

Building Strengths

Defining Distinction

Perfecting Execution / Advancing Innovation / Empowering People

Our vision is to be the provider of choice and partner for solutions in the global offshore and marine industry.

Keppel Offshore & Marine is a global leader in offshore rig design, construction and repair, shiprepair and conversion, and specialised shipbuilding. We harness the synergy of 20 yards worldwide to be near our customers and their markets.

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Key Figures 2010

Major Deliveries

35

The number of major projects delivered safely, on time and within budget worldwide.

Investments in Productivity

\$142m

The amount of investments to improve facilities and productivity in our yards worldwide.

Accident Frequency Rate

0.29

The latest accident frequency rate, down from 0.34 in 2009.

Workforce Trained in Safety

8,322

The number of employees and subcontractors who have been equipped at the Keppel Safety Training Centre as at end-December 2010.

Training Hours

74.6

The average number of hours each employee spent in training during the year.

Energy Savings

\$8.9m

Estimated annual savings from energy conservation efforts and initiatives in our Singapore yards.

Economic Value Added

\$947m

An increase of
18% over 2009.

“Continuous investments to improve work efficiencies over the years have enabled us to reap substantial productivity gains and sustain our solid operational track record.”

DEAR STAKEHOLDERS,

2010 showed tentative signs of improvement. While the recovery in the US was chequered and Europe was still mired with fiscal problems, the Asian economy was robust.

The offshore and marine industry received some reprieve towards the last quarter of the year with returning confidence, stabilising freight rates and ship values, and improving oil prices that have crossed US\$100 per barrel at the time of this report.

Notably, the year in review was marked by the worst offshore oil spill in history. The Macondo well's blowout in late April, the extensive period of rescue work and a resulting ban on deepwater drilling activities in the Gulf of Mexico by the US Administration overshadowed the industry for most of 2010.

Despite this setback, the industry has proven to be remarkably resilient. With the lifting of the drilling moratorium in October and greater clarity of the safety and regulatory implications from the incident, market sentiments improved following a rebound in upstream capital spending towards year-end.

Against this backdrop, the Keppel Offshore & Marine (Keppel O&M) group improved on its performance, securing new contracts totalling \$3.2 billion during the year. These included the P-61 Tension Leg Wellhead Platform project from Petrobras and Chevron, and a series of jackup construction and Floating Production Storage Offloading (FPSO) conversion jobs from various customers. At year end, our net orderbook amounted to \$4.6 billion with deliveries stretching into 2013.

SUSTAINING OPERATIONAL EXCELLENCE

Continuous investments to improve work efficiencies over the years have enabled us to reap substantial productivity gains and sustain our solid operational track record. In 2010, the Keppel O&M group recorded revenues of \$5.6 billion and a net profit of \$1 billion, as well as raised Economic Value Added by 18% to \$947.1 million.

We further entrenched our reputation as the offshore and marine industry's choice solutions partner with safe, timely and on-budget deliveries. Our Offshore Division delivered a total of 12 newbuild rigs, comprising seven



Chairman's Statement

jackups and five semisubmersibles, as well as executed eight major repair and upgrading jobs with sterling results. Our Marine and Specialised Shipbuilding Divisions converted and upgraded five major FPSO and floating storage regasification units, and delivered a record tally of 18 quality vessels.

In enabling the group to attain higher productivity levels, strategic investments of \$142 million were made during the year to improve its global yard facilities and boost capabilities. These investments will position us strongly to capture opportunities in the upturn, as we continue to respond to market changes and deliver on our promises.

PUSHING NORTH WITH INNOVATION

Keppel O&M continued to push the envelope for robust and sustainable solutions to support a wide variety of offshore applications and field conditions. In particular, the North Sea-compliant concepts that we have been developing over the last few years are gaining traction quickly in the harsh environment market.

During the year, Keppel FELS commercialised its new wind turbine installation vessel concept with the Seafox Group for offshore wind farms in the North Sea. The KFELS Multi-Purpose Self-Elevating Platform (MPSEP) rises above the limitations of existing vessels in terms of functional water depth, carrying capacity, operational window and safety features.

The KFELS MPSEP is a product of our jackup technology and years of experience in constructing rigs for the North Sea. This innovative rig concept can also be used to support accommodation, well intervention, maintenance, construction, decommissioning and a wide range of other offshore oil & gas activities.

Meanwhile, several other pioneering rig concepts that we have been constructing came into fruition. Rowan Viking, the first KFELS N Class rig, was successfully delivered to Rowan Companies. The KFELS N Class is one of two rig designs in the market that can fulfil the exacting operating requirements of the Norwegian sector of the North Sea, with the dual-capability of drilling and production. Rowan Viking has been mobilised for a 19-month assignment in the UK with Total.

We also delivered the first North Sea accommodation rig to be built in over 20 years to Floatel International 43 days ahead of schedule, safely and within budget. The DSS™ 20NS Floatel Superior is a new-generation accommodation semisubmersible evolved from our proven DSS™ Series of deepwater rigs jointly designed and owned with Marine Structure Consultants. The unit has since completed a three-month charter for ConocoPhillips in Australia, and is being prepared for work in Norway with Talisman Energy Norge AS in the Yme field and Statoil Petroleum AS in the Oseberg field.

EXPANDING GLOBAL REACH

Several important moves were made in 2010 to bolster Keppel O&M's *Near Market, Near Customer* strategy. We entrenched our presence in the Caspian Sea and Brazil with the setting up of two new shipyards, and increased our stake in a facility in the Philippines.

To be developed over three years, our new 52-ha joint venture shipyard with the State Oil Company of Azerbaijan Republic (SOCAR) and Azerbaijan Investment Company will fortify Keppel's shipbuilding and repair capabilities in Baku and the Caspian Sea region. We are also in the process of modernising a newly acquired 7.6-ha shipbuilding yard in Navegantes, Santa Catarina, to complement our BrasFELS yard, and to serve construction needs

for platform supply and offshore support vessels in Brazil.

Over in the Philippines, we increased our effective stake in Subic Shipyard and Engineering from 44% to 83.9%. This strategic move will enhance the synergy between our yards in Batangas and Subic, and enable us to better serve both the marine and offshore markets there.

2010 also saw the much-anticipated opening of Nakilat-Keppel Offshore & Marine Ltd (N-KOM), Qatar's world class 43-ha shipyard facility in Ras Laffan Industrial City. This event was marked by the signing of service arrangements with eight major fleet owners operating in the region.

As a whole, these significant developments will allow us to harness the synergies of our global network to better serve our customers, as we explore new opportunities in markets such as West Africa, Mexico and China.

MAKING SAFETY OUR BUSINESS

Safety is a Keppel core value and we will spare no effort to develop a pervasive culture with zero tolerance for incidents. In 2010, Keppel O&M's accident frequency rate was reduced to 0.29 reportable cases for every million man-hours worked, compared to 0.34 in 2009. During the year however, we had two fatalities, which raised the accident severity rate to 105 man-days lost per million man-hours worked, from 83 in 2009. We are deeply saddened by the tragic loss of lives, and these accidents have spurred in us an even stronger resolve to eradicate all potential workplace incidents.

Making strides forward, we launched the Keppel WSH 2018 Initiative to align the Group's safety efforts with national goals, and to steer our collective efforts in creating an incident-free workplace. The Keppel Safety Training Centre was

also opened to bring everyone in our workforce up to par on safety competencies and best practices.

FORTIFYING OUR LEADERSHIP AND TALENTS

As part of continual efforts by the Keppel O&M Group to build up its next generation of leaders, several key appointments were made during the year.

At headquarters, Sit Peng Sang was appointed as Executive Director of Keppel O&M and was succeeded by Wong Ngiam Jih as Chief Financial Officer. Meanwhile, Edmund Mah was appointed as General Manager (Finance) of Keppel O&M and Chandru Rajwani as General Manager of Group Health, Safety and Environment (HSE). Chandru, who succeeded Abu Bakar Bin Mohd Nor, also serves as Secretary to Keppel Corporation's Board Safety Committee (BSC) and Coordinator for Keppel Group Safety.

At Keppel FELS, Wong Kok Seng was appointed as Managing Director and Aziz Merchant as Executive Director. To drive the Group's technology focus, Foo Kok Seng was promoted to Executive Director of Offshore Technology Development, and succeeded Charles Foo as Centre Director of Keppel O&M Technology Centre. At Keppel Shipyard, Chor How Jat was appointed to the position of Executive Director, while Abu Bakar was seconded as Chief Executive Officer to N-KOM in Qatar.

People are our greatest assets, and we continue to empower employees at all levels to give their best and contribute to the creation of value for our customers. Employees demonstrating high potential are selected for job rotations and overseas postings to expose them to different aspects of Keppel O&M's global operations. In fact, more than 80% of our General Managers have completed their tour of duty in at least three departments

across production, engineering, commercial and project management. Many of them had also been seconded overseas previously.

In energising our workforce, we focus on long-term skills training, mentorship, career planning and job redesign. Keppel College provides leadership and people development programmes in partnership with various institutes of higher learning such as the National University of Singapore and the Nanyang Technological University. Through programmes offered by the Keppel O&M Group Training Centre, our workers and subcontractors too benefit from opportunities to upgrade themselves with industry-relevant technical skills.

PREPARING FOR THE FUTURE

The long-term fundamentals of the offshore and marine industry remain intact, underpinned by an inevitable increase in energy demand from fast growing populations and economies, particularly in Asia-Pacific and Latin America.

We are currently seeing an uptrend in E&P budgets by oil majors as confidence returns gradually to various sectors. However, the implications of the Macondo incident are far-reaching and are expected to further alter the regulatory and operating climate of the offshore and marine industry.

Overall stricter regulatory standards and regimented focus on HSE by the industry will favour drillers and operators with stronger safety practices and newer high specification equipment. The effects are already apparent and continue to provide impetus for the renewal and upgrading of the global offshore fleet.

In light of these developments, the solid foundations built over the years and the process of continual improvements that we have put in place, will position Keppel O&M in good stead to deliver

on its promises well into the future. We are constantly on the lookout for good opportunities to strategically acquire or co-invest with like-minded partners and customers to strengthen our core businesses and develop new capabilities for the group.

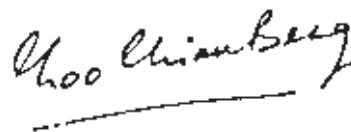
ACKNOWLEDGEMENTS

During the year, the Keppel O&M Board was further strengthened by the appointments of Mr Lim Chin Leong and Mr Loh Chin Hua. On behalf of the Board, I would like to extend a warm welcome to our new directors, and to thank Mr Charles Foo, who has stepped down, for his long years of dedicated service and contribution to the Keppel O&M group.

I would like to express my appreciation to our Board of Directors, valued customers, business associates, class, vendors, suppliers, contractors and the union leaders in all our yards for their continuous support and confidence in Keppel O&M. I would also like to acknowledge the assistance and support of all local, state and federal authorities in the host countries where we are present.

