveys were carried out in 2008 and the data are still being appraised. Great water depths and the fact that activities are restricted to a limited part of the year as a result of the climatic conditions mean that the time horizon for any discoveries and subsequent development of commercial production in this area will be protracted.

Generation

Generation produces and sells power and heat. Generation takes place at 24 thermal power stations in Denmark and from wind turbines in Denmark, the United Kingdom, Poland, Norway, Sweden and France. The Issuer also has stakes in hydropower plants in Sweden as well as Danish production based on geothermal heat. The hydropower activities in Norway have been sold during 2010, however completion of the sale is subject to regulatory approval. In June it was announced that the Issuer will not actively pursue new geothermal activities.

In the first quarter of 2010 there was an increased demand for power and high prices in Denmark, The reason for this was the very low temperatures, low water reservoir levels in Norway and Sweden, and nuclear power plants out of operation in Sweden The demand, however, fell back again in the second quarter as the weather became warmer and the demand for power continued to be adversely affected by a lower level of activity in industry due to the financial crisis.

Thermal generation in Denmark

The Issuer is Denmark's leading power generator, the main part of the production taking place on 6 central power plants. In 2009, the Issuer's Danish thermal power generation amounted to 15,264 GWh, equivalent to 55 per cent. of the total in Denmark (source: The Danish Energy Agency, www.ens.dk). Heat generation amounted to 46,686 TJ in 2009, equivalent to approximately 38 per cent. of Denmark's total heat generation (source: The Danish Energy Agency. Total Danish heat generation in 2009 is assumed unchanged from 2008). Power generation in Denmark is sold on the Nordic energy exchange Nord Pool, while heat generation is sold to district heating companies in Denmark.

The deteriorated market conditions in 2009 had a significant adverse impact on earnings from the Danish thermal activities. In October 2009, the Issuer consequently decided to implement a number of initiatives aimed at bolstering earnings. One initiative is the suspension of operations at two coal-fired power station units in 2010. The two units, at Studstrup Power Station near Århus and Asnæs Power Station near Kalundborg, have a total capacity of 980 MW. Similarly in October 2010, the Issuer decided to phase out two

additional units. Both units, which have a total capacity of 892 MW, are scheduled for mothballing on 1 January 2013. The planned phasing-out is due partly to expected lower future electricity consumption, including as a result of the financial crisis, and partly to an increased proportion of CO₂-free electricity generation in the market in the future, including from wind turbines.

In April 2008 two other coal-fired power station units were taken out of service. Overall, this means that the Issuer's coal-based power station capacity in Denmark will be reduced by around 25 per cent.

At the same time, efforts to switch Danish generating capacity from fossil fuels to CO₂-neutral biomass are in progress. The Issuer has many years' experience in using different types of biomass as fuel, for example straw, wood pellets and wood chips. Some power stations use biomass as the sole source of fuel, while others use biomass in combination with fossil fuels.

The Issuer is working closely with the Municipality of Århus to convert a power station unit at Studstrup Power Station from coal to biomass. The Issuer also has plans to convert to further biomass-firing in Copenhagen.

In recent years, the amount of waste produced in Denmark has decreased and the derived overcapacity at the incineration plants has made it difficult for our small-scale plants to compete with large-scale plants. Therefore it has been decided to shut down 2 plants and to sell one of the remaining plants.

In November 2009, the Issuer inaugurated one of the world's largest demonstration plants for production of second-generation bio-ethanol, at Inbicon, near Kalundborg, Denmark. Second-generation bio-ethanol is based on bi-products rather than food crops. Bio-ethanol can be blended with petrol, thereby helping to reduce dependence on oil. Inbicon signed a licence agreement with a Japanese corporation earlier this year and in September the first bioethanol plant was sold to an international buyer.

Thermal generation abroad

As part of the Issuer's strategy to grow its international thermal activities, the Issuer decided in 2009 to invest in natural gas-fired power station projects in the United Kingdom and the Netherlands.

In March 2009, the Issuer acquired ownership of the natural gas-fired Severn power station, which is under construction in Wales, the United Kingdom. It is scheduled to commence operations at the end of 2010, and to have a net installed capacity of 850 MW. The acquisition was made in collaboration between the operating segments Generation and Energy Markets. Generation is responsible for the construction of the power station and will also be responsible for its operation. Energy Markets is responsible for optimising the procurement of natural gas and selling the power station's generated capacity in the United Kingdom market. The Issuer expects to combine operation of the Severn plant with its natural gas supplies to the United Kingdom and its considerable wind power activities in the area, thus being able to optimise and balance the production.

The same business model will be used in the Netherlands, where, in April 2009, the Issuer acquired 50 per cent. of Enecogen, which is building a 870 MW natural gas-fired power station near Rotterdam. The plant is scheduled for operation at the end of 2011. Enecogen is owned together with the Dutch energy company Eneco.

In addition, the Issuer is in the process of commissioning the natural gas-fired power station Mongstad near Bergen in Norway. The plant has a capacity of 260 MW and will supply energy to Statoil's nearby refinery under a long-term contract.

In keeping with the Issuer's vision concerning a greener generation profile, the Issuer decided in 2009 to cease building new coal-fired power stations including the project exploring the building of a coal-fired power station near Greifswald in Germany. The Issuer also withdrew from a number of other projects that were at an earlier stage.

Wind power activities

The Issuer is leading the further development to industrialise the construction of offshore wind farms. As part of this, the Issuer entered into an extensive agreement with Siemens in March 2009 for the acquisition of up to 500 offshore wind turbines with a capacity of 3.6 MW each, giving a total capacity of 1,800 MW. The agreement enables the parties to streamline the construction of a number of wind farms, reducing total construction costs and allowing the projects to be executed in a shorter timeframe. In December 2009, Siemens and the Issuer signed an agreement to utilise further and expand the collaboration and the scope of the supply agreement.

The Issuer acquired A2SEA in June 2009, and in June 2010 it was announced that Siemens will become equity partner in the company (49 per cent. with the Issuer still main shareholder). A2SEA is a market leader in the installation of wind turbines and foundations offshore. The company has 200 employees and currently owns four installation vessels. In July 2010 an agreement was made with a Chinese shipyard to deliver a new purpose-built installation vessel in the second half of 2012. Drawing on A2SEA's knowledge and the new larger capacity installation vessel, the Issuer is expected to be able to optimise further the construction of offshore wind farms.

During the period from mid 2009 to start 2010, the Issuer also brought on stream five new wind farms.

In September 2009, the Issuer thus inaugurated the *Horns Rev 2* offshore wind farm, which is located 30 km off Blåvands Huk on the west coast of Denmark. With a capacity of 209 MW this is the world's largest offshore wind farm to date. The farm was completed at the end of December 2009.

The *Gunfleet Sands* wind farm located off the east coast of the United Kingdom began generation power at the end of 2009. The farm has a total capacity of 172 MW, and the last turbines were installed in January 2010.

Three onshore wind farms were brought on-stream from end 2009 to start 2010. *Storrún* onshore wind farm in Sweden with a capacity of 30 MW was inaugurated in September. The two onshore wind farms in Poland, *Karnice 1* (capacity of 30 MW) and *Karcino* (capacity of 51 MW) also began generation power respectively in November 2009 and March 2010.

At the end of 2009, the Issuer had a total installed wind turbine capacity of 1,104 MW, equivalent to an 82 per cent. increase in capacity in 2009. Offshore wind turbines accounted for 754 MW.

Power generation from wind turbines amounted to 1,929 GWh in 2009, and power generation from hydropower plants in Sweden amounted to 881 GWh. The power generated by these installations is sold partly on power exchanges, and partly via a number of contracts with distribution companies.

Currently the Issuer is constructing four offshore wind farms:

Walney 1 and 2 offshore wind farms will have a planned capacity of 367 MW and are located in the Irish Sea. Operation is expected to begin in 2011. In December 2009, the Issuer sold 25.1 per cent. of the project to the energy company Scottish and Southern Energy. In December 2010, the Issuer agreed to sell additional 24.8 per cent. of the project to a consortium of PGGM and Dutch Ampère Equity Fund, managed by Triodos Investment Management. Both divestments are part of a diversification of the Issuer's risks in accordance with the Issuer's strategy to diversify its holding of wind power assets.

London Array, offshore wind farm is situated off the east coast of the United Kingdom. The wind farm has a planned capacity of 630 MW and is expected to begin operation in 2012. The Issuer holds 50 per cent. of the farm with the remainder being owned by E.ON (30 per cent.) and Masdar (20 per cent.).

In December 2009, the Issuer concluded a contract for the acquisition of 25 per cent. of the *Lincs* offshore wind farm project in the United Kingdom, which has a capacity of 270 MW. The acquisition was completed in February 2010. At the same time, Siemens Project Ventures acquired 25 per cent. of the project, while Centrica (operator) retained 50 per cent. of the project. The wind farm is expected to begin operations in 2012.

In June 2010, the Issuer was awarded the concession to build the *Anholt* 400MW offshore wind farm near the Danish island of Anholt in the Kattegat. Anholt wind farm is expected to supply first power in 2012 and the entire wind farm must be commissioned by the end of 2013. Delays will be subject to penalties.

The Issuer is developing a number of projects with a view to establishing new wind farms onshore as well as offshore. To strengthen its development, the Issuer has secured full ownership of Borkum Riffgrund 1 and 2 in Germany through its acquisition of PNE Wind's and Vattenfall AB's respective shares in December 2009.

The Issuer has also acquired 50 per cent. of the capital in three Dutch companies that hold the rights to offshore wind farm projects that are being developed in collaboration with Scottish and Southern Energy.

The Issuer was in May 2010 selected to extend the UK offshore wind farms Burbo Bank and Walney by up to 1000MW in total.

The Issuer is also expanding its wind power-activities in Norway. A decision has been made to build the wind farm Nygårdsfjellet 2 near Narvik. The farm will have a capacity of 25.3 MW, of which the Issuer owns 67 per cent. The farm is located on shore next to Nygårdsfjellet 1, in which the Issuer also has a 67 per cent. stake.

The most recent partnership agreement was signed in September 2010, when PensionDanmark acquired 50 per cent. of the shares in Nysted offshore wind farm.

