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Keppel enters into amended and restated framework deed with Borr Drilling to accelerate deliveries of three rigs and defer two others

- Keppel O&M will receive more cash payments earlier and reduce its overall financial exposure to Borr Drilling
- Receive at least US$352 million between 2022 and 2023, representing full payments for the first three rigs with accelerated deliveries, with seller's credit arrangements for two of these rigs cancelled
- Deliveries of remaining two rigs will be deferred to 2025.

Keppel Corporation Limited refers to its announcements dated 5 June 2020 and 28 January 2021 on the entry into of a Framework Deed and a Second Framework Deed between Keppel Offshore & Marine Limited (Keppel O&M), through its wholly-owned subsidiaries, Keppel FELS Limited and Offshore Partners Pte. Ltd., and Borr Drilling Limited (Borr Drilling) and certain of its subsidiaries pursuant to which Keppel O&M agreed to, among other things, defer the scheduled delivery of five jackup rigs to Borr Drilling to 2023.

Keppel O&M has entered into an Amended and Restated Framework Deed with Borr Drilling and certain of its subsidiaries to, amongst other things, accelerate the delivery of three of the five undelivered jackup rigs to Borr Drilling (or a third party whom Borr Drilling intends to sell the rigs to) between October 2022 and July 2023. The seller's credit arrangements for two of these three jackup rigs will be cancelled, and accordingly, all three jackup rigs will be delivered without any seller's credit arrangement. The overall aggregate of the various seller's credit arrangements being made available by Keppel O&M, as stated in the announcement dated 5 June 2020, will be significantly reduced by over 35 per cent. All three jackup rigs will be delivered with full payments (including holding costs and cost cover) on delivery, amounting to at least US$352 million in aggregate, out of which at least US$158 million will be payable in 2022. These new arrangements will become effective immediately.

The remaining two of the five undelivered jackup rigs will have their scheduled deliveries to Borr Drilling deferred to 2025. Borr Drilling will pay holding costs and cost cover in respect of the deferred deliveries. The transactions contemplated in the Amended and Restated Framework Deed (other than those described in the preceding paragraph) will become effective upon the satisfaction of certain conditions, including Borr Drilling obtaining consents of its other key creditors for, amongst others, the deferral of principal and interest payments in respect of certain debts owing to those creditors to 2025.

The five jackup rigs form part of the Identified Asset Co Assets to be transferred to Rigco Holding Pte. Ltd. as part of the Asset Co Transfer pursuant to the Asset Co Framework Agreement, each as defined and further elaborated in the announcement dated 27 April 2022. There is no change to the intended Asset Co Transfer arising from the entry into of the Amended and Restated Framework Deed.

The entry into of the Amended and Restated Framework Deed 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.

12 October 2022