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Keppel secures contracts worth S$368 million

Singapore, 1 July 2014 – Keppel Offshore & Marine Ltd (Keppel O&M)'s wholly owned subsidiaries Keppel Shipyard Ltd (Keppel Shipyard) and Keppel Singmarine Pte Ltd (Keppel Singmarine) have secured contracts worth a total of S$368 million.

The contract secured by Keppel Shipyard is for the conversion of a Floating Production Storage and Offloading (FPSO) vessel for Armada Kraken Pte Ltd (Armada Kraken), a wholly owned subsidiary of Bumi Armada Berhad (Bumi Armada).

Mr Michael Chia, Managing Director (Marine & Technology), Keppel O&M, said, "We are pleased to be entrusted once again by our longstanding customer Bumi Armada to be part of their significant FPSO Armada Kraken project. We are indeed privileged to have the opportunity to continue to contribute to the expansion of their FPSO fleet.

"We are seeing an increasing demand for more sophisticated FPSOs which can operate in harsher environments, more challenging and deeper oil and gas fields. Keppel Shipyard, with its strong and established delivery track record of over 110 conversion projects to-date, is well-positioned to capture the growing FPSO opportunities and serve the evolving needs of this market."

The new FPSO will be a harsh-environment unit that is designed for operations in the North Sea under a stringent regulatory regime. Work has commenced and the FPSO is scheduled for delivery in 3Q 2015. When completed, the FPSO will be capable of producing the heavy-oil (API degree 14) in the Kraken field, UK sector of the North Sea, over a period of 25 years.

In addition, the FPSO will be able to handle a peak fluid rate of 460,000 barrels per day (bpd) and 80,000 barrels of oil per day (bopd), 275,000 bpd of water injection, 20 million standard cubic feet (MMscf) of gas handling and has a storage capacity of 600,000 barrels.

Keppel Shipyard's work scope for this FPSO project includes refurbishment and life extension works, upgrading of living quarters to accommodate 90 personnel, installation of an internal turret mooring system as well as the installation and integration of topside process modules.

Meanwhile, Keppel Singmarine has secured a contract from Baku Shipyard LLC (Baku Shipyard) to design and carry out fabrication and outfitting works for a Subsea Construction Vessel (SCV) which, when completed, will be deployed for the Stage 2 development of the Shah Deniz field that lies some 70 kilometres offshore in the Azerbaijan sector of the Caspian Sea.

The SCV is a project that Baku Shipyard recently secured from BP Exploration (Shah Deniz) Ltd, the operator of the Shah Deniz gas field development. It is the first major contract secured by the shipyard since its inauguration by President of Azerbaijan, H.E. Ilham Aliyev, in September 2013.

Baku Shipyard, located in Baku, Azerbaijan, was jointly developed by Keppel O&M, State Oil Company of Azerbaijan Republic (SOCAR) and Azerbaijan Investment Company (AIC). Keppel O&M, SOCAR and AIC own 10%, 65% and 25% share in the yard respectively. Keppel O&M is responsible for the management and operation of the yard.

Keppel Singmarine's work scope includes the design of the vessel, the fabrication of the hull strips and outfitting them with equipment and systems at its yard in Singapore. The hull strips will be shipped to Baku Shipyard for integration with other components fabricated by Baku Shipyard, and completion after commissioning works and sea trials. The SCV will be built to the proprietary design by Marine Technology Development, the ship design and development arm of Keppel O&M.

Mr Michael Chia commented, "The Shah Deniz gas field development is a major project for Azerbaijan, and we are proud to be involved in the design and construction of the SCV, the country's flagship vessel for the development.

"As the first major contract for Baku Shipyard, a yard that Keppel has invested in and manages, the project also marks a significant milestone for Keppel as we continue to extend our *Near Market, Near Customer* strategy to bring our innovative solutions to the Caspian region. Earlier in 2014, we secured three contracts to build two ice-class supply vessels and an ice-class multi-purpose duty-rescue vessel which will be deployed in the Filanovsky oil field in northern Caspian Sea. We look forward to strengthening our track record in the Caspian region with the quality delivery of these projects."

The SCV will provide essential support for the construction of subsea structures which will form the biggest subsea production system in the Caspian. Designed to work in 2.5 metres significant wave height (Hs), the vessel will be equipped with a dynamic positioning system, a 750-metric tonne heave compensated crane for 600 metre-deep subsea operation, an 18-men two-bell diving system and two work-class remotely operated vehicles.

The above contracts are not expected to have any material impact on the net tangible assets and earnings per share of Keppel Corporation Limited for the current financial year.

About Keppel Shipyard, Keppel Singmarine and Baku Shipyard

Keppel Shipyard, Keppel Singmarine and Baku Shipyard are subsidiaries 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 Re-gasification Units (FSRU), as well as the fabrication and installation of turrets and mooring systems, and topside process modules.

Keppel Singmarine is the specialised shipbuilding arm of Keppel O&M, with a track record of designing and building some 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 icebreakers and ice-class support vessels.

Baku Shipyard, located in Baku, Azerbaijan, is a shipyard jointly developed by Keppel O&M, State Oil Company of Azerbaijan Republic (SOCAR) and Azerbaijan Investment Company (AIC). Inaugurated in 2013, the shipyard is designed to undertake the construction of a wide range of specialised vessels and merchant ships including subsea vessels, anchor handling tug/supply vessels and multi-purpose offshore support vessels, as well as tankers and cargo vessels. The shipyard also has ship repair and conversion capabilities.

About Bumi Armada

Bumi Armada Berhad is a Malaysia-based international offshore oilfield services provider with a presence in over 18 countries spread across five continents, underpinned by its access to over 3,000 people from 25 nationalities.

Bumi Armada provides these offshore services via five strategic business units – Floating Production, Storage and Offloading (FPSO), Offshore Support Vessels (OSV), Transport and Installation (T&I), Oilfield Services (OFS) and Gas Development and Technology (GDT). These are complemented by three support units which are Asset Management & Operations (AMO), Engineering and Technology (E&T) and Major Projects (MP).

Bumi Armada is an established OSV owner and operator across Asia, Africa and Latin America and the fifth largest FPSO player in the world. For more information, please refer to www.bumiarmada.com.

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