As a part of Ofgem's offshore electricity transmission owner (OFTO) process launched in 2009 all offshore wind generators in the UK are obliged to sell their offshore transmission assets in construction or operation. The final takeover of the transmission assets in operation is expected in December 2010 while takeover of assets under construction is expected summer 2011.

In June 2010 the Issuer announced an agreement to sell its ownership interests in Nordkraft and Salten Kraftsamband to Troms Kraft Group. The divestment is subject to approval by among others the Ministry of Petroleum and Energy in Norway. Closing of the transaction is expected in the autumn of 2010.

Overall, the Issuer is constructing wind farms with a total capacity of just under 1,400 MW (Issuer's share of ownership 1,058 MW) and is involved in development projects with a total capacity of up to 3,000 MW. This means that the Issuer is well on the way towards its target of a total wind turbine capacity of at least 3,000 MW by 2020.

Energy Markets

The Energy Markets operating segment is the centre for the Issuer's trading in energy markets, and buys and sells natural gas and power and related products and services in Northern Europe. Energy Markets also owns and operates parts of the Issuer's natural gas infrastructure and is responsible for the Issuer's portfolio of natural gas purchase contracts.

Energy Markets also looks after the Issuer's risk management in relation to energy prices, including by engaging in financial transactions. In order to participate continuously in the market and gain insight into price formation, Energy Markets also engages in active position taking.

Energy Markets procures the natural gas and power sold by the operating segment Sales & Distribution, but predominantly sells natural gas and power to external wholesale customers in and outside Denmark. Energy Markets mainly procures natural gas under long-term purchase contracts, but the operating segment Exploration & Production's natural gas production is contributing an increasing proportion, particularly via the ownership interest in the Ormen Lange natural gas field. Most of the natural gas from this field is landed near the Easington terminal in the United Kingdom or the Emden terminal in Germany, following which Energy Markets sells it to wholesale customers or on hubs.

Natural gas sales

Energy Markets' physical natural gas sales in 2009 totalled 102,436 GWh, which was sold internally to other entities of the Issuer, to wholesale customers and on hubs.

The largest market was Germany, where sales amounted to 33,356 GWh. Of this, 20,137 GWh was sold under long-term contracts with wholesale customers. The remaining sales in Germany were made by the sales subsidiary DONG Energy Sales GmbH, in which the Issuer has a 74.9 per cent. direct ownership interest. The Issuer's direct ownership interest will increase to 100 per cent. following a swap of certain assets between the Issuer and Stadtwerke Lübeck; see recent developments. DONG Energy Sales GmbH markets supply and partnership concepts to regional distribution companies (Stadtwerke) and large industrial customers. This company increased its sales significantly in 2009, and the number of customers continued to grow. This strengthened the Issuer's position in the northern and eastern parts of Germany.

A total of 21,000 GWh was sold internally to other entities of the Issuer in Denmark, partly for resale to end customers in Sales & Distribution, and partly for thermal power station fuel. 6,114 GWh was sold to external wholesale customers. The supply contract with HNG Midt-Nord Handel, the operating segment's largest Danish wholesale customer, was extended in June 2010 to 30 September 2012. The contract comprises annual natural gas supplies of 6,500 GWh.

In the United Kingdom, natural gas sales amounted to 25,092 GWh. Sales were made under long-term contracts with wholesale customers and via the British gas hub - *National Balancing Point "NBP"*.

In Sweden, natural gas sales amounted to 9,562 GWh, with external wholesale customers accounting for 6,635 GWh and internal sales for 2,927 GWh.

In the Netherlands, natural gas sales totalled 4,831 GWh, including wholesale sales of 5,104 GWh and internal sales of 6,297 GWh. Net purchases on the Dutch gas hub - *Title Transfer Facility "TTF"* totalled 6,569 GWh.

Sourcing of natural gas

In 2009, the Issuer procured 75 per cent. of its natural gas supplies from long-term purchase contracts with external suppliers, while 25 per cent. was produced by the operating segment Exploration & Production. Of the external suppliers, the DUC Partners were responsible for the bulk of the supplies (89 per cent.), which came from the Danish sector of the North Sea.

Today, natural gas from Ormen Lange makes up a substantial part of the Issuer's overall natural gas portfolio. It is the Issuer's objective for equity natural gas to meet 30 per cent. of the Issuer's natural gas needs. The Issuer also trades actively on European hubs, primarily NBP and TTF, to supplement and optimise the Issuer's equity production of natural gas and to optimise its long-term natural gas purchase contracts.

It is part of the Issuer's strategy for its natural gas supply portfolio to be based on four sources of supply: equity production, natural gas purchases from Northwest Europe and Russia under long-term contracts, purchases of LNG, and trading on European hubs, where the Issuer can be both a net purchaser and a net

seller. The Issuer achieves a high degree of security of supply in relation to the Danish and Swedish markets through this diversified portfolio of suppliers and contracts.

As part of this strategy, the Issuer has signed several long term gas supply agreements. In 2007, the Issuer signed a long term gas swap and delivery contracts with Wingas GmbH and Wintershall Erdgas Handelshaus for delivery of a total of 12 billion m³ (132 TWh) natural gas from 2010 to 2020 in Northern Germany, against the Issuer delivering 5 billion m³ (59 TWh) natural gas to WINGAS in the United Kingdom from 2007 to 2017.

In 2006, the Issuer signed a contract with Gazprom for annual supplies of 1 billion m³ (12 TWh) of natural gas from 2011 for a period of 20 years. In October 2009, the Issuer exercised an option in the 2006 gas contract with Gazprom for annual supplies of 1 billion m³ (12 TWh) of natural gas via the Nord Stream pipeline in the Baltic starting from 2012, for a period of 18 years. The natural gas is to be delivered at the Danish-German border and is linked to the completion of the second part of the pipeline.

Natural gas infrastructure

Energy Markets takes care of the Issuer's commercial and ownership interests relating to a number of infrastructure assets. Value creation is predominantly secured by ensuring that natural gas is available in the Issuer's markets, primarily via own natural gas storage facilities and flexibility of supplies.

The Issuer owns or part-owns a number of natural gas pipelines in the North Sea. These enable the Issuer to transport natural gas from the DUC fields and other fields on the Danish shelf to Denmark and the Netherlands. To this should be added co-ownership of the Deudan pipeline system connecting the Danish and German transmission networks. Up to and including the end of 2009, the Issuer also owned 20.4 per cent. of the Swedish transmission company Swedegas AB, but the Issuer and the co-owners agreed in December 2009 to sell the shares to EQT Infrastructure Fund. The sale was completed on 4 February 2010 following approval of the transaction by the Swedish competition authorities.

The Issuer has built up a portfolio of own natural gas storage facilities and long-term leases relating to natural gas storage facilities in Denmark and Germany. The Issuer increases its security of supply and the flexibility of supplies to the Issuer's customers by establishing its own storage capacity. This also improves the Issuer's ability to optimise its trading portfolio on the European hubs. The Issuer has entered into long term storage agreements featuring a total volume of approximately 6,800 GWh (565 million m³) in Germany.

The Issuer owns 5 per cent. of the company that owns the Dutch LNG Gate Terminal in Rotterdam. In 2007, the Issuer concluded a contract for annual import capacity of 2 billion m³ (24.3 TWh) from 2011 to 2014, followed by 3 billion m³ (36.5 TWh) from 2015. Special carriers transport the liquefied gas from the point of production, typically outside Europe, to the terminal, which is close to the European markets. At the terminal the liquefied gas is converted to pipeline gas. The Gate Terminal is expected to become operational in 2011, and the Issuer's contract will then run for 20 years.

Power sale and purchase

Energy Markets' physical sales of power in 2009 totalled 10,723 GWh, 8,529 GWh of which was resold internally to the operating segment Sales & Distribution. 1,082 GWh was sold on a wholesale basis to regional distribution and trading companies in Germany. Power for resale is purchased exclusively on European power exchanges, primarily Nord Pool.

In September 2009, the Issuer acquired 83.57 per cent. of the shares in the German wholesale trading company KOM-STROM AG in Leipzig, significantly increasing its portfolio of wholesale customers in the power market. KOM-STROM has more than 10 years' of market experience.

Climate projects

Energy Markets is also working on identifying climate projects under the United Nations framework of the Kyoto Protocol. These projects generate CO2 credits that can be used to meet part of the Issuer's obligations under the Kyoto Protocol to reduce its CO2 emissions.

Approval of climate projects both by the UN, the host country and Denmark is conditional upon proof that CO2 reductions are below what would have occurred in the absence of the climate project. It is also a requirement that reductions must be real, quantifiable and long-term sustainable, which is monitored by third-party assessments and the UN.

In 2009 and the first quarter of 2010, 22 new contracts for purchases of CO2 credits were concluded. Part of the engagement in climate projects is done through different carbon funds managed by the World Bank and the Nordic Environmental Finance Corporation, which is established by the Nordic governments. These institutions ensure compliance with their environmental and social safeguard policies. Overall, contracts have been concluded for the purchase of CO2 credits from 71 climate projects in countries such as Russia, Ukraine, China, India, Thailand, Mexico, Poland and Vietnam. The projects are expected to reduce CO2 emissions by 8.3 million tonnes, including 6.0 million tonnes in the period 2010-2012. By comparison, the Issuer's CO2 emissions in 2009 that were subject to emissions trading schemes amounted to 11.9 million tonnes.

Sales & Distribution

Sales and distribution of power and natural gas are the last links in the energy value chain, which ranges from production through to consumption. The operating segment Sales & Distribution is responsible for an efficient and secure supply. Due to DONG Energy's role as monopoly and former state owned company, both revenue and earnings are regulated.

The operating segment Sales & Distribution supplies more than one million residential, public-sector and business customers in Denmark with power and/or natural gas and also owns and operates 26,000 km of power and natural gas distribution networks, a natural gas storage facility and an oil pipeline.

Sales & Distribution purchases all natural gas and power and related products, such as CO2 allowances and green certificates, from the operating segment Energy Markets.

Power and natural gas sales

Sales & Distribution has activities in the energy markets in Denmark, Sweden, Germany and the Netherlands. Sales & Distribution also manages the Issuer's 25.1 per cent. ownership stake in the German sales and distribution company Stadtwerke Lübeck. Natural gas sales to end customers in Denmark totalled 12,532 GWh in 2009, of which sales to customers in the open market made up approximately 84 per cent. The remainder was sold via the Issuer's Public Service Obligation ("PSO") companies, whose prices are publicly regulated.

