

**SPEECH BY MR CHOO CHIAU BENG,
CHAIRMAN AND CEO OF KEPPEL OFFSHORE & MARINE LTD
AT THE NAMING CEREMONY OF FPSO SERPENTINA
AT KEPPEL SHIPYARD (TUAS)
ON 4 APRIL 2003 AT 9.30AM**

Our gracious Lady Sponsor, Mrs Gail Larson,

Mr Dick van der Zee, Chief Operating Officer, SBM

Mr Charles Fields, Executive Vice President, ExxonMobil

Distinguished Guests, Colleagues, Ladies and Gentlemen,

On behalf of Keppel Shipyard, I would like to welcome all of you to this special occasion of the naming of *FPSO Serpentina*.

The conversion of *FPSO Serpentina* is the second generic FPSO, and the fifth conversion project Keppel Shipyard has done for our valued customer, Single Buoy Moorings (SBM) in the last four years. The first generic FPSO was *FPSO Falcon*, which was completed under tight schedules and complex requirements in June last year. The *FPSO Falcon* had a safety record of more than one million man-hours worked without lost-time accident. Both vessels have been chartered to ExxonMobil.

Today, we celebrate another safety milestone achieved by Keppel Shipyard. *FPSO Serpentina* achieved more than three million accident-free man-hours during its conversion here in Keppel Shipyard. I would like to thank ExxonMobil and SBM for their active support and participation in the yard's Safety Plus Programme, without which we would not be able to achieve this

feat. I would like to especially thank ExxonMobil and SBM for their invaluable contributions.

For this reason, Mrs Gail Larson, when Keppel Shipyard knew that you are going to be the Godmother and Lady Sponsor of the vessel, we were very happy. Your husband, Mr Ken Larson, with Mr Chris Davison of SBM, have contributed tremendously and tirelessly to the yard's safety effort. They have been a great encouragement and challenge to the people who were involved.

SBM and ExxonMobil are our partners in the successful implementation of our Safety Plus Programme, a comprehensive safety programme which is designed to maximise safety performance by measuring, reporting and managing positive behaviour. The stringent safety standards as advocated by our clients have helped raise safety consciousness and enhanced the promotion of safety in all aspects of our yard operations.

I am also very grateful to ExxonMobil for acknowledging the progress made in our safety initiatives and for their resource and financial support. This will definitely go a long way to encourage our management, officers and workers to work even harder to achieve higher standards of health, safety and environment best practices.

Keppel Shipyard's close and long-standing partnership with SBM dates back to 1981, when we carried out the region's first FPSO conversion project for SBM. This was followed by *Espadarte FPSO* and *FSO Yetagun* in year

2000. Last year, we delivered to SBM two other quality vessels, the *FPSO Falcon* and *FPSO Brasil*.

As the preferred conversion yard for SBM in the Far East, I am pleased to mention that SBM has recently awarded Keppel Shipyard with another contract for the conversion of *FPSO Marlim Sul*. I am confident that we will once again deliver a quality vessel to SBM on time and within budget.

Keppel Shipyard has built up extensive experience and expertise in FPSO conversions. Its business philosophy is to partner its clients to serve their customers better, working with them to exceed their expectations. Along with its commitment to safety and quality, it is flexible in project planning with its offering of a wide range of engineering and shipyard services.

FPSO Serpentina is showcase of our commitment to quality and our expertise in conversion projects. The vessel underwent a full refurbishment for life extension, and was installed with topside gas and water injection facilities, process and separation equipment, including the fabrication and installation of the external turret and two of the topside modules.

Today, as we celebrate the milestone of naming the vessel, I want to acknowledge the dedication and commitment of all who were involved in the project. I would like to commend the hard work of the site project teams led by Mr John Leemeijer from SBM, Mr Les Carter from ExxonMobil, and Bai Li Guo of Keppel Shipyard. I would also like to extend my gratitude to our subcontractors and suppliers, and all who have played a part in this project.

I am pleased to note that our relationship with SBM and its parent IHC Caland has extended beyond FPSO conversions. Keppel FELS, the sister company of Keppel Shipyard, has recently delivered the hull structure of the Matterhorn SeaStar[®] Tension Leg Platform (TLP) to a very happy Atlantia Offshore, another member of the IHC Caland Group.

They too have awarded us bonuses for exceeding their safety and quality expectations as well as on-time delivery of the Matterhorn SeaStar[®] hull. I look forward to a deepening of relationship between Keppel and the IHC Caland Group of companies through more projects in the future.

Finally, to all our guests, thank you very much for being here in our celebrations today. It has made this event a special and memorable one.

Thank you.