

MEDIA RELEASE

Keppel secures order worth more than US\$400m to build two LNG containerships

Singapore, 24 August 2017 - Keppel AmFELS, a wholly owned subsidiary of Keppel Offshore & Marine Ltd (Keppel O&M) in the United States (US), has secured a contract worth more than US\$400m from Honolulu-based Pasha Hawaii for the construction of two Liquefied Natural Gas (LNG) fueled containerships.

The dual fuel LNG vessels will be built to Keppel's proprietary design with delivery of the first vessel expected in 1Q 2020, and the second vessel in 3Q 2020.

Mr Simon Lee, President of Keppel AmFELS said, "We are pleased that Pasha has chosen us to build their first two LNG fueled containerships to our innovative design. Keppel O&M is at the forefront of designing vessels that run on LNG propulsion systems and has the experience in LNG vessel conversions as well as the expertise in newbuild specialised vessels. In addition, Keppel AmFELS is ideally located and well-equipped to build a wide variety of vessels for the Jones Act market. We look forward to building these ships which will have a direct impact on American jobs at our shipyard and suppliers across the country."

"This contract with Keppel allows Pasha Hawaii to continue to move forward in our commitment to providing the best resources possible for our customers and Hawaii's shipping industry, while minimising our environmental footprint," said George Pasha, IV, President and CEO of The Pasha Group. "We are proud supporters of the Jones Act and look forward to working with Keppel's team of highly skilled shipbuilders."

Customised to Pasha Hawaii's requirements, the new, 774-foot Jones Act vessels will be able to carry 2,525 TEUs (twenty-foot equivalent units), including a fully laden capacity of 500 45-foot containers, 400 refrigerated containers, and 300 40-foot dry containers, with a sailing speed of 23 knots. The ship's hull has been fully optimised using computational fluid dynamics (CFD) and will be one of the most hydrodynamically efficient hulls in the world.

The containerships will be able to run completely on LNG fuel, dramatically reducing their environmental impact and increasing fuel efficiency. Energy savings will also be achieved with a state-of-the-art engine, an optimised hull form, and an underwater propulsion system with a high-efficiency rudder and propeller.

When compared to conventional fuels, LNG is a much cleaner alternative fuel for shipping and offers significant environmental benefits, including the reduction of up to 95 percent sulphur oxides, nearly 100 percent particulate matter, up to 90 percent nitrogen oxides, and up to 25 percent carbon dioxide emissions from engine exhaust emissions.

Located in Brownsville, Texas, Keppel AmFELS possesses comprehensive facilities, a highly-capable workforce, and a strong track record in the construction, refurbishment, conversion, life extension and repair of a variety of projects.

The Jones Act requires vessels carrying goods between US ports to be built in the US, and Keppel AmFELS is well-positioned to capture opportunities in this market. The average age of the US-built fleet of vessels is more than 30 years old, beyond the typical operating life of most ocean-going vessels, and new vessels will be needed to meet the latest safety and environmental standards.

The above contract is not expected to have a material impact on the net tangible assets or earnings per share of Keppel Corporation Limited for the current financial year.

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About Keppel AmFELS

Keppel AmFELS is a subsidiary of Keppel Offshore & Marine, a wholly-owned company of Keppel Corporation Limited. Located in Brownsville, Texas, Keppel AmFELS reinforces Keppel O&M's presence in the Gulf of Mexico and its strategy to be near its markets and customers.

Since its establishment in 1990, Keppel AmFELS has built up its facilities and equipment to become the most well equipped offshore and marine shipyard in the Gulf of Mexico. The yard engages in the construction, refurbishment, conversion, life extension and repair of a complete range of mobile drilling rigs, vessels and platforms. Spread over 165 acres, its comprehensive facilities are world class and include a drydock capable of docking the largest semisubmersible drilling units, and a modern steel processing plant.

More information can found at www.keppelamfels.com

About Pasha Hawaii and The Pasha Group

Pasha Hawaii is one of the nation's leading domestic ocean shipping companies serving Hawaii from the continental United States. The company owns a fleet of six fully Jones Act-qualified vessels and operates out of multiple port terminals. Pasha Hawaii is a trusted partner for many of the nation's leading retailers, manufacturers and U.S. government agencies, providing reliable containerized and roll-on/roll-off cargo services that leverage its unique combination of ocean transportation and inland distribution

capabilities to deliver goods that are vital to the people of the State of Hawaii and the prosperity of the Hawaii market it serves.

Pasha Hawaii is an independent operating subsidiary of The Pasha Group, a family-owned, third-generation diversified global logistics and transportation company that provides ocean transportation for containers and rolling stock between the U.S. West Coast and Hawaii; port processing services for finished and privately owned vehicles; stevedoring for vehicles, breakbulk and container cargoes; auto hauling services with its truck fleet throughout the contiguous U.S.; domestic and international relocation services; and international logistics management for general commodity and project cargoes. Pasha operates facilities at the ports of San Diego, San Francisco and Los Angeles, CA; Baltimore, MD; Honolulu and Maui, HI; and Grays Harbor, WA.

More information can be found at www.pashahawaii.com and www.pashagroup.com

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