

Preliminary Information Memorandum

September 2016



Dudgeon

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1. Investment Highlights

1.1. Overview

Dudgeon Offshore Wind Farm ("**DOWL**" or the "Project") is a 402MW offshore wind farm located 32km off the coast of the seaside town of Cromer in North Norfolk. The wind farm is being built with 67 6MW Siemens turbines situated on monopiles.

Dudgeon is one of the first renewable projects in the UK to benefit from the Contract for Difference ("CfD") mechanism under the Electricity Market Reform ("EMR"), a policy review initiated by the UK Government to incentivise investment in secure, affordable and low-carbon electricity supply.

Ofgem is launching tender round five (TR5) to identify the successful bidder to whom an offshore transmission licence should be granted for each of the TR5 qualifying projects.

The DOWL project is one of five projects which have qualified for TR5. The project, as communicated by Ofgem on 05 August 2016, has met the necessary qualifying requirements and tender entry conditions in accordance with the Electricity (Competitive Tenders for Offshore Transmission Licences) Regulations 2015.

It is currently estimated that a Preferred Bidder for DOWL is expected to be appointed in September 2017. This is following first generation from DOWL wind farm, which is scheduled for Q1 2017.

Dudgeon's transmission assets are currently under construction. The offshore substation and all other main elements are installed and is currently undergoing testing, completion and commissioning work. The transmission assets are due to be commissioned by the end of 2016. The DOWL Transmission assets will be transferred to the OFTO identified as the successful bidder through the tender process via a transfer agreement. Asset transfer is currently anticipated to be approximately 6 months after appointment of the preferred bidder.

DOWLs transmission assets are expected to deliver an availability of at least 98%, taking into account both planned and unplanned maintenance.

1.2. Transmission Assets

The transmission assets consist of an offshore substation supported by a jacket foundation with suction buckets. The offshore substation will collect all of the power produced by the Wind Turbine Generator WTGs and step up the voltage from 33kV to 132kV before transmitting it via two 132 kV export cables. The offshore export cables are each 42km long and the onshore export cables are each 47km long. The Project will connect to the 400kV network of National Grid Electricity Transmission plc ("NGET") via a new onshore substation in Necton, Norfolk.

1.3. Highly experienced project developer

The Project is owned by affiliates of Statoil ASA (35% shareholder), Abu Dhabi Future Energy Company PJSC ("Masdar") (35% shareholder), and Statkraft AS (30% shareholder). Statoil ASA is the Manager of Dudgeon Offshore Wind Limited and performs the general management for the company both in the construction and the operational phase and has the role as manager for the facility project during the construction phase.

The Project is being built on a multi-contract basis, a strategy commonly seen in the UK offshore wind market, with 8 primary contractors under 10 main contracts covering both the generation and the transmission assets of the entire Dudgeon project. The construction contracts have all been negotiated and executed with counterparties experienced in the offshore wind sector. Statoil (the "Manager") acts as development and execution phase manager of the Project and also operator for DOWL during 25 years of operations.

Prior to Dudgeon, Statoil had successfully developed and managed the construction of the 317MW Sheringham Shoal wind farm alongside Statkraft. Sheringham Shoal was fully commissioned in 2012 and Statoil was responsible for the initial operations and maintenance along with Statkraft. Apart from Sheringham Shoal and Dudgeon, Statoil's commitment and capability in the offshore wind sector is further demonstrated by its involvement in the UK Dogger Bank offshore wind project. Forewind was awarded consent for 2400MW marking an important milestone to Statoil's achievement in this sector.

In 2009, Statoil invested around NOK 400 million (equivalent to around EUR 43 million) in the construction of the world's first full scale floating wind turbine, the Hywind demonstration project off the south west coast of Norway, as well as in research and development related to the wind turbine. The pioneering Hywind project has been in operation since 2010 and has yielded results beyond expectations. The encouraging results have enabled Statoil to verify the floating WTG as a technically viable concept which can be developed into a cost competitive offshore wind concept. Building on this success, Statoil has taken final investment decision to build a 30MW pilot project at Buchan Deep, approximately 25km east of Peterhead in Scotland, consisting of five 6MW floating WTGs operating in waters exceeding 100m of depth. The project is scheduled to become operational in 2017. Statoil ASA is the Manager of Dudgeon Offshore Wind Limited and performs the general management for the company both in the construction and the operational phase and has the role as manager for the facility project during the construction phase.

Statoil is supported by highly experienced partners Masdar and Statkraft. See Section 3.2.2 and 3.2.3 for further information on these companies.

1.4. Operations and Maintenance

Statoil, as Manager, will be responsible for the operation of the Dudgeon Offshore Wind Farm under a 25-year Operation and Maintenance Services Agreement ("OMSA"). Under the OMSA, Statoil will assume responsibility for all aspects of the operation and maintenance of the Wind Farm, including the day to day management of DOWL and compliance with all approvals and licences. DOWL will offer to all qualified bidders a comprehensive O&M agreement for the transmission assets throughout the lifetime of the wind farm.

1.5. Financial Highlights

The DOWL Transmission Licence that will be granted to the successful bidder for the DOWL Transmission Assets will include the right to a 20-year revenue stream in return for purchasing the DOWL Transmission Assets and operating them in accordance with the obligations of the DOWL Transmission Licence.

The 20-year revenue stream bid of the successful bidder for the DOWL Transmission Assets that will be incorporated into the DOWL Transmission Licence will be fixed, subject to agreed adjustment mechanisms.

The revenue stream will be availability-based, with the opportunity to earn additional revenues for better than expected operational performance. The revenue stream will not be subject to periodic review, provided operational performance remains above the relevant minimum standard.