Finally, the success that Keppel O&M enjoys today is due to our loyal employees whose passion, ingenuity and *Can-Do!* spirit have taken the group from strength to strength. I am confident that with a strong management team, a passionate workforce and the support of its business associates, Keppel O&M will continue to achieve distinction and deliver value to all stakeholders.

Yours sincerely,



Choo Chiau Beng
Chairman
9 March 2011



Perfecting Execution

Strong project management

→ Continuing to deliver on its promises safely, on time and within budget in 2010, the Group completed 12 newbuild jackup and semisubmersible rigs, five major FPSO/FSRU conversion projects and 18 quality vessels worldwide.

Safety excellence

→ The new Keppel Safety Training Centre marks another stride in our journey towards achieving an incident-free workplace and a pervasive safety culture. It has equipped and certified more than 8,300 staff members and subcontractors to date.



Advancing Innovation

Technology leadership

→ Our strong engineering competencies allow us to respond swiftly to customer needs and technological advancements. We have the foresight and flexibility to adapt our modern proprietary designs for a wide variety of applications, including the installation and maintenance of offshore wind turbines.

Trendsetting partnerships

→ Combining our technology know-how and operational expertise, we collaborate with trendsetting customers and industry experts to design and deliver advanced and high-specification solutions, such as the DSS™ 21 semisubmersible drilling rig, Maersk Deliverer.



Empowering People

Core values cultivation

→ Our global workforce is aligned with a common set of core values that drives it to consistently achieve excellence and create value for the company and our stakeholders.

Talent development

→ We cultivate strong performers and effective leaders with rigorous training and professional development opportunities. Through active mentorship, we ensure that our expertise and strong work ethics are passed on from one cohort to the next.

Group Financial Highlights

	2010 S\$'000	2009 S\$'000
Consolidated Balance Sheet as at 31 December 2010		
Share capital	339,716	339,716
Reserves	1,532,669	1,160,591
Shareholders' funds	1,872,385	1,500,307
Non-controlling interests	180,642	163,127
Capital employed	2,053,027	1,663,434
Represented by:		
Fixed assets	1,247,443	1,168,443
Associates	171,500	102,439
Loans receivable	40,864	50,806
Goodwill	50,042	36,363
Investments	171,425	66,862
	1,681,274	1,424,913
Current assets		
Stocks	118,241	187,785
Work-in-progress (cost > billings)	552,241	503,666
Related companies & associates	137,321	86,258
Other assets	195,061	210,912
Debtors	731,638	748,082
Bank balances, deposits & cash	2,805,602	2,602,055
	4,540,104	4,338,758
Current liabilities		
Creditors	2,189,323	2,168,163
Work-in-progress (billings > cost)	1,389,554	1,571,821
Other liabilities	8,240	36,055
Short-term loans	20,683	–
Taxation	243,252	228,934
	3,851,052	4,004,973
Net current assets	689,052	333,785
Non-current liabilities		
Long-term loans	213,559	–
Deferred taxation	85,734	77,707
Deferred liabilities	18,006	17,557
	317,299	95,264
Net assets	2,053,027	1,663,434

	2010 S\$'000	2009 S\$'000	Change %
Consolidated Profit & Loss Account for the financial year ended 31 December 2010			
Revenue	5,577,010	8,273,390	-33
Operating profit	1,195,047	1,056,907	+13
Net interest / investment income	72,542	31,370	+131
Share of results of associates	48,773	43,918	+11
Profit before tax	1,316,362	1,132,195	+16
Taxation	(242,059)	(233,983)	+3
Profit after tax	1,074,303	898,212	+20
Non-controlling interests	(12,606)	(36,725)	-66
Profit before exceptional items	1,061,697	861,487	+23
Exceptional items	(24,762)	(22,550)	+10
Net profit	1,036,935	838,937	+24
Economic Value Added (before exceptional items)	947,112	803,455	+18

Keppel O&M turned in another outstanding set of results in 2010. Although revenue dropped 33% to \$5.6 billion due to a lower workload, operating profit increased 13% to a record \$1,195 million. Operating efficiencies and hence margins have improved substantially as less work was outsourced. Net interest income also increased to \$70.1 million. Contributions from associates rose 11% to \$48.8 million. Profit after tax was up 20% to \$1,074.3 million, while profit before exceptional items increased 23% to \$1,061.7 million. Exceptional items of \$24.8 million were related to goodwill and asset impairment.

The Group's return on equity (before exceptional items) was 63%, while Economic Value Added of \$947.1 million was \$143.6 million higher than that of the previous year.

The Group delivered 12 rigs, five major FPSO/FSRU projects and 18 specialised vessels in 2010. The total value of contracts secured for the year was \$3.2 billion, and the Group ended the year with a net orderbook of \$4.6 billion.

Keppel Offshore & Marine

Global leader in offshore rig design, construction and repair, shiprepair and conversion, and specialised shipbuilding.



Headquartered in Singapore, Keppel O&M integrates and harnesses the experience and expertise of 20 yards worldwide to optimise deployment of resources and effectively execute its *Near Market, Near Customer* strategy.

The head office serves two central functions, providing Operational Services including technology, design and development, engineering and procurement, as well as Corporate Services covering finance, legal, human resources, information services and corporate development.

Driven by innovation and a team of capable people with the *Can Do!* spirit, we strive to become a builder of distinction in every aspect of our business.

Group Focus for 2011/2012

Fortify core competencies

→ Build on operational excellence and raise productivity levels to deliver projects safely, on time and within budget.

Leverage growth platforms

→ Extend expertise to offer a wider range of products, solutions and services for the offshore and marine industry through R&D.

Harness global synergies

→ Develop and draw on the collective strength of global yards and offices to reinforce *Near Market, Near Customer* strategy and deliver value to customers.

Increase business robustness

→ Seek opportunities to strategically acquire or co-invest with partners in new capabilities and facilities, and enter into new markets.

Offshore

Leading designer, builder and repairer of high-performance mobile offshore drilling rigs.



The Offshore Division, helmed by Keppel FELS, is a leading designer, builder and repairer of high-performance mobile offshore drilling rigs.

The Division's portfolio of proprietary designs and floating production solutions meets a broad spectrum of operating requirements including deep waters and harsh environments.

With technology innovation and competent design and engineering capabilities, this Division offers viable, cost-effective and highly adaptable solutions for newbuilds and upgraded offshore units.

Marine

Trusted industry name for the repair, conversion and upgrade of a diverse range of vessels.



The Marine Division is represented by Keppel Shipyard, the trusted industry name for the repair, conversion and upgrade of a diverse range of vessels.

Keppel Shipyard is a leader in the conversion of Floating Production Storage and Offloading; Floating Storage and Offloading; and Floating Storage Regasification Units. Its competencies include topside and turret fabrication.

With strong commitment to Health, Safety and Environment and an established reputation of reliability, flexibility and quality for complex projects with quick turnaround, the Division continues to deliver high value to its customers.

Specialised Shipbuilding

Designer and builder of a wide spectrum of highly specialised ships for a global clientele.



The Specialised Shipbuilding Division led by Keppel Singmarine, has a track record of some 400 newbuild vessels of diverse functions and sophistication.

Its portfolio of customised vessels spans Anchor Handling Tug/Supply vessels, multi-purpose Offshore Support Vessels and tugboats to highly advanced solutions such as ice-capable vessels.

Harnessing its suite of design and engineering solutions, strong logistics and infrastructure support in Singapore, this Division provides customers with one-stop value-added services.

Board of Directors



Choo Chiau Beng

Chairman of Keppel Offshore & Marine Ltd; Chief Executive Officer of Keppel Corporation Limited and Chairman of Keppel Land Limited and Keppel Energy Pte Ltd.



Tong Chong Heong

Chief Executive Officer of Keppel Offshore & Marine Ltd, Keppel FELS Limited and Keppel Shipyard Limited; Chairman of Keppel Integrated Engineering Limited and Executive Director of Keppel Corporation Limited.



Sit Peng Sang

Executive Director of Keppel Offshore & Marine Ltd.



Bjarne Hansen

Senior Partner of Wing Partners I/S, Denmark.



Prof Neo Boon Siong

Professor of the Nanyang Business School at the Nanyang Technological University, Singapore.



Stephen Pan Yue Kuo

Chairman of World-Wide Shipping Agency Limited of Hong Kong.



Prof Minoo Homi Patel

Professor of Mechanical Engineering and Director of Development in the School of Engineering at Cranfield University.

Board of Directors



Dr Malcolm Sharples

President of Offshore Risk & Technology Consulting Inc., USA.



Teo Soon Hoe

Senior Executive Director and Group Finance Director of Keppel Corporation Limited.



Tan Ek Kia

Chairman of City Gas Pte Ltd, and an Independent and Non-executive Director of Keppel Corporation Limited.



Po'ad Bin Shaik Abu Bakar Mattar

Independent Director of
Hong Leong Finance Limited and
Tiger Airways Holdings Limited.



Lim Chin Leong

Former Chairman of Asia,
Schlumberger.



Loh Chin Hua

Managing Director of Alpha
Investment Partners Limited.

Key Personnel Offshore & Marine

1_Wong Ngiam Jih
Chief Financial Officer

5_Tong Chong Heong
Chief Executive Officer

9_Nelson Yeo
Managing Director (Marine)

2_Chee Jin Kiong
Executive Director
(Human Resources)

6_Chow Yew Yuen
President (Keppel Offshore &
Marine USA Inc)

10_Lai Ching Chuan
Senior General Manager
(Corporate Development)

3_Sit Peng Sang
Executive Director

7_Hoe Eng Hock
Executive Director
(Keppel Singmarine)

11_Michael Chia
Managing Director (Offshore)

4_Choo Chiau Beng
Chairman

8_Wong Kok Seng
Managing Director (Keppel FELs)



1_Yong Chee Min
General Manager (Projects)

4_Dr Lee Chay Hoon
General Manager
(Organisation Development)

7_Choon Yong Boon
Head (Information Systems)

2_Edmund Mah
General Manager (Finance)

5_Fong Swee Theng
Group Facilities Manager

8_Chandru Sirumal Rajwani
General Manager
(Health, Safety & Environment)

3_Jeffery Chow
General Manager (Legal)

6_Anthony Toh
Group Security Manager

9_Kenneth Chong
Assistant General Manager
(Legal) (Company Secretary)



Key Personnel Keppel FELS

1_Chandru Sirumal Rajwani

General Manager
(Quality Assurance/Commissioning/
Vendor Quality Engineering)

2_Keith Teo

General Manager
(Marketing)

4_Yeo Yue Ngiap

General Manager (Commercial)

3_Wong Kok Seng

Managing Director



1_Chris Ong

Assistant General Manager
(Engineering)

2_Aziz Amirali Merchant

Executive Director

4_Wong Fook Seng

General Manager
(Operations/Quality Systems/
Process Excellence)

3_David Lee

Financial Controller



Key Personnel Keppel Shipyard

1_Louis Chow

General Manager
(Commercial)