Sales of power to end customers in Denmark totalled 7,760 GWh in 2009, with 49 per cent. going to PSO customers. The remaining 51 per cent. was sold on open market terms to business customers and residential customers.

The level of activity in 2009 was characterised by a general downturn, especially in industries that act as suppliers to the building and construction sector.

The Issuer holds a leading position in the Danish market for both power and natural gas, with market shares based on volumes in 2009 of 22 per cent. and 37 per cent. respectively. The market shares are calculated on the basis of own volume records and statistical recording from Energinet.dk/market data on total volumes.

Swedish business customers bought 2,927 GWh of natural gas in 2009, equivalent to a 20-25 per cent. market share.

In the Netherlands, natural gas sales amounted to 6,297 GWh in 2009, delivered to 113,000 supply points. Power sales amounted to 746 GWh, distributed to 41,000 supply points. A new business model was developed in 2009 that focuses on natural gas sales to business customers. The Issuer had a 1 per cent. share of the Dutch power and natural gas market in 2009.

Energy solutions that benefit the environment

In 2009, the Issuer significantly increased focus on climate and energy efficiency enhanced opportunities for entering into climate partnerships with companies, municipalities and organisations.

These partnerships feature customised solutions integrating climate, energy procurement, energy efficiency and servicing energy installation.

Customised solutions enable the partners to tackle the climate challenges facing their businesses. Financially, climate partnerships are made up in such a way that the initiatives can be financed from the energy savings realised. The Issuer entered into 23 climate partnerships in 2009, taking the total to 36. In recent years, the Issuer has realised annual energy savings of 144 GWh for its residential and business customers, achieving the target it was under an obligation to meet under the previously concluded energy savings agreement with the Danish Ministry of Climate and Energy. The Issuer identified further savings in 2009, partly through its involvement in climate partnerships.

In November 2009, the Danish energy companies and the Danish Ministry of Climate and Energy entered into a new agreement on energy savings. The agreement runs until 2020. The Issuer had its requirement concerning energy savings increased from 144 GWh to 308 GWh a year.

The intelligent power grid

In 2008, the Issuer joined Global Intelligent Utility Network Coalition (GIUNC), where a number of energy companies worldwide are collaborating on the development of intelligent power grids. DONG Energy is developing the intelligent grid to enable identification of faults, and to allow automatically redirecting the power to the costumers via other cables.

In 2009, the Issuer continued its efforts to develop the intelligent power grid, which can be used to monitor power supply and for remote control and metering of consumption and production facilities.

In recent years, the Issuer has been carrying out a number of measurements of the overall power distribution network in Denmark and has developed calculation systems that make it possible to calculate the load on all sections of the network. At the same time, automatic redistribution has been established at selected transformer stations, which is triggered in the event of a power failure. These two initiatives have jointly helped to improve security of supply.

In 2009, work began on the systems that are to make it possible to switch parts of power consumption to periods of the day when there is a lower demand. One of the elements is an IT system that makes it possible to transmit control signals to consumption and production installations. A pilot version was developed in 2009. The work is continuing on a larger scale in 2010. The aim is for intelligent units at customers to respond to current power prices in future, so that when prices are low, heat pumps will start up or electric cars be charged, for example.

Electric cars

The Issuer has entered into a partnership with Better Place on the deployment of electric cars and the infrastructure for those cars in Denmark. The Issuer's role in the partnership is primarily to develop systems that can ensure intelligent charging of batteries in response to customer needs.

Distribution and storage activities

The Issuer owns and operates the power distribution network that supplies customers in the Copenhagen area and northeastern Zealand with power. The Issuer also owns and operates the natural gas distribution networks in West and South Zealand and southern Jutland. In addition, the Issuer owns and operates a natural gas storage facility near Stenlille in Zealand, and the oil pipeline from the Gorm E platform in the North Sea to the crude oil terminal in Fredericia.

The Issuer's earnings from its distribution and storage activities are regulated by the authorities and consequently relatively stable if the legislation remains unchanged. The Danish Electricity Supply Act was amended in May 2009, resulting in a tightening of the regulation of power distribution companies. One consequence of this is lower prices.

Power distribution

The Issuer's power distribution networks comprise 19,000 km of cables and overhead lines and 10,000 transformer stations. In 2009, 960,000 supply points were provided with power via the Issuer's distribution networks, including 900,000 supply points in Denmark, equivalent to 28 per cent. of the total in Denmark. The volume of power distributed through the Issuer's distribution networks in 2009 was 9,156 GWh.

The Issuer's tariffs for distribution through its networks are subject to the Danish Energy Regulatory Authority's (DERA) rules and reflect the costs of efficient operation of the networks plus a return on the invested capital. DERA lays down requirements concerning permanent efficiency improvements on an annual basis. The overall requirements from DERA concerning efficiency improvement of the Issuer's three power distribution companies were more than doubled in 2009 with an increase of costs by an amount of DKK 54 million compared to the requirements stipulated by DERA in 2008. The new requirements enter into effect from 2010.

In December, the Issuer decided to merge its three power distribution companies to form a single company, DONG Energy Eldistribution A/S, providing a more unambiguous power supply framework and a single tariff across the whole of the Issuer's supply area from 1 January 2010.

Approximately 435 km of overhead lines were replaced with underground cables in 2009. The Issuer reduced the roll out of underground cables in 2009. This was due to the general economic downturn and lower energy prices. Cable-laying was carried out in the areas that are the most vulnerable during stormy weather. A total of 2,800 underground cable boxes have been replaced with cable cabinets in a comprehensive project that began in 2006. The aim has been to eliminate the safety risk associated with cable boxes in central Copenhagen. The last cable box was replaced in September 2009.

Natural gas distribution

At the end of 2009, the number of connected natural gas customers was 122,000, corresponding to around one third of all Danish natural gas customers. The Issuer distributed 9,966 GWh of natural gas in 2009.

Earnings are regulated by DERA and must reflect the costs of efficient operation of the network plus a return on the invested capital. Operating expenses are subject to annual efficiency requirements, and DERA has imposed an annual efficiency requirement of 0.6 per cent. on the Issuer's gas distribution network for the period 2010-2013.

Natural gas storage facility

At the end of 2009, the Issuer's natural gas storage facility had a volume capacity of 6,598 GWh of natural gas and injection and withdrawal capacities of 2.4 GWh and 4.8 GWh per hour respectively. The value of storage services increased in 2009 by increasing injection and withdrawal capacities by 64 per cent. and 20 per cent. respectively.

The storage facility near Stenlille is the largest of two natural gas storage facilities in Denmark, and primarily serves the Danish and Swedish markets. At the end of 2009, the storage facility accounted for 55 per cent. of total storage capacity in the two markets.

Storage capacity is sold to market participants on non-discriminatory terms. 2009 was the first time storage capacity from the storage facility was sold at auction. The Danish transmission network operator, Energinet.dk buys storage services to enable it to satisfy the requirements concerning system balancing and emergency supply. In 2009, Energinet.dk booked 22 per cent. of the total capacity of the Stenlille storage facility.

Oil pipeline

The oil pipeline is used by the oil producers in the Danish sector of the North Sea and has a total length of 330 km. A total of 84.9 million barrels of oil was transported in 2009. Earnings for the oil pipe are governed by separate legislation.

Outdoor lighting

Municipalities, housing societies and house owners' associations as well as companies use the Group's outdoor lighting solutions. The solutions are sold on subscription terms, and the Issuer owned 248,000 street lights at the end of 2009. The Issuer is also responsible for the operation and maintenance of a further 24,000 street lights, primarily for municipalities.

Capital Expenditure

The Issuer's investment portfolio anticipates significant capital expenditure in the coming years which is described in more detail below. The Issuer may have capital expenditures in addition to, or instead of, those described in this section, including in so far as the Issuer may choose to pursue selected mergers and acquisitions of companies, shareholdings or other assets or enter into partnerships or other suitable collaborations which the Issuer believes further the Issuer's strategic aims, including collaborations involving the contribution of assets to joint ventures or asset swaps with other energy companies.

The Issuer's opportunities and projects for which estimates of capital expenditure have been made could be delayed or postponed in implementation, reduced in scope or ownership share, sold or rejected. Accordingly, the figures for the periods indicated are only estimates and the Issuer's actual capital expenditure will change based on changes in the market environment or decisions by the Board of Directors and management, who the Issuer expects to seek to exploit changes in the Issuer's business environment as and when they occur. As a result, the Issuer may not fully pursue all of the opportunities and projects currently available to the Issuer or which the Issuer is currently considering. Further, the Issuer may pursue other projects currently not envisaged.

The capital expenditure estimate provided below is in nominal terms. Investors should be aware that the estimates of capital expenditure set out below have been prepared on the basis of various assumptions. These assumptions include estimates relating to expenditures for materials, equipment, labour and services that in most cases have yet to be contracted and/or may be subject to cost escalation or other factors outside of the Issuer's control. In addition, some of the expenditures are contingent upon the Issuer's receipt of certain

licences, permits and government and partner approvals which, in some cases, may not have been received to date. As a result, the final amount of capital expenditure required could be higher or lower than that set out below. Consequently, such projects or opportunities may not ultimately be as profitable as the Issuer currently anticipates or may turn out to be unprofitable. See also "Risk Factors."

The Issuer's current approximate estimate for its share of net capital expenditure is around DKK 11-12 billion for 2010 and DKK 15 billion for 2011 (excluding minority shareholders' share).

This capital expenditure is to be primarily driven by the Generation and Exploration & Production segments and relates to:

Construction of new off- and onshore wind farms.

The Issuer intends to make substantial investments in the expansion of renewable energy sources. These investments are expected primarily in wind turbine projects, particularly offshore wind farms in the United Kingdom. The estimated capital investment requirements in 2010 and 2011 include investments in the United Kingdom off shore projects Walney 1 and 2, London Array and Lincs. See "DONG Energy A/S – The Issuer's Operating Segments – Generation".

Establishment of new and existing thermal generation capacity.

