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Keppel Verolme's contract with MPU

Singapore, 1 July 2008 – Keppel Corporation Limited (the "Company") wishes to inform that its wholly owned subsidiary through Keppel Offshore and Marine Limited, Keppel Verolme BV, has received a notice from MPU Offshore Lift ASA ("MPU") that it has decided to submit a petition for bankruptcy in Norway.

Keppel Verolme has ceased work on the MPU Heavy Lifter project with immediate effect. The project was contracted with MPU in December 2006 at EUR 140 million for the construction of a floating heavy lifter (with a concrete hull) for the decommissioning of offshore structures.

Keppel Verolme has received payments from MPU to meet all costs it has incurred to-date on the project and is taking all the necessary actions to preserve its contractual rights.

The matter is not expected to have any material financial impact on the Company in the current financial year.

For more information, contact:

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