2_Jim Lim

Financial Controller

4_Chor How Jat

Executive Director

3_Nelson Yeo

Managing Director



1_Charles Sim

General Manager
(Offshore Production)

2_Burt Loh

General Manager (Operations)

4_Spencer Leong

General Manager
(Development)

3_Mah Chan Wah

General Manager
(Commercial – Shiprepair)

5_Tan Peng Pong

General Manager
(Engineering & Systems
Development)



Key Personnel Keppel Singmarine

1_Toh Ko Lin

Senior General Manager
(Commercial)

2_Tan Cheng Hui

Senior General Manager
(Engineering)

4_Edmund Lek

General Manager
(Production)

3_Hoe Eng Hock

Executive Director



1_Charles Yap

**General Manager
(Purchasing / Warehouse)**

2_Au-Yeong Kin Ho

**General Manager
(Engineering)**

3_Poon Tai Lum

**General Manager
(Commercial / Marketing)**



Key Personnel Research & Development

1_Charles Foo

Director/Advisor, KOMtech

3_Dr Foo Kok Seng

Centre Director, KOMtech
Executive Director, Offshore
Technology Development

5_Dr Yip Hee Yan

Technology Manager
(Offshore Production),
Keppel Shipyard

2_Tan Cheng Hui

Senior General Manager,
Marine Technology Development

4_Chong Wen Sin

Senior Project Manager
(FPSO/Process), KOMtech

6_Anis Hussein

General Manager,
Deepwater Technology Group



1_Dr Asbjorn Mortensen

Senior Programme Manager
(Drilling Equipment), KOMtech

3_Aziz Amirali Merchant

Head, Deepwater Technology Group

5_Au-Yeong Kin Ho

General Manager,
Marine Technology Development

2_Charles Sim

General Manager
(Offshore Production),
Keppel Shipyard

4_Dr Matthew Quah

Senior Programme Manager
(Offshore Structures), KOMtech

6_Mohan Dass

Programme Manager
(Technology Foresight), KOMtech



Key Personnel Overseas Managers

1_Michael Holcomb

Keppel Marine Agencies
(Texas, USA)

3_Roy Sletten

Keppel Norway

6_Harold Linssen

Keppel Verolme

2_John J. Bajor

Keppel Marine Agencies
(New Jersey, USA)

4_Yick Ping Wong

Keppel Kazakhstan

7_Jimmy Loh

Arab Heavy Industries

5_Lee Tai Kwee

Keppel Nantong Shipyard



1_Tan Geok Seng

Keppel AmFELS

3_Chow Yew Yuen

Keppel O&M (USA)

6_Yan Naing Myint

Caspian Shipyard Company

2_Kwok Kai Choong

Keppel FELS Brasil

4_Abu Bakar Mohd Nor

Nakilat-Keppel O&M

7_Mok Kim Whang

Keppel Subic Shipyard, Inc

5_Toh Ko Lin

Keppel Philippines Marine



Key Personnel

OVERSEAS OPERATIONAL CENTRES

Arab Heavy Industries PJSC

Jimmy Loh
Managing Director

Chan Lim Hong
General Manager

Shui Yee Siang
Finance & Administration Manager

Bintan Offshore
Herman Effendy
General Manager

Keppel Philippines Marine, Inc
Toh Ko Lin
President

Agnes Barbara L. Lorenzo
Vice President
(Administration & Finance)

Keppel Batangas Shipyard
Poh Leong Kok
Senior Vice President

Goh Chee Hian, Kelvin
Senior Vice President

Keppel Subic Shipyard, Inc
Mok Kim Whang
President

Froilan dela Cruz
Vice President
(Commercial & Marketing)

Keppel Offshore & Marine USA Inc
Chow Yew Yuen
President, The Americas

Cheung Tak On
Vice President (Technology)

Simon Lee
Vice President (Projects)

Yeong Wai Seng
Vice President (Special Projects) &
General Manager (Floating Production
Systems)

Keppel AmFELS Inc
Tan Geok Seng
President & Chief Executive Officer

Albert Garcia
Financial Controller

Eric Phua
Vice President, Commercial

Juan Cruz
Vice President (Production
and Engineering)

Gilbert Elizondo
Vice President (Human Resources)

Keppel FELS Brasil Group
Kwok Kai Choong
President & Chief Executive Officer

Tommy Sam
Vice President

Gilberto Israel
Commercial Director

Jerald Lee
Chief Financial Officer

Alceu Mariano
Institutional Relations Director

Edmundo Santos
Operations Director

Keppel Verolme BV
Harold Linssen
Managing Director

Wong Wei Kei
Chief Financial Officer

Keppel Kazakhstan LLP
Yick Ping Wong
General Director

Anil Kumar Sultan
Executive Vice President

Lim Ah Beng
Assistant General Director

Chow Wai Hoong
Chief Financial Officer

Venera Nurmukhametova
Head of Administrative Department

Caspian Shipyard Company Ltd
Yan Naing Myint
President

Lau Kwat Pin
Vice President

Elshan Gurbanov
Chief Financial Officer

Edward Low
Commercial Manager

Keppel Norway AS
Roy Sletten
Acting CEO

Gunnar Larsen
Chief Financial Officer

**Keppel Nantong Shipyard
Company Limited**
Lee Tai Kwee
President

Wong Phuay Cheng
Vice President (Operations)

Li Gang
Vice President (Commercial)

Ben Ang
Vice President (Finance)

**Nakilat-Keppel Offshore
& Marine Ltd**
Abu Bakar Mohd Nor
Chief Executive Officer

Albert Kee
General Manager (Operations)

Regency Steel Japan
Wong Chun Yu
President

Hatano Shigeyuki
Chief Operating Officer

Keppel Singmarine Brasil
Hoe Eng Hock
Executive Director

Tan Chong Kee
General Manager

ENGINEERING/TECHNOLOGY CENTRES

Keppel Offshore & Marine Technology Centre Pte Ltd

Dr Foo Kok Seng
Centre Director

Charles Foo
Director/ Advisor

Dr Yip Hee Yan
Technology Manager (Offshore
Production) Keppel Shipyard

Mohan Dass
Programme Manager
(Technology Foresight)

Dr Matthew Quah
Senior Programme Manager
(Offshore Structures)

Dr Asbjorn Mortensen
Senior Programme Manager
(Drilling Equipment)

Chong Wen Sin
Senior Project Manager
(FPSO/Process)

**Offshore Technology
Development Pte Ltd**
Dr Foo Kok Seng
Executive Director

Lim Teng Kiat
Assistant General Manager

**Deepwater Technology Group
Pte Ltd**
Aziz Amirali Merchant
Head

Anis Altaf Hussein
General Manager

**Marine Technology
Development Pte Ltd**
Tan Cheng Hui
Senior General Manager

Au-Yeong Kin Ho
General Manager

FloaTEC, LLC
Eric H Namtvedt
President

Keppel FELS Baltech Ltd
Lyudmil Stoev
General Manager

Ivan Petrov Pelov
Senior Engineering Manager

**Keppel FELS Engineering
Shenzhen Co.,Ltd**
Ho Jong Heng
General Manager

**Keppel FELS Offshore &
Engineering Services Mumbai
Pvt Ltd**
Anant Keshav Shukla
General Manager

REPRESENTATIVE OFFICES

**Keppel Marine Agencies
International, LLC**
Michael Holcomb
President/Director, Texas

John J Bajor
Director, New Jersey

Keppel Prince Engineering Pty Ltd
Charles Chiam
Director

MARINE SERVICES

Asian Lift Pte Ltd
John Chua
General Manager

Keppel Smit Towage Pte Ltd
Ben Chew
General Manager (Regional)

Jerry Wong
General Manager

EMPLOYEE UNIONS

Keppel Employees Union
Mohamed Yusof Bin Mansor
President

Mohd Yusof B Mohd
General Secretary

Keppel FELS Employees Union
Vincent Ho Mun Choong
President

Attyah Hassan
General Secretary

**Shipbuilding & Marine Engineering
Employees Union**
Wong Weng Ong
President

Lim Chin Siew
Executive Secretary

Goh Sor Imm
Deputy Executive Secretary



We are committed to pursue excellence and quality results, working in partnership with customers.

We continue to deliver on our promises and win customers' confidence worldwide through operational excellence and technology innovation.

Operations Review & Outlook

Keppel FELS delivered Rowan Viking, the first of three KFELS N Class jackups, to Rowan Companies safely, on time and within budget.



2010 marked another significant year of deliveries for the Keppel O&M group, whose drive for productivity and operational excellence enabled it to deliver on its promises safely, on time, and within budget to customers across the globe. Our business units worldwide collectively delivered 12 rigs, five major FPSO/FSRU conversion projects and 18 specialised vessels among other repair, upgrade and completion projects.

Against the backdrop of a recovering global economy, stabilising oil prices and post-effects of the Macondo incident, we replenished our orderbook with new projects that will stretch into 2013.

OFFSHORE **Keppel FELS**

Upholding its reputation and commitment to deliver on its promises, Keppel FELS completed a series of newbuilding and repair projects with the highest safety standards either early or on time, and within the budgets of its customers.

During the year, the company delivered a total of eight newbuilds, comprising three jackups and five semisubmersible (semi) rigs. It successfully delivered to Rowan Companies, Rowan Viking,

the first of three North Sea-compliant KFELS N Class rigs, as well as Seadrill's two KFELS B Class jackups, West Callisto and West Juno.

Keppel FELS also achieved remarkable construction feats on two floating accommodation semis, Floatel Superior and Floatel Reliance. Built respectively to our proprietary DSS™ 20NS and SSAU™ 3600 designs, both semis were delivered incident-free and over a total of 120 days ahead of schedule to Floatel International. Notably, the Floatel Superior is the first North Sea-compliant accommodation semi to be delivered in 20 years. The company also delivered ahead of schedule to Ensco the third and fourth units in a series of seven ENSCO 8500 Series® deepwater rigs, and to Maersk Drilling the third DSS™ 21 drilling semi.

Meanwhile, the yard continued to engage customers worldwide on rig repair programmes and achieved early completion of major upgrades and repairs on semis and jackups belonging to Stena Drilling, Transocean, Songa Offshore, Japan Drilling Company and Seadrill.

During the year, Keppel's proprietary solutions gained significant traction in

Safe Haven in Rough Seas

Keppel FELS delivered two newbuild accommodation semis to Floatel International ahead of schedule, safely and within budget in 2010. These floating accommodation platforms provide additional living quarters for personnel deployed over various phases of offshore work from hook-up and commissioning to decommissioning.

The DSS™ 20NS Floatel Superior is the first floating accommodation unit built in full compliance with all the latest rules and regulations for the Norwegian Continental Shelf in more than 20 years. The rig provides accommodation for 440 persons in one-man cabins and is equipped with integrated live-work-play amenities and a Dynamic Positioning (DP) III system. The unit has since completed a three-month charter for ConocoPhillips in Australia, and is being prepared for work in Norway with Talisman Energy Norge AS in the Yme field and Statoil Petroleum AS in the Oseberg field.