The revenue stream will also not be exposed to any revenue or performance shortfalls from DOWL itself. If DOWL ceases to operate, the NETSO's obligation to pay the revenue stream will continue.

2. Initial Transfer Value

The costs of developing and constructing the Transmission Assets, estimated on the basis of information provided to Ofgem to date by the project developers, are £377.2 million (the "**Initial Transfer Value**"). For the purposes of the Enhanced Pre-Qualification (EPQ) stage of the tender process, bidders should assume this value.

Ofgem is in the process of reviewing this information and expects to provide an estimate of the economic and efficient costs incurred in connection with developing and constructing the transmission assets at the Invitation to Tender ("**ITT**") stage (the "**Indicative Transfer Value**").

Ofgem will calculate the economic and efficient costs which have been, or ought to have been, incurred in connection with developing and constructing the transmission assets once the assets have been completed. This assessment will be used to determine the **Final Transfer Value** ("**FTV**").

3. The Investment Opportunity

3.1. Location for the wind farm assets

Dudgeon (“**DOWL**” or the “Project”) is a 402MW offshore wind farm located 32km off the coast of the seaside town of Cromer in North Norfolk. The wind farm is being built with 67 6MW Siemens turbines situated on monopiles.

The transmission assets consist of an offshore substation supported by a jacket foundation with suction buckets. The offshore substation will collect all of the power produced by the WTGs and step-up the voltage from 33kV to 132kV before transmitting it via two 132 kV export cables. The offshore export cables are each 42km long and the onshore export cables are each 47km long. The Project will connect to the 400kV network of National Grid Electricity Transmission plc (“NGET”) via a new onshore substation in Necton, Norfolk. Figure 1 below details the location of the turbines as well as the transmitting cables.

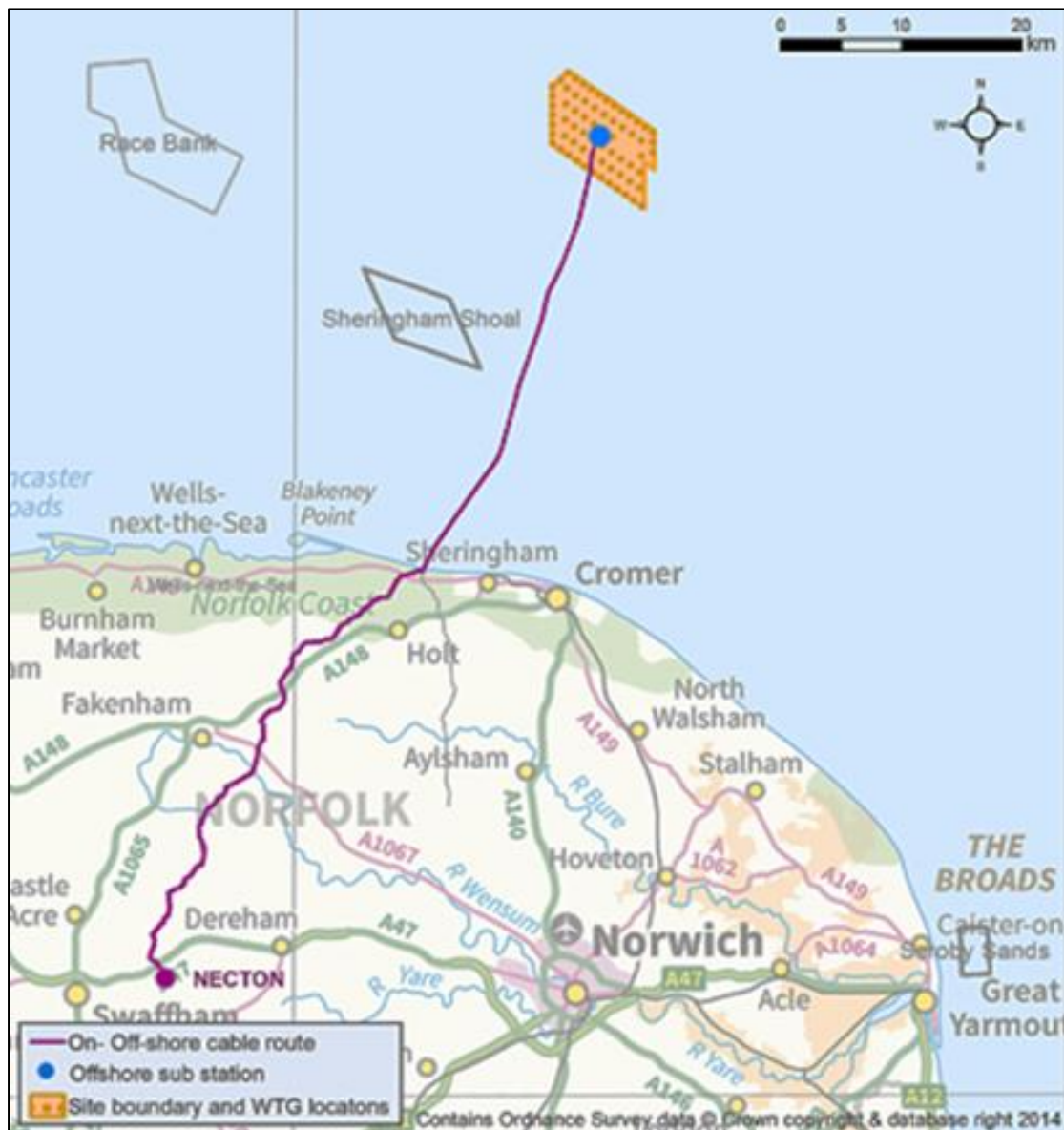
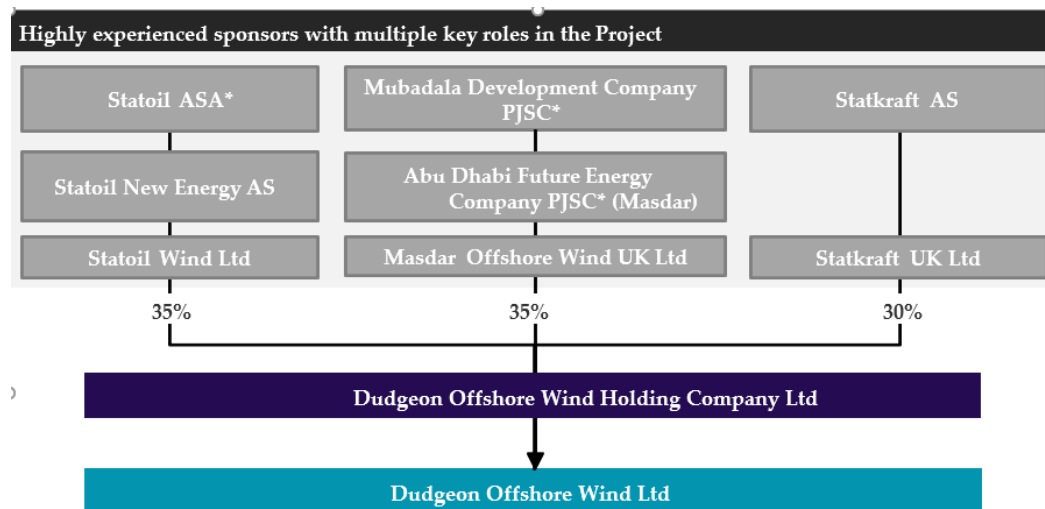


