Keppel Corporation

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31 January 2017

DBS Trustee Limited
12 Marina Boulevard, Level 44
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Singapore 018982

Attn : Ms Jane Lim Puay Yuen / Ms Yap Boon Lee

Singapore Exchange Securities Trading Limited
9 North Buona Vista
#01-19/20 The Metropolis
Singapore 138588

Attn : Mr Richard Ooi Chongzheng
Issuer Regulation

Dear Sir / Madam

REPORT PURSUANT TO CLAUSE 16(R) OF THE TRUST DEED DATED 12th DECEMBER 2000 BETWEEN KEPPEL CORPORATION LIMITED (THE "ISSUER") AND DBS TRUSTEE LIMITED (THE "TRUST DEED") IN RELATION TO THE ISSUE OF NOTES PURSUANT TO THE USD600 MILLION (UPSIZED TO USD3 BILLION PURSUANT TO THE LETTER FROM KEPPEL CORPORATION DATED 2ND JULY 2012) MULTI-CURRENCY MEDIUM TERM NOTE PROGRAMME (THE "NOTES") FOR THE PERIOD OF OCTOBER 1ST 2016 TO DECEMBER 31ST 2016 (THE "PERIOD")

With reference to the captioned issue, and on behalf of the Board of Directors of the Issuer, I hereby report that:-

(a) the limitations on the amount that the Issuer may borrow as provided in the Trust Deed have not been exceeded;

(b) the Issuer has observed and performed all the covenants and obligations binding upon it by or pursuant to the Trust Deed or the Notes;

(c) no Event of Default or Potential Event of Default has occurred;

(d) no material trading or capital loss has been sustained by the Issuer and its subsidiaries (the "Group");

(e) no circumstances materially affecting the Group have occurred which adversely affect the Notes;

(f) no contingent liabilities have been incurred by the Issuer during this reporting period except for the following bank guarantees issued:

Amount	On behalf of
1) USD1,268,000.00	Keppel Seghers Belgium NV
2) USD1,268,000.00	Keppel Seghers Belgium NV

No contingent liabilities which have matured or is likely to mature within the succeeding 12 months which will materially affect the Issuer in its ability to repay the Notes;

(g) there has been no change in any accounting method or methods of valuation of assets or liabilities of the Group other than those prescribed by changes in accounting standard;

(h) no circumstances have arisen which render adherence to the existing method of valuation of assets or liabilities of the Issuer and/or the Group misleading or inappropriate; and

(i) no substantial change has taken place in the nature of business of the Issuer and/or the Group since the date of the Trust Deed.

However, the Issuer refers to its announcements made on 9 February 2015, 23 February 2016, 29 April 2016, 5 May 2016, 24 July 2016, 3 August 2016 and 3 October 2016 in relation to allegations in Brazil that illegal payments were made by Mr Zwi Skornicki in connection with contracts entered into between certain Keppel entities with Petrobras and/or Sete Brasil. As mentioned in its announcement dated 3 October 2016, following further internal investigations, the Issuer recognises that certain transactions associated with Mr. Skornicki may be suspicious. The Issuer has notified the authorities in the relevant jurisdictions of its intention to cooperate and work towards the resolution of the underlying issues arising from or in connection with the transactions.

In addition, the Issuer refers to its announcement dated 2 June 2016 titled "Civil Action by EIG". As stated in the announcement, EIG Management Co and eight of its managed funds ("EIG") have added several companies, including the Issuer and Keppel Offshore & Marine Limited, as defendants to an action commenced by EIG against Petrobras in the United States District Court, District of Columbia. It is alleged that the defendants participated in an unlawful conspiracy further to which EIG were induced to invest over US$221 million in Sete Brasil. The Issuer denies these baseless allegations and will vigorously defend the action.

Yours faithfully
KEPPEL CORPORATION LIMITED

Lynn Koh
General Manager, Group Treasury