The second rig Floatel Reliance, built to DTG's cost-effective KFELS SSAU™ 3600 design, is well-suited for worldwide operations outside the North Sea. It has a total accommodation capacity for 500 persons and can operate alongside fixed platforms with the complement of a DP II system. Floatel Reliance has been chartered to Petrobras for five years in the Campos Basin.



The DSS™ 20NS *Floatel Superior* built by Keppel FELS, is the first floating accommodation unit built in full compliance with all the latest rules and regulations of the Norwegian Continental Shelf in more than 20 years.

the market through a series of newbuild orders from various customers. Keppel FELS secured contracts to build Saudi Aramco's first purpose-built jackup based on the KFELS Super B Class design, and four KFELS B Class units, one each for Standard Drilling and Jasper Investments, and two for Mermaid Maritime's Asia Offshore Drilling Limited.

2010 also marked Keppel FELS' entry into the emerging offshore wind energy market with the acceptance of its proprietary Multi-Purpose Self-Elevating Platform (MPSEP) concept. The KFELS MPSEP was chosen by the Seafox Group as the basis for a new-generation wind turbine and foundation installation vessel for the North Sea.

Confident of the yard's quality services and ability to perform quick turnaround, discerning rig owners worldwide continued to call at Keppel FELS with a variety of complex repair, upgrade and completion jobs. Scarabeo 9, a Frigstad D90 semi owned by Saipem S.p.A., was towed to the yard to have its installation and commissioning works completed. The yard was also awarded a contract to upgrade, repair and refurbish the ENSCO 7500 semi.

Keppel AmFELS

Keppel AmFELS had a productive year in 2010 with the delivery of four newbuild jackup rigs to its customers' highest satisfaction. These included Perforadora Central's Tuxpan jackup and three of four Rowan EXL jackup units. Notably, the early completion of the third rig, Rowan EXL-III, in December earned the company a bonus. Meanwhile, the construction of the last rig, Rowan EXL-IV, is progressing smoothly. During the year, the yard also secured and completed the repair and modification of Seahawk Drilling's Seahawk 3000 jackup.

As the most well-equipped offshore shipyard in the Gulf of Mexico, Keppel AmFELS stands ready to



1

2



1_The early completion of Rowan EXL-III, in December 2010 earned Keppel AmFELS a bonus.

2_Mr Wong Kok Seng, Managing Director of Keppel FELS, hands over West Callisto's nameplate to Mr Ian Shearer, Vice-President (Operations) of Seadrill.

Operations Review & Outlook



1

1_Caspian Shipyard Company successfully completed the integration of Bumi Armada's Derrick Lay Barge.

2_The BrasFELS yard was able to achieve stellar safety records and bonuses on several projects as a result of investments made to improve its productivity.



2

support drillers and operators in the region seeking to renew and upgrade their rig fleets post-Macondo. In delivering quality solutions safely, on time and within budget, Keppel AmFELS also continues to fortify its presence as a trusted solutions provider to the Mexican market.

Keppel FELS Brasil

Over at Angra dos Reis, Keppel FELS Brasil's BrasFELS yard completed several repair, conversion and upgrade projects, including the early and safe delivery of the P-57 Floating Production Storage and Offloading (FPSO) vessel to Single Buoy Moorings Inc. (SBM) in October. The other projects comprised semis from drillers Pride International, Diamond Offshore, Transocean and Queiróz Galvão Óleo e Gás (QGOG).

Early in the year, the BrasFELS yard also firmed up a landmark project to build the P-61 Tension Leg Wellhead Platform, as part of a contract between FloaTEC Singapore and the Papa-Terra Joint Venture comprising Petrobras and Chevron.

As a result of investments made during the year to improve BrasFELS'

productivity and cost effectiveness, the yard was able to achieve stellar safety records and bonuses on several projects. BrasFELS achieved 1.24 million man-hours worked without LTI (lost time incidents) on the P-57 vessel, earning it a US\$20,000 bonus from SBM, and received a US\$1.5 million bonus from QGOG. It also attained milestones of 1.07 million and 1.89 million man-hours worked without LTI on the Petrobras' BGL-1 and P-56 projects respectively.

Caspian Shipyard Company

2010 was relatively quiet for Caspian Shipyard Company (CSC) as compared to previous years with the completion of a pipe-rack project for Agip-KCO and the integration of Bumi Armada's Derrick Lay Barge. Additionally, the yard secured a vessel repair job from Saipem which was completed on time, on budget and incident free. It also restored wheelhouses on two vessels from repeat customer BUE Marine.

During the year, CSC successfully streamlined its operations and reduced overhead costs, preparing the yard to take on new jobs efficiently.



Keppel Verolme provided quick turnaround for the repair and maintenance of a wide spectrum of offshore and marine vessels from fleet owners across Europe and the US in 2010.

Keppel Verolme

Demonstrating its versatility in 2010, Keppel Verolme provided quick turnaround on the repair and maintenance of a wide spectrum of offshore and marine vessels from fleet owners across Europe and the US in 2010. These projects ranged from crane and pipelay vessels to semis, jackups and passenger ferries.

Bringing the synergy of our global network to bear, Keppel Verolme sealed a Letter of Intent with Maersk to modify the spud cans of the Maersk Reacher jackup rig, which was built by Keppel FELS in Singapore.

Keppel Verolme also achieved a good head start in the North Sea offshore wind energy sector during the year. Together with consortium partner Alstom Grid (formerly AREVA Energietechnik), it secured a contract to build a transformer and maintenance platform for the Global Tech I Wind Farm in the German sector of the North Sea.

As the preferred shipyard partner in Europe and the North Sea, Keppel Verolme is in a strategic position to add value to the emerging offshore wind

industry by contributing its strong engineering and construction capabilities.

Keppel Kazakhstan

Keppel Kazakhstan continued to support Agip KCO with the fabrication of pipe racks, pontoons and ancillary steelwork for the experimental phase of the Kashagan field development, delivering a total of 52 such units in 2010. During the year, it also secured a new contract from the customer to build two additional ice-breaking emergency evacuation vessel pontoon units.

Keppel Kazakhstan has built one of the most modernised and well-equipped fabrication yard facilities in the region. It also enjoys a strong reputation for delivering quality products on time and with the highest HSE (Health, Safety and Environment) standards.

Since the start of its partnership with Agip KCO in 2005, Keppel Kazakhstan has achieved a record of 10 million man-hours without LTI on all projects for the customer. The yard's commitment towards zero accidents was recognised with an award from Agip KCO in the last quarter of 2010.



1

1_The FPSO Maersk Peregrino was converted to Maersk FPSOs' stringent requirements, which will prepare her to handle the heavy crude oil of the Peregrino field in Brazil.

2_Keppel Subic Shipyard won a drillship upgrading job from Frontier Drilling in 2010, among others.

MARINE

Keppel Shipyard

Keppel Shipyard kept up its performance in 2010 despite it being a challenging year for the shiprepair and conversion industry. The yard continued to fortify its close relationships with both long-term and new customers, offering reliable services and fast turnaround on their vessels. The yard was also given bonuses for the safe and early completion of various repair and conversion projects.

During the year, Keppel Shipyard repaired a total of 302 vessels, with the majority being tankers, container ships and bulkers. Repeat customers, including those with fleet agreements, contributed about 60% of Keppel Shipyard's shiprepair turnover.

The yard converted four FPSOs and a Floating Storage and Regasification Unit (FSRU) from various owners, including the pre-conversion of FPSO P-57 for long-standing customer SBM.

During the year, Keppel Shipyard also successfully fabricated the world's largest internal turret in terms of mooring force for BP's Skarv FPSO. It also converted a livestock carrier for the Hijazi & Ghosheh group and constructed

a derrick lay barge for Bumi Armada. The barge was built in two longitudinal hull strips before being transported to Azerbaijan and joined together at Caspian Shipyard Company.

Several new contracts were secured in 2010. These included the conversion of three FPSOs and a livestock carrier from repeat customers and the upgrading and modification of another two FPSO units from SBM and new customer OSX Brasil, as well as a turret fabrication job from SOFEC, Inc. At the year's closing, the yard had seven FPSOs and five other major projects in various stages of progress.

In recognition of its business and operational excellence, Keppel Shipyard was conferred its sixth consecutive Shipyard of the Year Award at the 12th Lloyd's List Maritime Asia Awards. This is in addition to various other accolades received for safety and community service.

Keppel Philippines Marine

Keppel Philippines Marine's (KPMI) reliability and strong track record for high-quality workmanship and services continue to win the recognition of shipowners operating in the Philippines.



2

The company's shipyards in Batangas and Subic maintained high productivity levels and serviced a total of 169 vessels in 2010. The equipping of both yards to take on higher value work also yielded good results. Keppel Batangas was awarded a contract to construct the crane barge Ratu Giok, while Keppel Subic Shipyard garnered a drillship upgrading job from Frontier Drilling and several coal transshipment conversion projects.

During the year, the Keppel Group raised its effective stake in the Subic shipyard from 44% to 83.9%. The improved synergy between Keppel Batangas and Keppel Subic Shipyard further reinforces Keppel O&M's *Near Market, Near Customer* strategy and enhances the depth and breadth of its services to global customers. Under the helm of KPMI, Keppel Batangas will focus on building up its overseas clientele, while Keppel Subic Shipyard fortifies its presence in the marine conversion and modification market.

Arab Heavy Industries

Keppel O&M's associate company Arab Heavy Industries PJSC (AHI) in

Harnessing Global Synergies

Spanning the size of almost three football fields, P-57 is one of the largest Brazilian FPSO vessels to be converted, under a turnkey supply contract between SBM and Petrobras Netherlands B.V.

After a successful pre-conversion at Keppel Shipyard in Singapore, FPSO P-57 had its topside modules seamlessly integrated at Keppel's BrasFELS yard in Brazil. The project fulfilled the local content requirement of 68%, and was achieved with an outstanding combined safety record of about nine million incident-free man-hours.

This landmark national project was named at the BrasFELS yard on 7 October 2010 in the presence of then President of Brazil H.E. Luiz Inácio Lula da Silva. The event was also attended by managements of Keppel and SBM, and some 8,000 BrasFELS employees.

P-57 is the 12th major FPSO conversion/upgrading project that Keppel has completed for Brazil. This FPSO can process up to 180,000 barrels of oil and two million cubic metres of gas per day. It has since achieved first oil in the Jubarte field, offshore Espirito Santo.



A strong network of global yards make it possible for us to accomplish challenging projects such as the P-57 across continents with quality and precision.

Operations Review & Outlook



1

1_N-KOM features state-of-the-art amenities including two VLCC graving docks with 2,400 metres of berthage that can accommodate all types of vessels up to 450,000 dwt.

2_We actively engage our customers for feedback so as to enhance our services and achieve quality results.

3_Returning customers continued to contribute to the bulk of our shiprepair business during the year.

Ajman, United Arab Emirates, received a consistent stream of shiprepair work from its customers. During the year, AHI repaired a total of 212 ships, albeit 20% fewer than the year before, while its wholly-owned subsidiary Arab Eagle Marine Engineering repaired a total of 42 ships.