Figure 1. Location of Dudgeon Offshore Wind Farm

3.2. Ownership and Sponsors

The Project is owned by affiliates of Statoil ASA, Abu Dhabi Future Energy Company PJSC (“Masdar”), and Statkraft AS. Figure 2 below details the multicomponent ownership structure for DOWL.



The ownership structures of these entities have been simplified as additional intermediate entities exist between the parent companies and the Shareholder entities of DOWL.

Figure 2. The ownership structure for DOWL

3.2.1. Statoil ASA (“Statoil”)

Statoil’s key roles in the Project:

- owns 35% of DOWL;
- will offtake 70% of the Project’s output;
- provides construction and operations services under the DESA and OMSA

Statoil is an international energy company present in more than 30 countries around the world. It is fully integrated with capability for upstream oil & gas and pipeline operations with increasing investment in renewable energy generation. As evidence of Statoil’s commitment to wind generation, the New Energy Solutions division has been created as an independent business line which reports directly to Statoil’s CEO.

For further information on Statoil’s experience in offshore wind please see Section 1.3.

The expertise gained at the forefront of oil and gas and offshore wind technology, combined with the group’s financial strength and innovative ability, puts Statoil in a very strong position to lead the Dudgeon project.

Further information on Statoil’s activities and financial information can be found on its website at www.statoil.com

3.2.2. Abu Dhabi Future Energy Company PJSC (“Masdar”)

Masdar’s key roles in the Project:

- owns 35% of DOWL;
- will second personnel to the Project.

Masdar actively advances the development and commercialisation of clean technologies around the world. With nearly 1.5 GW of clean power contributing to the grid or under development in the United Arab Emirates and internationally, it is delivering and operating some of the world's most sophisticated and largest renewable energy projects.

Further to the Dudgeon project, developer Masdar is a 20% shareholder in London Array, the largest offshore wind farm in the world. Construction began onshore in 2009 and offshore two years later. The facility generated its first power in October 2012, with the final turbine installed that December. The London Array includes two offshore substations, one onshore substation and more than 400 kilometres of offshore cabling. It also features an operations and maintenance base at the Port of Ramsgate. The 175 wind turbines power more than a half-million homes in the United Kingdom and keep nearly 1 million tonnes of carbon-dioxide emissions out of the environment every year.

Masdar is also active in other renewable energy segments through projects that include:

- Shams 1 is a 100 MW concentrated solar power plant in the western region of Abu Dhabi, UAE
- Valle 1 & Valle 2 are concentrated solar power plants in Spain, each with an installed capacity of 50MW
- Gemasolar, a thermo solar power plant in Spain with an installed capacity of 17 MW

The company's capability extends to onshore wind development in countries such as Jordan, Oman and the Seychelles.

Masdar is a wholly-owned subsidiary of Mubadala Development Company PJSC ("Mubadala"), an investment company owned by the Government of Abu Dhabi. Established in 2002, Mubadala supports the growth of a dynamic and diversified UAE economy through active global operations and capital deployment in multiple sectors. Mubadala's portfolio is valued at more than USD 66 billion.

Further information on Mubadala's activities and financial information can be found on its website at www.mubadala.com.

3.2.3. Statkraft AS ("Statkraft")

Statkraft's key roles in the Project:

- owns 30% of DOWL;
- will offtake 30% of the Project's output;
- has personnel seconded to the Project.

Statkraft is a leading company in hydropower internationally with 18.5 GW of installed capacity (pro-rata) and Europe's largest generator of renewable energy. The group produces hydropower, wind power, gas-fired power and district heating and is a global player in energy operations.

