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CUSTOMER CLAIM ARISING FROM RIG CONTRACT

The Company refers to its announcement of 7 February 2019 on clarifications relating to customer potential claims arising from disputes over the validity of certain foreign exchange fluctuations and cost escalation contractual formulas in a rig contract entered into by a company in the Company's Offshore & Marine division ("**KOM entity**"). The KOM entity, which is 75% owned by Keppel Offshore & Marine Ltd, had provided a USD 126.6 million standby letter of creditor in favour of the customer for purposes of repayment of amounts received by the KOM entity calculated pursuant to this contractual formula.

The Company wishes to announce that, on 12 September 2022, following a decision by the relevant government authority that the contractual formulas were invalid, the customer sought to call on the standby letter of credit. The Company considers that the decision is still subject to possible modification and is not final, and the call was premature. The KOM entity has since applied for an injunction from the Singapore Court on 12 September 2022 to prohibit payment on the standby letter of credit. The KOM entity has also filed legal proceedings in the local court to challenge the decision of the relevant authority.

The Company has previously made a provision in its accounts for the full amount payable under the standby letter of credit, and considers that no further provision is required. Accordingly, the Company does not consider there to be any material impact on its overall financial performance. The Company will provide further updates as and when there are any material developments in relation to these legal proceedings.

13 September 2022