AHI also undertook major fabrication and installation work for the vessels WB Barge 225 and Thebaud Sea. It fabricated and installed a new crane pedestal and removed a 50-tonne crane on the Thebaud Sea, as well as put together new spuds and casings on the WB Barge 225.

Notwithstanding the slowdown in offshore projects and infrastructure development in the region, AHI is positioning itself to overcome the challenges with stricter cost controls, productivity improvements and targeted marketing.

Nakilat-Keppel Offshore & Marine

Nakilat-Keppel Offshore & Marine (N-KOM) is a 43-ha world-class shipyard facility jointly developed by Keppel O&M and Qatar Gas Transport Company (Nakilat) in Qatar's Ras Laffan Industrial City.



2

N-KOM features state-of-the-art amenities including two VLCC graving docks with 2,400 metres of berthage that can accommodate all types of vessels up to 450,000 deadweight tonnes (dwt). It is also equipped to undertake large-scale heavy steel fabrication and construction work.

The facility was inaugurated by the Emir of Qatar in November 2010, during which service arrangements with eight major fleet owners operating in the region were signed. These included a three-year fleet repair agreement with STASCo (Shell), a Letter of Intent for rig repairs with Gulf Drilling Inc, as well as Letters of Agreement for shiprepair with Mitsui OSK Line, NYK, K-Line, Idemitsui, Lino Line, Mitsubishi and MARCAS.

Located in one of the busiest oil and gas centres in the world, N-KOM is poised to be the centre of excellence for the repair, conversion and construction of marine and offshore vessels and structures. The yard is accredited by Det Norske Veritas (DNV) with ISO 9001 for Quality, OHSAS 18001 for Occupational Health & Safety, and ISO 14001 for Environmental Management.



Global Standard for Pipelaying

GLOBAL 1200 is one of the largest specialised vessels built and delivered by Keppel Singmarine in recent times. It is the first of two new generation derrick pipelay vessels for Global Industries. It comes with a state-of-the-art pipelay system and has the capability of operating in waters as deep as 3,000 metres and lay pipes as thick as large as 60 inches in diameter.

Dynamically-positioned, GLOBAL 1200 can be swiftly and economically deployed in offshore destinations worldwide. It is designed to meet the stringent standards in safety and stability required by International Maritime Organisation Special Purpose Ships codes. More than three million incident-free man-hours were clocked during the construction of this 162-metre vessel.

The successful completion of GLOBAL 1200 demonstrates Keppel Singmarine's ability and versatility to engineer and construct a variety of advanced vessels for all offshore frontiers.



1

SPECIALISED SHIPBUILDING

Keppel Singmarine

Keppel Singmarine had a productive year in 2010, delivering a total of 11 specialised vessels, safely and on budget to its customers.

The yard was awarded safety bonuses from Greatship Global Offshore Services for the incident-free deliveries of three 4,600 dwt Multi-Purpose Platform Supply Vessels — Greatship Mohini, Greatship Mamta and Greatship Manisha. GLOBAL 1200, the first of two pipelay vessels for Global Industries, was also delivered on time and with a perfect safety record.

Additionally, Keppel Singmarine delivered a 60-metre Anchor Handling Tug Supply vessel to Hadi Al-Hammam Establishment, a 100-tonne BP Anchor Handling Tug to Seaways International and five tugboats to other customers. The yard also fabricated a column structure of a semi and two living quarter structures for Keppel FELS.

During the year, Keppel Singmarine clinched several newbuilding contracts including a transshipment barge from PT Indo Straits, a rock dumping fall



Mr Hoe Eng Hock, Executive Director of Keppel Singmarine, presented G1200's Shipbuilder's plate to Captain John Walsh.



2

pipe vessel from Royal Boskalis Westminster N.V., as well as a diving support vessel and two twin-screw Azimuth Stern Drive (ASD) tugboats from various customers.

Keppel Nantong

In 2010, Keppel Nantong Shipyard in China delivered six ASD tugboats of various capacities to Keppel Smit Towage and Smit International Singapore. At year-end, the yard had six 65-tonne bollard pull ASD tugs, a floating crane barge, two 14-metre mooring boats and a floating dock under construction.

Keppel Nantong is looking to expand its facilities to enable it to construct bigger and more advanced vessels and offshore structures.

Keppel Singmarine Brasil

The newly-acquired Keppel Singmarine Brasil yard in Navegantes, Santa Catarina, will offer the Group's ship design and construction expertise to help satisfy demand for support vessels in Brazil.

Focusing on the construction of Offshore Support Vessels such as AHTS vessels, Platform Supply Vessels,



3

Oil Recovery Support Vessels and harbour tugs, Keppel Singmarine Brasil will complement the BrasFELS yard in offering a slew of solutions for Brazil's offshore oil and gas sector.

This 7.6-ha facility is undergoing a modernisation programme, which includes upgrading the existing slipway, as well as constructing a new slipway, a wharf, heavy-lift gantry cranes and pipe and hull shops fitted with modern machinery and equipment. To be operational in the second quarter of 2011, the yard could complete an average of eight newbuild vessels a year at full capacity.

Baku Shipyard

During the year, Keppel O&M joined hands with the State Oil Company of Azerbaijan Republic (SOCAR) and Azerbaijan Investment Company, to develop and manage a new 52-ha shipbuilding and shiprepair facility in Baku, Azerbaijan.

Baku Shipyard will be developed over a period of two to three years, starting from mid-2011. Upon completion, the yard will reinforce Keppel O&M's *Near Market, Near Customer* strategy

1_Keppel Singmarine delivered Greatship Mohini, a Multi-Purpose Platform Supply Vessel, to Greatship Global Offshore Services.

2_Keppel Nantong Shipyard delivered tugboat Smit Angola to Smit International on time.

3_Azerbaijan President, HE Ilham Aliyev (extreme left) breaks ground for the new Baku Shipyard in the presence of Singapore's Foreign Affairs Minister, Mr George Yeo (second from left).

Operations Review & Outlook

as it captures growth opportunities in the Caspian region.

OTHER SERVICES

Asian Lift

Asian Lift provides specialised marine heavy-lift services with its fleet of proven sheerleg cranes. The company's rich experience and expertise cover various challenging projects including the lifting of FPSO and offshore platform modules in various parts of the world, such as Nova Scotia, Brazil, Europe, the Middle East, Sri Lanka, Hong Kong and China.

During the year, its flagship 3,200-metric tonne (mt) crane, the *Asian Hercules II*, was deployed successfully to lift a cantilever aboard Seadrill's CJ70 rig, which was being constructed at another yard in Singapore.

Keppel Smit Towage / Maju Maritime

Collectively, Keppel Smit Towage (KST) and Maju Maritime manage and operate a fleet of 54 tugs, of which 22 are currently based in the Singapore port, 11 under time charter and the remaining 21 operating in various ports in Malaysia, Indonesia, Diego Garcia and Brunei. The tugs undertake harbour and ship towage activities as well as provide marine support to offshore projects and emergency situations.

Coming off from several one-off high-value offshore projects performed in 2009, their revenue registered a decrease of 11% in 2010 but saw the addition of seven new clients.

KST and Maju Maritime foresee a continual upturn in the towage industry in the Singapore port, and will see its fleet expand to 60 with the addition of six new tugs, to further improve its service level.

Regency Steel Japan

Regency Steel Japan (RSJ) is a joint venture company between Keppel FELS, Mitsui & Co. Ltd and



Nippon Steel Corp. It specialises in the fabrication of heavy steel structures and provides solutions for the heat treatment of high-end steel products.

The rack and chord fabrication business contributes a significant portion of RSJ's revenue which is supplemented by a domestic market for steel fabrication and petrochemical and industrial machinery amongst others.

RSJ will further upgrade its facilities to meet the expected increase in workload over the next two years. The replacement of key machinery will be completed in 2011 and enable RSJ to raise its productivity level and cost competitiveness. Meanwhile, the company is also looking at expanding into the fabrication of monopile and jackets for wind turbines.

Keppel Norway

Keppel Norway achieved important milestones across its operations in 2010. The company contributed to the deliveries of Rowan Viking and Floatel Reliance, and successfully commissioned and delivered a

Mud Additive System to Keppel FELS and Rowan.

During the year, the company also strengthened co-operation with Keppel O&M Technology Centre through the secondment of two employees and the development of joint technology studies.

Keppel Norway continues to support Keppel FELS on various projects such as the KFELS MPSEP wind turbine and foundation installation vessel, Seafox 5. The company is also pursuing opportunities to partner with other Norwegian service providers in the delivery of maritime automation and drives within the country, and potentially in Brazil.

Asian Lift provides specialised marine heavy-lift services with its fleet of proven sheerleg cranes.

Projects delivered in 2010

Newbuild Jackups

Tuxpan	LeTourneau Enhanced Class 116-C	Perforadora Central	Keppel AmFELS
Rowan EXL I	LeTourneau Super 116E	Rowan Companies	Keppel AmFELS
Rowan EXL II	LeTourneau Super 116E	Rowan Companies	Keppel AmFELS
West Callisto	KFELS B Class	Seadrill	Keppel FELS
Rowan Viking	KFELS N Class	Rowan Companies	Keppel FELS
West Juno	KFELS B Class	Seadrill	Keppel FELS
Rowan EXL III	LeTourneau Super 116E	Rowan Companies	Keppel AmFELS

Newbuild Semisubmersibles

ENSCO 8502	ENSCO 8500 Series	Ensc plc	Keppel FELS
Floatel Superior	DSS™ 20NS	Floatel International	Keppel FELS
Maersk Deliverer	DSS™ 21	Maersk Drilling	Keppel FELS
ENSCO 8503	ENSCO 8500 Series	Ensc plc	Keppel FELS
Floatel Reliance	SSAU™ 3600	Floatel International	Keppel FELS

FPSO / FSO / FSRU Conversions and Upgrades

Capixaba	FPSO	SBM Inc.	Keppel Shipyard
BW Pioneer	FPSO	BW Offshore	Keppel Shipyard
P-57 (Pre-conversion)	FPSO	SBM Inc.	Keppel Shipyard
Golar Freeze	FSRU	Golar LNG	Keppel Shipyard
P-57	FPSO	SBM Inc.	BrasFELS
Maersk Peregrino	FPSO	Maersk FPSO	Keppel Shipyard