The Issuer aims to reduce CO2 emissions from the Issuer's energy production based on fossil fuels such as coal and oil, and the Issuer expects to invest in conversion of existing plants to biomass and bioethanol production. Furthermore, the Issuer's existing thermal plants will require investment in both maintenance and plant life extensions. The estimated capital investment requirements in 2010 and 2011 includes the Severn gas-fired power plant in Wales and the Enecogen gas-fired power plant in the Netherlands as well as other thermal generation related activities including the conversion of existing plants to biomass. See "DONG Energy A/S – The Issuer's Operating Segments – Generation".

Development of new and existing E&P licences

The Issuer's intends to intensify exploration for new finds, accelerate development of existing finds for commercial production and increase extraction from the existing oil and gas fields in its asset portfolio. This strategy requires new investments in connection with existing installations in the Danish and Norwegian continental shelves, including in respect of the Ormen Lange, Oselvar, Trym, Marulk, and Nini licences as well as development in the West of Shetlands area (the Laggan/Tormore licences). Investments are also expected in projects aimed at enhancing utilisation of reserves from producing fields scheduled for Denmark and Norway. Production from the Norwegian gas field Ormen Lange is fundamental and the Issuer expects to make continued investments in respect of the Ormen Lange project. See "DONG Energy A/S -The Issuer's Operating Segments – Exploration & Production".

Development of gas and power infrastructure activities

The Issuer aims to continue to develop its gas and power infrastructure assets in Denmark and to further develop its current sales activities in Denmark, Germany and the Netherlands. The estimated capital investment requirements in 2010 and 2011 include investments and reinvestments in gas storage and distribution facilities in Denmark, power distribution facilities including the cable laying project, outdoor lightning and other infrastructure assets and related activities. See "DONG Energy A/S – The Issuer's Operating Segments – Energy Markets and Sales & Distribution".

Funding and Capitalisation

Historically, the Issuer's capital expenditures have been financed through excess cash flow from operations and, more recently, through raising debt and hybrid capital.

For so long as the Kingdom of Denmark is required to maintain a majority ownership in the Issuer under the Political Agreement, the Issuer is limited in its ability to issue new equity capital as a source of funding if this would dilute the Kingdom of Denmark's shareholding below a majority interest. In the event of a new issuance of equity, the Issuer is required to obtain political approval so that the Kingdom of Denmark would maintain its level of ownership. Further funding from external sources is therefore more likely to be based on raising debt or possibly by the issuance of hybrid capital, as the Issuer did in 2005 and as is intended with the issue of the Securities.

It is the Issuer's policy to finance group activities out of the parent company and reduce external debt in its subsidiaries. In accordance with this policy, business activities in the Issuer's operating subsidiaries are primarily financed by the Issuer, through equity and debt. The capital structure of each of the Issuer's subsidiaries is primarily determined by the nature of the subsidiary's activity and any local requirements on capital structure including tax and business requirements for specific levels of solvency. Group internal debt is provided on market terms including a credit margin based on the subsidiary's business activities and capital structure.

At the same time excess liquidity in the Issuer's subsidiaries is allocated to the Issuer, as group parent, in the form of deposits or loan repayments in order to minimise overall group liquidity and debt. Some regulated and other subsidiaries or specific accounts are not included in these cash-pool arrangements due to regulatory restrictions or for other reasons.

As at 30 September 2010, the Issuer's gross interest bearing debt made up DKK 40.2 billion and DKK 27.6 billion net of interest bearing assets, which compared to DKK 34.4 billion and DKK 26.9 billion, respectively, on 31 December 2009.

During the first 9 months of 2010, the Issuer raised long-term financing, entered into loan agreements and obtained committed credit facilities for a total of DKK 18.7 billion. The Issuer issued GBP 500 million of 5.750 per cent. Notes due in 2040. The issuance was made through the Issuer's Debt Issuance programme (EMTN). The notes are listed on the London Stock Exchange. Additional long-term financing was raised through a Danish mortgage institution loan of DKK 1,500 million due in 2040. Loan agreements for long-term financing have been obtained with the European Investment Bank for a total amount equivalent of DKK 5.4 billion. A committed revolving credit facility of EUR 750 million until 2015, has been established to replace the former committed revolving credit facility of EUR 1,500 million which would expire in 2011. Additional bilateral committed credit facilities of EUR 250 million have also been established.

Credit Ratings and Financial Targets

The Issuer and DONG Naturgas A/S are each rated by Moody's and the Issuer is also rated by Standard & Poor's. Moody's ratings as at the date of this Prospectus were Baal for the corporate ratings of both entities and senior debt and Baa3 for the hybrid capital issued by the Issuer in 2005 (all ratings with stable outlook). The Issuer had a corporate rating of A- from Standard & Poor's (also rating for its senior debt) and BBB for the hybrid capital issued in 2005 (all ratings with stable outlook) as at the date of this Prospectus.

The Securities are expected to be rated BB+ by Standard & Poor's and Baa3 by Moody's.²

The Issuer believes that a corporate rating for the Issuer below BBB+/Baa1 would limit its ability to operate efficiently in the international energy markets. Accordingly, the Issuer has established its financial policies and capital structure objectives in a manner that the Issuer believes would, under normal market conditions, ensure that it maintains ratings at or above BBB+/Baa1.

The Issuer's long-term capital structure target is to have adjusted net interest-bearing debt in relation to cash flow from operations of approximately three times. Adjusted net debt is defined as the accounting classified net debt plus 50 per cent. of the hybrid capital.

Risk management

As part of its normal operations, the Issuer encounters, in addition to general operational and business risks, a number of different areas of risk, including, and relating to, market fluctuations in commodity prices, currency exchange rates and interest rates as well as credit and insurance, among others. Management of these risks is an important area of focus for the Issuer. The purpose of the Issuer's risk management activity is to identify the various areas of risk to which the Issuer is exposed and subsequently decide how to address such risks, including assessing to what extent the individual risks are acceptable or even desirable, in conjunction with an evaluation of the extent to which these risks can be mitigated, to ensure an optimal balance between risk and return.

The Issuer manages the different risk areas based on risk management policies approved by its Board of Directors. Risk related issues and status on compliance with the risk policies are reported quarterly to the Board of Directors. The Issuer has established a group-wide risk committee headed by the Issuer's Chief Financial Officer and in which each of the Issuer's business units is represented, with responsibility for overseeing the Issuer's risk management and risk control activities relating to its market and credit risks. The Issuer has a centralised risk management unit at a group-wide level. In addition, the Issuer has implemented separate policies and internal controls relating to insurance, QHSE (Quality, Health, Safety and Environment), and IT risk management.

Market and Credit Risks

In the ordinary course of its business, the Issuer is exposed to various types of market risks, including changes in commodity prices, currency exchange rates and interest rates. The Issuer's risk management strategies seek to secure a minimum cash flow and reduce volatility in the Issuer's cash flows that results from fluctuations in market prices for oil, oil products, gas, power, coal, CO2 Certificates and other relevant commodities as well as to reduce cash flow volatility caused by fluctuations in currency exchange rates or interest rates.

The Issuer's policy is to identify and assess all market risks with reasonably high likelihood of materialising. The Issuer adjusts these risks for any special taxation that might apply. For example, the Issuer's oil and gas

² Standard & Poor's defines "BB+" as follows:

"An obligation rated 'BB' is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation."

Moody's defines "Baa3" as follows:

"Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category."

production from Norway is subject to the special Norwegian hydrocarbon tax of 50 per cent. The Issuer has implemented a number of strategies designed to help manage and adjust the identified market risks to a level deemed appropriate by the Issuer's Board of Directors. The Issuer manages its market risk by entering into financial and physical contracts on commodities, interest rates and foreign currencies. The financial and physical contracts that the Issuer enters into include forward contracts with fixed prices, the buying and selling of options which include caps and floors on market prices and contracts relating to other structured products. In connection with and, in part, to support these activities, the Issuer also engages in a limited amount of proprietary trading in gas, power, coal, oil, oil products and CO2 Certificates to take advantage of market opportunities and maintain high levels of market understanding required to support the Issuer's portfolio optimisation and risk management activities.

When the Issuer enters into financial or physical contracts or otherwise seeks to manage its market risks, the Issuer primarily focuses on the impact that such contracts or other actions would have on its cash flows over the next 2-5 years and, secondarily, on the accounting effect of such transactions.

The Issuer manages its credit risk through its policy regarding counterparty credit lines along with structured monitoring of the Issuer's actual exposure. The Issuer manages credit lines on the basis of its assessment of the counterparty's credit rating. Where the counterparties have been rated externally, by, among others, Moody's or Standard & Poor's, these ratings play a significant role when the Issuer is determining its internal ratings for such counterparties. The Issuer manages its credit risk exposure by using standardised contractual frameworks with each individual counterparty, where relevant, for trading in energy and financial markets.

The Issuer's methodology for calculating credit risk takes into account any receivables and a financial element to capture any risk arising from future changes in the market value for contracts not based on floating prices. Credit lines for counterparties are allocated according to approved roles and responsibilities within Issuer's Group Credit Risk Policy and are designed to ensure that all major exposures are monitored at the group-wide level.

As part of the Issuer's management of credit risk, it monitors the credit risk of its trading and financial counterparties on a daily basis, and of the Issuer's other counterparties on a monthly basis. All significant credit risk exposures are reported on a regular basis to the Executive Board and the Board of Directors. The Issuer manages its credit exposure proactively in order to facilitate its business activities without subjecting itself to unreasonable credit exposure in respect of any individual counterparty.

The number of potential counterparties in some energy markets where the Issuer operates is relatively low and being active in such markets can result in aggregating credit risk towards large, central players and counterparties. However a substantial proportion of the Issuer's trading is via exchanges where participants regularly provide collateral in respect of their obligations, and where trades are settled by clearing centres with low or no credit risk.

The Issuer's losses due to defaults by counterparties have historically been relatively low.

Insurable Risks

The Issuer's insurance programme is based on analysis and mapping of risks related to the Issuer's activities.

A substantial part of the property insurance cover relates to the membership of the mutual insurance company, OIL Insurance Ltd. Through this membership, the Issuer is insured up to a limit of USD 250 million, with a deductible of USD 10 million for each occurrence resulting in damage to assets. In addition to the OIL insurance, the Issuer is covered up to a cap of USD 700 million through separate excess policies. With a view to achieving adequate cover for a number of large projects, this cover has been supplemented by specific insurance policies through Lloyd's of London and other markets.

