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SALE OF INTEREST IN FLNG, HILLI EPISEYO

Keppel Corporation Limited (the "**Company**" or "**KCL**") wishes to inform that KS Investments Pte. Ltd. ("**KSI**"), a wholly-owned subsidiary of Keppel Offshore & Marine Ltd ("**KOM**"), has together with Golar LNG Limited ("**Golar**") and Black and Veatch ("**B&V**") entered into a purchase and sale agreement ("**PSA**") on 15 August 2017 to sell (the "**Sale**") an equity interest in Golar Hilli LLC to a subsidiary of Golar LNG Partners L.P. (the "**Partnership**").

The Sale is in conjunction with Golar LNG's Master Limited Partnership structure for the Partnership to acquire an equity interest in FLNG Hilli Episeyo (the "***Hilli***").

The closing of the Sale ("**Closing**") is subject to the satisfaction of certain closing conditions, including:

(i) the transfer by KSI Production Pte Ltd (a subsidiary of KSI) of its entire 10% equity interest in Golar Hilli Corporation ("**Hilli Corp**"), the entity that owns the Hilli, to KSI; and

(ii) the subsequent contribution by KSI, Golar and B&V of their entire equity interests in Hilli Corp, to Golar Hilli LLC upon its formation (the "**Pre-Closing Contributions**"), in return for membership interests in Golar Hilli LLC, represented by Common Units ("**Common Units**"), Series A Special Units ("**Series A Units**") and Series B Special Units ("**Series B Units**"). In return for the contribution of KSI's 10% equity interest in Hilli Corp to Golar Hilli LLC, KSI will therefore receive 10% each of the Common Units, Series A Units and Series B Units.

Upon Closing, which is expected to occur on or before 30 April 2018, KSI, Golar and B&V will sell an aggregate 50% of the Common Units in Golar Hilli LLC (comprising 44.55% (Golar), 5% (KSI) and 0.45% (B&V) of the Common Units respectively) to a subsidiary of the Partnership. The sale price for the Sale, which was arrived at on a willing buyer willing seller basis, is US$658 million less net lease obligations under the financing facility for the *Hilli* (the "**Hilli Facility**") that are expected to be between US$468 and US$480 million.

After the sale of interests to the Partnership, Keppel's effective stake in Golar Hilli LLC will be 5% of the Common Units. Keppel will also retain its stake of 10% in Series A units which relates to the cash flows associated with oil price linked elements of the tolling fee negotiated in the liquefaction tolling agreement and 10% of Series B units which relates to the cash flows associated with any future expansion of contracted capacity beyond the present 50% of the Hilli.

A further announcement will be made when Closing has taken place.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction.

The Sale is not expected to have any material impact on the earnings per share and net tangible asset per share of KCL for the current financial year.