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## **Amendment of the Lock-Up Agreement entered into in relation to the proposed restructuring by Floatel International Ltd and increased support for the proposed restructuring**

Keppel Corporation Limited (the "**Company**") refers to (a) the Company's announcements on 15 April 2020, 19 May 2020, 1 July 2020, 30 July 2020, 16 August 2020, 1 September 2020, 15 September 2020, 1 October 2020, 13 October 2020, 31 October 2020, 14 November 2020, 28 November 2020, and 5 December 2020 on Floatel International Ltd's ("**Floatel**") announcements regarding discussions with its secured financial creditors and the proposed financial and corporate restructuring of the Floatel group (the "**Transaction**"), and (b) Floatel's announcement dated 16 December 2020, a copy of which is annexed to this announcement ("**Floatel's 16 December 2020 Announcement**").

Terms used but not otherwise defined in this announcement shall have the same meaning as in the Company's earlier announcement dated 5 December 2020.

### **Increased support for the Transaction**

The Company wishes to announce that additional Bondholders have acceded to the Lock-Up Agreement. As of 16 December 2020, 1L Bondholders holding in aggregate over 67% of the 1L Bonds and 2L Bondholders holding in aggregate close to 18% of the 2L Bonds are now party to the Lock-Up Agreement. Furthermore, shareholders in Floatel representing a significant majority of the equity have also executed the Lock-Up Agreement.

The parties to the Lock-Up Agreement have agreed that if the 2L Bondholders pass a bondholder resolution under the 2L Bonds in support of the Transaction, the 2L Bondholders will be issued with 10-year warrants which will convert into 12% of the equity in NewCo, with a strike price based on an equity value of USD424,000,000.

In addition, the parties to the Lock-Up Agreement have agreed to issue existing shareholders in Floatel (other than Keppel) with 10-year shareholder warrants which convert into 5% of the equity in NewCo, with a strike price based on an equity value of USD625,000,000. These shareholder warrants will only be issued to existing shareholders in Floatel (other than Keppel) who had voted in favour of a Floatel shareholder resolution (to be proposed) in support of the Transaction.

All post-Transaction equity in NewCo will be subject to dilution from any future exercise of warrants issued by NewCo.

### **Voluntary winding-up petitions in respect of Floatel and certain subsidiaries of Floatel**

As contemplated in the Lock-Up Agreement, on 16 December 2020, Floatel filed voluntary winding-up petitions before the Bermuda courts in respect of Floatel, Floatel Reliance Ltd, Floatel Superior Ltd, Floatel Triumph Ltd and Floatel Victory Ltd (the latter 4 entities being subsidiaries of Floatel which own the vessels "Floatel Reliance", "Floatel Superior", "Floatel Triumph" and "Floatel Victory" respectively).

### **General**

Further details concerning the matters above are set out in Floatel's 16 December 2020 Announcement.

The Company will make further announcements as necessary if and when there are material developments.

The Company wishes to advise Shareholders to refrain from taking any action in respect of their shares in the Company ("**Shares**") which may be prejudicial to their interests, and to exercise caution when dealing in the Shares. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

16 December 2020



## **PRESS RELEASE**

Bermuda, 16-December-2020

**FLOATEL INTERNATIONAL LTD:**

**AMENDMENT OF LOCK-UP AGREEMENT - INCREASED SUPPORT FOR THE PROPOSED RESTRUCTURING**

*Terms not defined herein have the meaning given to them in the press release issued by the Company on 5 December 2020*

**The Company is pleased to announce further progress in its restructuring. The steps presented below follow from the Transaction described in the announcement made on 5 December 2020 and will ensure the ongoing long-term operations of the business, including vessels with charter contracts continuing to operate as normal, prospective new assignments being signed and delivered and future business being secured. The Transaction will be for the benefit and security of all stakeholders including current and future customers, suppliers, offshore and onshore personnel as well as shareholders and secured financial creditors.**

### **Increased support for the Transaction**

On 5 December 2020, the Company announced that it, together with certain of its subsidiaries, had entered into the Lock-Up Agreement with its 49.92% shareholder, FELS Offshore Pte Ltd (“**Keppel**”), and 1L Bondholders holding in aggregate over 56% of the 1L Bonds and 2L Bondholders holding in aggregate close to 13% of the 2L Bonds.

The Company is pleased to announce that additional Bondholders acceded to the Lock-Up Agreement and, as a result, 1L Bondholders holding in aggregate over 67% of the 1L Bonds and 2L Bondholders holding in aggregate close to 18% of the 2L Bonds are now party to the Lock-Up Agreement in support of the Transaction. This means that the necessary quorum (2/3 of amount voting) of 1L Bondholders for passing resolutions under the terms of the 1L Bonds in connection with the Transaction have acceded to the Lock-up Agreement. Furthermore, shareholders representing a significant majority of the equity have also approved the Transaction and executed the Lock-Up Agreement.

Terms relating to the warrants to be offered to the 2L Bonds have also been concluded. The 2L Bonds will be issued 10-year warrants which will convert into 12% of the equity in Newco with a strike price based on an equity value of USD 424,000,000 should the 2L Bondholders pass a bondholder resolution under the 2L Bonds in support of the Transaction.

In addition, the parties to the Lock-Up Agreement have agreed to issue existing shareholders (other than Keppel) 10-year shareholder warrants which convert into 5% of the equity in Newco with a strike price based on an equity value of USD 625,000,000. These shareholder warrants will be issued pro-rata based on current ownership amongst shareholders voting in favour of a shareholder resolution in support of the Transaction.

As previously reported, all post-Transaction equity in Newco will be subject to dilution from any future exercise of warrants.

### **Update on the Implementation Steps**

As contemplated in the Lock-Up Agreement and the implementation steps to the Transaction, on 16 December 2020 the Company completed the first key restructuring step and filed voluntary winding-up petitions before the Bermuda courts in respect of the Company and the subsidiaries owning the vessels Floatel Reliance, Floatel Superior, Floatel Triumph and Floatel Victory.

### **General Update**

Constructive discussions with the Lenders continue regarding a consensual transaction resulting in the Bank Collateral being discharged.

The vessels that are on charter continue to operate as normal and it is business as usual for the Group's operations.

The Company will make further announcements and provide updates on the progress of the Transaction as and when significant milestones are reached.

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### **INFORMATION ABOUT FLOATEL INTERNATIONAL LTD**

*Floatel International Ltd was established in 2006 to satisfy market demand for a new generation of offshore flotels. The vision of the Company is to own and operate the most modern, safe and reliable flotel fleet in the world.*

*Floatel International owns and operates five semisubmersible accommodation vessels, all vessels were delivered within the period 2010 to 2016. Two vessels, Floatel Superior and Floatel Endurance are approved to operate in the Norwegian sector and four vessels are approved for the UK sector.*

*All vessels are equipped with a dynamic positioning system and are built according to the latest HSE requirements providing quality and comfort for the guests onboard. The accommodation capacity of the Floatel fleet ranges from 440 beds to 560 beds. All vessels are furthermore equipped with large deck areas, workshops and crane support able to assist complicated offshore hookup projects and maintenance and modifications of existing offshore facilities.*

*Floatel has two bond issuances listed on Oslo ABM with ticker code FLOAT02 and FLOAT03.*

*Floatel International AB is a management company responsible for operational management and construction supervision for and on behalf of the Owner, Floatel International Ltd.*

*For further information about Floatel International Group, please visit our website: [www.floatel.bm](http://www.floatel.bm)*