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INVESTIGATIONS IN RELATION TO CONTRACTS ENTERED INTO WITH PETROBRAS AND SETE BRASIL

The Company refers to its earlier announcement on 9 February 2015 in relation to allegations made by Mr Pedro Jose Barusco in Brazil that illegal payments were made by Mr Zwi Skornicki in connection with contracts entered into between certain Keppel entities with Petrobras and/or Sete Brasil.

As further announced on 23 February 2016 and 29 April 2016 respectively, Mr Skornicki had been arrested and, according to media reports, the Brazilian Public Prosecutor's Office ("PP") had charged Mr Skornicki with corruption.

The Company has obtained a copy of the PP's report on the filing of charge against Mr Skornicki. Apart from corruption, Mr Skornicki has also been charged with criminal conspiracy and money laundering, together with 7 other individuals; namely, Pedro Jose Barusco Filho, Renato De Souza Duque, Monica Regina Cunha Moura, Joao Cerqueira de Santana Filho, Joao Vaccari Neto, Joao Carlos De Medeiros Ferraz and Eduardo Costa Vaz Musa.

The PP had highlighted in the report that although there was also evidence of illegal cartel activities and fraud against competitive bidding, charges were not being filed against Mr Skornicki for such possible offences at this point in time.

As mentioned in our earlier announcements, the agency relationship between Keppel's entities and Mr Skornicki had been put on hold pending determination by the relevant authorities into the allegations made on the matter.

Keppel reiterates its zero-tolerance stance against any form of illegal activity, including bribery and corruption, involving its employees or associates, and will take all necessary steps to eradicate such conduct if discovered.

We are unable to comment further in view of the ongoing investigations.