

Media Release

Keppel inks agreement with Golar to subscribe for 30% interest in Gimi MS Corporation

The partners to build on relationship in second FLNG project

Singapore, 26 February 2019 - Keppel Corporation Limited (“Keppel” or the “Company”) has through First FLNG Holdings Pte. Ltd. (“FFH”), an indirect wholly-owned subsidiary of the Company held through Keppel Capital Holdings Pte. Ltd., entered into a conditional share subscription agreement¹ with Golar LNG Limited (“Golar”) and Gimi MS Corporation (“Gimi MS”) to subscribe for 30% of the total issued ordinary share capital of Gimi MS.

Gimi MS will undertake the development, construction and operation of a floating liquefied natural gas (FLNG) facility to be located on the Mauritania and Senegal maritime border. Concurrent to the share subscription agreement, Gimi MS has also executed a 20-year FLNG lease and operate agreement with BP.

Keppel and Golar have previously partnered on the FLNG Hilli Episeyo, the world's first FLNG conversion project, which has been a successful proof of concept as a quick and cost-efficient solution for monetising stranded gas reserves. Hilli Episeyo has maintained 100% uptime since commencing commercial operations in June 2018 and consistently despatched two LNG cargoes each month.

“We are pleased to further strengthen Keppel’s relationship with Golar in capturing growing opportunities in the LNG space. This transaction reflects Keppel’s confidence in the prospects of the FLNG sector and that this investment will provide attractive risk-adjusted returns.

“Our investment is in line with Keppel’s business model and harnesses the diverse capabilities of the Group. We are pleased that Keppel Offshore & Marine has been chosen to execute this important project, which will further strengthen our capabilities and track record in the conversion of FLNG vessels.

“The *Gimi* investment can also be a seed asset for a possible infrastructure fund managed by Keppel Capital in the future. After the asset has been completed and de-risked, the 30% interest may be injected into Keppel Infrastructure Trust,” said Mr Loh Chin Hua, CEO of Keppel Corporation.

¹ Under the same agreement, Golar will concurrently subscribe for 70% of the total issued ordinary share capital of Gimi MS.

Golar's CEO Mr Iain Ross said, "Golar is pleased to be working with Keppel again on its second FLNG project. Testament to the quality and reliability of the floating LNG solution, Golar has entered into a 20-year Lease and Operate Agreement with BP for the charter of FLNG unit, *Gimi*, to service the Greater Tortue Ahmeyim project. The safe and reliable performance of FLNG Hilli Episeyo is in part due to the high quality and safe workmanship of Keppel Offshore & Marine and we look forward to these same high standards being maintained throughout the construction of FLNG *Gimi*."

With the funds from the subscription of shares by its shareholders, Gimi MS will acquire and own the Moss LNG carrier *Gimi* which will be converted into an FLNG vessel by Keppel Shipyard. In December 2018, Keppel Shipyard received the limited notice to proceed from Golar to commence early conversion works. The carrier has been relocated from layup to Keppel Shipyard in Singapore where conversion works will soon start.

On completion of the subscription, FFH will enter into a shareholders' deed with Golar and Gimi MS. Under the terms of the shareholders' deed, Gimi MS may issue cash calls on a *pro rata* basis to the shareholders, namely FFH and Golar, for future funding requirements for the construction, deployment and commissioning of *Gimi* based on an anticipated project budget limit of approximately US\$1.3 billion exclusive of financing costs. FFH is committed to invest up to an estimated maximum total of US\$250 million in connection with the Project inclusive of the subscription price.

The Company will make a further announcement upon completion of the subscription.

None of the directors or controlling shareholders of Keppel Corporation has any interest, direct or indirect, in the above transaction. The transaction is not expected to have any material impact on the net tangible assets and earnings per share of Keppel Corporation for the current financial year.

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About Keppel Corporation

Keppel Corporation is a global multi-business company committed to providing robust solutions for sustainable urbanisation through its key businesses in Offshore & Marine, Property, Infrastructure and Investments. The Group's ecosystem of companies work closely together to offer a spectrum of products and services that addresses the world's growing needs for energy, clean environments, urban living solutions and connectivity.

Keppel Corporation harnesses the Group's collective strengths in technology and innovation, engineering and project management, the operation and maintenance of assets, and capital management to seize opportunities and create enduring value.

For further information, please contact:

Media

Teri Liew
General Manager
Group Corporate Communications
Keppel Corporation Limited
Tel: (65) 9686 4038
Email: teri.liew@kepcorp.com

Investor Relations

Ivana Chua
Assistant General Manager
Group Corporate Communications
Keppel Corporation Limited
Tel: (65) 6413 6436
Email: ivana.chua@kepcorp.com