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

Keppel signs agreement to sell five existing rigs to Borr Drilling for about US$745m

Singapore, 16 May 2018 - Keppel Offshore & Marine Limited (Keppel O&M) has through its wholly-owned subsidiary, Keppel FELS Limited (Keppel FELS), signed a Master Agreement with Borr Drilling Limited (Borr Drilling) for the sale of five jackup rigs for a total value of approximately US$745m.

These are existing jackup rigs which are currently being built by Keppel FELS to the KFELS B class designs.

The total price of the five rigs excludes any down payments made by the respective original owners.

The Master Agreement will become effective upon the satisfaction of certain conditions, including Borr Drilling raising sufficient funds, and the relevant sales and purchase agreements for the individual rigs having been entered into.

Borr Drilling will pay a first instalment of US$288 million within 20 business days of the effective date of the Master Agreement and the remaining amounts are payable within five years from the respective delivery dates of each individual rig, on a seller's credit with interest at market rates.

The rigs are scheduled to be delivered progressively from 4Q 2019 to 4Q 2020, with one rig to be delivered in 2019 and four rigs in 2020.

Mr Chris Ong, CEO of Keppel O&M said, "The agreement with Borr Drilling demonstrates that rig owners continue to look for reliable, high quality rigs, such as the KFELS B Class, to maximise efficiency and productivity. This is a win-win agreement for all parties and enables Keppel O&M to further improve our cashflow, minimise the holding risks of the projects, and clear several of the deferred orders. We look forward to providing Borr Drilling with another five premium, safe and cost-efficient rigs and continuing our strong partnership."

CEO of Borr Drilling, Mr Svend Anton Maier, added, "We are pleased to be getting another five high quality jackup rigs from Keppel FELS on top of the five we acquired earlier. Our partnership with Keppel is crucial as it enables us to provide the market with the latest in jackup rig technology, safety and operability. This is an opportune time for us to grow our fleet of highly capable jackup rigs as the market is showing signs of recovery from the bottom of the business cycle."

The above transaction is not expected to have a material impact on the net tangible assets or earnings per share of Keppel Corporation Limited for the current financial year. It is not expected to result in any write-downs on the projects.

A further announcement will be made when the transaction is effective.

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About Keppel Offshore & Marine and 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 yards and offices in some 15 countries across 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, visit www.keppelom.com

About Borr Drilling
Borr Drilling is an international drilling contractor that owns and operates jack-up rigs of modern and high-specification designs providing drilling services to the oil and gas exploration and production industry worldwide in water depths up to approximately 400 feet.

With a low cost base, a strong and experienced organisational culture, combined with a unique capital structure, Borr Drilling is built to make a difference. For more information, visit www.borrdrilling.com

For more information, please contact:

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

Investor Relations
Ivana Chua
Assistant General Manager
Group Corporate Communications
Keppel Corporation Limited
Tel: (65) 6413 6436
Email: ivana.chua@kepcorp.com