With a view to optimising the insurance portfolio and managing the property insurance with OIL Insurance Ltd., among others, a captive, DONG Insurance A/S, has been set up with the object of insuring the Issuer and its subsidiaries. DONG Insurance A/S is protected by a stop loss limit at USD 10 million. DONG Insurance A/S is subject to supervision by the Danish Financial Supervisory Authority.

Legal Proceedings

The Issuer is engaged in a number of litigation and arbitration proceedings. Brief descriptions of the material proceedings are mentioned below. The remaining proceedings are not regarded to have any significant effect on the Group's financial position or profitability either individually or collectively.

Competition Disputes relating to Danish Wholesale Power Prices

The Issuer is a party to actions relating to the competition authorities' claim that former Elsam, now part of the DONG Energy Group, charged excessive prices in the Danish wholesale power market in some periods. The Danish Competition Appeals Tribunal has found that Elsam abused its dominant position in the wholesale power market in Western Denmark to some extent in the periods 1 July 2003 to 31 December 2004 and 1 January 2005 to 30 June 2006 by charging excessive prices. The Issuer disputes these rulings and has appealed them to the Copenhagen Maritime and Commercial Court.

The Competition Appeals Tribunal has abrogated a similar finding of excessive pricing from the Danish Competition Council concerning the period 1 July 2006 to 31 December 2006 and referred it back to the Council. This decision was based on the finding that the Competition Council had not proved that Elsam's behaviour in this period constituted an abuse of a dominant position.

A group of power consumers has filed a claim with the Copenhagen Maritime and Commercial Court for compensation of up to DKK 4.4 billion with addition of interest in connection with the above actions relating to excessive prices in Western Denmark. The Issuer has furthermore entered into agreements with a number of other potential claimants to suspend the statutory limitation of their alleged claims which entails that these claimants have not yet filed a claim.

As the outcome of these actions is subject to considerable uncertainty, a DKK 298 million provision has been recognised, which has been determined on the basis of the Competition Council's calculation of the consumers' losses.

The Danish Competition and Consumer Authority has investigated whether former Energi E2, now part of DONG Energy Group, in the period 1 July 2003 to 31 December 2005, abused an alleged dominant position in the wholesale power market in Eastern Denmark by charging excessive prices. On 22 December 2010, the Danish Competition and Consumer Authority ruled in favour of Energi E2.

Syd Arne Arbitration

In connection with the development of the Syd Arne field (licence 7/89 on the DCS in which the Issuer holds a 34.4 per cent. interest), the Issuer entered into an agreement in 1998 to purchase all of the associated natural gas produced from the field throughout the life of the field. As part of the agreement, the Issuer constructed and financed a 303 kilometre pipeline from the Syd Arne platform to shore and made a one-time payment to the Syd Arne consortium.

On 31 March 2006, the Syd Arne claimants initiated an arbitration process which is currently ongoing. The claims of the Syd Arne claimants are based primarily on allegations that the Issuer abused its market position during the negotiation of the agreement, which took place during the period between 1996 and 1998. The Issuer believes that the gas sales agreement entered into with the Syd Arne claimants is the result of normal commercial negotiations between experienced partners within the energy industry and, consequently, it is not

the result of the alleged abuse of a dominant position or other alleged infringements. The Syd Arne claimants have asserted damages of approximately DKK 880 million for the period until 30 September 2009. In addition to this claim for monetary damages, the Syd Arne claimants seek to have the agreement cancelled with effect from 30 September 2009 (or another point in time) or, alternatively, to set aside the agreement's exclusivity provision with effect from 30 September 2009 (or another point in time), which would permit sales to third parties and would adjust certain of the agreement's commercial terms. Should the provision be set aside, the volumes and prices of natural gas that the Issuer could purchase under the agreement could be altered.

Material Contracts

The Issuer has not entered into any contracts, other than in the ordinary course of the Issuer's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet the Issuer's obligations under the Securities.

Management

General

The Issuer is governed by the Board of Directors which has overall responsibility for the management of the Issuer's business. The Issuer's Group Executive Management is in charge of the day-to-day management and in that capacity follows the directions and guidelines provided by the Board of Directors.

According to the Articles of Association of the Issuer, the Board of Directors must consist of six to eight members elected by the shareholders and the number of members elected by the employees according to legislation. The Board of Directors currently consist of eight members elected by the shareholders and four members appointed by the employees (the "group representatives"). The Board of Directors holds a minimum of five meetings each year. Extraordinary board meetings are convened when required.

The Board of Directors has appointed the Issuer's Group Executive Management, which currently consists of six members, including a Chief Executive Officer ("CEO") and a Chief Financial Officer ("CFO"). The CEO and CFO comprise the Issuer's executive board (the "**Executive Board**"), and are registered managers with the Danish Commerce and Companies Agency. The Group Executive Management typically holds meetings every other week and in addition on an as required basis.

The business address of the members of the Board of Directors and Group Executive Management is c/o DONG Energy A/S, Kraftvaerksvej 53, Skærbæk, DK-7000 Fredericia, Denmark.

Board of Directors

The members of the Board of Directors as at the date of this Prospectus, are:

Name	Year Born	Year First Appointed	Current Term Expires	Position
Fritz H. Schur.....	1951	2005	2011	Chairman
Lars Nørby Johansen.....	1949	1997	2011	Deputy Chairman
Jens Kampmann.....	1937	2005	2011	Director
Poul Arne Nielsen.....	1944	2006	2010	Director
Jakob Brogaard.....	1947	2007	2010	Director
Lars Rebien Sørensen.....	1954	2007	2010	Director
Jørn P. Jensen.....	1964	2010	2011	Director

Name	Year Born	Year First Appointed	Current Term Expires	Position
Mogens Vinther.....	1947	2010	2011	Director
Hanne Sten Andersen.....	1960	2007	2011	Group representative
Poul Dreyer	1964	2007	2011	Group representative
Jørgen Peter Jensen	1968	2007	2011	Group representative
Jens Nybo Stilling Sørensen.....	1968	2007	2011	Group representative

Fritz H. Schur is Chairman of the Board of Directors and was appointed to this position on 24 June 2005. He is CEO, Chairman, Deputy Chairman or member of companies in the Fritz Schur Group. Mr. Schur serves as Chairman of the boards of directors of SAS AB (Sweden), Post Norden AB, F. Uhrenholt Holding A/S, C.P. Dyvig & CO. A/S, Relation-lab A/S and Relationscore ApS and as Deputy Chairman of the board of directors of Brd. Klee A/S. He is also a member of the boards of directors of Center for Formidling af Naturvidenskab og Moderne Teknologi (Fond), Fonden Eventyrteatret, Kronprins Frederiks og Kronprinsesse Marys Fond, and Den Kongelige Danske Ballets Fond.

Lars Nørby Johansen is Deputy Chairman of the Board of Directors and was appointed to this position on 1 August 2001. He is also Chairman of the boards of directors of Falck A/S, Falck Danmark A/S, Georg Jensen A/S, William Demant Holding A/S, Nature Consult ApS and Fonden Oluf Høst Museet. Mr. Johansen is the deputy chairman of Rockwool Fonden. Mr. Johansen also serves as member of the boards of directors of Codan A/S, Codan Forsikring A/S, Arp-Hansen Hotel Group A/S, Index Award AS and Institut for selskabsledelse ApS. He serves as executive officer of GJKJUS 607 ApS.

Jens Kampmann is a member of the Board of Directors. He is also Chairman of the boards of directors of Desmi A/S, Frydenholm A/S, Frydenholm Holding A/S, Special Waste Systems A/S, Dalum Holding A/S. He serves as a member of the boards of directors of Genan Business & Development A/S, Genan A/S, Genan Global A/S, Retrocom Holding A/S White Arkitekter A/S, Kampus.NU ApS and JKC ApS. He serves as executive officer of JKC ApS and Toftøje Invest ApS.

Poul Arne Nielsen is a member of the Board of Directors. He is also Mayor of the Municipality of Stevns. Mr. Nielsen is Chairman of the boards of directors of SEAS-NVE A.m.b.A., SEAS-NVE Holding A/S, SEAS-NVE Strømmen A/S and Sjællandske Medier A/S. He also serves as member of the boards of directors of Sampension KP Livsforsikring A/S and Sampension Administrationselskab A/S.

Jakob Brogaard is a member of the Board of Directors. He is also Deputy Chairman of the boards of directors of LR Realkredit A/S, Roskilde Bank A/S and Finansiell Stabilitet A/S and a member of the boards of directors of Danica Pension Livsforsikringsaktieselskab, Forsikringselskabet Danica, Skadeforsikringsaktieselskab af 1999, Wrist Group A/S and Newco AEP A/S.

Lars Rebien Sørensen is a member of the Board of Directors. He is also a member of the boards of directors of ZymoGenetics Inc. (United States) and Bertelsmann AG (Germany). He is the CEO of Novo Nordisk A/S.

Jørn P. Jensen is a member of the Board of Directors. He serves as Deputy CEO and CFO of Carlsberg Breweries and Carlsberg A/S. He is also member of management in 24 wholly-owned Danish and foreign subsidiaries and member of management in Boliginteressentskabet Tuborg and Unicer Bebidas de Portugal SGPS, S.A. He also serves as CEO of Ekeløf Invest ApS.

Mogens Vinther is a member of the Board of Directors. He is also the chairman of the board of directors of Fonden Det Gamle Apotek i Ribe and Foreningen Gammelt Præg – Ribe Bybevaring and a member of the

boards of directors of Syd Energi Holding A/S, Syd Energi A.m.b.a., Fonden Ribe Byferie and Fonden til Ribe Bys Forskønnelse. He serves as CEO of Langberg & Vinther Advokatanpartsselskab.

Hanne Sten Andersen is a group representative and member of the Board of Directors.

Poul Dreyer is a group representative and member of the Board of Directors.

Jørgen Peter Jensen is a group representative and member of the Board of Directors.

Jens Nybo Stilling Sørensen is a group representative and member of the Board of Directors.

