

## **Media Release**

### **Keppel completes acquisition of LeTourneau**

*Acquisition adds to Keppel's comprehensive suite of jackup rig designs and opens up aftersales and aftermarket services for more than 150 LeTourneau rigs in operation*

**Singapore, 3 May 2016** – Keppel Offshore & Marine (Keppel O&M), through its wholly owned subsidiary, Keppel Offshore & Marine USA, Inc., has completed the acquisition of Cameron International Corporation's (Cameron) offshore product division, which comprises the LETOURNEAU™ jackup rig designs, rig kit business, as well as its aftersales and aftermarket services. The acquired company will operate as Keppel LeTourneau with offices in the United States, United Arab Emirates and Singapore.

The acquisition will not only broaden Keppel O&M's suite of jackup rig designs but also expand its business in the provision of aftersales and aftermarket services.

Mr Chow Yew Yuen, CEO of Keppel O&M said, "Keppel O&M is the world's leading provider of offshore jackup rigs. This strategic acquisition will complement Keppel O&M's existing capabilities and enable us to provide our customers with a full suite of end-to-end jackup rig solutions. With Keppel's and LeTourneau's combined engineering resources, international shipyard presence and design and equipment manufacturing competencies, we are confident of providing even better value-added solutions to drilling operators."

### **Comprehensive suite of rig designs**

Adding the LETOURNEAU™ designs to its own offerings, Keppel will have more than 26 designs for jackup rigs covering almost every requirement and condition in the market.

Keppel will have the flexibility to customise and build the LETOURNEAU™ jackup rigs from Keppel yards worldwide or license the design to any client or shipyard through the sale of rig kits. The rig kits include jackup leg components, elevating units/jacking systems and cantilever/skidding systems. Marine equipment such as cranes and anchor winches are also options in the rig kits.

The LETOURNEAU™ suite of jackup rig designs is well established with a proven track record of operating in a variety of environments. This includes the LETOURNEAU™ Super 116E, WORKHORSE™, Super Gorilla XL and Jaguar.

### **Aftersales and aftermarket services**

Another important aspect of the business is the provision of aftersales and aftermarket services. This includes the sale of spare parts, field service (troubleshooting, inspection, installation and commissioning), operator training, repair and refurbishment of equipment and bespoke engineering services.

Some 260 or 40% of the jackup rigs currently in the market belong to either LeTourneau or Keppel designs. Of these, more than 100 rigs are over 15 years old and require regular servicing. Besides

repairs, upgrades and modifications, jackup rigs are required to undergo five-year class recertification special periodic surveys.

With 20 yards around the world which are near market and near customer, Keppel O&M will be able to service LETOURNEAU™ rigs for their owners wherever they are, more quickly and efficiently, expediting the rigs' return to work.

As a jackup rig is made up of thousands of components, Keppel O&M's comprehensive supply chain management system will ensure that it is able to provide the spare parts required in aftersales and aftermarket services in a timely and cost-effective manner to its customers.

Mr Chow Yew Yuen added, "With the current low oil price, rig owners are looking more at repairing and upgrading their current fleets. The LeTourneau acquisition has expanded our client base, and will improve our service offerings to rig operators in helping them maintain their assets more cost-effectively. In addition, we are confident that our end-to-end packages, from rig design and construction to aftersales and aftermarket services, will be attractive to customers because they will be assured of greater reliability in product quality as well as follow up services."

The above acquisition is not expected to have 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](http://www.keppelom.com)

#### **About Keppel LeTourneau**

Keppel LeTourneau, a subsidiary of Keppel Offshore & Marine, provides end-to-end rig solutions, from rig designs and rig kits to aftersales and aftermarket services. The company has offices in the United States, United Arab Emirates and Singapore. It is able to leverage Keppel Offshore & Marine's network of yards worldwide to be near market and near customer in providing construction or aftersales and aftermarket services. For more information, please visit [www.keppelletourneau.com](http://www.keppelletourneau.com)

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