Major Newbuild Vessels

KST 55	Tug	Keppel Smit Towage	Keppel Nantong
KST 56	Tug	Keppel Smit Towage	Keppel Nantong
IBEEV	Pontoon	Agip KCO	Keppel Kazakhstan
Greatship Mohini	MPSSV	Great Eastern Shipping Group	Keppel Singmarine
BT Bontang 08	Tug	PT Pelayaran Trans Parau Sorat	Keppel Singmarine
Mirbat	Tug	Salalah Port	Keppel Singmarine
KST Spring	Tug	Keppel Smit Towage	Keppel Singmarine
KST Salvo	Tug	Keppel Smit Towage	Keppel Nantong Shipyard
Smit Angola	AHT	Smit International	Keppel Nantong Shipyard
Greatship Mamta	PSV	Greatship Global Offshore Services	Keppel Singmarine
Greatship Manisha	PSV	Greatship Global Offshore Services	Keppel Singmarine
Seaways 16	AHT	Seaways International	Keppel Singmarine
KST Sutra	Tug	Keppel Smit Towage	Keppel Singmarine
Smit Siyanda	AHT	Smit International	Keppel Nantong Shipyard
KST Stallion	Tug	Keppel Smit Towage	Keppel Nantong Shipyard
Global 1200	Derrick pipelayer	Global Offshore	Keppel Singmarine
Ocean Damietta	Tug	Smit International	Keppel Singmarine
Hadi 28	AHTS	Hadi H. Al-Hamman Establishment	Keppel Singmarine
Armada Installer	Derrick lay barge	Bumi Armada Berhad	Keppel Shipyard

Major Upgrades / Repairs / Outfittings

BP Skarv Turret	Turret construction	SBM Inc.	Keppel Shipyard
Castoro Sei	Pipelayer modification	Saipem	Keppel Verolme
MG Hulme Jr	Semi upgrade	Transocean	Keppel FELS
Carlos Walter	Semi repair	Pride International	BrasFELS
Stena Don	Semi upgrade	Stena Drilling	Keppel Verolme
Stena Clyde	Semi upgrade	Stena Drilling	Keppel FELS
Frontier Discoverer	Drilling ship upgrade	Frontier Drilling ASA	Subic Shipyard
Ocean Alliance	Semi repair	Diamond Offshore	BrasFELS
Alaskan Star	Semi repair	Queiroz Galvão Óleo e Gás	BrasFELS
Paul B. Lloyd	Semi repair	Transocean	Keppel Verolme
Ghena	Livestock carrier conversion	Hijazi & Ghosheh Co	Keppel Shipyard
NorCE Endeavour	Pipelayer completion	NorCE	Keppel Shipyard



1

INDUSTRY OUTLOOK

Market Review

Emerging from challenges across the global economy and the Macondo blowout, the offshore and marine industry set on the road to recovery at year-end, underpinned by an early lifting of the US drilling ban and resilient oil prices in the range of US\$70 to US\$90 per barrel.

Towards year-end, the market also saw a revival in capital spending, indicating that confidence had returned to many regions and sectors of the upstream industry. Wood Mackenzie estimates that global upstream capital spending in 2010 touched US\$380 billion, US\$19 billion higher than in 2009. The Barclays Capital Survey further forecasts global E&P spending to rise 11% in 2011. This uptrend is expected to continue over the next three years, and the easing of credit and financing conditions could fuel the upside further.

The near-term increase in expenditure is attributable to the improving interim outlook for the world economy. Most nations returned to economic growth paths that were anticipated before the recession began. The International Monetary Fund had also revised its

economic growth forecast upwards several times for 2010, and is now projecting that global economic output will grow 4.4% in 2011.

Fundamentals of the offshore and marine industry remain sound over the long term, in spite of the unrest in the Middle East and North Africa, and the spate of natural disasters in Japan in early 2011. Energy demand and oil prices are expected to remain robust, with demand driven by population and economic growth, particularly from developing countries across Asia Pacific and Latin America.

The International Energy Agency anticipates global energy demand to increase by 36% from now till 2035. Oil will continue to be the leading fuel in the energy mix, while demand for natural gas is expected to experience the fastest growth rate among the fossil fuels. A projected increase in demand, matched by only a modest increase in production, will put strong growth expectations for the oil service and drilling industry.

With proven shipyard expertise across 20 yards worldwide, Keppel O&M is in position to support owners and

operators in their fleet expansion and upgrading programmes, building on its track record for safe, on-time and within-budget deliveries.

Offshore Deepwater Prospects

The early sanctioning of deepwater drilling in the Gulf of Mexico (GoM) has had a positive effect on utilisation and day rates for deepwater units. With better clarity of the regulations arising from the incident, and the resumption of activity and cash flow, drilling companies began to push their projects forward and plan for future expansions of their deepwater fleets.

The deepwater segment, as a whole, is buttressed by sound long-term fundamentals. Oil service companies

1_With proven expertise across 20 yards worldwide, Keppel O&M is in position to support owners and operators in their fleet expansion and upgrading programmes.

2_Our operational excellence and technology leadership ready us to meet the growing demand for high-specification jackups such as the KFELS N Class jackup rig.





continue to shift their E&P spending and activities towards deepwater projects, which offer greater potential, in terms of reserve volumes, productivity and profitability. Douglas Westwood projects deepwater expenditure to rise at a compounded annual growth rate of 8% to arrive at around US\$35 billion by 2014. It also expects total global capital expenditure to reach about US\$167 billion during the 2010–2014 period.

Spillover demand from Petrobras' massive newbuilding programme is expected to drive the offshore deepwater market in the medium term. Additionally, the emergence of more ultra-deepwater drilling programmes in new frontiers such as GoM's Lower Tertiary trend, West Africa, the Mediterranean, Australia and Southeast Asia will further support demand growth for deepwater rigs.

Looking ahead, the far-reaching implications of the Macondo incident are expected to further alter the regulatory and operating climate of the offshore and marine industry. The stricter regulatory environment has resulted in a strong focus on newer drilling units with superior technical and safety capabilities, which

the Keppel O&M group is well-poised to deliver.

Drilling Rigs, Production Units & Specialised Ships

The pickup in enquiries for newbuild jackups and subsequent orders placed in the last quarter of 2010 have signalled the onset of an anticipated replacement cycle for older drilling units in the market. The Macondo incident has in some measure contributed to the bifurcation in the utilisation and day rates between premium and commodity jackups.

Presently, high-specification jackups capable of drilling in water depths of more than 350 feet form only 6% of the global fleet. According to ODS-Petrodata, these premium units enjoy close to 100% utilisation as compared to 70% for lower-specification units. Moreover, rigs built in the mid-1980s to late 1990s are increasingly being cold-stacked as they fail to secure further charter contracts.

Drillers are therefore placing more high-specification jackup orders as oil companies increase their jackup rig count in regions of higher demand such as the Middle East, West Africa, the Mediterranean and Southeast

Asia. With most of the installed fleet considered as low specification, the replacement cycle is forecast to be sustained throughout the decade.

The deepwater floater market is likewise expected to see an increase in repair, refurbishment and upgrading activities. With enhanced US safety requirements, drilling contractors are considering yards with established quality and safety standards to serve their needs.

Production vessels are poised to form the next wave of orders following the rig replacement cycle. Pareto Securities predicts that the demand for Floating Production Systems (FPS) will continue to accelerate over the next five years as exploration efforts yield more deepwater fields. Douglas Westwood forecasts a surge in installations of more than 100 FPSs worldwide during

2010 marked Keppel FELS' entry into the emerging offshore wind energy market with the acceptance of its proprietary multi-purpose self-elevating platform concept.

the 2010–2014 period, representing a total value of about US\$45 billion.

The FPSO market is expected to remain strong as FPSOs continue to be the preferred solution for production in deepwater fields. FPSOs account for close to 80% of the total forecast FPS capital expenditure followed by TLPs, semis and Spars.

Strength in the sector will be driven by Latin America, which will contribute to almost a third of the global FPS forecasted capex due to developments in offshore Brazil and its pre-salt regions. Brazil will dominate the market for FPS installations with Petrobras looking to double its fleet to 84 by 2020.

Strong oil prices, attractive charter rates and cabotage rules in regions of high demand are set to drive new orders for offshore support vessels (OSV), especially the more advanced units. Changing customer requirements, operating environments and regulatory frameworks are further driving demand for OSV innovations to improve operational efficiency and safety.

Our operational excellence and technology innovation, coupled with a solid track record for safe and seamless execution, ready us to meet the growing demand in our chosen segments of the global offshore and marine industry.

NEW GROWTH AREA

Offshore wind is gaining momentum in the global arena as a renewable source of energy, providing good market potential for new designs and solutions to support offshore wind farms. The European Wind Energy Association, forecasts that 400 gigawatts (GW) of wind power will be operating in the European Union by 2030, including 150 GW of offshore wind power. The Keppel O&M group is building up its track record, as well as developing innovative solutions to penetrate this growing market.

Keppel-built Rigs Aid in Gulf of Mexico Oil Spill

The two key rigs deployed in response to the Macondo well's blowout in the Gulf region – the deepwater semi drilling rig Development Driller III and semi service platform Q4000 – were built by Keppel FELS in Singapore and Keppel AmFELS in the US respectively.

Deployed on 2 May 2010, Development Driller III expediently intercepted the Macondo well.

The Q4000 performed a static kill operation to plug the Macondo well from the top. It pumped mud into the well at various stages as the crew monitored and controlled the pressure levels in the well.

The Q4000 also served as an oil recovery and containment vessel. Oil collected from the spill was processed onboard Q4000 before being offloaded to a tanker. The safest and most practical method to manage the excessive oil and gas was to burn them in a controlled manner. This was performed meticulously with the clean burning system onboard the Q4000.

As the offshore drilling industry moves to operate under a stricter regulatory environment in the Gulf of Mexico, Keppel O&M stands ready to meet these new requirements through its global network of yards and expertise.



The semisubmersible Development Driller III built by Keppel FELS had successfully intercepted the Macondo well and brought the oil spill disaster to a close.



Drilldeep 12000 is a revolutionary compact drillship jointly developed by Keppel's Deepwater Technology Group and SBMGustoMSC.

“We are constantly adapting and enhancing our products to meet the changing needs of customers, fully leveraging technology expertise to create solutions for all frontiers.”



1

1, 2_With engineering centres in Singapore, Bulgaria, Mumbai, Shenzhen and Houston, we offer our customers 24/7 engineering services.



2

Strong technology and engineering capabilities developed and strengthened continually, give Keppel O&M the versatility and flexibility to respond promptly to ever changing customer needs.

We anticipate our industry's requirements with keen technology foresight, and partner trendsetting customers and institutions to create and deliver high-quality products and services competitively.

In pursuing new concepts and products, we consider their commercial viability, our customers' needs, as well as how we can grow the Group's knowledge pool and achieve process improvements.

Our technology strategy is implemented systematically through Keppel Offshore & Marine Technology Centre (KOMtech) and three design and engineering arms specialising in solutions across the breadth of our business segments. Offshore Technology Development (OTD) focuses on jackup rigs, rig components and critical equipment; Deepwater Technology Group (DTG), specialises in semisubmersibles and other floating structures; while Marine Technology Development (MTD) concentrates on

specialised offshore support vessels and tugboats.

These technology units have yielded a prime portfolio of robust solutions, which are being expanded and improved upon to create value for our customers.

