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JOINT VENTURE WITH ROSNEFT AND MHWIRTH TO ESTABLISH DESIGN AND ENGINEERING CENTRE

Keppel Corporation Limited ("**KCL**" and the "**Company**") wishes to announce that Northstar Investments Pte. Ltd., a wholly-owned subsidiary of Keppel Offshore & Marine Ltd ("**Keppel**"), has today entered into a shareholders agreement with RN-Foreign Projects Limited Liability Company ("**Rosneft**"), a wholly-owned subsidiary of Rosneft Oil Company, and MH Wirth Singapore Engineering Management Pte. Ltd. ("**MHWirth**"), a wholly-owned subsidiary of MHWirth AS, for the formation of a Singapore incorporated joint venture company ("**JVCO**"). The shareholding of Keppel, Rosneft and MHWirth in the JVCO will be 45%, 45% and 10% respectively.

The JVCO will establish a wholly-owned design and engineering centre ("**DEC**") in the Russian Federation, and its principal business activities will be in relation to the design and engineering of mobile offshore drilling units (MODUs) for shallow waters to cater to the region. Both the JVCO and the DEC will, in the conduct of its business and activities, adhere to the prevailing US and European Union sanctions imposed on the Russian offshore oil and gas sector.

None of the directors or controlling shareholders of the Company has any interest in the above transaction (other than through their shareholdings in the Company).

The abovementioned transaction will not have any material impact on the net tangible assets and earnings per share of KCL for the financial year ending 31 December 2016.

Caroline Chang / Kelvin Chua
Company Secretaries
19 May 2016