Group Executive Management

The members of the Issuer's Group Executive Management, as at the date of this Prospectus, are:

Name	Year Born	Position
Anders Eldrup	1948	Chief Executive Officer
Carsten Krogsgaard Thomsen.....	1957	Executive Vice President and Chief Financial Officer
Niels Frederik Bergh-Hansen.....	1948	Executive Vice President
Søren Gath Hansen	1954	Executive Vice President
Lars Clausen	1959	Executive Vice President
Kurt Bligaard Pedersen.....	1959	Executive Vice President

Anders Eldrup has been the Issuer's Chief Executive Officer since 2001 and is a registered manager of the Issuer with the Danish Commerce and Companies Agency. Mr. Eldrup was educated at the University of Aarhus where he received a master's degree in political science in 1972. Prior to joining the Issuer in 2001, Mr. Eldrup served for 10 years as Permanent Secretary of the Danish Ministry of Finance, a post he held since his appointment in 1991 when he was Director in the Department of the Budget. His career at the Danish Ministry of Finance also included positions as personal secretary to the Minister of Finance, department head, and division chief. Mr. Eldrup began his career at the Office of the Auditor General of Denmark, prior to joining the Danish Ministry of Finance. Mr. Eldrup is also chairman of Copenhagen Cleantech Cluster and member of the boards of directors of Center for Formidling af Naturvidenskab og Moderne Teknologi (Fond) Rockwool Fonden, Terma A/S, Danmarks Tekniske Universitet, and Fonden Lindoe Offshore Renewables Center.

Carsten Krogsgaard Thomsen has been the Issuer's Chief Financial Officer since 2002 and is a registered manager of the Issuer with the Danish Commerce and Companies Agency. Mr. Thomsen was educated at the University of Copenhagen where he received his master's degree in economics in 1983. Prior to joining the Issuer in 2002, Mr. Thomsen served for five years as Executive Vice President, Chief Financial Officer of the Danish State Railways. Mr. Thomsen was also Director of Finance at the National Hospital of Denmark and a consultant at McKinsey & Company. His career has also included managerial level positions at Andelsbanken as well as positions at the Danish Ministry of Finance and the Danish Ministry of the Interior. Mr. Thomsen is Deputy Chairman of the board of directors of NNIT A/S and member of the boards of directors of GN Store Nord A/S, GN Netcom A/S and GN Resound A/S.

Niels Frederik Bergh-Hansen has been a member of the Issuer's Group Executive Management since 2006 and is responsible for the Issuer's Power business unit. Mr. Bergh-Hansen was educated at the Technical University of Denmark where he received his master's degree in civil engineering in 1973. Prior to joining Elsam in 2000, Mr. Bergh-Hansen was CEO of Sønderjyllands Hojspaendingsvaerk Andelsselskab from 1992.

He has also served as CEO of Tarco A/S and SH Energi A/S. Mr. Bergh-Hansen is chairman of Foreningen af Danske Privathavne and Dansk Energi, and member of the board of directors of Project Zero-Fonden,

Søren Gath Hansen has been a member of the Issuer's Group Executive Management since 2002 and is responsible for the Issuer's Exploration & Production business unit. Mr. Hansen was educated at the University of Copenhagen where he received his master's degree in political science in 1983. Prior to joining the Issuer in 1984, Mr. Hansen was Head of Section in the Danish Ministry of the Environment.

Lars Erik Clausen has been a member of the Issuer's Group Executive Management since 2007 and is responsible for the Issuer's Sales & Distribution business unit. Mr. Clausen was educated at the Technical University of Denmark where he received a Master's degree in Civil Engineering in 1986. He also received a HD Diploma in Business Administration from the Copenhagen Business School in 1988. Prior to joining the Issuer in 2007, Mr. Clausen was General Manager of Shell Gas Direct Ltd. UK & Gas Sales (United Kingdom) (resigned in 2006). Prior to that position, Mr. Clausen was Chief Executive Officer and Commercial Director of A/S Dansk Shell from 1999-2003. Mr. Clausen is member of the board of directors of Better Place Denmark A/S.

Kurt Bligaard Pedersen has been a member of the Issuer's Group Executive Management since 2002 and is responsible for the Issuer's Energy Markets business unit. Mr. Pedersen was educated at the University of Aarhus where he received a master's degree in political science in 1988. Prior to joining the Issuer in 2002, Mr. Pedersen was Chief Executive Officer of Falck Danmark A/S. He has also served as Finance Director and City Manager of the City of Copenhagen and as Head of Section and Deputy Permanent Secretary at the Danish Ministry of Finance for a total period of four years. Mr. Pedersen started his career as a consultant to the Parliamentary Social Democratic Party. Mr. Pedersen serves as Deputy Chairman of the boards of directors of BRF Kredit A/S, BRF Holding A/S, and as member of the boards of directors of BRF Fonden and Københavns Zoologiske Have.

Statement on Conflicts of Interest

No actual or potential conflicts of interests exist with respect to the duties of any member of the Board of Directors or Group Executive Management towards the Issuer and their private interests and/or duties to other persons. There is no agreement or understanding between the major shareholders, suppliers or others pursuant to which any member of the Board of Directors or the Group Executive Management has been selected as a member of the Issuer's administrative management or supervisory bodies or as a member of senior management.

Corporate Governance

The Danish Corporate Governance Committee has prepared recommendation for corporate governance that must be observed by listed companies. As a State-owned public limited company, the Issuer operates on terms very similar to those applying to listed companies. The Issuer has consequently elected to basically comply with recommendations. The Issuer has decided not to set an age limit for members of the Board of Directors, however the age form part of the overall assessment of the composition of the Board of Directors.

Due to the Issuer's ownership structure, with the Danish State as principal shareholder (76.49 per cent. ownership interest) and a limited number of minority shareholders, the Issuer has deemed that the aim and purpose of certain corporate governance recommendations, for example, concerning the exercise of ownership and communications with owners and preparation of the Annual General Meeting, are not relevant to the Issuer.

In addition, the recommendations on disclosures concerning shares, options and warrants held by Board members are not relevant, as the possibility for management to buy shares does not exist, and the Issuer has not issued any options or warrants.

The Board of Directors of the Issuer reviews the corporate governance recommendations annually based on best practice.

Audit and Risk Committee

After the Issuer's Annual General Meeting, the Board of Directors appoints members to the Audit and Risk Committee.

The Audit and Risk Committee reports directly to the Issuer's Board of Directors. The committee's main responsibilities are to support the Board of Directors in its review of the integrity of the Issuer's financial reporting, annual report, and internal accounting and ERP systems. The committee also keeps under review the external auditors' skills and independence and is responsible for the conclusion of engagement agreements with external auditors. The committee monitors the Issuer's compliance with legislation and other requirements from public authorities concerning the Issuer's annual report, financial reporting and internal control systems, including control systems relating to the publication of relevant information. It is also part of the committee's remit to monitor issues relating to the risk policy laid down by the Board of Directors, both from a financial and accounting point of view.

Furthermore, the committee discusses accounting procedures with the external auditors, evaluates their work, establishes whistle-blower procedures and undertakes other relevant tasks.

As at the date of this Prospectus, the Audit and Risk Committee members are Lars Nørby Johansen (Chairman), Jakob Brogaard and Jens Kampmann.

Statutory Auditors

The auditors of the Issuer for 2009 were KPMG, Statsautoriseret Revisionspartnerselskab, Borups Allé 177, DK-2000 Frederiksberg, Denmark ("**KPMG**") and Deloitte, Statsautoriseret Revisionsaktieselskab, Weidekampsgade 6, DK-2300 København S, Denmark ("**Deloitte**") (in each case authorised by the Danish Commerce and Companies Agency and regulated by the Danish Auditors Act and otherwise by the laws of the Kingdom of Denmark), who have audited in accordance with generally accepted Danish Standards in Auditing in the Kingdom of Denmark the Issuer's annual reports for the years ended 31 December 2007 and 31 December 2008 and the Issuer's consolidated financial statements for 31 December 2009, and issued an auditors' report on such annual reports and consolidated financial statements without qualifications. Neither KPMG nor Deloitte have any financial interest in the Issuer.

At the Issuer's ordinary general meeting in April 2010, decisions were passed to reduce the number of auditors of the Issuer from two to one and to elect PricewaterhouseCoopers, Statsautoriseret Revisionsaktieselskab, Strandvejen 44, DK-2900 Hellerup, Denmark ("**PwC**") (authorised by the Danish Commerce and Companies Agency and regulated by the Danish Auditors Act and otherwise by the laws of the Kingdom of Denmark) as new auditors of the Issuer. Consequently, KPMG and Deloitte have resigned as auditors of the Issuer. PwC have no financial interest in the Issuer.

Employees

The table below shows the number of full-time equivalent ("FTE") employees as at the end of the periods indicated:

	2008	2009
Number of FTE employees	5,347	5,865

As at the date of this Prospectus, the Issuer has approximately 6,000 FTE employees.

Selected Financial Information

Consolidated Income Statement

	2008	2009	First Nine Months 2009	First Nine Months 2010
	(DKK million)			
Revenue	60,777	49,262	35,791	38,490
Gross profit	10,443	5,917	4,731	7,384
Operating profit (EBIT)	8,004	3,757	3,056	5,846
Profit before tax	7,739	2,407	1,996	5,056
Profit for the year	4,815	1,138	1,081	3,091

Consolidated Statement of Recognised Income and Expense 1 January - 31 December

	1 January - 31 December 2008	1 January - 31 December 2009	First Nine Months 2009	First Nine Months 2010
	(DKK million)			
Profit for the year	4,815	1,138	1,081	3,091
Value adjustments of hedging instruments:	4,001	(2,582)	(1,527)	(2,218)
Foreign exchange adjustments:	(1,996)	1,322	1,267	798
Other adjustments:	(872)	677	447	628
Total recognised income and expense	1,133	(583)	187	(792)
Total recognised income and expense for the year	5,948	555	1,268	2,299

Consolidated Balance Sheet at 31 December

Assets

	2008	2009	First Nine Months 2009	First Nine Months 2010
	<i>(DKK million)</i>			
Intangible assets.....	2,721	3,152	3,512	2,783
Property, plant and equipment	53,995	70,130	66,513	77,599
Other non-current assets	5,384	8,856	6,504	8,611
Non-current assets.....	62,100	82,138	76,529	88,993
Current assets.....	43,798	38,338	45,447	35,400
Assets classified as held for sale.....	187	76	0	1,831
Assets.....	106,085	120,552	121,976	126,224

Equity and Liabilities

	2008	2009	First Nine Months 2009	First Nine Months 2010
	<i>(DKK million)</i>			
Equity attributable to the equity holders of DONG Energy A/S.....	38,055	36,618	36,972	37,778
Equity.....	46,190	44,808	45,141	46,871
Non-current liabilities	29,600	49,325	43,968	53,477
Current liabilities.....	30,208	26,419	32,867	25,855
Liabilities	59,808	75,744	76,835	79,332
Liabilities associated with assets classified as held for sale.....	87	0	0	21
Equity and liabilities	106,085	120,552	121,976	126,224

Taxation

Denmark

The comments below are intended as a basic summary of certain tax consequences in relation to the withholding tax position of the Securities under Danish law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

Withholding tax

Under existing Danish tax laws all payments in respect of the Securities will be made without deduction for, or on account of, withholding taxes except in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to in Section 2(1)(d) and (h) of Consolidated Act No. 1001 of 26 October 2009 (as amended) (*selskabsskatteloven*). Under Danish withholding tax rules, there will be no Danish tax implications for Securityholders that have no relationship with the Issuer, the State or the Kingdom of Denmark other than the holding of the Securities.

