Keppel Corporation Limited
(Co Reg No. 196800351N)
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632
www.kepcorp.com

Tel: (65) 62706666
Fax: (65) 64136452

Keppel secures marine contracts worth around S$300m

- *Design and build an ice-class LNG bunker vessel*
- *Modification and upgrade of an FPSO*
- 65 scrubber retrofit projects

Singapore, 26 December 2018 – Keppel Offshore & Marine Ltd (Keppel O&M) has through its wholly-owned subsidiaries, Keppel Singmarine Pte Ltd (Keppel Singmarine) and Keppel Shipyard Ltd (Keppel Shipyard), clinched contracts worth a combined value of about S$300 million for the design and construction of an ice-class LNG bunker vessel, refurbishment of a Floating Production Storage and Offloading vessel (FPSO), and 65 scrubber retrofit projects.

Mr Chris Ong, CEO, Keppel O&M, said, "These new contracts are testament to Keppel O&M's expertise in the building, upgrading and conversion of a wide range of vessels. They also extend our track record in refurbishment and modification projects, which are a core part of our business."

"Keppel O&M also stands ready with a suite of advanced and cost-effective solutions such as scrubber retrofits and LNG-fuelled vessels, as the International Maritime Organisation implements the 0.5% global sulphur cap on marine fuel from January 2020."

The first contract is by Keppel Singmarine with Shturman Koshelev LLC for the design and construction of an ice-class LNG bunker vessel. When completed in 4Q 2020, the vessel will be chartered to Gazpromneft Marine Bunker Ltd (Gazpromneft) for operations in the Baltic Sea. The contract complies with applicable sanctions.

To be built to the MTD 5800V LNG design, a proprietary design of Keppel O&M's ship design and development arm, Marine Technology Development (MTD), the vessel will have an Ice Class Arc 4 notation and a cargo capacity of 5800 m^3.

This project leverages Keppel O&M's strong track record in ice-class vessels, experience in cryogenics, and comprehensive suite of solutions along the gas value chain. Keppel O&M has delivered 11 ice-class vessels to-date and is currently building LNG-fuelled vessels including South East Asia's first LNG bunkering vessel.

The second contract is by Keppel Shipyard with a leading global operator of floating production vessels for the fabrication of a new aft hull for an FPSO.

Keppel Shipyard will be responsible for the design of the aft hull, procurement of equipment, as well as fabrication, outfitting, integration and commissioning work on board the existing FPSO. The installation will also include a new accommodation block which can accommodate up to 140 personnel.

Work on the FPSO, which has already arrived in the shipyard in preparation for the upgrade, is scheduled to commence in 1Q 2019. Delivery of the FPSO is expected by the end of 2020.

Separately, Keppel Shipyard has recently secured a total of 65 contracts from a variety of customers for exhaust gas scrubber retrofit projects involving project management, integration design engineering, installation and retrofitting, as well as testing and commissioning works. It completed Singapore's first scrubber retrofit installation on a Very Large Crude Carrier (VLCC) in July 2018, successfully delivering the project in under 30 days.

Keppel Shipyard has strong expertise in the cost-effective and quick turnaround of scrubber retrofit projects, reducing downtime and maximising savings for ship owners. This is achieved by embarking on design development with 3D scanning and detailed engineering, as well as fitting the complete scrubber and supporting systems in one prefabricated module, before the vessel comes into the yard for retrofitting.

The above contracts are 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 Offshore & Marine
Keppel Offshore & Marine is a global leader in offshore rig design, construction and repair, ship repair and conversion and specialised shipbuilding. Its Near Market, Near Customer strategy is bolstered by a network of yards and offices worldwide. Integrating the experience and expertise of its yards worldwide, Keppel O&M aims to be the provider of choice and partner for solutions for the offshore and marine industry. For more information, please visit www.keppelom.com

About Keppel Singmarine
Keppel Singmarine is the specialised shipbuilding arm of Keppel Offshore & Marine, with a track record of designing and building over 400 ships of various specifications and functions, spanning from Anchor Handling Tug/Supply vessels, Multi-Purpose Offshore Support vessels and tugboats to highly advanced solutions such as pipelay vessels, dredgers, LNG carriers, icebreakers and ice-class support vessels.

Keppel Singmarine is a leading shipyard in the design and construction of ice-class vessels, having built 11 ice-class vessels for the Arctic and Caspian regions. It has also grown its track record in bunker vessels. This latest vessel will be the sixth vessel it is building capable of LNG bunkering.

About Keppel Shipyard
Keppel Shipyard, a wholly-owned subsidiary of Keppel Offshore & Marine, is the trusted industry name for the repair, conversion and upgrading of a diverse range of vessels, and a global leader in the conversion of Floating Production Storage and Offloading (FPSO), Floating Storage and Offloading (FSO) and Floating Storage and Re-gasification Units (FSRU), as well as the fabrication and installation of turrets and mooring systems, and topside process modules. It has also successfully delivered the world's first-of-its-type Floating Liquefaction Facility conversion.

For more information, please contact:

Media
Roy Tan
Senior Manager
Group Corporate Communications
Keppel Corporation Limited
Tel: (65) 6413 6421
Email: roy.tan@kepcorp.com

Investor Relations
Ivana Chua
Assistant General Manager
Group Corporate Communications
Keppel Corporation Limited
Tel: (65) 6413 6436
Email: ivana.chua@kepcorp.com