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Media Release

Keppel announces approximately S$3.7 billion[i] programme to monetise up to 10 legacy rigs through Keppel Offshore Fund

- *Six rigs will be divested to Keppel Offshore Fund in 2026, adding approximately S$1.2 billion to Keppel's announced monetisation*
- *Additional four rigs may be progressively divested to the Fund after their completion*
- *Transaction adds approximately S$3.9 billion[i,ii] to Keppel's Funds under Management[iii]*
- *Funds, accounts and entities managed by Apollo* (NYSE: APO) *agree to invest US$1.5 billion into Keppel Offshore Fund*

SINGAPORE, 27 July 2026 – Keppel Ltd. (Keppel) is pleased to announce a programme to progressively monetise up to 10 legacy rigs through a new private fund, Keppel Offshore Fund (KOF), which is managed by Keppel. An indirect subsidiary of Keppel as well as funds, accounts and entities managed by Apollo (NYSE: APO) have agreed to subscribe for limited partnership interests in KOF.

Six operational rigs: Through its indirect subsidiary, Rigco Holding Pte. Ltd. (RigCo), Keppel will divest six operational rigs in 2026 to KOF for a total of approximately S$1.2 billion and is expected to receive a cash consideration of about US$478 million (approximately S$611 million)[iv] in 2026. KOF's acquisition of the six rigs will be by cash from Apollo, while Keppel will make 50% of the contributions to the Fund to acquire six operational rigs, which will be satisfied by way of contribution in kind, subject to certain conditions being met.

Four additional rigs: In addition, Keppel intends to progressively complete and may divest the additional four rigs, which are in various stages of completion, to KOF from 2027 to 2028, subject to certain conditions being met[v]. This could generate, in aggregate, approximately US$988 million (approximately S$1.3 billion)[i] in cash proceeds for Keppel[vi]. The construction of the four legacy rigs would be funded using existing cash retained in RigCo.

The transaction will advance Keppel's monetisation of its non-core assets, improve its gearing, unlock capital for re-investment and reward shareholders.

The divestment of the six operational rigs will contribute approximately S$1.2 billion towards Keppel's announced asset monetisation for 2026, while increasing the Company's Funds under Management[iii] (FUM) by approximately S$3.9 billion[i,ii]. Subject to closing conditions, Keppel will earn, among others, certain advisory fees and recurring management fees as the investment manager of the fund, as well as a share of distributions from its stake in KOF.

Mr Loh Chin Hua, CEO of Keppel said, "This transaction marks a further milestone in Keppel's transformation. It establishes a clear pathway for the progressive monetisation of the legacy rigs. By repositioning the six operational rigs and potentially another four rigs, within Keppel's fund management platform, we are expanding our FUM and will earn recurring management fees. At the same time, through our stake in KOF, we will remain invested alongside our Limited Partner, Apollo, in a high-quality modern rig fleet, positioning us to benefit from the improving long-term outlook and tight supply in the rig market."

The transaction comes against a backdrop of strengthening offshore rig market fundamentals, supported by high utilisation rates and structural supply constraints. Following a decade of almost no newbuild activity, the global drilling fleet is ageing rapidly while the significantly higher cost, longer construction lead times and more stringent financing requirements for newbuild rigs, are expected to constrain future supply. These dynamics are expected to support sustained demand for high-quality modern offshore rigs, thus creating attractive opportunities for owners of such assets.

Keppel will recognise an accounting loss, including the recycling of foreign currency translation loss to profit or loss, of approximately S$92 million from the six operational rigs being divested to KOF in its 1H 2026 results, which will be announced on 30 July 2026.

Completion of the transaction is subject to various conditions precedent including the consent (where required) of relevant parties and the receipt of applicable regulatory approvals. Further details in respect of the divestment may be found in the accompanying SGX announcement.

The final three of the 13 legacy rigs are not part of this transaction and Keppel will be exploring various options for their monetisation.

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About Keppel

Keppel Ltd. (SGX:BN4) is a global asset manager and operator with strong expertise in sustainability-related solutions spanning the areas of infrastructure, real estate and connectivity. Headquartered in Singapore, Keppel operates in more than 20 countries worldwide, providing critical infrastructure and services for renewables, clean energy, decarbonisation, sustainable urban renewal and digital connectivity. Keppel creates value for investors and stakeholders through its quality investment platforms and diverse asset portfolios, including private funds and listed real estate and business trusts.

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Annex

13 Legacy Rigs held by Rigco Holding Pte Ltd

No	Name of Rig	Rig type
Operational Rigs		
1	AD 110	Modern Jackup
2	AD 120	Modern Jackup
3	ADM 683	Modern Jackup
4	ADM 684	Modern Jackup
5	ADM 685	Modern Jackup
6	ADM 686	Modern Jackup
Uncompleted Rigs		
7	Jasper	Harsh Environment Jackup
8	Can Do	Drillship
9	Nordic Winter	Harsh Environment Semisubmersible
10	Nordic Spring	Harsh Environment Semisubmersible
Rigs that are not part of this transaction		
11	DRU 1	Benign Environment Semisubmersible
12	DRU 2	Benign Environment Semisubmersible
13	Sapura Raiqa	Semisubmersible Drilling Tender Rig

[i] Subject to certain conditions being met including, among others, the purchase price of the additional four rigs falling within an agreed valuation range for each such rig.

[ii] Uninvested capital commitments on a non-leveraged basis.

[iii] Gross asset value of investments and uninvested capital commitments on a leveraged basis is used to project fully-invested FUM. Leverage is defined as total debt over gross asset value. For the private funds, the typical leverage is not more than 60% on a portfolio basis. It includes 100% of FUM managed by subsidiary managers, joint ventures and associated entities, as well as share of FUM based on shareholding stake in associate with which Keppel has strategic alliance. FUM is reported in SGD based on closing exchange rates at the end of the reporting period.

[iv] Attributable to the partial drawdown of Apollo's cash commitment for the six operational rigs.

[v] Including the right to opt-out from divestment for any of the four remaining rigs.

[vi] Attributable to the drawdown of Apollo's remaining cash commitment for the additional four rigs.