Statkraft has 4,200 employees in more than 20 countries and has strong competence in particular with O&M, energy management and trading. In its generation portfolio, Statkraft has a pro-rata share of 814 MW of installed wind power capacity. In UK offshore wind Statkraft is a partner in the development of 4.8GW of consented capacity at Dogger Bank, the consenting and further development of the up to 900MW Triton Knoll offshore wind farm project and the construction of the 317 MW Sheringham Shoal offshore wind farm which it is currently the operator of.

Statkraft has recently started preparations for a possible divestment of all its offshore assets with the exception of the Triton Knoll project, which will be developed together with RWE Innogy in order to participate in the upcoming auction for a Contract For Difference.

Further information on Statkraft’s activities and financial information can be found on its website at www.statkraft.com.

3.3. Operations and Maintenance

Statoil, as Manager, will be responsible for the operation of the Dudgeon Offshore Wind Farm under a 25-year Operation and Maintenance Services Agreement (“OMSA”). Under the OMSA, Statoil will assume responsibility for all aspects of the operation and maintenance of the Wind Farm, including the day to day management of DOWL and compliance with all approvals and licenses.

The offshore marine concept involves the use of a Service Operation Vessel (“SOV”). This concept will secure timely access to the offshore installations. A SOV charter contract has been entered with Esvagt, for a period of 5 years with an optional five-year extension period included. The SOV will be dedicated to Dudgeon operations providing on-board workshop, spare parts storage, accommodation and office facilities, and it will be supported by a Crew Transfer Vessel that will assist in dispatching technicians on the installations and providing shuttle duties to and from offshore. The SOV can accommodate 40 technicians and stay offshore for 2 weeks at a time.

DOWL further has an onshore O&M base in Great Yarmouth where, in addition to offices and warehouse storage facilities, the wind farm control room will be situated.

DOWL will offer to all qualified bidders a comprehensive O&M agreement for the transmission assets throughout the lifetime of the wind farm. A draft O&M agreement will be made available in the data room at the ITT stage. Further details of the offer are included in section 4.3.

3.4. Transmission assets transferring to the OFTO

The transmission assets consist of an offshore substation supported by a jacket foundation with suction buckets. The offshore substation will collect all of the power produced by the WTGs and step-up the voltage from 33kV to 132kV before transmitting it via two 132 kV export cables. The offshore export cables are each 42km long and the onshore export cables are each 47km long. The Project will connect to the 400kV network of National Grid Electricity Transmission plc (“NGET”) via a new onshore substation in Necton, Norfolk. Table 4 outlines the list of assets that will be transferred to the Offshore Transmission Operator (“**OFTO**”).

Table 4. Asset Summary.

Asset	Description
Offshore substation	<p>The offshore substation will collect all of the power produced by the WTGs and step-up the voltage from 33kV to 132kV before transmitting it via two 132 kV export cables. The offshore substation purpose is to house the necessary equipment for transforming the voltage to 132 kV for further transmission to shore and for connecting and switching off the wind turbine assets.</p> <p>The main apparatus to be transferred includes;</p> <ul style="list-style-type: none"> • Two transformers, each 132/33 kV 200 MVA

	<ul style="list-style-type: none"> • Two Aux. transformers, each 33/0,4 kV 500 KVA • One Backup Generator 330 KVA • 132 kV GIS to connect the substation to the 132 kV subsea cables • Auxiliary system and other equipment as necessary <p>With exception of the following which will be retained by the generator and not transferred to OFTO:</p> <ul style="list-style-type: none"> • The 33 kV GIS Switchboards connecting the infield array cables to the transformers including MW VTs, HPPPs, protection panels as well as all control cabling connected to the 33 kV Switchboards. <p>Two WFO 400/230 VAC Distribution boards (normal and essential Power) including metering (COP 5), Two WFO 110 VDC UPS Distribution boards (System 1 and 2).</p>
<p>Subsea export cables</p>	<p>Two subsea cables connect the offshore substation to the shore where they are jointed to the onshore cables in a jointing pit. The subsea cables consist of two 3-core (Copper) 145 kV cables, each approx. 42 km in length. Cable dimensions are 3 x 500 mm² (for the main section) and 3 x 1000 mm² (for the land fall section). The subsea cable is dimensioned to transfer the full power generated by Dudgeon Offshore Wind Farm.</p>
<p>Onshore export cable</p>	<p>Two onshore cables link the subsea cables to the onshore substation. The two onshore cables each consist of 3 single core (Aluminum) 145 kV cables each approx. 47 km in length. Cable dimensions are 3 x 1 x 1200 mm² (for the main part), 3 x 1 x 1400 mm² (for HDD sections) and 3x 1 x 1600 mm² for the section covering the Sheringham Shoal cable crossing.</p>
<p>Onshore substation</p>	<p>The onshore substation houses the necessary equipment for connecting the onshore export cables to the transmission grid.</p> <ul style="list-style-type: none"> • Two AIS 400 kV circuit breaker bays (located inside NGET substation) • Two supergrid transformers, each 400/132/33kV 200MVA • 132 kV GIS to connect the onshore substation to the export cables • Two 33 kV SVCs (SVC Plus) each ± 125MVA • Two 132 kV harmonic filters each 35 MVA • Two 132 kV shunt reactors each 70-85 MVA (off-load tapable) • Two Aux. transformers, each 33/0,4 kV 800 KVA • Auxiliary system and other equipment as necessary <p>With exception of the following which will be retained by the generator and not transferred to OFTO:</p>

