

Status update on Keppel's drillship contract with Noble

Singapore, 22 January 2011 – Keppel Offshore & Marine Ltd's ("Keppel O&M") wholly owned subsidiary, Keppel FELS Brasil, and Noble Corporation (Noble) have agreed to terminate the contract of an upgrade to the drillship Noble Muravlenko, that was scheduled to take place in 2013, on mutually acceptable terms.

Keppel FELS Brasil will receive a full recovery of expenses and committed costs, as well as a reasonable termination fee.

Mr Chow Yew Yuen, President, Keppel O&M (Americas), said, "We respect Noble's decision and our partnership with them remains steadfast. We have been compensated for the cancellation and still have two drillship projects with Noble which also intends to award more projects to Keppel. Our yard capacity for 2013 will now allow us to take on more jobs in an improving market."

The project was contracted with Noble in December 2009 at US\$152 million.

The above contract termination is not expected to have any material impact on the net tangible assets or earnings per share of Keppel Corporation Limited for the current financial year.

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