JOINT MEDIA RELEASE

Keppel and GenZero join hands to accelerate Southeast Asia's clean energy transition

Both parties signed an MOU to explore projects driving early retirement of coal-fired power plants, switch to cleaner energy alternatives and production of sustainable fuels.

Singapore, 6 December 2023 – Keppel Corporation Limited (Keppel), through its Infrastructure Division, and GenZero, a Temasek-owned investment platform company that is focused on accelerating decarbonisation globally, have signed a Memorandum of Understanding (MOU) at the 2023 United Nations Climate Change Conference, more commonly referred to as COP 28, to jointly pursue opportunities to accelerate the transition to clean energy and the development of sustainable fuel projects across the Asia Pacific.

Under the MOU, the two parties will carry out feasibility studies to co-develop projects that are aimed at facilitating the early retirement of coal-fired power plants (CFPP), as well as Southeast Asia's pivot to cleaner energy alternatives, such as solar power or geothermal energy.

The world's youngest CFPP fleets are located in Southeast Asia and the region relies on coal in its energy mix to meet growing energy demands. With CFPPs power generation being the single largest source of carbon emissions globally, the collaboration between Keppel and GenZero comes at a critical juncture as the region navigates rising energy demand and a mounting agenda to phase out coal and meet net zero targets.

The successful retirement of CFPPs at scale, however, requires significant financing due to the economic gap between a CFPP's net present value and its value at the point of retirement. As such, the partnership will explore the use of transition credits – a new asset class of carbon credits that can be generated from reductions in emissions when high-emitting assets like CFPPs are retired early and replaced with cleaner energy sources. The Singapore government has conveyed that it is prepared to offtake transition credits as long as they meet Singapore's standards of environmental integrity.

The parties' cooperation will draw on GenZero's climate financing expertise to guide the phase-out and the company's technical know-how to develop high-integrity carbon credit projects. This will be augmented by Keppel's expertise in developing technology-based sustainability solutions and its operating capabilities in cleaner energy infrastructure such as renewables and zero- or low-emission combined cycle power plant.

In addition, both parties will explore bioenergy fuel projects in areas such as biomethane, biomethanol and Sustainable Aviation Fuel (SAF) in the Asia Pacific. Bioenergy, a form of renewable energy generated from organic materials such as purpose-grown crops and organic wastes, is poised to play a pivotal role in the ongoing energy transition and it offers numerous advantages to decarbonise hard-to-abate industries such as aviation and the heavy-duty transport sector. Bioenergy fuels are also compatible with existing infrastructure as a drop-in solution.

Ms Cindy Lim, CEO of Keppel's Infrastructure Division, said, "Keppel is pleased to work together with GenZero to facilitate the energy transition for hard-to-abate sectors and explore sustainable fuels by leveraging our combined expertise and unique energy transition support mechanisms to scale up the deployment of renewable energy and low-carbon solutions. This collaboration will enable us to continue pushing the envelope to support the adoption of cleaner energy alternatives in the Asia Pacific region."

Mr Frederick Teo, CEO of GenZero, said, "Asia Pacific accounts for more than half of the global energy consumption. Energy demand will continue to grow alongside economic development. However, truly sustainable economic development will require a transition towards cleaner energy sources. Navigating this transition is difficult. We are delighted to partner Keppel to study the unique challenges confronting the region and invest into practical solutions to address them. Our efforts will focus on catalysing carbon finance to accelerate the transition through sustainable fuels for hard-to-abate sectors and innovative transition mechanisms such as transition credits for the early retirement of coal-fired power plants."

The abovementioned collaboration is not expected to have any material impact on the earnings per share and net tangible asset per share of Keppel Corporation for the Company's current financial year.

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About Keppel Corporation

Keppel Corporation (SGX:BN4) is a global asset manager and operator with strong expertise in sustainability-related solutions spanning the areas of infrastructure, real estate and connectivity. Headquartered in Singapore, Keppel operates in more than 20 countries worldwide, providing critical infrastructure and services for renewables, clean energy, decarbonisation, sustainable urban renewal and digital connectivity.

Keppel creates value for investors and stakeholders through its quality investment platforms and diverse asset portfolios, including private funds and listed real estate and business trusts, and has a total portfolio with more than $65 billion of assets under management.

About GenZero

GenZero is an investment platform company focused on accelerating decarbonisation globally. Founded by Temasek, we seek to deliver positive climate impact alongside long-term sustainable financial returns by investing in opportunities with the potential to be nurtured into impactful and scalable solutions.

Driven by a common purpose to decarbonise for future generations, we recognise the need for a holistic and integrated approach to achieve a net zero world. At GenZero, we adopt a flexible investment approach across three focus areas to drive climate impact: (i) nature-based solutions that help protect and restore our natural ecosystems while benefiting local communities and biodiversity; (ii) technology-based solutions that deliver deep decarbonisation impact; and (iii) carbon ecosystem enablers which refer to companies and solutions that support the development of an effective, efficient, and credible carbon ecosystem.

For more information on GenZero, visit www.genzero.co.

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