Keppel Offshore & Marine

Pareto Oil & Offshore Conference 2009
2 – 3 September 2009

Tong Chong Heong
Chief Executive Officer

Keppel Corporation

Offshore & Marine
- Offshore rig design, construction, repair and upgrading
- Ship conversions and repair
- Specialised shipbuilding

Property
- Property development
- Manager of property funds

Infrastructure
- Environmental engineering
- Power generation
- Logistics and data centres
### Financial Highlights

<table>
<thead>
<tr>
<th>S$m</th>
<th>1H 2009</th>
<th>1H 2008</th>
<th>FY 2008</th>
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<tbody>
<tr>
<td>Revenue</td>
<td>4,377</td>
<td>3,219</td>
<td>8,569</td>
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<tr>
<td>Operating Profit</td>
<td>487</td>
<td>321</td>
<td>837</td>
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<tr>
<td>Profit Before Tax</td>
<td>523</td>
<td>382</td>
<td>943</td>
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<tr>
<td>Attributable Profit</td>
<td>394</td>
<td>287</td>
<td>705</td>
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What We Offer

Near Market, Near Customer
Global network of 20 yards

Execution Excellence
Proven track record

Solutions Provider Of Choice

Commitment to Technology Development
New products and new solutions

Meeting Customers’ Needs
Forging partnerships and long-term relationships with customers

Focusing on Delivery Excellence

Completed in 1H’09

- 2 semis
- 5 jackups
- 4 major conversions
- 4 specialised vessels

Rest of 2009

- 3 semis
- 5 jackups
- 1 semi completion
- 8 major conversions/upgrades
- 1 drillship outfitting
- 16 specialised vessels
- 4 rig upgrades/repairs

$7.7b net orderbook with deliveries into 2012
Market Outlook

Short-Term:
• IEA forecasts drop in oil demand this year
• Volatility in oil prices and tight credit

Long-Term:
• Delay in investment might lead to oil supply crunch from 2012 onwards
• Further globalisation will drive demand for energy once world economy recovers

Strengthening Competitive Edge

1. Productivity Improvement and Cost Management:
• Optimise efficiency of supply chain
• Maintain and improve efficient execution of all projects
• Better utilisation and deployment of human capital
• Invest in skills upgrading and training
• Review all costs
2. Continued Emphasis on Safety:

• Safety will not be compromised

• Setting up Singapore’s first Integrated Safety Training Complex

3. Focus on and Grow Core Business:

• Concentrate on strengths and in areas where we have competitive advantage

• Seek potential acquisition opportunities that will create and add value

• Explore further growth in selected markets – Brazil, Middle East, Caspian, Russia
Technology Focus

Technology Development Strategy:

- Systematic and balanced approach to technology development, focusing on:
  - Commercial viability
  - Customer needs
  - Knowledge building
  - Process improvement

Keppel Offshore & Marine Technology Centre (KOMtech)

- Jackup rigs
- Rig components
- Critical equipment
- Semis
- Other floating structures
- Specialised offshore support vessels
- Tugboats

Keppel Offshore & Marine

Technology Focus
The Ice Edge

**Ice-Resistant Mobile Offshore Drilling Unit**
- For Russian Arctic Shallow Shelf
- Design ice load: 100,000 tonnes
- For year-round operation

**Arctic Icebreakers**
- For year-round operation in Arctic region
- 3 knots continuous speed in 1.7m level ice
- “Clean Design” and “Zero Discharge”

New Rig Solutions

**Extendable Draft Semi II**
- Enables ultra-deepwater dry tree drilling and production
- Scalable design offers flexibility for different payloads
- Up to 10,000 ft
New Growth Area – Offshore Wind

- Drive for renewable energy in European Union (EU)
- European Wind Energy Association (EWEA) predicts that 120 GW offshore wind energy for EU is attainable by 2030
- As at end-2008, offshore wind represents ~0.2% of all energy consumption in EU
- Growing long-term demand for wind energy

Growing Offshore Wind Power in Europe

Source: KOM Internal Research
Tapping the Offshore Wind Market

- Experience and know-how in offshore & marine industry
- Design capabilities and technology innovation - customised jackup solutions for installation and maintenance vessels

“Near Market, Near Customer”

- Global network of yards. Several are in areas near offshore wind farms – ideal for fabrication works and as logistics base.
Our Customised Design

- Self-propelling and self-elevating
- Vessel capacity can meet all future installation requirements for the UK Round 3 offshore wind farms
- Able to handle the biggest wind turbine of up to 6 MW and conduct installations in water depths of up to 65m
- Designed for year-round operations in the North Sea, creating a wider installation window

**Offshore Windmill Installer**
- Transport: 5 X 6 MW WTG
- Main Crane: 1 x 500 MT
- Mast Hoist: 1X 1,000 MT
- Equipped with special blade & nacelle handling device

Features of Our Customised Design

- Innovative mechanised windmill installation device and work platform
- Allows large and heavy windmill parts to be handled reliably during assembly and installation process, improving safety
- Minimises swing loads during installation
- Fixed installation sequences ensures predictability of the installation process
Some Basic Steps of Installation

1. Install tower, using the mast hoist
2. Install blades onto nacelle and hub on a safe platform using mechanised handler
3. Install fully-assembled nacelle with blades into final position

Other Installer Designs

- 4 legs with a 1,600 tons crane
- 3 legs with 2 x 600 tons cranes
Long-Term Fundamentals Remain Sound

World Energy Consumption, 2006 – 2030


Thank You
Q&A