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MEDIA RELEASE

Keppel sells 51% stake of Keppel Merlimau Cogen to Keppel Infrastructure Trust

SINGAPORE, 18 November 2014 – Keppel Infrastructure Holdings Pte Ltd (KI), through its wholly-owned subsidiary, has agreed to sell 51% stake of Keppel Merlimau Cogen Pte Ltd (KMC), which owns Keppel Merlimau Cogen Plant to Keppel Infrastructure Trust (KIT or the Trust), for a cash consideration of $510 million (KMC Transaction). The agreement was signed with Keppel Infrastructure Fund Management Pte Ltd (KIFM), in its capacity as trustee-manager of KIT.

Located on Jurong Island, Singapore, Keppel Merlimau Cogen Plant is a 1,300 MW combined cycle gas turbine power generation facility and is the first asset proposed to be injected into the Trust under the expanded "Right-of-First-Refusal" (ROFR) deed between KI and KIFM.

To facilitate the KMC Transaction, KMC will enter into a 15-year capacity tolling agreement with Keppel Electric Pte Ltd (Keppel Electric). Under the tolling agreement, KMC will contract its full capacity with Keppel Electric. The maximum capacity fee is S$108 million a year as long as KMC meets the availability and capacity tests targets, with most of its operating costs passed through. With this arrangement, volatility caused by movements in electricity prices and demand in the Singapore merchant power market typically experienced by independent power producers will be mitigated for KMC. KI will guarantee Keppel Electric's payment obligation to KMC.

To ensure continuity of operations, the KMC plant will continue to be run by the team which has operated it since 2007 under a long term service contract.

Dr Ong Tiong Guan, CEO of KI, said, "As the Sponsor of the Trust, Keppel Infrastructure seeks to help the Trust grow into a flagship infrastructure investment vehicle. We are injecting Keppel Merlimau Cogen Plant, a high performing operating asset, into the Trust, as a catalyst for its growth. The innovative structure of this arrangement also aligns the interests of the Sponsor and the Trust. At the same time, we are unlocking capital for Keppel so that we are better positioned to pursue more opportunities."

The KMC Transaction is expected to be completed in the second quarter of 2015. KI is a wholly-owned subsidiary of Keppel Corporation Limited.

The KMC Transaction is not expected to have any significant impact on the earnings per share and net tangible asset per share of Keppel Corporation Limited for the financial year ending 31 December 2014.

Separately, KIFM has also announced today that it has entered into an agreement with CitySpring Infrastructure Trust Management Pte Ltd (CSIM), in its capacity as trustee-manager of CitySpring Infrastructure Trust (CIT), in relation to CSIM acquiring the business undertaking and assets of KIT. Upon the completion of this agreement, KIFM would replace CSIM as trustee-manager of CIT, which is intended to be renamed as "Keppel Infrastructure Trust".

Detailed information on the KMC Transaction as well as the related conditions precedent are set out in the accompanying SGXNET announcement.

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This media release is also available at www.kepcorp.com.