	<ul style="list-style-type: none"> Two WFO 400/230 VAC Distribution boards (normal and essential Power) including metering (COP 5),
<p>OFTO SCADA System</p>	<p>The ESI OFTO SCADA including OFTO SCADA servers and separate OFTO SCADA network with HMI on all locations is based upon SICAM230 Hardware and software platform including local protection relays and Bay control units. The OFTO SCADA perform supervision, monitoring and controlling of the electrical power distribution main system (400Kv, 132KV and, 132/33kV transformers), sub utility such as LVDC, UPS, HVAC, Firefighting, fire detection system, CCTV, Telephone, Intruder and Access control system, and different metering systems such as Meter Operator – Tariff Metering, Dynamic System Monitoring and including all interfaces and exchange of information to/between the WFO SCADA, WTG SCADA system, Distributed Temperature Sensing (DTS) for monitoring of export cables, National Grid(NG) and Metering settlement/Operator.</p>

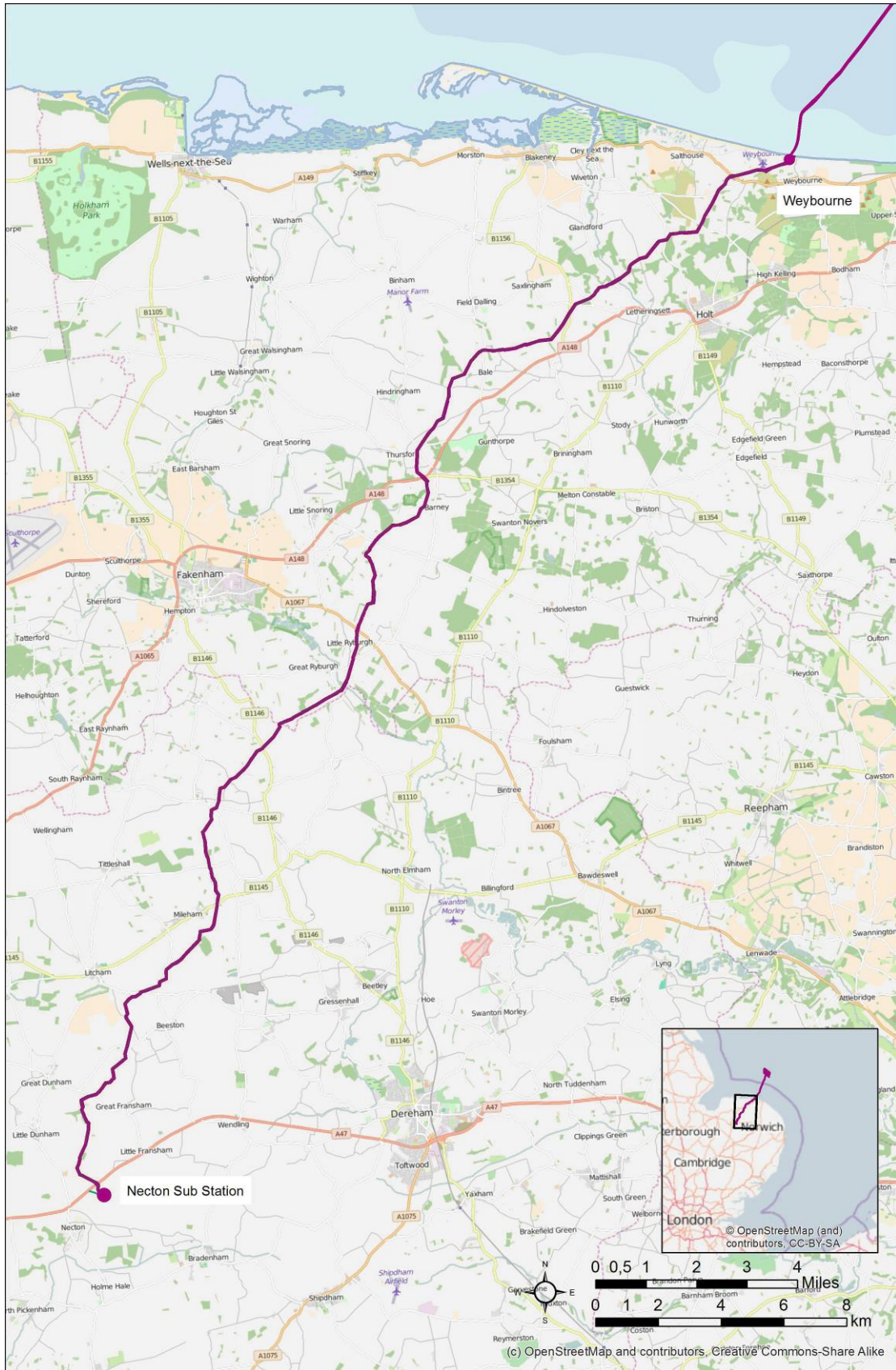


Figure 3. Onshore export cable route



Figure 4. Offshore export cable route

3.5. Ownership Boundaries

Figure 5 and Table 5 detail the proposed offshore and onshore boundary points between OFTO and DOWL (offshore) and OFTO and NGET (onshore).

