JOINT PRESS RELEASE

Keppel Infrastructure Trust to combine with CitySpring Infrastructure Trust and acquire 51% stake in Keppel Merlimau Cogen

- *Creating the largest Singapore infrastructure-focused business trust with total assets of over S$4 billion*
- *Attractive portfolio of core infrastructure assets*
- *Increased scale and liquidity, better positioned for future growth*
- *Keppel Infrastructure to become sponsor of the Combined Trust*
- *Keppel and Temasek to remain the two largest unitholders in the Combined Trust*

SINGAPORE, 18 November 2014 – Keppel Infrastructure Fund Management Pte. Ltd. ("KIFM") and CitySpring Infrastructure Management Pte. Ltd. ("CSIM") in their capacity as trustee-manager of Keppel Infrastructure Trust ("KIT") and CitySpring Infrastructure Trust ("CIT"), respectively, have agreed to combine KIT and CIT ("Combination"). In addition, KIT has today agreed to acquire a 51% stake in Keppel Merlimau Cogen Pte. Ltd. ("KMC") ("KMC Acquisition") which will form an integral part of the Combination.

The Combination will be effected by CIT acquiring all the business undertakings and assets of KIT in exchange for 1,326 million new units of CIT. The swap ratio has been arrived at based on the market capitalizations of S$658 million of KIT and S$753 million of CIT, based on their units' respective volume weighted average prices ("VWAP") for the 180-day period ended on 13 November 2014[1]. Each KIT unitholder will receive 2.106 new CIT units for every KIT unit held. The swap ratio is fixed and is not subject to any adjustment.

Upon completion of the Combination, Keppel Corporation Limited ("Keppel"), via its wholly-owned subsidiary, Keppel Infrastructure Holdings Pte. Ltd. ("KI") will become the largest unitholder and Temasek Holdings (Private) Limited ("Temasek"), through its wholly-owned subsidiaries, will become the second largest unitholder with approximately 22.9%[2] and 19.97%[3] ownership in the Combined Trust respectively. CIT will be renamed Keppel Infrastructure Trust ("Combined Trust") and KIFM (or another related entity of KIFM) will be appointed trustee-manager of the Combined Trust.

KMC owns a 1,300 MW combined cycle gas turbine power generation facility on Jurong Island, Singapore. The aggregate purchase consideration for the KMC Acquisition will be S$510 million in cash which is planned to be financed by an equity fund raising exercise.

Each of KIFM and CSIM believe the transactions to be DPU accretive[4] for existing unitholders of KIT and CIT, respectively. In addition, prior to the completion of the Combination, existing CIT

[1] 180-day VWAP for KIT = S$1.0446; 180-day VWAP for CIT = S$0.4960 as of 13 November 2014, being the last full trading day of both KIT and CIT prior to this press release
[2] Prior to the equity fund raising for the KMC Acquisition
[3] Prior to the equity fund raising for the KMC Acquisition. Does not include Temasek's deemed interests in Keppel
[4] Calculated on the bases and assumptions set out in the accompanying SGXNET announcements. This statement should not be interpreted to mean that the future distribution per unit of the Combined Trust will necessarily be greater than the distribution per CIT or KIT unit before completion of the transactions

unitholders will receive a one-time distribution of S$30 million. After the completion of the Combination but before the equity fund raising, the Combined Trust will make a one-time S$30 million distribution to its expanded base of unitholders.

These transactions are subject to the approval of minority unitholders of KIT and CIT, and Keppel and Temasek will abstain from voting.

After the Combination and KMC Acquisition, the Combined Trust will be the largest Singapore infrastructure-focused business trust listed on the SGX-ST with a market capitalization that is expected to exceed S$1.9 billion[5] and proforma total assets in excess of S$4 billion.

Mr Khor Un-Hun, CEO of KIFM said, "With the support of the unitholders, the transactions will combine KIT and CIT into an attractive flagship infrastructure investment vehicle in Singapore sponsored by KI, offering investors exposure to its large and diversified core infrastructure portfolio."

Mr Tong Yew Heng, CEO of CSIM added, "The Combination and the KMC Acquisition are transformational. With greater scale and critical mass, the Combined Trust will be able to better access the capital markets to pursue meaningful growth opportunities in the future. Such future growth opportunities could include assets incubated by KI in addition to other infrastructure assets that meet our investment criteria."

The Combination

The Combination and the KMC Acquisition will create the largest Singapore infrastructure-focused business trust.