24/7 ENGINEERING SERVICES

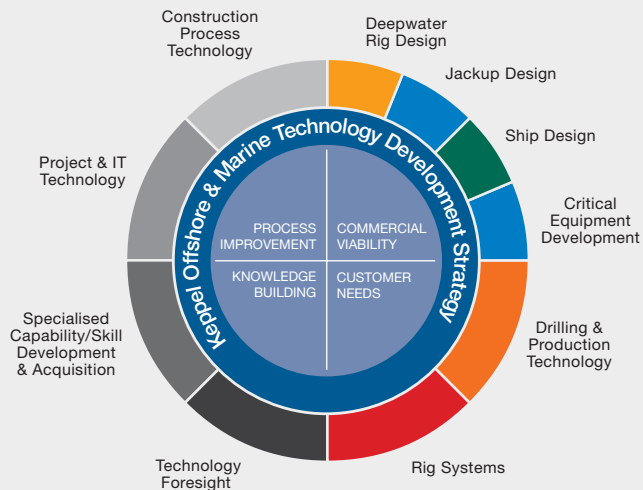
Keppel O&M's technology units are supported by established engineering centres in Singapore, Bulgaria, Mumbai, Shenzhen and Houston. Their activities are seamlessly integrated through an advanced web-based environment offering 3D design tools and data management functions.

At the core of this system is a state-of-the-art SmartMarine 3D technology, which allows our engineers worldwide to review designs and drawings carried out across the various engineering centres.

This integrated global engineering hub enables us to work on projects with high efficiency and offer our customers reliable services around-the-clock. This not only improves collaboration and information-sharing across our global centres, but also greatly enhances design accuracy and efficiency.

Systematic Approach to Technology Development

Our strategy provides a balanced approach towards technology leadership that will sustain us in the long run.



TECHNOLOGY REVIEW 2010

Commercial viability has always been the key focus of Keppel's technology and innovation efforts. It forms the guiding principle for KOMtech in conducting the research and development (R&D) of new solutions and enhancements to products and processes.

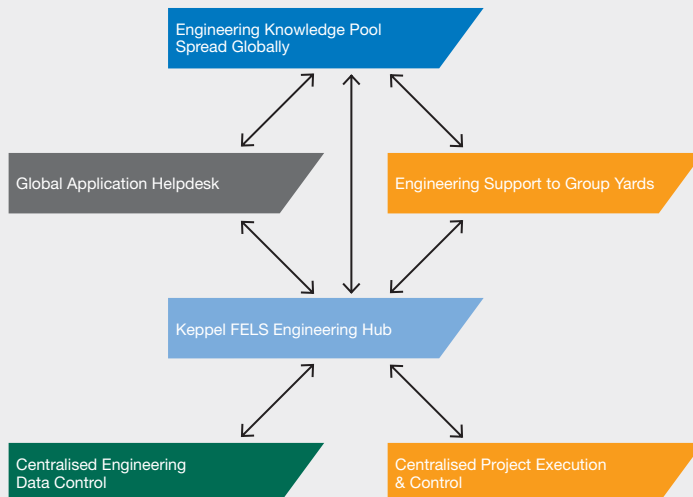
Each year, a good sampling of the vast research work by KOMtech is showcased in its Technology Review publication. Since the inaugural edition in 2009, KOMtech has published a variety of papers on concepts targeted at improving the reliability, effectiveness and sustainability of various offshore operations.

The 2010 edition brought KOMtech's multidisciplinary R&D expertise to bear through in depth studies into the design of installation and cable-laying vessels for offshore wind farms, and a slim drillship concept to support safe and effective operations for subsea wellhead intervention in deepwaters.

The Technology Review publication has received substantial interest from the offshore and marine industry, which includes our customers, professional institutions and academia. Several of its papers, such as the Conceptual Development of a Slim Drillship, have also been republished in journals by the Society of Naval Architects and Marine Engineers Singapore.



Establishing a Global E-Hub





1 Varandey & Toboy



2 Raissa



3 Yuri Korchargin



4 KST 54



5 Kogalym



6 West Ariel



8 FPSO Espirito Santo



9 Magnolia



11 West Vencedor



12 Floatel Superior



13 Gold Star



14 P-51



1 Icebreaker

2 Submersible (<30 ft)

3 Ice-class FSO (<100 ft)

4 Harbour Tug

5 AHTS

6 Jackup Rig (up to 500 ft)

7 Fixed Platform (100 – 1,300 ft)

8 FPSO (>4,000 ft)

9 ETLP (up to 6,000 ft)

10 SPAR (up to 8,000 ft)

11 SSDT (up to 8,000 ft)

12 Semisubmersible Accommodation Unit (up to 8,000 ft)

13 Semisubmersible Drilling Rig (up to 10,000 ft)

14 Semisubmersible FPU (up to 10,000 ft)

15 Drillship (up to 12,000 ft)

1 Icebreaker
– A support vessel that forges passages through icy waters for oil tankers

2 Submersible (<30 ft)
– A mobile unit which sits entirely on the seabed during operation

3 Ice-class Floating Storage and Offloading (FSO) Vessel (<100 ft)
– An ice-resistant vessel that receives crude oil from a fixed platform and offloads it to shuttle tankers

4 Harbour Tug
– A small and powerful boat which assists ships when docking, tying up to the piers and during departure

5 Anchor Handling Tug/Supply Vessel (AHTS)
– An offshore support vessel equipped for emergency stand-by/rescue, oil recovery and fire fighting

6 Jackup Rig (up to 500 ft)
– A self-elevating mobile drilling unit that stands on its legs on the seabed during operation
– KFELS MOD VI
– KFELS A Class
– KFELS Super A Class
– KFELS B Class
– KFELS Super B Class
– KFELS C Class
– KFELS G Class
– KFELS N Class

7 Fixed Platform (100 – 1,300 ft)
– A platform that provides accommodation facilities

8 Floating Production Storage and Offloading (FPSO) Facility (>4,000 ft)
– A ship-shaped production facility used for the processing and storage of oil or gas

9 Extended Tension Leg Platform (ETLP) (up to 6,000 ft)
– A vertically moored floating structure which is used for the offshore production of oil or gas

10 SPAR (up to 8,000 ft)
– A large cylindrical unit which supports a rig platform, and anchors it to the seafloor using cables and chains

11 Semisubmersible Drilling Tender (SSDT) (up to 8,000 ft)
– A floater that operates alongside SPARs and Tension Leg Platforms, and is able to maintain station keeping in water depths of up to 8,000 ft
– SSDT™ 3600E

12 Semisubmersible Accommodation Unit (up to 8,000 ft)
– A floating unit that provides accommodation for crew
– SSAU™ 3600
– DSS™ 20NS

13 Semisubmersible Drilling Rig (up to 10,000 ft)
– A floating unit which can perform drilling operations at water depths of up to 10,000 ft
– DSS™ 20
– DSS™ 38
– DSS™ 51

14 Semisubmersible Floating Production Unit (FPU) (up to 10,000 ft)
– A floating platform used to produce oil and gas in deepsea
– DeepDraft Semi

15 Drillship (up to 12,000 ft)
– A compact and highly efficient unit with equipment suitable for well workover and exploration drilling
– DrillDeep DS12000

Technology & Innovation

Keppel's Jackup Revolution

Keppel launched into the world of rig design in 1997, acquiring rights to the Friede & Goldman (F & G) MOD V and MOD VI jackup models. With the injection of Keppel's own rich construction experience and insights from customers in harsh environment operations, the two jackup models were further improved upon and evolved by OTD into a series of robust solutions that are deployed worldwide today.

Through a constant process of evolution, Keppel's proprietary jackup designs are being refined, adapted and enhanced to meet the changing needs of drillers and operators. Our proprietary rigs may be further customised to meet the specific requirements of each customer. For instance, some units are reconfigured with the "bigfoot" capability with larger spud cans to cope with operations in soft soil areas.

We believe that confidence has to be earned, and spare no effort in sharpening our competencies to back the quality and performance of our rigs. With a string of proven jackup designs under our belt, we continue to raise the benchmark for safe and efficient operating solutions in virtually every offshore market.

1997 → MOD V & MOD VI

F & G's MOD V & MOD VI universe class jackup designs were acquired in 1997, and further improved upon.



1997 → KFELS G CLASS

Keppel FELS had secured a contract from drilling contractor Sante Fe to build the prototype MOD VI universe class jackup, Galaxy I, in 1989. This North Sea jackup was among the most technically advanced harsh environment rigs of its day. The F & G MOD VI design was later acquired by Keppel FELS and enhanced to become the KFELS G Class. In 1997, Sante Fe ordered a third unit of this model to be constructed.

The KFELS G Class features a detachable cantilever and a skid-off type drill floor, which enable the rig to achieve a wider range of drilling positions with the support of a jacket, and to work in tender-assist mode.

Dimensions: 244 ft x 250 ft x 35 ft
Leg Length: 560 ft
Variable Deck Load: 10,400 kips (normal operating condition)
Max Water Depth: 400 ft
Max Drilling Depth: 30,000 ft



1998 → KFELS A CLASS

Building on its MOD V design, Keppel FELS introduced the first KFELS MOD V A (KFELS A Class) rig in 1998 to address the need for more capable rigs to operate in deeper waters and perform deeper drilling globally.

Delivered to EnSCO International Incorporated (present-day EnSCO plc) in 2000, ENSCO 101 became the first jackup rig based on this robust design and paved the way for many more rigs of its class to be built.

Dimensions: 246 ft x 222 ft x 30 ft
Leg Length: 544 ft
Variable Deck Load: 19,357 kips
Max Water Depth: 400 ft
Max Drilling Depth: 30,000 ft



2000

**→ KFELS MOD VB
(KFELS B CLASS)**

Keppel's award winning KFELS B Class design (formerly KFELS MOD V B) premiered in 2000, with the first firm order from Chiles Offshore. This modern design was launched to meet the demand for a cost-effective jackup rig that can withstand harsh climatic conditions, and has since risen to become the choice solution for discerning drillers.

The KFELS B Class jackup rig incorporates Keppel's advanced high capacity jacking and self-positioning fixation systems. In 2009, it was bestowed the Prestigious Engineering Achievement Award from Institution of Engineers Singapore for its ability to provide maximum uptime with reduced emissions and discharges.

Dimensions: 234 ft x 208 ft x 25 ft
Leg Length: 517 ft
Variable Deck Load: 8,939 kips
(normal operating condition)
Max Water Depth: 400 ft
Max Drilling Depth: 30,000 ft



2003

**→ KFELS SUPER
B CLASS**

The KFELS Super B Class, an enhanced version of the standard B Class, was an innovative answer to the call for extreme drilling rigs that can operate in deeper depths and at higher temperature and pressure levels.

Featuring a combined drilling load of up to 2,700 kips, the KFELS Super B Class rig is capable of drilling deep wells both vertically and horizontally. It includes a cantilever that can be skidded-off by 100 ft, and a high capacity hook load of two million pounds.

To date, 33 KFELS B Class series rigs have been delivered for operations in various parts of the world, and with more to come.

