



Department: Offshore Wind UK

RWE Npower Renewables Limited
Auckland House
Lydiard Fields
Great Western Way
Swindon
Wiltshire SN5 8ZT

25 November 2013

Dear Sir/Madam

Atlantic Array Project Update

I wanted to update you regarding the Zone 8, Round 3 offshore wind project in the Bristol Channel, known as Atlantic Array.

Due to the technical challenges specific to the zone, coupled with the current market conditions, it is uneconomic for RWE to continue with the Atlantic Array development.

The Crown Estate has agreed to RWE Innogy's request to terminate the agreement for the Bristol Channel Zone, allowing RWE Innogy to stop its development activities in the Zone, and to surrender the option for the Atlantic Array project, thereby removing RWE Innogy's seabed rights.

The Crown Estate has no plans to undertake further work on the Bristol Channel Zone for the foreseeable future. However, the area remains one that has a good resource. As the industry develops over the next decade and on the back of more viable technologies being demonstrated, expected innovation and cost reduction may in the future open up opportunities in the more challenging areas, such as in the Bristol Channel.

The decision to stop activity on Atlantic Array has not been taken lightly and RWE remains committed to offshore wind and our investment in renewables in the UK. We will now continue to focus on the other offshore projects which we believe are more technically viable within our extensive offshore pipeline of up to 5,200MW, in addition to completing the construction of our Gwynt y Môr Offshore Wind Farm.

I would like to take this opportunity to thank you for your interest in the project.

Yours sincerely,

Paul Cowling
Director of Offshore Wind
RWE Innogy GmbH

Auckland House
Lydiard Fields
Great Western Way
Swindon
Wiltshire SN5 8ZT

T +44 (0)8456 720 090
F +44 (0)8456 720 050
I www.npower-renewables.com

Registered office:
RWE Npower Renewables
Limited
Auckland House
Lydiard Fields
Great Western Way
Swindon
Wiltshire SN5 8ZT

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and Wales no. 2550622