

Media Release

Keppel contracts third floating liquefaction facility conversion worth US\$684 million

Singapore, 22 July 2015 – Keppel Shipyard Limited (Keppel Shipyard), a wholly-owned subsidiary of Keppel Offshore & Marine Ltd (Keppel O&M), has signed a contract worth approximately US\$684 million with Golar Gandria N.V., a subsidiary of Golar LNG Limited (Golar LNG), to perform the conversion of a Moss type Liquefied Natural Gas (LNG) carrier, the GANDRIA, into a Golar Floating Liquefaction (GoFLNG) facility. The contract will become effective upon the parties fulfilling certain conditions precedent by 21 September 2015.

The award of the conversion of the GANDRIA marks the exercise of the second of two options, which were part of a contract awarded by Golar to Keppel Shipyard for the conversion of the Moss LNG carrier, HILLI, into a GoFLNG facility. The first option was exercised in December 2014 for the conversion of the GIMI, also a Moss type LNG carrier.

Mr Michael Chia, Managing Director (Marine & Technology), Keppel O&M, said, “We are extremely pleased to be executing a third GoFLNG conversion contract and thank Golar for entrusting us with this repeat contract and for their continued confidence in our capabilities. Together with Golar and our partner Black & Veatch, we are confident of delivering these projects within the budgeted time and cost.

“GoFLNG facilities are set to reduce the cost and time required to monetise and deliver offshore gas to market. Now a year underway, the Hilli conversion project is progressing to plan. This third GoFLNG contract re-validates our delivery timeframes and price levels, further demonstrating the technical and commercial competitiveness, and lower implementation risks inherent in our solution.

“Keppel Shipyard has recently set up a new design and technology arm, Gas Technology Development (GTD), to focus further efforts on solutions for LNG markets. With enhanced capabilities and more innovative solutions, we look forward to supporting our valued customers like Golar in commercialising mid-scale LNG offshore sources in relatively benign met-ocean conditions in a more timely and cost-efficient manner.”

Mr Gary Smith, CEO, Golar LNG, said, “We are happy to deepen our collaboration with Keppel whose impressive track record with innovative and sophisticated conversion projects will help Golar provide a fast-track and cost effective liquefaction solution to our clients looking to develop their natural gas assets. Keppel has successfully performed the conversions of three of our LNG carriers to Floating Storage and Regasification Units in the past. We are now on track to repeat that success in our floating liquefaction efforts as well.”

The work scope for Keppel Shipyard in converting the GANDRIA is similar to that for the two earlier contracts. Keppel Shipyard will provide the design, detailed engineering and procurement of the marine systems and all of the conversion-related construction services. Keppel Shipyard will once again engage Black & Veatch to provide design, procurement and commissioning support services for the topsides, as well as the liquefaction process utilising its established PRICO® technology.

Similar to the GIMI, full construction activities of the GANDRIA will only commence after Keppel Shipyard has received a notice to proceed, which is expected to be issued in 2016. The GoFLNG GANDRIA is expected to be delivered in approximately 31 months after receipt of such notice to proceed.

The above is not expected to have any material impact on the net tangible assets and earnings per share of Keppel Corporation, 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 Regasification Units (FSRU), as well as the fabrication and installation of turrets and mooring systems, and topside process modules.

As a group, Keppel O&M is also a global leader in offshore rig design, construction and repair, and specialised shipbuilding. Its near market, near customer strategy is bolstered by a global network of 20 yards and offices 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 Golar LNG

Golar LNG is one of the world's largest independent owners and operators of LNG carriers with over 40 years of industry experience. Golar's innovation delivered the world's first Floating Storage and Regasification Units (FSRU) based on the conversion of existing LNG carriers. Golar LNG leads the industry with committed projects and is progressing plans to grow its business further upstream by deploying its floating liquefaction technology (GoFLNG). The objective is to become the industry's leading integrated midstream LNG services provider, supporting resource owners, gas producers and gas consumers. For more information, please visit www.golarlng.com.

About Black & Veatch

Black & Veatch is an employee-owned, global leader in building critical human infrastructure in Energy, Water, Telecommunications and Government Services. Since 1915, Black & Veatch has helped its clients improve the lives of people in over 100 countries through consulting, engineering, construction, operations and program management. Black & Veatch's revenues in 2014 were US\$3 billion. Follow the company on www.bv.com and in social media.

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