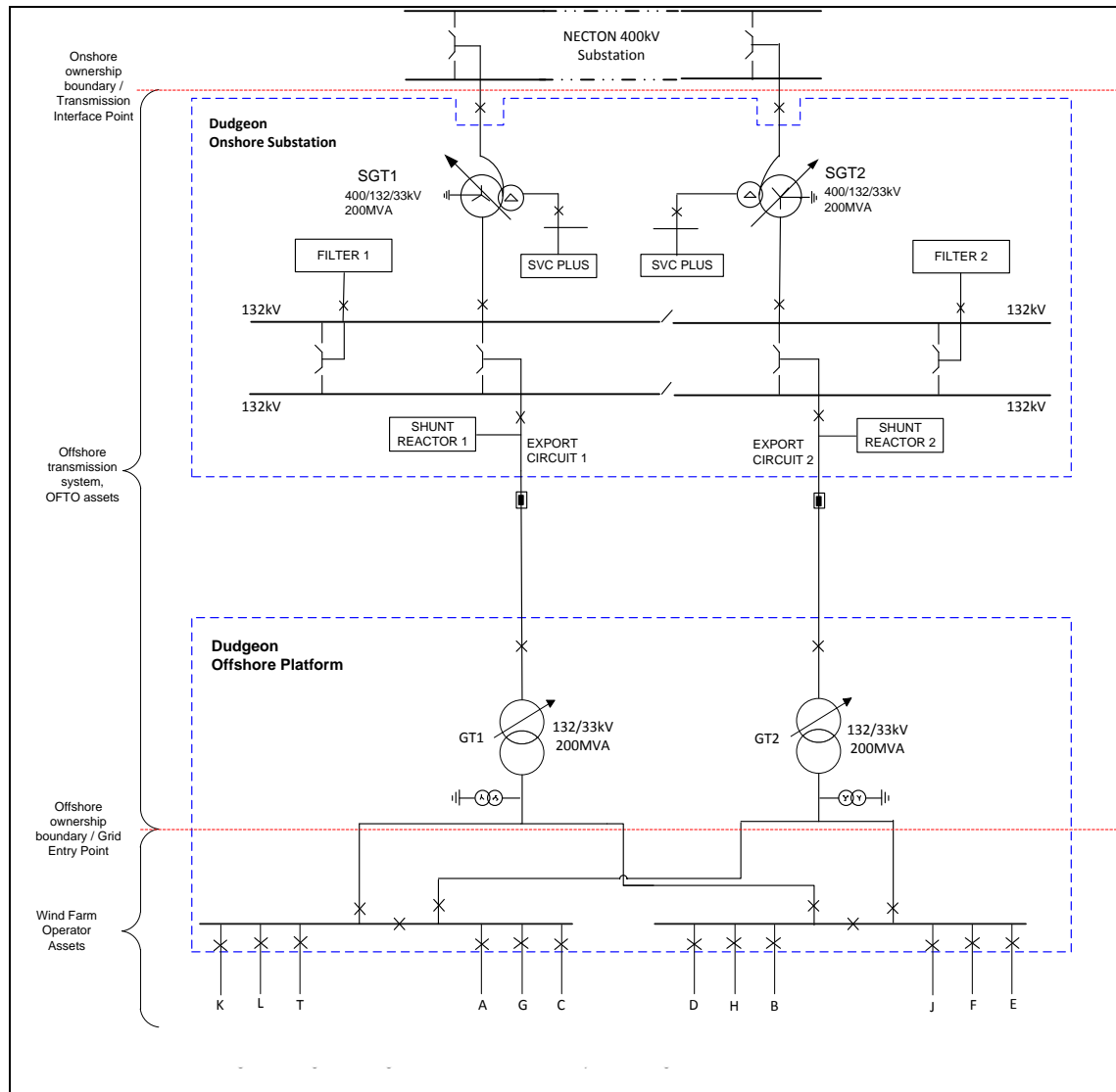


Figure 5. Single line diagram offshore transmission system for DOWL

Table 5. Ownership boundary points.

Boundary Point	Location
Onshore (Transmission Interface Point)	At the busbar clamp on the busbar side of the busbar isolators on Dudgeon onshore substation transformer circuit at the new Necton 400 kV substation.
Offshore (Grid Entry Point)	Low voltage side of the 132/33 kV transformer(s) at Dudgeon offshore 132/33 kV Platform

3.6. Consents

DOWL has secured the necessary consents for the entire onshore and offshore transmission system.

3.6.1. Onshore Consents

DOWL has all necessary local planning authority consents and amendment consents for the cable installed within the limits of North Norfolk District Council and Breckland District Council. This includes consent for the onshore substation, onshore export cable route and temporary construction compounds.

3.6.2. Offshore Consents

DOWL has all necessary consents and licenses which include a Section 36 Consent and a Marine Licence for the construction and installation of the offshore transmission assets.

3.7. Property rights

DOWL has land rights for the onshore and offshore electrical connections and substations.

3.7.1. Onshore and property rights

DOWL has options for leases or easements with the 44 landowners along the cable route. These are all exercised and will be concluded when the onshore cable is completed and the final drawings are produced (expected H1 2017). DOWL is the landowner for the onshore substation site and has easements with 3 neighbors for screening land. The plan is to transfer the final easements and leases, not the options. The Developer will provide a certificate of title related to the onshore rights which the OFTO can rely on.

Figures 3 and 4 are maps of the entire onshore cable route from landfall to the onshore substation.

The Developer has also secured crossing agreements for the crossing of the Sheringham Shoal Cable (at the land fall) owned by Blue Transmission Sheringham Shoal Ltd and the crossing of four high pressure gas pipe lines owned by National Grid Gas. These will also be transferred to the OFTO.

3.7.2. Offshore property rights

DOWL has entered into two 50-year Leases with The Crown Estate, one covering the Wind Farm and the other covering the offshore substation and export cable. The later will be transferred to the OFTO.

3.8. Project Timeline

The Project is on schedule to complete the transmission assets by end of 2016 and to start generating power in Q1 2017. Table 6 provides a summary of the main assets and projected completion dates as well as the respective contractual agreements. Figure 6 sets out the key dates (including commissioning and first generation dates) in a Gantt chart.

