

Speech By Mr Choo Chiau Beng, Chairman & CEO at Keppel Offshore & Marine's 5th Anniversary Celebrations on 3 December 2007 at 8pm, Asian Civilisations Museum

- Guest-of-Honour, Mr George Yeo, Minister for Foreign Affairs;
- Your excellencies;
- Mr Lim Chee Onn, Executive Chairman of Keppel Corporation;
- The Board and Directors of Keppel Corporation and Keppel Offshore & Marine
- Partners and friends from the industry;
- Distinguished guests, ladies and gentlemen.

We are very honoured by your presence this evening, as we celebrate Keppel Offshore & Marine's fifth anniversary since the integration of all our shipyards in 2002.

Many of you are aware that by the time Keppel Offshore & Marine, or Keppel O&M, was formed, our component companies, namely Keppel FELS, Keppel Shipyard and Keppel Singmarine, had already undergone a long and rewarding journey, each building their track records and gaining rich experience and technical expertise in the process.

The last five years for the Keppel O&M Group have been a continued journey of growing and learning as a unified body amid the challenges of a fast changing offshore and marine industry that was just re-awakening from a 20-year slumber.

We continued to build upon our success with the trust vested in us by our long-time customers and partners, the AP-Moller-Maersk Group, ENSCO International, Diamond Offshore, TRANSOCEAN, SMIT, Petrobras, SBM, ExxonMobil, Prosafe , Frontline, J Ray McDermott, CMA CGM, MOL Tankship, BW Group, Teekay, NYK, NSB, Ocean Tankers, Seadrill, Frontier, Petrovietnam, , Hadi Offshore, PSA Marine, Maju Maritime, CH Offshore, Pacific Richfield Marine, Bourbon Offshore, GulfMark Offshore, among many others. Also we thank the strong support provided by ABS, DNV, Lloyds Register, NK, BV, GL, RMRS, the international classification societies.

We continued to strengthen our market position in the design and construction of offshore jackups, the conversion of Floating Production Storage and Offloading vessels, and the design and building of specialised vessels and have added some new customers like

Sinvest/Aban, Skeie Group, Awilco, Jindal, Mercator, Great Eastern, Gulf Drilling International, Queiroz Galvao Drilling, Gulfmark Offshore, Pemex, Floatel International, LUKOIL, Seaways International, WhiteSea Shipping, Global Offshore and others.

As of end November this year, our net orderbook was over S\$13 billion. This includes the S\$7 billion worth of new contracts secured to date.

For these, we owe our thanks to the government, our customers and business associates, the design and research institutions with whom we have forged strategic partnerships that honed our skills and R&D capabilities over the years.

Today, I am pleased to announce that we will be launching the Keppel Offshore & Marine Technology Centre, or KOMtech, which is an extension of our commitment towards R&D and a strengthening of our current initiatives.

Specifically, KOMtech will carry out R&D work in the areas of rig and vessel design, shipyard process improvement, critical equipment and subsea and subsurface equipment, the “miniaturisation” of process topsides, monochem verticals, materials as well as technology foresight and knowledge building for Keppel O&M.

We will be seeding S\$150 million for KOMtech's activities over an initial 5-year period. We are also grateful to EDB for supporting us in fueling the Centre's efforts.

Apart from spearheading Keppel O&M's technology schemes, KOMtech will work in synergy with our three existing technology units, Offshore Technology Development (OTD), Deepwater technology Group (DTG) and Marine Technology Development (MTD). The Centre will assume the conceptual design aspect of the activities currently undertaken by OTD and MTD, and work with our joint venture partners to develop solutions in their respective areas.

The Centre will be headed by Mr Charles Foo, Managing Director of Special Projects. Currently, the Centre has a strength of 30 highly competent professionals, and we expect to increase our manpower to about a 100 in the near future. Prominent researchers and leading industry specialists will also be engaged as Fellows to provide in-depth knowledge in specific fields of expertise.

Under Charles's leadership, KOMtech will direct and manage an R&D and product development programme that will enable us to actively participate in the creation of new knowledge and the implementation of existing knowledge, such that they are harnessed to generate better quality products and services for our customers.

On this note, I am pleased to announce that we have just signed a technology cooperation agreement with our long-time partner ConocoPhillips, to jointly explore and contribute our core competencies for selected projects relating to the concept development, design and construction of ships and offshore installations catered to the energy industry.

We hope that more of our partners such as ConocoPhillips, J Ray McDermott, ABS and the National University of Singapore will join us in furthering R&D efforts to create viable solutions for the growth of the industry.

The offshore and marine business is a collaborative one between builders and owners. The best projects we have had were those where we had the opportunity to work closely with our customers. The strong friendships we have forged in the process are something that we treasure and work hard to preserve.

I would like to sum up by thanking our dedicated team of offshore and marine 'die-hards', CH Tong, Sit Peng Sang, Charles Foo, Nelson Yeo, Michael Chia, Wong Kok Seng, Ho Cheok Yuen, Hoe Eng Hock, YY Chow and many others who have seen the Company through the ups and downs, and also the larger Keppel O&M family in Singapore

and across the world who have soldiered on with us. Your commitment and hard work have earned the Company five years of growth. Good job!

A big thank you also to Wang Look Fung and her dedicated team for handling all our corporate communications, and especially for producing our anniversary book together with the author, Mano Sabnani, and the publisher EDM. All the support given to us by our KOM Board and Keppel Corporation Chairman and Board and HQ team has contributed to achieving what we have done.

But even as we celebrate our success, we want to show care and support for the less fortunate. On this occasion, Keppel O&M will be contributing S\$500,000 to the Singapore Nursing Home Foundation; Rainbow Centre; the Spastic Children's Association School; MINDS Yio Chu Kang Employment Development Centre; Singapore Association for Mental Health (SAMH) Bukit Gombak Group Homes and SAMH Oasis Day Centre. We hope that our token will help these charities better care for their charges.

I assure you all that we are not stopping at five. Keppel O&M will continue to strive and deliver high value to our customers and stakeholders, well into the future.

Thank you.