With few exceptions, Danish resident investors will be taxable on interest and gains, if any, while losses, if any, will be tax deductible.

EU Savings Tax

Under the EU Savings Directive (2003/48/EC) the Member States are required to adopt measures to ensure that paying agents established within their territory identify the beneficial owner of interest payments and their residence for tax purposes. Where the beneficial owner of an interest payment is an individual who is resident in a Member State other than that in which the paying agent is established, the paying agent is required to report certain information about the beneficial owner and the amount of the interest payment to the tax authority of the Member State in which it is established. In Denmark, the Directive has been implemented in Section 8 X of the Danish Tax Control Act. In addition, Denmark has concluded several agreements with certain EU dependent or associated territories and non EU-member States regarding exchange of information. In 2008, the European Commission has proposed certain amendments to the Directive which may widen the scope of the rules.

Luxembourg

The comments below are intended as a basic summary of certain tax consequences in relation to the withholding tax position of the Securities under Luxembourg law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

Withholding tax

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to certain individual Securityholders, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to certain individual Securityholders, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Securities.

Luxembourg non-resident individuals

Under the Luxembourg laws dated 21 June 2005 implementing the European Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**") and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union ("**EU**"), a Luxembourg based paying agent (within the meaning of the Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an

individual resident in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for the procedure of exchange of information or for the tax certificate procedure. The same regime applies to payments of interest and other similar income made to certain "residual entities" within the meaning of Article 4.2 of the Savings Directive established in a Member State or in certain EU dependent or associated territories (i.e., entities which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation, which are not UCITS recognised in accordance with the Council Directive 85/611/EEC or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands and which have not opted to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC).

The withholding tax rate is currently 20 per cent., increasing to 35 per cent. as from 1 July 2011. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

Investors should note that the European Commission adopted a new draft Savings Directive, which, among other changes, seeks to extend the application of the Savings Directive to (i) payments channelled through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to savings income. Further developments in this respect should be monitored on a continuing basis, since no certainty exists over whether and when the proposed amendments to the Savings Directive will be implemented. Investors who are in any doubt as to their position should consult their professional advisors.

Luxembourg resident individuals

In accordance with the law of 23 December 2005 as amended by the law of 17 July 2008 on the introduction of a withholding tax on certain interest payments on savings income, interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg individual residents or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the European Council Directive 85/611/EEC or for the exchange of information regime) are subject to a 10 per cent. withholding tax.

Pursuant to the Luxembourg law of 23 December 2005 as amended by the law of 17 July 2008, Luxembourg resident individuals acting in the course of their private wealth can opt to self-declare and pay a 10 per cent. tax on interest payments made after 31 December 2007 by paying agents (defined in the same way as in the Savings Directive) located in an EU Member State other than Luxembourg, a Member State of the European Economic Area other than an EU Member State or in a State or territory which has concluded an international agreement directly related to the Savings Directive.

United Kingdom

The comments below are intended as a basic summary of certain tax consequences in relation to the withholding tax position of the Securities under current United Kingdom law and HM Revenue & Customs practice. Persons who are in doubt as to their own tax position should consult a professional tax adviser.

Withholding tax and Information Reporting

On the basis that interest on the Securities is not expected to have a United Kingdom source, there should be no United Kingdom withholding tax on payments of interest.

Persons in the United Kingdom paying interest (or certain other amounts) to or receiving interest (or certain other amounts) on behalf of another person who is an individual may be required to provide certain

information to HM Revenue & Customs regarding the identity of the payee or person entitled to the interest and, in certain circumstances, such information may be exchanged with tax authorities in other countries.

EU Savings Tax

As discussed under "Denmark – ***EU Savings Tax***" above, under the EU Savings Directive (2003/48/EC) the Member States are required to adopt measures to ensure that paying agents established within their territory identify the beneficial owner of interest payments and their residence for tax purposes. Under the Directive as implemented in the United Kingdom, a United Kingdom based paying agent making payments of interest and other similar amounts to an individual (or certain other persons) resident in a Member State other than the United Kingdom is required to provide to the tax authorities of such other Member State details of such payments.

Subscription and Offer of the Securities

Offer of the Securities

Offer period and determination of Pricing Details

The Securities will be offered to investors by Barclays Bank PLC, Deutsche Bank AG, London Branch, J.P. Morgan Securities Ltd. and/or Société Générale (together, the "**Joint Lead Managers**" and each, a "**Joint Lead Manager**") and Danske Bank A/S and Nordea Bank Danmark A/S (together, the "**Co- Managers**" and, together with the Joint Lead Managers, the "**Managers**" and each, a "**Manager**"), during an offer period which will commence on 17 January 2011 and will be open until the Issue Date subject to a shortening or extension agreed by the Issuer and the Managers (the "**Offer Period**"). Should the Issuer and the Managers determine any shortening or extension of the Offer Period (e.g. due to changing market conditions), such changes will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The Securities will be offered to institutional investors and retail investors in compliance with applicable public offer restrictions. The Securities may be offered to the public in each of Germany, Denmark, The Netherlands, Luxembourg, Sweden and Finland (the "**Offer Jurisdictions**"), following the effectiveness of the notification of the Prospectus by the CSSF according to article 18 of the Prospectus Directive.

The Issue Price, the aggregate principal amount of Securities to be issued, the fixed rate of interest, the Margin, the issue proceeds and the yield of the issue (together, the "**Pricing Details**") will be determined as described in "Method of determination of the Pricing Details" below on the pricing date which is expected to be on or about 13 January 2011 (the "**Pricing Date**"). Upon determination, the Pricing Details will be set out in a notice (the "**Pricing Notice**") which will be filed with the CSSF and published on the website of the Luxembourg Stock Exchange (www.bourse.lu) on or after the Pricing Date and prior to the Issue Date.

Conditions and details of the offer

There are no conditions to which the offer is subject. In particular, there is no minimum or maximum amount of Securities required to be purchased. Investors may place offers to purchase Securities in any amount.

Subscription rights for the Securities will not be issued. Therefore, there are no procedures in place for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.

Any offer of Securities to investors will be made through the information system Bloomberg or any other commonly used information systems.

Offers to purchase Securities by the investors

During the Offer Period (including prior to the Pricing Date) investors may submit offers to purchase Securities to the Managers using the information system Bloomberg or any other commonly used information systems. In the case of an order prior to the determination of the Pricing Details, the investors shall specify at which price they would be prepared to purchase which amount of Securities. Following determination and notification of the Pricing Details, any order placed by investors with respect to the Securities will be deemed to have been made at the Issue Price and the rate of interest determined.

Method of determination of the Pricing Details

The Issue Price, the aggregate principal amount of Securities to be issued, the interest rate, the Margin and the yield of the issue will be determined by the Issuer and the Managers on the basis of the price indications and orders received by the Managers from the investors by the time of pricing.

The Issue Price for, and the interest rate of, the Securities will be fixed on the basis of a yield which is determined by adding a credit spread (the Pricing Credit Spread) to the level of the Midswaps at the time of pricing. The level of the Midswaps will be determined as the average yield of the bid and ask prices of Interest-Swap Transactions (Midswaps) with a maturity similar to the maturity of the Securities shown on the Reuters page ICAPEURO or on any other screen page which is conventionally used to price Eurobond transactions at the time of pricing. The Pricing Credit Spread will be fixed on the basis of the orders received and confirmed by the Managers.

The resulting yield will be used to determine the Issue Price (which is expected to be less than par) and the rate of interest (which is expected to be a percentage figure which can be evenly divided by 1/8 of a full per cent. and which will be correspondingly higher if a higher Issue Price is determined and which will be correspondingly lower if a lower Issue Price is determined), all to correspond to the yield which reflects the level of the Midswaps and the Pricing Spread. In the event that the figures for the relevant Midswaps will not be shown as set out above, the yield, the Issue Price and the rate of interest will be determined in a manner which banks and other institutional market participants apply at that time.

Subscription and allotment of the Securities

Subscription by the Managers

Following the determination of the Pricing Details, the Managers will, pursuant to a subscription agreement to be signed on or about 13 January 2011 (the "**Subscription Agreement**"), agree to subscribe or procure subscribers for the Securities. The Managers will be entitled, under certain circumstances, to terminate the agreement reached with the Issuer. In such event, no Securities will be delivered to investors. Furthermore, the Issuer will agree to indemnify the Managers against certain liabilities in connection with the offer and sale of the Securities.

The commission payable to the Managers in connection with the offering, placement and subscription of the Securities will be up to 0.9 per cent. of the aggregate principal amount of the Securities.

The Managers or their affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer and its affiliates, for which the Managers or their affiliates have received or will receive customary fees and commissions.

There are no interests of natural and legal persons other than the Issuer involved in the issue, including conflicting ones that are material to the issue.

Confirmation of offers placed by, and allotments to, investors

Any investor who has submitted an order in relation to the Securities and whose order is accepted by the Managers will receive a confirmation by electronic mail, fax or through commonly used information systems setting out its respective allotment of Securities. Before an investor receives a confirmation from the Managers that its offer to purchase Securities has been accepted, the investor may reduce or withdraw its purchase order.

