

## **Media Release**

### **Keppel to build 500 feet water depth jackup worth US\$500 million for China waters**

*Built to the KFELS N Plus design, the ultra-high specification jackup rig will be one of the first with the ability to work in such deep water depths*

**Singapore, 3 March 2014** - Keppel FELS Limited (Keppel FELS), a wholly-owned subsidiary of Keppel Offshore & Marine (Keppel O&M) has secured a contract from TS Offshore Limited (TS Offshore), to construct an ultra-high specification jackup rig worth about US\$500 million.

Scheduled for delivery in 1Q 2017, it will be the first jackup built to Keppel's new proprietary KFELS N Plus design.

With its leg measuring 678 feet or about 68 storeys tall, and a maximum combined drilling load of 3,860 kips, the KFELS N Plus is able to meet stringent operating requirements for the most challenging wells. It can work at a maximum water depth of 500 feet, drill to depths of 35,000 feet, and is equipped with a 100 feet cantilever outreach.

When delivered, it is expected to be deployed in the Eastern China Sea but will also have provisions built in to enable the rig to operate in the North Sea.

Dr Xiong Shaohui, Chairman of TS Offshore, said, "The KFELS N Plus rig is a robust and cost-efficient rig with distinctive safety and operational features. It is one of the world's most advanced rigs of its class with better drilling capabilities, a superior cantilever load performance, a larger deck space, a higher variable load and enhanced accommodations. We are confident it fills the gap for ultra-high specification rigs needed in the Eastern China Sea or almost anywhere in the world with a need for high specification and deepwater jackup rigs.

"We have chosen to build this unit in Singapore to meet specific customer requirements. Keppel FELS was probably the only yard able to provide us with such a high specification rig customised to our needs that would be well received by the market. With their strong delivery track record, we are also assured of receiving a high quality rig on time and in a safe manner, thus minimising any need for supervision during construction. Our strategic partnership with Keppel FELS will enable us to create value on our investments and grow our presence in this industry."

Developed by Offshore Technology Development (OTD), Keppel's R&D arm, the robust KFELS N Plus jackup is an enhancement of Keppel's proprietary KFELS N-Class design, three of which have been successfully operating in the North Sea.

Equipped with 72 high capacity pinion jacks and self-positioning fixation system of OTD's proprietary design, the KFELS N Plus design offers a robust performance during installation as well as elevated survival and drilling conditions.

Mr Wong Kok Seng, Managing Director (Offshore) of Keppel O&M and Managing Director of Keppel FELS said, "We are delighted that TS Offshore has chosen to build their rig for the Eastern China Sea to our ultra-robust and ultra-high specification KFELS N Plus design. This rig is the combination of Keppel's unique experience in designing and building rigs both for the North Sea as well as other parts of the world. It has the versatility to operate efficiently in the deeper waters of the Eastern China Sea as well as areas where the operating foundation conditions pose considerable installation challenges.

"Over the years, we have been able to differentiate ourselves to customers through our ability to understand their requirements and tailor solutions with the perfect fit, in terms of design and quality. Being selected to build a premium jackup rig for China waters is testament to our proven rig designs, reliable project execution and having a competitive total package."

The above contract is 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 FELS**

Keppel FELS is a subsidiary of Keppel Offshore & Marine Ltd (Keppel O&M), a wholly-owned company of Keppel Corporation Limited. Keppel FELS is a leading designer, builder and repairer of high-performance mobile offshore rigs. Its portfolio of proprietary designs and floating production solutions meets a broad spectrum of operating requirements, including deep waters and harsh environments.

As a group, Keppel O&M is also a leader in ship repair and conversion, 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, the group aims to be the provider of choice and partner for solutions for the offshore and marine industry. For more information on Keppel FELS, visit [www.keppelfels.com](http://www.keppelfels.com)

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