KIT's portfolio:

- Senoko Waste-to-Energy Plant, the only incineration plant servicing the eastern, northern and central areas of Singapore,
- Keppel Seghers Tuas Waste-to-Energy Plant, the newest of the four waste incineration plants currently operating in Singapore,
- Ulu Pandan NEWater Plant, the second largest NEWater plant in Singapore, and
- The proposed acquisition of the 51% stake in KMC, a top-tier gas-fired power plant in Singapore.

CIT's portfolio:

- City Gas, the sole producer and retailer of town gas in Singapore,
- SingSpring, Singapore's first large-scale seawater desalination plant,
- Basslink, the only electricity interconnector between Tasmania and mainland Australia (including the Basslink Telecoms fibre optics telecommunications cable),

[5] Market capitalization calculated based on the VWAP of KIT and CIT, respectively, for the 180-day period ended on 13 November 2014 and assuming a S$525mn equity fund raising. This statement should not be interpreted to mean that the Combined Trust will trade at such market capitalization at the completion of the transactions

- CityNet, trustee-manager of Netlink Trust[6], which owns, installs, operates and maintains the fibre network for Singapore's Next Generation Nationwide Broadband Network, and
- DataCentre One, an Uptime Institute Tier 3 datacentre (estimated completion in 1Q CY2016).

Mr Khor commented, "The transactions will enable KIT unitholders to gain exposure to an attractive portfolio of assets which generate regular and predictable cashflows under existing long-term contracts. In addition, the value and cashflow generating capability of long-term infrastructure businesses such as City Gas, Basslink and KMC are not constrained by existing contract lives."

KMC Acquisition

KIT has agreed to acquire 51% of KMC from Keppel Energy Pte. Ltd., a wholly-owned subsidiary of KI, the sponsor of KIT, for a cash consideration of S$510 million. The equity value of KMC is based on an enterprise value of S$1.7 billion, less a S$700 million loan to be raised by KMC.

As part of the KMC Acquisition, KMC will enter into a 15-year capacity tolling agreement with Keppel Electric Pte. Ltd. ("Keppel Electric"), a wholly-owned subsidiary of KI. Under the tolling agreement, KMC will contract its full capacity with Keppel Electric. The maximum capacity fee is S$108 million a year as long as KMC meets the availability and capacity test targets, with most of KMC's operating costs being passed through. With this arrangement, volatility caused by movements in electricity prices and demand in the Singapore merchant power market typically experienced by independent power producers will be mitigated for KMC. KI will guarantee Keppel Electric's payment obligations to KMC. To ensure continuity of operations, KMC will enter into a long-term service contract with KMC O&M Pte. Ltd., also a wholly-owned subsidiary of KI, and will continue to be operated and maintained by the same team which has operated the plant since 2007.

Mr Khor said, "An operating power plant such as Keppel Merlimau Cogen Plant is a highly attractive and strategic asset in Singapore. The 15-year capacity tolling arrangement with Keppel Electric will generate stable and predictable operating cash flows for the Combined Trust. This acquisition demonstrates our sponsor's commitment to grow KIT by delivering investments that are suitable for unitholders."

Benefits from Keppel Sponsorship

Upon completion of the Combination, KI will be the sponsor to the Combined Trust and KIFM will be the trustee-manager. KI has an established track record of developing, owning and operating infrastructure assets and will be able to support the Combined Trust in its growth strategies, whether by developing and warehousing suitable assets or by co-investing alongside the Combined Trust.

The proposed adoption of a revised trustee-manager fee structure for the Combined Trust, based on KIT's existing trustee-manager fee structure, would have resulted in a reduction in trustee-manager fees of approximately S$3.6 million[7] for the Combined Trust.

[6] SingTel remains the 100% unitholder of Netlink Trust

[7] Based on a comparison of KIFM's fee structure for KIT and CSIM's fee structure for CIT, had the Combination been completed and KIFM's fee structure been adopted on 1 January 2013, the Combined Trust would have enjoyed a reduction in trustee-manager fees of approximately S$3.6 million for the calendar year ended 31 December 2013 assuming no fees were payable for acquisitions or divestments

In support of the Combination, KI as sponsor of KIT has agreed that KIFM shall waive its divestment fee for the Combination. Similarly, Temasek, as sponsor of CIT and owner of CSIM, will not receive compensation for relinquishing its role as trustee-manager.

Mr Tong added, "The Combined Trust will benefit from KI's sponsorship and growth plans given its track record as a developer, owner and operator of infrastructure assets. Keppel's sponsorship commitment, demonstrated through the KMC Acquisition, the Combined Trust having first rights over the remaining 49% of KMC, and the first right of refusal to acquire assets developed or incubated by KI, will benefit the Combined Trust's acquisition pipeline."

