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Media Release

Keppel Shipyard secures contracts worth S$125 million

Singapore, 11 August 2015 – Keppel Offshore & Marine Ltd (Keppel O&M)'s wholly owned subsidiary Keppel Shipyard Ltd (Keppel Shipyard) has secured a Floating Production Storage and Offloading (FPSO) conversion contract as well as three repair, upgrade and modification contracts worth a total of about S$125 million.

The FPSO conversion project Keppel Shipyard will be undertaking is for Armada Madura EPC Limited, a joint venture between long-standing customer Bumi Armada Berhad (Bumi Armada) and Shapoorji Pallonji Group (Shapoorji Pallonji).

Mr Michael Chia, Managing Director (Marine & Technology), Keppel O&M, said, "This is our third conversion/upgrading project for the joint venture. We are confident that this FPSO will be as successful as our first two FPSOs, Armada Sterling and Armada Sterling II, which have been performing excellently at the D1 field and Cluster 7 field in India respectively. This also marks our thirteenth conversion/upgrading project for Bumi Armada.

"FPSOs continue to be the preferred product for deepwater production and we are pleased that our customised FPSOs have proven to be efficient solutions for our customers. We will continue to work with our partners to provide more value-added and cost-efficient solutions to meet their needs."

Work on the FPSO conversion, which has commenced, is scheduled to complete in 3Q 2016. Upon completion, the FPSO will produce for the Madura Strait Block BD which is located 65km east of Surabaya and about 16km south of Madura Island, Indonesia.

Separately, Keppel Shipyard has been awarded major repair, upgrade and modification contracts by Totem Ocean Trailer Express Inc. (Totem Ocean), Dolphin Drilling Limited (Dolphin Drilling) and Saipem Offshore Norway AS (Saipem Offshore). Dolphin Drilling & Totem Ocean are new customers to Keppel Shipyard while Saipem Offshore is a returning customer.

Mr Chia added, "Despite the headwinds faced by the industry due to the current low oil price environment, Keppel Shipyard continues to receive active enquiries for its wide range of expertise including repair works and Liquefied Natural Gas (LNG) solutions. By leveraging our strong track record in repair, upgrade and modification, as well as expanding on our LNG capabilities which include extensive experience in LNG carrier repairs and Floating Storage Regasification Unit conversions, we are able to continue attracting new customers while maintaining the trust of repeat customers to keep our yards busy."

Keppel Shipyard's contract with Totem Ocean is for the world's first conversion of a large roll-on/roll-off cargo vessel to operate on a dual-fuel diesel LNG propulsion system. The work scope is a complex undertaking of the replacement of four engines, adding 2,200m^3 of LNG capacity along with the addition of 47km of new cabling.

When the conversion is completed, the vessel, Midnight Sun, will produce less greenhouse gas emissions, reducing emissions of particulate matter by 91 percent, nitrogen oxides by 100 percent, sulphur oxides by 90 percent and carbon dioxide by 35 percent.

Keppel Shipyard's work for a drillship of Dolphin Drilling, Belford Dolphin, includes renewal survey and modification, while for its project with repeat customer Saipem Offshore, Keppel Shipyard will undertake major refurbishment and upgrading works that include installation of a new 750-tonne Abandon & Recovery winch and additional thruster, as well as living quarters extension for a Field Development Ship.

The above is not expected to have any material impact on the net tangible assets and earnings per share of Keppel Corporation Limited, the parent company of Keppel O&M, for the current financial year.

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About Keppel Shipyard

Keppel Shipyard is a subsidiary of Keppel Offshore & Marine (Keppel O&M), a wholly-owned company of Keppel Corporation.

Keppel Shipyard is the trusted industry name for the repair, conversion and upgrading of a diverse range of vessels, and a global leader in the conversion of Floating Production Storage and Offloading (FPSO), Floating Storage and Offloading (FSO) and Floating Storage and Re-gasification Units (FSRU), as well as the fabrication and installation of turrets and mooring systems, and topside process modules. Keppel Shipyard is currently undertaking the world's first-of-its-type Floating Liquefaction Facility conversion.

About Bumi Armada

Bumi Armada Berhad is a Malaysia-based international offshore oilfield services provider with a presence in over 15 countries spread across five continents, underpinned by its personnel comprising over 2,000 people from over 38 nationalities.

Bumi Armada provides these offshore services via four strategic business units – Floating Production, Storage and Offloading Operations ("FPSO"), Offshore Support Vessels ("OSV"), Transport and Installation ("T&I") and Floating Gas Solutions ("FGS"). These are complemented by three support units which are FPSO Sales, Technology and Development ("T&D") and Projects.

Bumi Armada is the fifth largest FPSO player in the world and an established OSV owner and operator across Asia, Africa and Latin America. For more information, please refer to www.bumiarmada.com.

About Shapoorji Pallonji Group

The Shapoorji Pallonji Group (SP Group) founded in 1865 is an Indian business conglomerate present in more than 22 countries with interests in construction (including residential, commercial, industrial and infrastructure), oil and gas, real estate, infrastructure (comprising coal mining, power, ports and roads), biofuels and agriculture, consumer products, electro-mechanical and MEP services, solar, facades and interiors, engineering, textiles, business automation and shipping and logistics.

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