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Keppel signs Heads of Agreement with Borr Drilling for Transocean Rigs

Singapore, 20 March 2017 – Keppel FELS Limited (Keppel FELS), a wholly-owned subsidiary of Keppel Offshore & Marine Limited (Keppel O&M) has entered into a Heads of Agreement with Borr Drilling Limited of Bermuda (Borr Drilling), with the approval of Transocean, whereby the construction contracts for the five jackup rigs currently being built by Keppel FELS for Transocean will be novated to Borr Drilling. The transaction is subject to all three parties executing definitive agreements and satisfying formal closing conditions. The completion of the transaction is expected to take place before the end of May 2017.

In 2013, Transocean had ordered five KFELS Super B Class jackup rigs from Keppel FELS for US$1.1 billion and made a 20% down payment. Under the new agreement, Borr Drilling will take over the contracts and undertake the remaining payment installments to Keppel FELS. The price for each rig is USD$216 million, compared to the original price of USD$219 million. Borr Drilling will also make a down payment of USD$275 million.

The delivery dates of the five rigs were originally between 2016 and 2017 but had been deferred by Transocean to 2020. The first three rigs will now be delivered between 2017 and 2018, while the remaining two rigs will be delivered in 2020. This will enable Keppel to improve cashflow and minimise risks of the projects.

The deal is a testament to the reliability of and strong demand for Keppel's proprietary KFELS Super B Class rigs, even in the present challenging market conditions.

The KFELS Super B Class rigs are designed to operate in 400 feet water depth and drill to 35,000 feet. With a two million pound drilling system and a maximum combined cantilever load of 3,700 kips, the KFELS Super B Class is equipped with tremendous horsepower during drilling operations. In addition, the rig will be installed with offline stand building features in its drilling system package, which allows drilling and the preparation of drill pipes to take place at the same time. The rig is capable of drilling at a 75 feet outreach, allowing for coverage of a larger well pattern.

The abovementioned transaction will not have any material impact on the net tangible assets and earnings per share of Keppel Corporation Limited for the financial year ending 31 December 2017.

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About Keppel Offshore & Marine

Keppel Offshore & Marine Ltd (Keppel O&M), a wholly-owned company of Keppel Corporation Limited, is a global leader in offshore rig design, construction and repair, ship repair and conversion, and specialised shipbuilding. It integrates and harnesses the experience and expertise of 20 yards and offices worldwide to be near customers and markets. Driven by innovation and a capable people with the *Can Do!* spirit, Keppel O&M strives to become a builder of distinction in every aspect of its business. For more information, visit www.keppelom.com.

About Borr Drilling

Borr Drilling Limited is an international drilling contractor to the oil and gas industry, with the ambition of acquiring and operating modern drilling assets. The industry is currently under significant stress, and Borr Drillingwishes to establish a platform upon which itcan capitalise on identified opportunities. By uniting record low asset prices with a capable operating organisation, itwill take advantage of opportunities in a rapidly changing oil and gas industry. With our fleet of rigs we will deliver safe and high quality drilling operations to its customers.

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