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Media Release

Keppel to commence charters for four rigs assets in Saudi Arabia

Singapore, 14 October 2022 – Keppel Corporation Limited is pleased to announce that its wholly-owned subsidiary, Keppel Offshore & Marine (Keppel O&M)[1], has completed the modification works for four KFELS B Class jackup rigs which will be deployed on bareboat charters in Saudi Arabia this month. The rigs are being chartered in pairs to Arabian Drilling Company (ADC) and ADES Saudi Limited Company (ADES) respectively and are expected generate a total charter revenue of about S$250 million over three to five years.

These four rigs and their bareboat charter agreements[2] form part of Keppel O&M's legacy rigs and will be transferred to Asset Co, which is majority-owned by external investors, upon completion of the proposed combination of Keppel O&M and Sembcorp Marine[3].

The rigs chartered to ADC, ARABDRILL110 and ARABDRILL 120, were handed over on 13 October at the shipyard with H.E. Abdullah AlMahdi, Ambassador of Saudi Arabia to Singapore, as the Guest -of-Honour. The rigs are on bareboat charter contracts for three years with options for a year's extension and will be deployed in Saudi Arabia to work for Saudi Aramco, the country's national oil company.

The rigs for ADES, ADMARINE 683 and ADMARINE 684, which had their modification works completed earlier this month, have been chartered for five years and are also deployed to Saudi Arabia for Saudi Aramco.

Built to Keppel O&M's proprietary KFELS B Class design, the four modern high-specification rigs are able to operate in water depths of up to 400 feet and drill to 30,000 feet deep. In preparation for their charters in Saudi Arabia, these rigs have been further customised to work for Saudi Aramco.

Mr Tan Leong Peng, Managing Director (New Builds) of Keppel O&M said, "We are pleased that four of our rig assets are being put to productive work and will soon generate recurring income as they embark on their charter contracts with our valued customers ADC and ADES. The project teams at Keppel O&M have worked hard to expedite the rigs' modification works, enabling these assets to start their charters on schedule in Saudi Arabia.

"As utilisation and day rates continue to rise, we are seeing demand for modern, high specification jackup rigs grow. Riding on this growing demand, all our legacy KFELS B Class rigs have been contracted. Operationally ready rigs with good track records and stable cash flows are attractive assets that will enjoy a strong advantage with operators and investors. We are confident that our customers will appreciate the strong value proposition that Keppel's high quality and cost-effective rig assets provide."

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[1] *through its wholly owned subsidiary, Keppel FELS*
[2] *https://www.keppelom.com/en/news-item.aspx?sid=2605&aid=14877&title=keppel-om-secures-agreements-worth-about-s135-million-for-the-utilisation-of-two-kfels-b-class-jackup-rigs#_ftn3*
[3] *https://www.kepcorp.com/en/media/media-releases-sgx-filings/keppel-corporation-signs-definitive-agreements-in-connection-with-proposed-combination-of-keppel-om-and-sembcorp-marine-/*

About Keppel Offshore & Marine

A wholly-owned subsidiary of Keppel Corporation, Keppel Offshore & Marine (Keppel O&M) is a world leader in providing total solutions to the offshore, marine and energy industries. Bolstered by a global network of yards and offices, it has extensive know-how across a wide range of capabilities – design & engineering, new builds, conversions & repairs, and support services

A pioneer in offshore solutions, Keppel O&M has a strong track record in designing and building high-performance offshore platforms, production units and specialised ships. It is a trusted partner in the conversion, repair and modification of diverse and complex rigs and vessels, and is also a developer of integrated solutions for the offshore renewable and infrastructure industries.

Backed by robust operational excellence, Keppel O&M innovates and leverages new technologies to deliver projects on time, on budget, safely, reliably, and to the highest quality. For more information, visit www.keppelom.com.

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