Delivery of the Securities to investors

Following the determination of the Pricing Details and confirmation which orders have been accepted and which amounts have been allotted to particular investors, delivery and payment of the Securities will be made within five business days after the date of pricing of the Securities and the confirmation of the allotment to investors. The Securities so purchased will be delivered via book-entry through the Clearing Systems (see "General Information – 9.") and their depository banks against payment of the Issue Price therefor.

Costs and expenses relating to the offer

The Issuer will not charge any costs, expenses or taxes directly to any investor in connection with the Securities. Investors must, however, inform themselves about any costs, expenses or taxes in connection with the Securities which are generally applicable in their respective country of residence, including any charges their own depository banks charge them for purchasing or holding securities.

Selling Restrictions

General

Each Manager has agreed that it will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Securities or has in its possession or distributes this Prospectus (in preliminary, proof or final form) or any such other material, in all cases at its own expense.

United States

The Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Manager has represented and agreed that, except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Securities, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (as defined in the Subscription Agreement) within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Securities within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than the offers contemplated in the Prospectus in Germany, Denmark, The Netherlands, Luxembourg, Sweden and Finland from the time the Prospectus has been approved by the competent authority in Luxembourg and published and notified to the relevant competent authority in accordance with the Prospectus Directive as implemented in Germany, Denmark, The Netherlands, Luxembourg, Sweden and Finland, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

- (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Managers; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Securities to the public**" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

Republic of Ireland

Each Manager has represented and agreed that:

- (a) it will not underwrite the issue of, or place the Securities, otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3), including, without limitation, Regulations 7 and 152 thereof or any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998;
- (b) it will not underwrite the issue of, or place, the Securities, otherwise than in conformity with the provisions of the Companies Acts, the Central Bank Acts 1942 - 2010 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989; and
- (c) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Securities, otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland.

General Information

1. Application has been made to the Luxembourg Stock Exchange for the Securities to be admitted to the Official List and to be admitted to trading on the Luxembourg Stock Exchange's regulated market.
2. The Issuer has obtained all necessary consents, approvals and authorisations in the Kingdom of Denmark in connection with the issue and performance of the Securities. The issue of the Securities was authorised by a meeting of the Board of Directors of the Issuer passed on 9 December 2010.
3. The net proceeds of the issue of the Securities, the expected amount of which will be published in the Pricing Notice, will be used for refinancing existing indebtedness including hybrid capital and general corporate purposes. The total expenses related to the issue of the Notes are expected to amount to €160,000. Subsequent to the offering of the Securities, the Issuer may make an invitation for offers to repurchase for cash (the "**Invitation**") part of its outstanding €1,100,000,000 Subordinated Capital Securities due 3005 (the "**Existing Bonds**").

This Prospectus is not an offer to purchase the Existing Bonds. The Invitation is conditional upon the satisfaction or waiver of certain specified conditions. There is no assurance that the Invitation will be consummated in accordance with its respective terms, or at all, or that a significant principal amount of the Existing Bonds will be tendered and purchased in the Invitation. The issue of the Securities is not conditional upon the consummation of the Invitation or any part of it.

4. In 2008 and 2009, the Issuer has been affected in various ways by the recent global economic downturn. See section "Risk Management" in the Issuer's Annual Report for the financial year ended 31 December 2008 which discusses the impact in 2008 and section "Consolidated Results" in the Issuer's Annual Report for the financial year ended 31 December 2009 which discusses the impact in 2009, as incorporated by reference herein, for further information. Except as disclosed therein, there has been no significant change in the financial or trading position of the Issuer or of the Group since 30 September 2010 and no material adverse change in the financial position or prospects of the Issuer or of the Group since 31 December 2009.
5. Except as disclosed in "Legal Proceedings" on pages 73 to 74 of this Prospectus, neither the Issuer nor any of its subsidiaries is nor has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.
6. There are no material contracts entered into other than in the ordinary course of the Issuer's business, which could result in any member of the Issuer's group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Securityholders in respect of the Securities being issued.
7. The Issuer currently has a series of debt securities outstanding with a denomination of less than €1,000. Therefore, for the purpose of the Issuer's continuing disclosure obligations under EC Directive 2003/6 on insider dealing and market manipulation (market abuse) ("**MAD**") and EC Directive 2004/109 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market ("**TOD**"), Denmark is currently the mandatory home member state of the Issuer and the Danish Financial Supervisory Authority (in Danish: "*Finanstilsynet*") is the officially appointed competent authority. In order to comply with its continuing disclosure obligations under MAD and TOD, the Issuer has entered into an agreement with OMX News Service, a Danish regulated information service, through which the Issuer disseminates

information to security holders. If, at any time, the Issuer no longer has outstanding listed debt securities with a denomination of less than €1,000, the Issuer may choose and notify an alternative home member state for the purposes of TOD. Such choice will remain valid for 3 years.

8. Each Security and Coupon will bear the following legend: "*Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code*".
9. The Securities have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records) with a Common Code of 056019090. The International Securities Identification Number (ISIN) for the Securities is XS0560190901.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

10. Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third-party information is identified where used.
11. For the period of 12 months starting on the date on which this Prospectus is made available to the public, copies (and English translations where the documents in question are not in English) of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Principal Paying Agent:
 - (a) the Trust Deed (which includes the form of the Global Securities, the definitive Securities, the Coupons and the Talons);
 - (b) the Articles of Association of the Issuer;
 - (c) the published annual report and audited financial statements of the Issuer for the two financial years most recently ended 31 December 2009;
 - (d) the published unaudited interim financial statements of the Issuer for the nine month periods ended 30 September 2009 and 30 September 2010, respectively;
 - (e) a copy of this Prospectus together with any Supplement to this Prospectus or further Prospectus; and
 - (f) all reports, letters and other documents, balance sheets, valuations and statements by any expert, any part of which is extracted or referred to in this Prospectus.

This Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

12. The auditors of the Issuer for 2009 were KPMG, Statsautoriseret Revisionspartnerselskab ("**KPMG**") and Deloitte, Statsautoriseret Revisionsaktieselskab ("**Deloitte**") (in each case authorised by the Danish Commerce and Companies Agency and regulated by the Danish Auditors Act and otherwise by the laws of the Kingdom of Denmark), who have audited in accordance with generally accepted Danish Standards in Auditing in the Kingdom of Denmark the Issuer's annual reports for the years ended 31 December 2007 and 31 December 2008 and the Issuer's consolidated financial statements for 31 December 2009, and issued an auditors' report on such annual reports and consolidated financial statements without qualifications. Neither KPMG nor Deloitte have any financial interest in the Issuer. In 2010 and post the publication of the annual report for the year ended in 2009, the Issuer did as part of a tender process change from two auditors (KPMG and Deloitte) to one auditor and appointed

PricewaterhouseCoopers, Statsautoriseret Revisionsaktieselskab ("**PwC**") as auditors. PwC has no financial interest in the Issuer.

13. In case of a material deterioration of the Issuer's financial profile from its stated targets, the Issuer intends, in order to facilitate a restoration of its financial profile and with a view to maintain access to the fixed income markets, to take such action, which may include but is not restricted to the following:
 - (i) not to propose a dividend, distribution or other payment on any class of shares at the annual general meeting of shareholders of the Issuer; and
 - (ii) not to, and procure that no Subsidiary would, redeem, repurchase or otherwise acquire any shares of any class of the Issuer

Please note that this intention does not form part of the Terms and Conditions.

Documents Incorporated by Reference

This Prospectus should be read and construed in conjunction with (i) the annual reports of the Issuer for the financial years ended 31 December 2008 and 31 December 2009 (excluding the section entitled "Outlook for 2010" appearing on pages 26 to 27 of the annual report for the financial year ended 31 December 2009 and the section entitled "Outlook for 2009" appearing on pages 10 to 11 of the annual report for the financial year ended 31 December 2008), including the audited consolidated financial statements of the Issuer together in each case with the audit report thereon, and (ii) the interim financial reports of the Issuer for the nine months ended 30 September 2009 and 30 September 2010 (excluding the sections entitled "Outlook for 2009 reaffirmed" and "Profit Outlook for 2009" appearing on page 1 and pages 12 to 13, respectively, of the interim financial report for the nine months ended 30 September 2009 and the sections entitled "Outlook for 2010", appearing on pages 10 and 11, respectively, of the interim financial report for the nine months ended 30 September 2010), including the unaudited consolidated financial statements of the Issuer for the nine months ended 30 September 2010 and 30 September 2009, which have been previously published or are published simultaneously with this Prospectus and which have been approved by the CSSF or filed with it.

Throughout the Prospectus, the figures relating to the first nine months of 2009 refer to the comparative figures reported in the interim financial report for the nine months ended 30 September 2010. Deviations between those figures and the figures reported in the interim financial report for the nine months ended 30 September 2009 are due to retrospective adjustments made to the balance sheet as of 30 September 2009, as a result of the acquisition of Severn Gas Fired Power Station in Wales, of A2SEA in Denmark (each further described on page 60 of the Prospectus), of the wholesale trading company KOM-STROM AG in Germany (further described on pages 49 and 64 of the Prospectus) and of the Karcino windfarm in Poland.

The documents shall be incorporated in, and form part of, this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from, the website of the Luxembourg Stock Exchange (www.bourse.lu).

The table below sets out the relevant page references for the audited consolidated statements for the financial years ended 31 December 2008 and 31 December 2009, respectively, as set out in the Issuer's Annual Report. Information contained in the documents incorporated by reference other than information listed in the table below is for information purposes only, and does not form part of this Prospectus. The non-incorporated parts of the documents incorporated by reference are either not relevant for the investors or covered elsewhere in the Prospectus.

Audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2009

DONG ENERGY A/S Annual Report 31 December 2009

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Audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2008

DONG ENERGY A/S Annual Report 31 December 2008

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Unaudited consolidated interim financial statements of the Issuer for the nine months ended 30 September 2010

DONG ENERGY A/S Interim Financial Report – First Nine Months Of 2010

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**Unaudited consolidated interim financial statements of the Issuer for the nine months ended
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DONG ENERGY A/S Interim Financial Report – First Nine Months Of 2009

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