Keppel Corporation Limited
(Co Reg No. 196800351N)
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632
www.kepcorp.com

Tel: (65) 62706666
Fax: (65) 64136452

Media Release

Keppel O&M secures another two jackup rig charter contracts worth up to S$120m

Singapore, 24 May 2022 – Keppel Offshore & Marine Ltd (Keppel O&M) has, through its wholly-owned subsidiaries[i], signed contracts for the bareboat charter of another two KFELS B Class rigs to be deployed in the Middle East.

The rigs will be chartered to an established drilling company in the Middle East for deployment in 4Q 2022 for a period of three years, with options for a year's extension. Total revenue from the charters, including the options and modification works by Keppel O&M to prepare the rigs for on-site operations, is expected to be up to S$120m.

These contracts come on the back of two bareboat charters by Keppel O&M announced on 9 May 2022, reflecting the growing demand for Keppel's high-quality jackup rigs amidst the improving oil and gas market.

Mr Chris Ong, CEO of Keppel O&M, said, "We have built a strong track record and trust in the industry for delivering rigs that are robust, versatile and capable of working in a wide variety of geographies. The multiple charter contracts that we have recently secured reflect the improving market sentiments, and attest to the value we are able to provide to rig operators with our proven KFELS B Class rigs.

"With jackup utilisation rates increasing, we are also seeing demand for rig charters and sales enquiries improve. Putting the legacy rigs to work will improve the overall marketability of these assets while reducing holding costs. As we secure more bareboat charter contracts, our legacy rigs will become increasingly valuable to both rig operators as well as potential investors."

The two rigs to be used for these charters will be from the terminated newbuild rig contracts with certain customers that Keppel O&M had announced on 13 April 2022[ii].

As part of the definitive agreements Keppel Corporation has signed in connection with the proposed combination of Keppel O&M and Sembcorp Marine, these two rigs and their

[i] FELS Asset Co 3 Pte. Ltd and FELS Asset Co 4 Pte. Ltd
[ii] https://www.kepcorp.com/en/media/media-releases-sgx-filings/termination-of-contracts/

bareboat charter agreements are part of Keppel O&M's legacy rigs and will be transferred to Asset Co[iii] that is majority-owned by external investors on legal completion.

The above bareboat charter contracts are not expected to have any material impact on the net tangible assets and earnings per share of Keppel Corporation Limited for the current financial year.

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About Keppel Offshore & Marine
Keppel Offshore & Marine (Keppel O&M) is a world leader in providing total solutions to the offshore, marine and energy industries. Bolstered by a global network of yards and offices, it has extensive know-how across a wide range of capabilities – design & engineering, new builds, conversions & repairs, and support services

A pioneer in offshore solutions, Keppel O&M has a strong track record in designing and building high-performance offshore platforms, production units and specialised ships. It is a trusted partner in the conversion, repair and modification of diverse and complex rigs and vessels, and is also a developer of integrated solutions for the offshore renewable and infrastructure industries.

Backed by robust operational excellence, Keppel O&M innovates and leverages new technologies to deliver projects on time, on budget, safely, reliably, and to the highest quality. For more information, visit www.keppelom.com.

For more information, please contact:

Media
Mr Roy Tan
Assistant General Manager
Group Corporate Communications
Keppel Corporation
Tel: (65) 6413 6421
Email: roy.tan@kepcorp.com

Investor Relations
Ms Tang Yi Bing
Manager
Group Corporate Communications
Keppel Corporation Limited
Tel: (65) 6413 6474
Email: yibing.tang@kepcorp.com

[iii] https://www.kepcorp.com/en/media/media-releases-sgx-filings/keppel-corporation-signs-definitive-agreements-in-connection-with-proposed-combination-of-keppel-om-and-sembcorp-marine-/