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TERMINATION OF CONTRACT WITH AWILCO

Keppel Corporation Limited (the “**Company**”) refers to the announcement dated 9 June 2020 on the receipt of the Notice from Awilco purporting to terminate the Contract (“**Announcement**”). Unless otherwise stated, capitalised terms have the same meaning as that set out in the Announcement.

Since the Announcement, Awilco has given further notices to Keppel FELS purporting to terminate the Contract and exercise its alleged right to the return of payments already made to Keppel FELS.

As stated in the Announcement, Keppel FELS refutes the allegations by Awilco in the Notice and had rejected the purported termination of the Contract. Keppel FELS has continued to perform its obligations under the Contract. Awilco has however failed to pay the instalment due on 9 June 2020.

Non-payment of any instalment by Awilco is a default in accordance with the Contract, entitling Keppel FELS to terminate the Contract, retain all payments received to date (approximately US\$54 million), seek compensation for the work done to date and claim ownership of the rig. Keppel FELS has accordingly issued a notice of termination of the Contract to Awilco and has commenced arbitration to enforce its rights against Awilco. As at the date of this announcement, Keppel FELS does not expect any reversal of revenue recognised in respect of the Contract, and as previously announced, will continue to work with its advisors on the matter including evaluation of the need for impairment.

The Company will provide updates on material developments on this matter.

22 June 2020