

News from Ørsted

Ørsted and Maersk sign landmark green fuels agreement, as Ørsted enters the US Power-to-X market

Ørsted to develop Power-to-X-facility on the US Gulf Coast to fuel Maersk's newly ordered fleet of 12 methanol-powered vessels, as the industry leaders sign letter of intent (LOI) on record-breaking offtake agreement for green fuels in the maritime industry.

Over the past two decades, greenhouse gas emissions from the global maritime industry have risen sharply to account for around 2 % of global energy-related emissions. As the world races to fight climate change, the maritime sector urgently needs new zero-emission fuels at scale to reduce its climate impact.

Now, A.P. Moller - Maersk, a world leading integrated container logistics company, and Ørsted, a world leader in renewable energy, have signed a letter of intent (LOI) about partnering on a new Power-to-X facility in the US which can become a landmark project in the green transformation of international deep-water shipping and set the standard for future large-scale production of green maritime fuels.

On the US Gulf Coast, Ørsted will develop a 675 MW Power-to-X facility that will produce approx. 300,000 tonnes of e-methanol per year, which Maersk will offtake for its newly ordered fleet of 12 methanol-powered vessels. The facility will be powered by approx. 1.2GW of renewable energy from new onshore wind and solar PV farms. The biogenic carbon needed to produce e-methanol will be extracted through carbon capture at one or more large point sources.

The project is targeted to be commissioned in the second half of 2025, making it by far the most ambitious project globally producing e-methanol at scale and a driving force in the decarbonisation journey of the maritime sector. Final investment decision could be made in late 2023.

The 300,000 tonnes of e-methanol are the largest potential offtake agreement for green fuels in the maritime industry ever announced, and it is a testimony to the action taken to shape green ocean transport by both Ørsted and Maersk. The agreement also marks Ørsted's entry into the US Power-to-X market, a new strategic market for the company as it seeks to construct 50 GW of renewable energy capacity by 2030.

Martin Neubert, Deputy CEO and Chief Commercial Officer at Ørsted, says:

Ørsted
Kraftværksvej 53
Skærbæk
DK-7000 Fredericia

www.orsted.com
Company registration no.
(CVR no.) 36 21 37 28

10 March 2022

"We commend Maersk's clear and ambitious action, which has made the company a leader in the difficult task of reducing the climate impact of the maritime industry. Partnerships with large offtakers of green fuels, like Maersk, is an important part of Ørsted's strategic journey, as we broaden our Power-to-X footprint across the world to become a global leader in renewable hydrogen and green fuels. The project with Maersk is our first in the US, and we look forward to help accelerating the US Power-to-X market while creating local jobs and economic activity, just as we've done in the growing offshore wind industry in the US."

Henriette Hallberg Thygesen, CEO of Fleet & Strategic Brands, A.P. Moller – Maersk says:

"To transition towards decarbonisation, we need a significant and timely acceleration in the production of green fuels. Green methanol is the only market-ready and scalable available solution today for shipping. Production must be increased through collaboration across the ecosystem and around the world. That is why these partnerships mark an important milestone to get the transition to green energy underway."

Neil O'Donovan, CEO of Ørsted Onshore, says:

"The US Gulf States have an abundance of cheap renewable energy resources, both solar and wind, making the region a natural location for large-scale production of green fuels, which we expect there will be a very large demand for in the US going forward. The Power-to-X project with Maersk will expectedly be powered by approx. 1.2 GW of new onshore wind and solar PV, which in itself represent a significant investment in the region, while also helping Ørsted reach its target of 17.5 GW of installed onshore capacity in 2030."

The Power-to-X project in the US Gulf Coast region is the second green fuels collaboration between Ørsted and Maersk after the potentially 1,300 MW Green Fuels for Denmark project in Copenhagen, which the two companies are partnering on with other large offtakers. Ørsted and Maersk will continue to investigate opportunities within green fuels together, as Maersk works towards its 2040 net-zero commitment.

In total, Ørsted's Power-to-X development pipeline consists of 11 projects, including the 70 MW FlagshipOne project in Sweden, which Ørsted is developing together with Liquid Wind. FlagshipOne is targeted to be commissioned in 2024 and could become one of the world's first large-scale sustainable e-methanol facilities. In addition to the project pipeline, Ørsted has entered into several strategic agreements with a variety of partners.

For further information, please reach out to:

Ørsted Media Relations

Tom Christiansen
+45 99 55 60 17
tomlc@orsted.com

A.P. Moller - Maersk Media Relations

Rikke Marie Dahl
+45 29 22 21 43
rikke.dahl@maersk.com

Investor Relations

Allan Bødskov Andersen
+ 45 99 55 79 96
ir@orsted.com

About Ørsted

The Ørsted vision is a world that runs entirely on green energy. Ørsted develops, constructs, and operates offshore and onshore wind farms, solar farms, energy storage facilities, renewable hydrogen and green fuels facilities, and bioenergy plants. Moreover, Ørsted provides energy products to its customers. Ørsted is the only energy company in the world with a science-based net-zero emissions target as validated by the Science Based Targets initiative (SBTi). Ørsted ranks as the world's most sustainable energy company in Corporate Knights' 2022 index of the Global 100 most sustainable corporations in the world and is recognised on the CDP Climate Change A List as a global leader on climate action. Headquartered in Denmark, Ørsted employs 6,836 people. Ørsted's shares are listed on Nasdaq Copenhagen (Orsted). In 2021, the group's revenue was DKK 77.7 billion (EUR 10.4 billion). Visit orsted.com or follow us on Facebook, LinkedIn, Instagram, and Twitter.

About the A.P. Moller - Maersk

A.P. Moller - Maersk is an integrated container logistics company working to connect and simplify its customers' supply chains. As the global leader in shipping services, the company operates in 130 countries and employs 95,000 people.