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Media Release

Keppel and BG Group jointly win licence to supply LNG as ship fuel in Singapore
First delivery of LNG bunker expected to commence in 2017

Singapore, 27 January 2016 – Keppel Offshore & Marine Ltd (Keppel O&M), through its wholly-owned subsidiary KS Investments Pte Ltd (KSI), and BG Group plc (BG Group) have been selected to supply Liquefied Natural Gas (LNG) bunker to vessels in the Port of Singapore. The joint bid submitted by Keppel O&M and BG Group for the LNG bunker supplier licence is one of the two top bids selected by the Maritime and Port Authority of Singapore (MPA). The awarding of the licence is in line with the Port of Singapore's plans to launch the LNG Bunkering Pilot Programme in 2017.

Bunkering is the process of supplying fuels to ships for their own use, with Singapore as the largest and most important bunkering port in the world.

With the granting of the licence, Keppel O&M and BG Group will work on forming a 50-50 joint venture to deliver an end-to-end bunkering solution using LNG sourced from BG Group's diversified LNG portfolio and leveraging Keppel O&M's expertise in LNG vessel servicing.

Mr Steve Hill, Executive Vice President, Global Energy Marketing and Shipping, BG Group, said, "Singapore is one of the world's most important strategic ports and we are excited about the prospect of supplying LNG as a fuel for ships in this key market, with first delivery expected in 2017. LNG produces considerably lower emissions than conventional marine fuel and can significantly reduce a vessel's environmental impact. We look forward to working with Keppel O&M on the safe and reliable supply of this cleaner fuel source and the ongoing development of Singapore as a leading hub for LNG in Asia."

The new venture builds on BG Group's existing role as the exclusive aggregator for Singapore's first 3 million tonnes per annum of LNG demand. Following the start of commercial operations at Singapore LNG Corporation's LNG terminal in May 2013, BG Group has to date delivered 72 cargoes into Singapore from its global LNG portfolio, helping the country to safely diversify its energy sources and increase security of supply.

Mr Chow Yew Yuen, Chief Executive Officer, Keppel O&M, said, "The move into LNG bunkering is in line with Keppel's strategy to provide solutions for the global LNG market, and we are happy to partner BG Group in this exciting new venture. As the exclusive gas aggregator for Singapore, BG Group has the experience of importing LNG into Singapore where they already have a ready supply on Jurong Island.

"Together with Keppel's years of experience and expertise in servicing vessels including gas carriers, we will be able to provide strong support to MPA in its goal to develop Singapore into a key LNG bunkering hub in Asia. As the shipping industry's demand for green solutions

continues to rise, we will also be able to help meet the needs for sustainable shipping with our growing LNG solutions, such as tug designs with dual-fuel diesel LNG engines and the retrofitting of vessel engines to run on LNG."

Keppel O&M's experience in providing LNG solutions encompasses not only repair services for gas carriers, but also complex offshore conversions. Keppel O&M successfully completed the world's first Floating Storage and Regasification Unit (FSRU) in 2008, which was followed by two more similar units, and was the first shipyard to undertake the conversion of a Floating Liquefaction Facility in 2014.

To focus further efforts on solutions for the LNG market, Keppel O&M set up a new design and technology arm, Gas Technology Development (GTD) in 2015. Through its other design and technology arm, Marine Technology Development, Keppel O&M has also developed a range of designs for LNG vessels including barges, carriers, and dual-fuel tugs that can run on diesel and LNG.

More details will be announced upon the setting up of the joint venture between Keppel O&M and BG Group to provide LNG bunkering services in Singapore.

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About Keppel Offshore & Marine

Keppel Offshore & Marine Ltd (Keppel O&M), a wholly-owned subsidiary of Keppel Corporation Limited, is a global leader in offshore rig design, construction and repair, and specialised shipbuilding. Its near market, near customer strategy is bolstered by a global network of 20 yards and offices in the Asia Pacific, Gulf of Mexico, Brazil, the Caspian Sea, Middle East and the North Sea regions. Integrating the experience and expertise of its yards worldwide, Keppel O&M aims to be the provider of choice and partner for solutions for the offshore and marine industry. For more information, please visit www.keppelom.com

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