The Equity Fund Raising

To fund the KMC Acquisition and its related expenses, an equity fund raising of up to S$525 million[8] will be undertaken by issuing new units through a combination of placement to institutional and other investors, as well as a preferential offering to existing unitholders. The offering price, as well as further details of the equity fund raising, will be determined subsequently.

Keppel and Temasek intend to subscribe for their pro-rata entitlements under the preferential offering and do not intend to dispose of their units in the Combined Trust from the date of completion of the Combination to a date no earlier than 12 months following the completion of the equity fund raising exercise.

Conditions

In addition to the approval of the Combination by CIT and KIT minority unitholders, it should be noted that the Combination is conditional upon the approval of the KMC Acquisition by KIT unitholders. However, if the Combination is not approved or does not close, KIT will proceed to conduct the equity fund raising to complete the KMC Acquisition if the KMC Acquisition is approved.

The two transactions are subject to conditions precedent including unitholder and regulatory approvals. The Combination is an "interested person transaction" of each of KIT and CIT and the KMC Acquisition is an "interested person transaction" of KIT which will require separate approvals of each of KIT's and CIT's unitholders at their respective extraordinary general meetings to be convened. Each of Keppel, Temasek and their respective related parties, will be required to abstain from voting at the relevant extraordinary general meetings.

Based on the timeline for obtaining the requisite consents and approvals, the completion of the transactions is expected to take place in the second calendar quarter of 2015.

Detailed information on the Combination and the KMC Acquisition as well as the related conditions precedent is set out in the accompanying SGXNET announcements.

[8] Including KIFM's acquisition fee and estimated transaction expenses

Financial Advisers

Credit Suisse (Singapore) Limited and UBS AG, Singapore Branch are acting as joint financial advisers to KIFM in connection with the Combination and the KMC Transaction.

DBS Bank Ltd. is acting as financial adviser to the board of directors of CSIM in connection with the Combination and the KMC Transaction.

Independent financial advisers will be appointed to advise the independent directors of the CSIM and KIFM boards.

Morgan Stanley Asia (Singapore) Pte. is acting as financial adviser to Temasek in connection with the Combination and the KMC Transaction.

For more information, please contact:

Keppel Infrastructure Trust

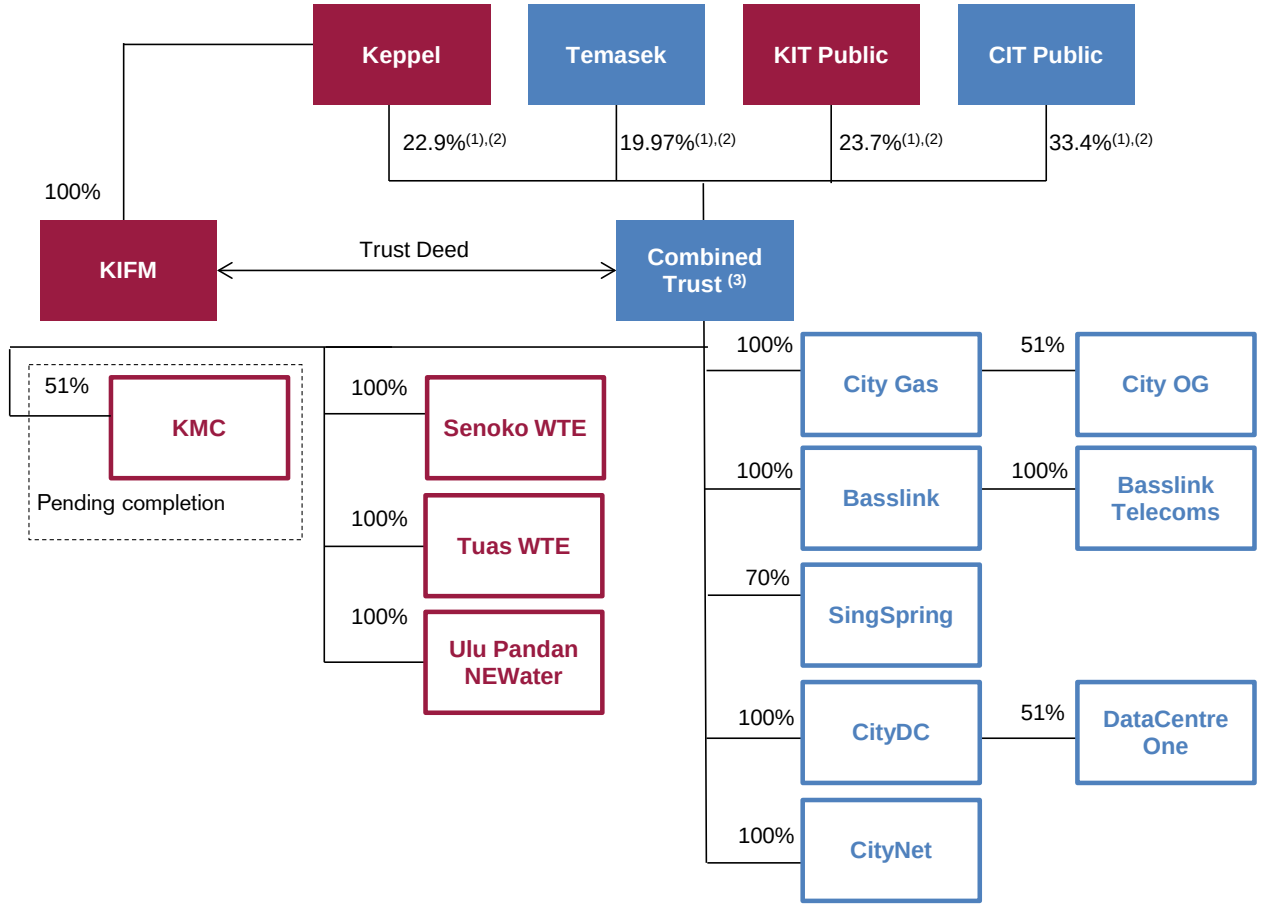
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CitySpring Infrastructure Trust