Table 6. A summary of completion dates.

Main Assets	Estimated completion date
Offshore Substation Foundation	Installed May 2016
Offshore Substation topside	Installed August 2016, planned commissioning completion Q4 2016.
Offshore export cable fabrication	Delivered March 2016
Offshore export cable	Completed September 2016

installation	
Onshore export cable fabrication and installation	Completed September 2016, Reinstatement and drainage work expected completion Q1 2017.
Onshore Substation	Expected completion Q4 2016

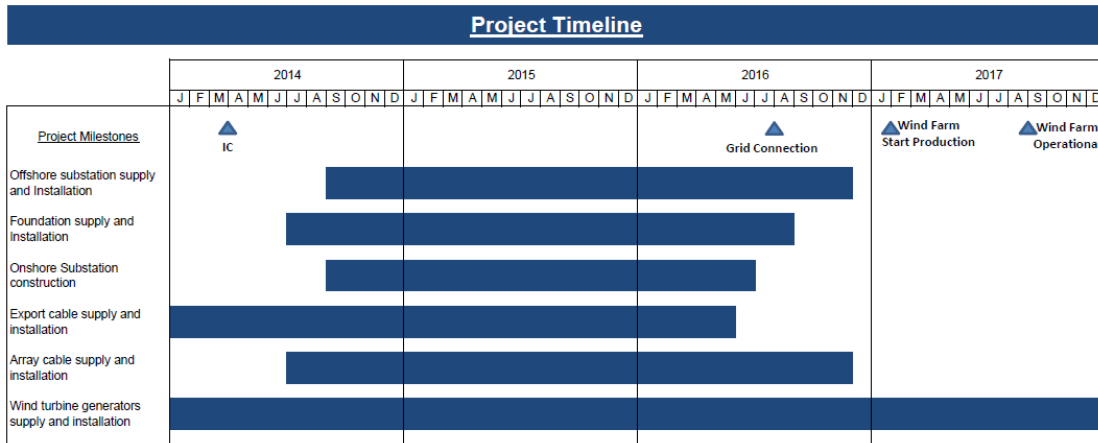


Figure 6. A Gantt chart showing the project highlights.

3.9. System Design

The Dudgeon Offshore Wind Farm (including the transmission assets) has a technical design lifetime of at least 25 years. Operational experiences and industry statistics indicate a life expectancy of transmission assets to be 40-50 years, assuming the assets are properly operated and maintained.

DOWL connects to the 400kV transmission system at the new Necton 400 kV substation constructed and operated by NGET. DOWL entered into a suite of industry standard connection agreements with NGET on 2 July 2010. The current versions of the Bilateral Connection Agreement (BCA) and the Construction Agreement (ConsAg) (following amendments) were signed on 9 May 2014. The contracted Transmission Entry Capacity ("TEC") and Connection Entry Capacity ("CEC") are both 400MW, slightly lower than the total installed capacity of the wind farm of 402MW after taking inter-array losses into account. The agreed connection date with NGET is 31 October 2016.

The DOWL Transmission Assets have been designed according to the planning criteria as defined in the NETS SQSS.

The DOWL Transmission Assets have been designed to ensure that the capacity of the DOWL Offshore Wind Farm, excluding cable losses, can be transmitted during an outage of one of the system devices, such as HV switchgear, transformers, or reactive compensation equipment. The onshore transformers have been designed without additional forced air cooling which will allow half the DOWL output to be exported via one transformer in the event of an outage, NGET switching, or maintenance requirements.

The offshore export transformers do not have additional cooling and are each rated to export approximately 50% of the DOWL output. Should a fault occur in one of these devices, DOWL will not have to be shut down by default. However, the export capacity may, under certain outage conditions, be constrained. The extent of the power reduction will depend on the prevailing wind speeds and generator availability.

3.9.1. Codes and Standards

The Dudgeon transmission assets are compliant with all industry codes and standards.

3.9.2. Transmission System Availability

An electrical system availability study concluded that the transmission system availability is 99.09%.

3.10. Contract Strategy

The Project is being built on a multi-contract basis, a strategy commonly seen in the UK offshore wind market, with 8 primary contractors under 10 main contracts covering both the generation and the transmission assets of the entire Dudgeon project. The transmission assets are being delivered via 5 main contracts. The construction contracts have all been negotiated and executed with counterparties experienced in the offshore wind sector. Table 7 provides a summary of the contractual agreements for the DOWL assets.

Table 7. Contractors for the construction and installation of DOWL Transmission Assets.

	Design	Supply	Installation	Background & Experience
Onshore Substation	Siemens Transmission & Distribution Ltd		Siemens Transmission & Distribution Ltd	<p><u>Siemens Transmission & Distribution Ltd</u>: A leading and experienced supplier of power transmission solutions offshore and onshore, and have delivered several similar onshore and offshore substations, including Thanet, London Array, Greater Gabbard. Dudgeon is the 10th offshore wind farm with transmission assets from this contractor.</p> <p><u>SHL Offshore Contractors B.V.</u>: Extensive track record in installing offshore substations for wind farms and demonstrated capability of its heavy lift vessels.</p>
Offshore Substation			SHL Offshore Contractors B.V.	
Export cable offshore	ABB AB		VBMS	<p><u>ABB AB</u>: One of the world’s most experienced submarine cable manufacturers and has supplied cables to offshore wind farms, floating oil & gas platforms as well as interconnectors. They have supplied export cables for over ten offshore wind farms across Europe.</p> <p><u>VBMS</u> (formerly Visser & Smith Marine Contracting Limited) is a key player with notable experience installing submarine cables. Relevant UK experience includes Sheringham Shoal, London Array, Walney, Ormonde and most recently Westermost Rough.</p>
Export cable onshore	Carillion Limited	Utility	Services	<u>Carillion Utility Services Limited</u> : Carried out similar works at Sheringham Shoal

4. Commercial and Contractual Agreements

4.1. Transfer Agreement between the Developer and the OFTO

The Transfer Agreement (TA) relating to Dudgeons Transmission Assets will be prepared in accordance with the guidelines issued by Ofgem and will set out the contractual provisions pursuant to which the developer will transfer Dudgeons Transmission Assets to the OFTO.

