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Keppel closes deal with Borr Drilling

Keppel Corporation Limited (the “**Company**”) refers to its press release dated 20 March 2017 that Keppel FELS Limited (“Keppel FELS”), a wholly-owned subsidiary of Keppel Offshore & Marine Ltd (“**KOM**”), had entered into a Heads of Agreement with Borr Drilling Limited of Bermuda (“**Borr Drilling**”).

The Company wishes to announce that Keppel FELS has signed the relevant definitive agreements with Borr Drilling to novate the construction contracts of the five jackup rigs currently being built by Keppel FELS for Transocean Ltd (“**Transocean**”) to Borr Drilling.

Under the terms of the agreements, Borr Drilling will take over the contracts of the five jackup rigs from Transocean and undertake the remaining payment installments to Keppel FELS. The price for each rig, which includes the milestone payments already made by Transocean, is USD\$216 million, compared to the original contract price of USD\$219 million. Borr Drilling will make a down payment of USD\$275 million within two weeks.

Based on the agreements signed, the first three rigs will now be delivered in 1Q 2018, 2Q 2018 and 2Q 2019 respectively, while the remaining two rigs will be delivered in 2020.

The abovementioned transaction will not have any material impact on the net tangible assets and earnings per share of the Company for the financial year ending 31 December 2017.