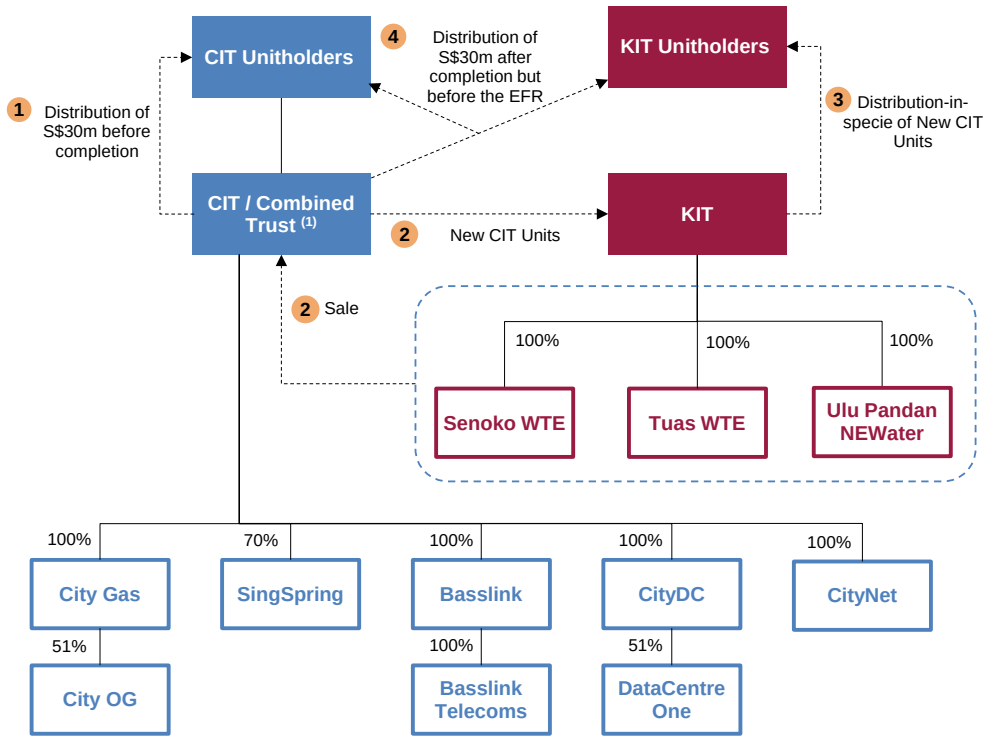
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Appendix A – Combined Trust structure



Note:
(1) Holdings shown above are post completion of the Combination, but exclude the equity fund raising for the KMC Acquisition
(2) Based on the 180-day VWAP as of 13 November 2014. 180-day VWAP for KIT = S$1.0446; 180-day VWAP for CIT = S$0.4960, resulting in a swap ratio of 2.106 CIT units per 1 KIT unit
(3) The Combined Trust will be renamed Keppel Infrastructure Trust

Appendix B – Transaction structure of the Combination



1 Distribution of S$30m before completion

2 Acquisition of KIT's assets by CIT through issuance of new CIT units

3 Distribution-in-specie of the new CIT units to KIT's unitholders

4 Distribution of S$30m after completion but before the EFR

Note:
(1) The Combined Trust will be renamed Keppel Infrastructure Trust