The provisions of the TA will include the following:

- Details of all assets that are to be transferred to the OFTO;
- Consideration payable by the OFTO for the assets and the mechanism by which it is paid;
- Completion obligations of and deliverables for both the Developer and the OFTO, if any, including any post-completion obligations that are specific to Dudgeons Transmission Assets;
- The mechanism for the novation or assignment of all construction contracts relating to Dudgeons Transmission Assets which are capable of such transfer to the OFTO. It will also set out the assumed and excluded liabilities relating to the splitting of any contracts where full novation is not possible;
- Details of all property rights, titles and interests that are to be transferred to the OFTO. The Developer expects to procure a Certificate of Title in relation to certain onshore property interests (see further section 3.7.1) which will be provided to the OFTO;
- Details of any permitting conditions, the responsibility for compliance with which will need to be assumed by the OFTO;
- The assumption that the transfer will be treated as a transfer of a going concern for tax purposes;
- Warranties given by the Developer to the OFTO which will be subject to limitation periods and monetary caps and will be qualified by reference to the Certificate of Title (see further section 3.7.1); and
- Standard boilerplate provisions, such as governing law (which will be English), confidentiality and restrictions on announcements, prohibition on assignment without consent, third-party rights, variation and notices.

4.2. Dudgeon to provide an offer of O&M services

Dudgeon will offer to perform the O&M services for the transmission assets on attractive terms in a 20-year O&M agreement with the OFTO. The scope of services will cover planned and unplanned maintenance. The services will be performed by Dudgeons operator (Statoil) and Dudgeons other service providers, which will give synergies and reduce overall costs for consumers.

Dudgeon and the appointed OFTO will have the common incentive to maximize the availability of the transmission assets. Dudgeon will have an existing O&M organisation in place which will be able to act quickly should anything unexpected occur.

The further details of the O&M offer will be described in the tender documentation.

4.3. Insurance

DOWL has taken out following Insurance policies in connection with construction of the Dudgeon transmission assets:

Construction All Risks (CAR) Property Damage including Transit coverage and Initial Operation Property Damage Insurance is in effect and will continue in full force until the construction of the Dudgeon Offshore Wind Farm Transmission Assets is completed.

The policy cover extends after completion to include a 24 month defects liability insurance period which insures accidental damage to the assets caused by contractors whilst investigating/ carrying out warranty repairs.

1. Construction all risks: Broker: Aon, Lead insurer: Swiss Re International SE

The Construction All Risks and initial operation property insurance provides cover in accordance with the market standard Wind CAR form normally used for offshore wind farm projects.

2. Terrorism: Terrorism cover is provided as a buy back under the CAR insurance in accordance with standard UK market practice.

3. Third-party liability: Insurer: Catlin Europe SE, If Skadeforsikring NUF, Statoil Forsikring AS

Cover: Third party legal liabilities and contractual liabilities, in line with normal marked standard for a project of this size and nature.

The insurance for offshore transmission assets is well established, and insurance during the operational period is available for these types of assets. The OFTO will be expected to procure its own insurance following the Asset Transfer Date.

Insurance obligations for the OFTO under the lease with The Crown Estate:

- All offshore assets required to be insured under operational all risks insurance for the worst case loss scenario.
- Terrorism cover must also be in place.
- Third-party liability insurance for a minimum of GBP 25 million for each and every loss must also be in place.

Insurance for onshore assets:

- Property insurance should be in place for the standard replacement value of the assets, as per the market standard.
- Terrorism cover must be in place.
- Third-party liability insurance for a minimum of GBP 25 million for each and every loss must also be in place.

5. Contact Details

The information in this document is provided for information purposes only. It is designed to provide prospective OFTOs, lenders and advisers with certain high-level information related to the DOWL Transmission Assets, to support the launch of the initial, pre-qualification phase of the tender process.

All enquiries or communications, including requests for additional information, should be sent to tendercoordinator@ofgem.gov.uk.

6. Disclaimer and Notices

6.1. Non-reliance, Accuracy of Information and Exclusion of Liability

It is the responsibility of each bidder to ensure that it has all of the information it needs to prepare its submissions.

While information provided by Ofgem and/or its advisers in this PIM or otherwise in relation to the Tender Round has been prepared in good faith, neither Ofgem nor any of its advisers make any representation or warranty (express or implied) in relation to the Tender Round or any information provided by developers through data rooms or otherwise. Ofgem and its advisers expressly disclaim any and all liability (other than in respect of fraudulent misrepresentation) based on or relating to any such information or representations or warranties (express or implied) contained in, or errors or omissions from, the PIM or based on or relating to its use by a bidder, a developer and/or any other interested party.

6.2. Use of Information

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Appendix 1. Photographs



Dudgeon Offshore Substation; successfully installed on 07 August 2016



Necton substation; where the power from the wind farm is exported into the National Grid overhead lines



Onshore export cable corridor; Good progress has been made with reinstatement of the onshore export cable corridor following the installation of the ducts and cables.