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ANNOUNCEMENT BY KRISENERGY LTD. RELATING TO SECTION 211B APPLICATION

Keppel Corporation Limited (the "**Company**" **or** "**KCL**") refers to the announcement of KrisEnergy Ltd. ("**KrisEnergy**" and such announcement, "**KrisEnergy Announcement**"), an associated company of the Company, released today on SGXNet which disclosed that, amongst other things:

(I) KrisEnergy has filed an application to the High Court of Singapore under section 211B of the Companies Act (Chapter 50 of Singapore) today to seek an order of court to restrain, among other things, the commencement of legal action taken out by creditors of KrisEnergy to enforce their rights as creditors (the "**211B Application**"). If granted by the High Court of Singapore, KrisEnergy would have a moratorium protection from creditors' action for such period of time as the High Court of Singapore deems fit; and

(II) KrisEnergy has also announced that it would not be feasible for it to make all payment(s) of its financial obligations as they fall due, and therefore it requires a restructuring of its liabilities.

As set out in the KrisEnergy Announcement, the Company has expressed support for KrisEnergy's 211B Application. The Company has expressed support as both a significant direct creditor of KrisEnergy arising from its holding of zero coupon notes due 2024 issued by KrisEnergy ("**ZCNs**") (issued with detachable warrants ("**Warrants**")) and also in respect of a claim of approximately USD179 million of outstanding principal as at 13 August 2019 owed by KrisEnergy (Asia) Ltd ("**KE Asia**"), an indirect wholly owned subsidiary of KrisEnergy, to DBS Bank Limited ("**DBS**"), in which the Company holds an indirect interest through a bilateral contract between the Company and DBS. This bilateral contract was required in order for DBS to provide and continue to provide a revolving credit facility to KE Asia ("**DBS RCF**") and means that, amongst other things, the Company may be required to make DBS whole for any loss DBS suffers under that credit facility but also means that the Company benefits from interest payments made to DBS in respect of that credit facility. The credit facility is guaranteed by KrisEnergy.

The Company has appointed Borrelli Walsh as its financial advisor to monitor the situation and explore options. The Company currently considers that the best outcome for itself and the other stakeholders in KrisEnergy will be achieved by providing the management of KrisEnergy with an opportunity to formulate a debt restructuring plan. To this end, the Company has already supported DBS in making available additional funding in order to fund KrisEnergy's essential on-going expenses, help safeguard its assets and retain the possibility of a successful financial restructuring. This support was in the form of the Company extending its exposure under the bilateral contract described above and thus facilitating the upsize of the DBS RCF to its current facility size of USD200 million in April 2019.

The Company believes that without the moratorium protection conferred by a successful 211B Application, there is a significant risk that creditors' action against KrisEnergy may jeopardise KrisEnergy's ability to formulate a debt restructuring plan that will significantly deleverage KrisEnergy and improve its credit profile. Accordingly, the Company has expressed its support for the 211B Application by KrisEnergy.

While the Company currently supports KrisEnergy's management in formulating a restructuring plan, it should be noted that:

(i) by being a supporting creditor for the 211B Application, the Company still reserves the right to evaluate KrisEnergy's debt restructuring plan once a firm proposal has been developed by KrisEnergy, and to approve or reject KrisEnergy's debt restructuring plan as the Company deems fit in its best interests;

(ii) the DBS RCF (and consequently the Company's economic exposure in respect of the same) benefits from a comprehensive first ranking security package over the assets of the KrisEnergy group; and

(iii) the ZCNs benefit from a comprehensive second ranking security package over the assets secured under DBS RCF, and a first ranking security over the shares and certain accounts of SJ Production Barge Ltd (a wholly-owned subsidiary of KrisEnergy).

The Company's financial advisor's analysis of the KrisEnergy group's assets and operations and a range of outcomes for the proposed restructuring of KrisEnergy indicates that the Company will not be required to make any payment to DBS under the bilateral contract described above.

In its latest financial results released on 18 July 2019, the Company attributed a value of approximately S$131 million to its direct investments (comprising the ZCNs, warrants and equity) in KrisEnergy.

Given that KrisEnergy has yet to propose a debt restructuring plan, it is premature for the Company to speculate as to what impact KrisEnergy's debt restructuring will have on the value of those investments.

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