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Media Release

Keppel secures contract to build LNG carriers worth over S$100m

Singapore, 24 May 2017 – Keppel Offshore & Marine Ltd (Keppel O&M), through its wholly-owned subsidiary Keppel Singmarine, has strengthened its track record in the Liquefied Natural Gas (LNG)-related business by securing a contract worth a total of S$103 million to build two LNG carrier vessels for Stolt-Nielsen Gas B.V. (Stolt-Nielsen Gas), a subsidiary of Stolt-Nielsen Limited.

As part of the contract, Keppel Singmarine has also secured options to build another three similar units for Stolt-Nielsen Gas. The latter has 6, 12 and 18 months from the effective date of the contract to exercise the options respectively.

Mr Abu Bakar, Managing Director of Keppel Singmarine, said, "We are pleased to be selected by Stolt-Nielsen Gas to build their first two small-scale LNG carriers. Keppel yards have repaired a number of vessels for Stolt Tankers previously and we are glad to be able to further support them with our wide range of products and services.

"This order extends our track record in providing solutions along the LNG value chain, which includes two dual-fuel harbour tugs that we are currently building. We are able to leverage our shipyard's capabilities and innovative LNG research and development to meet our customer's needs."

The LNG carriers are expected to be completed in 2Q and 3Q 2019 respectively. They will each have a capacity of 7,500m^3, and come equipped with engines that can run on both diesel and LNG. The carriers will have a class notation for bunkering which adds to their versatility to not only transport but also provide LNG bunkering services if required.

There is a growing demand for small-scale LNG carriers especially for end users located in remote areas not served by pipelines. Tighter regulation on emissions continues to encourage growth in small-scale LNG projects which are economical and quick to market.

As a specialised shipbuilder, Keppel Singmarine is at the forefront of developing vessels that can run on LNG. In October 2016, it secured orders to build two dual-fuel (diesel/ LNG) harbour tugs based on its award-winning proprietary design. The 65-tonne bollard pull capacity tugs can run on both LNG and diesel fuel and was awarded the Outstanding Maritime R&D and Technology Award by MPA.

The abovementioned contract is not expected to have a material impact on the net tangible assets or earnings per share of Keppel Corporation Limited for the current financial year.

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About Keppel Offshore & Marine
Keppel Offshore & Marine (Keppel O&M) is a global leader in offshore rig design, construction and repair, ship repair and conversion, and specialised shipbuilding. Its Near Market, Near Customer strategy is bolstered by a global network of 20 yards in the Asia Pacific, Gulf of Mexico, Brazil, the Caspian Sea, Middle East and the North Sea regions. Integrating the experience and expertise of its yards worldwide, Keppel O&M aims to be the provider of choice and partner for solutions for the offshore and marine industry. For more information, please visit www.keppelom.com

About Keppel Singmarine
Keppel Singmarine is the specialised shipbuilding arm of Keppel O&M, with a track record of designing and building over 400 ships of various specifications and functions, spanning from Anchor Handling Tug/Supply vessels, Multi-Purpose Offshore Support vessels and tugboats to highly advanced solutions such as pipelay vessels, icebreakers and ice-class support vessels.

About Stolt-Nielsen
Stolt-Nielsen Limited (SNL) is the world's leading provider of integrated transportation and storage solutions for specialty and bulk liquid chemicals and a wide range of other liquid products. SNL's aquaculture division is a leading high-tech producer of turbot and other premium fish and fish products.

Stolt-Nielsen Gas (SNG) entered the market for the transportation of liquefied petroleum gas (LPG) in late 2009, building on the company's global expertise in the safe and efficient transportation of cargoes with specialised handling requirements.

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