



COSCO CORPORATION (SINGAPORE) LIMITED
(Company Registration No. 196100159G)

UPDATE ON BUILDING CONTRACT FOR ONE (1) UNIT JACKUP DRILLING RIG

The Board of Directors (the “Board”) of COSCO Corporation (Singapore) Limited (the “Company”) refers to the Company’s announcements on 26 May 2011 and 10 July 2015 in relation to the building contract to build two (2) units of Jack-up Drilling Rig based on the LeTOURNEAU WORKHORSE® Class design, signed between COSCO (Nantong) Shipyard Co., Ltd (“COSCO Nantong”) (a subsidiary of the Company’s 51% owned subsidiary, COSCO Shipyard Group Co., Ltd) and KS Drilling Pte Ltd (the “Owner”).

The Board wishes to announce that, in light of current unfavourable market conditions, the Owner and COSCO Nantong have mutually agreed to further extend, by way of a further amendment agreement, the time for delivery of the undelivered rig bearing hull number N408 (which is ready for delivery) from 30 April 2016 until 31 December 2017, on mutually agreed terms and conditions. Either party remains entitled to sell the Rig to a third party if the offer could recover their respective costs, or the parties could negotiate in good faith for a compromise solution to sell the Rig.

The Company is not able to ascertain the financial impact of the above amendment at this point in time as there is still no certainty as to how the Rig will be eventually dealt with after the further amendment agreement.

The Company will make announcements of any significant development in this matter at the appropriate junctures.

By Order of the Board
Wu Zi Heng
Vice Chairman and President
16 May 2016