Dimensions: 246 ft x 218 ft x 25 ft
Leg Length: 486 ft
Variable Deck Load: 7,600 kips
(normal operating condition)
Max Water Depth: 350 ft
Max Drilling Depth: 35,000 ft



2006

→ KFELS N CLASS

The difficult weather and field conditions of the North Sea call for a rigorous offshore rig solution that can make drilling and production in marginal fields more time and cost effective. The KFELS N Class drilling rig has been created specifically to meet this need.

The KFELS N Class is one of two rig designs in the market capable of fulfilling the exacting operating requirements of the Norwegian sector of the North Sea. It is among the world's largest North-Sea compliant jackups, and has the dual capability of drilling and production. Keppel FELS has delivered two of three such units on order to Rowan Companies.

Dimensions: 264 ft x 289 ft x 35 ft
Leg Length: 568 ft
Variable Deck Load: 10,000 kips
Max Water Depth: 400 ft
Max Drilling Depth: 35,000 ft



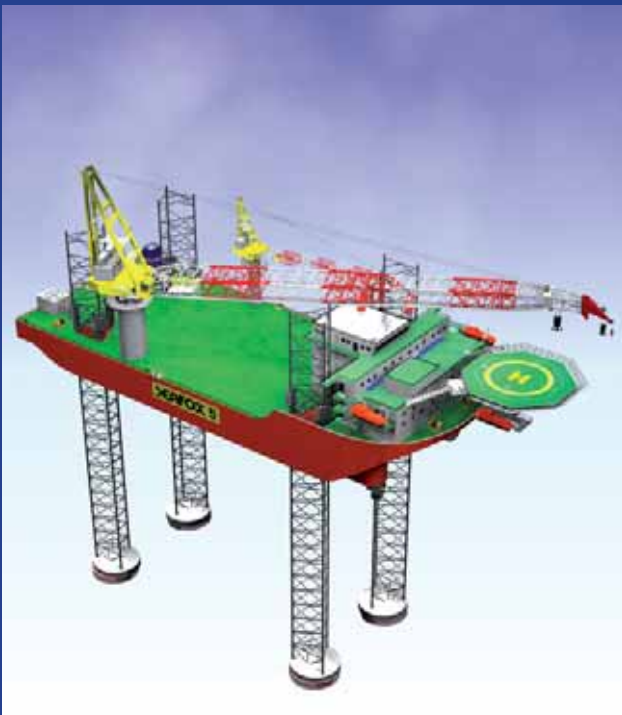
2010
→ **KFELS MPSEP**

Keppel FELS' Multi-Purpose Self-Elevating Platform (MPSEP) is a showcase of how Keppel FELS has been able to apply its market knowledge and technology expertise innovatively to a variety of offshore applications. In 2010, the design was chosen by the Seafox Group as the basis for a new-generation, wind turbine installation vessel that can withstand harsh offshore environmental conditions year round at a water depth of 65 metres in the North Sea.

Capable of working in extreme storm conditions and in deeper waters than most other installation vessels, the KFELS MPSEP provides for a longer operational window out at sea. This four-legged jackup features a large carrying capacity for up to 12 turbines, and is equipped with dynamic positioning capability.

In addition to being well-suited for servicing offshore wind farms, it also meets all the stringent operating regulations of the offshore oil & gas industry, and can support a wide range of related activities such as accommodation, well intervention, maintenance, construction and decommissioning.

Dimensions: 378 ft x 164 ft x 32 ft
Leg Length: 348 ft
Max Water Depth: 213 ft



2011
→ **KFELS SUPER A CLASS**

In 2011, Keppel FELS introduced a much-anticipated enhancement to its A Class design, the Super A Class. This design debuts at an opportune time when the industry is looking for newer and higher performance assets, which offer improved safety and better efficiency.

Engineered to provide operators with a viable and cost-effective solution for harsh environments and cold climate areas, this robust rig is well-suited to operate in various parts of the world including the UK, Danish and Dutch sectors of the North Sea. Keppel FELS has secured orders to build a total of four new units from Discovery Offshore and EnSCO.

Dimensions: 246 ft x 250 ft x 31 ft
Leg Length: 525 ft
Variable Deck Load: 9,105 kips
Max Water Depth: 400 ft
Max Drilling Depth: 35,000 ft



Sustainability Report Highlights

Our drive for operational excellence entails conducting activities in a responsible and sustainable manner to promote the interests of people and the environment.

Sustaining Growth

(pages 60–69)

Our commitment to business excellence is underpinned by an unwavering focus on HSE and prudent project and risk management.

Through an ongoing process of optimising resources and increasing productivity, we will continue to deliver innovative projects with strong value offerings and quality to create value for customers worldwide.

Empowering Lives

(pages 70–77)

People are the cornerstone of our business. As an employer of choice, we are committed to grow and nurture our talent pool through continuous training and development to help our people reach their full potential.

We seek to develop a formidable and results-driven workforce with strong leaders imbued with our core values to take the company into the future.

Nurturing Communities

(pages 78–85)

As a global citizen, we give back to communities wherever we operate in a variety of areas spanning knowledge building and education, social development and environmental protection.

We engage employees in contributing actively as change agents to effect improvement in their surroundings and in the lives of those around them.



Sustaining Growth
Productivity
& Innovation



Keppel FELS continued to share its best practices in lean manufacturing and project management with other companies in the MAXA circle in 2010.

We achieve high standards of delivery with constant improvements to quality and productivity through innovation.

REASSURING QUALITY

During the year, we continued to upkeep high standards of quality across operations.

In August 2010, Keppel FELS was re-certified with the ISO 9001 Quality Management System by Det Norske Veritas, and upgraded to the ISO 9001:2008 standard.

Our yards continue to be recognised by the industry for their strong commitment and performance in delivering high-quality products and services to customers. Keppel FELS was bestowed the highly-coveted Offshore Yard Award by Seatrade and the Achievement in Safety Award by Lloyd's List.

Keppel Shipyard was lauded with its sixth consecutive Lloyd's List Best Shipyard of the Year Award since 2005 for continually meeting the needs of its customers with high-quality solutions that are cost-effective and safe.

As a recipient of the Manufacturing Excellence Award (MAXA) in 2008, Keppel FELS continued to share its best practices in lean manufacturing and project management with other companies in the MAXA circle. The yard participated in the MAXA 2010 lunch forum and hosted a tour of its facilities for the manufacturing community.

REINFORCING PRODUCTIVITY

The Productivity Improvement Steering Committee driven at headquarters level formalises strategic plans and synergises productivity efforts across all the yards through a process of active benchmarking.

During the year, Keppel Shipyard installed an 80-tonne floating crane and two 36-tonne tower cranes to improve its workflow. Additionally, the yard introduced the Back-To-Basics concept as part of its strategy



to strengthen leadership, streamline procedures, as well as improve recruitment and training practices.

For its efforts in enhancing productivity and upgrading its capabilities, Keppel FELS was conferred the Cheaper, Better, Faster (CBF) Model Partnership Award at the National Trades Union Congress (NTUC) May Day Awards (Institutional Category).

In addition, overseas business units such as Keppel FELS Brasil has implemented the Integrated Hull, Outfitting and Painting (IHOP) programme to improve the productivity of hull blocks fabrication and assembly. This will shorten the time taken in consolidating the entire hull including the associated system.

IGNITING INNOVATION

We drive continuous improvement and innovation through initiatives such as the i-4-WSH, formerly known as Safety Innovation Teams, Innovation Quality Circles (iQC), Quality Action Teams (QAT) and the eSHIP Programme (environmental, Safety, Health & innovation & Process improvement).

Keppel O&M's annual iQC is a platform that encourages employees from across the shipyards to come forward with solutions and showcase their creative ideas. Many of the teams go on to compete and win awards in the National iQC Conventions.

Keppel FELS' teams garnered one Star Award, seven Gold Awards and six Silver Awards at the 2010 National iQC Convention.

Keppel Shipyard, likewise, places great emphasis on the iQC. A group of trained iQC assessors are deployed to evaluate the in-house iQC conventions each year.

The projects presented at the conventions have contributed directly to the efficiency of our operations, as well as cost savings.

A semi-automated pipeshop at Keppel Shipyard significantly increases productivity and quality assurance in pipe fabrication.

Sustaining Growth
HSE
Excellence



Keppel Safety Training Centre offers a wide range of safety training and certification courses for marine workers.

Ensuring a safe and healthy work environment for everyone is our foremost priority in striving for operational excellence.

Through sustained investments to improve infrastructure, processes and training, we aim to increase the safety quotient of our workforce, and build a robust HSE culture across all operations.

As we journey towards an incident-free workplace, we align efforts across our yards worldwide and make continuous improvements to our safety management system and programmes. As a group, we invested over \$17 million on safety training and infrastructure in 2010.

Close partnerships with stakeholders including contractors, clients, industry members and regulatory bodies are a key element of our strategy to eliminate workplace incidents. We believe that everyone has a role to play in protecting people, property and the environment.

SAFETY LEADERSHIP

Keeping Abreast

Our accident frequency rate (AFR) improved from 0.35 reportable accidents for every million man-hours worked in 2009 to 0.29 in 2010. As a result of two fatal cases during the year, our Accident Severity Rate (ASR) increased from 83 man-days lost per million man-hours worked in 2009 to 105 in 2010.

We deeply regret the loss of these lives and have stepped up efforts and shared the lessons learnt across the Keppel Group to prevent future incidents.

To ensure that we meet the highest international standards of process safety management, Keppel O&M adopted the International Safety Rating System (ISRS) audited by DNV.

Our yards also embarked on a self-assessment programme to develop a roadmap with concrete measures to improve their safety performance. Employees from across the group will be trained to conduct the assessments.

Keppel O&M Safety Statistics



Through the Keppel Workplace Safety & Health (WSH) 2018 strategy introduced in October 2010, we are aligned with the Keppel Group's efforts to further improve our safety practices through four key thrusts:

1. Establish an integrated WSH framework
2. Implement an effective safety management system
3. Enhance safety ownership
4. Strengthen safety partnerships

A global e-reporting portal was launched in tandem to allow all business units to inform of any incidents promptly. This portal helps to standardise incident reports and also acts as a sharing platform for best practices and lessons learnt.

A cross-pollination programme was also introduced to further align HSE best practices across the Group. Employees in key positions are seconded to other business units for a few months at a time to learn and share on safety practices. The best safety practices identified will be escalated and adopted at the Keppel Group level.

Fortifying Our Safety Culture

Following the introduction of the Safety Buddy Scheme in 2009, we expanded the number of buddy groups, and placed greater emphasis on accountability. In addition, workers are assigned safety mentors or managers whom they can approach for guidance. The mentors serve as a direct avenue for workers to give feedback or report unsafe practices.

During the year, Keppel Corporation's Board Safety Committee members and our safety leaders conducted several site visits to facilities in Singapore and overseas.

Safeguarding the Workplace

In managing a global workforce of more than 40,000 employees and subcontractors, we need to ensure that safety practices are systematically integrated into all work processes, leaving no room for mistakes.

Daily safety briefings are conducted for all workers before work begins each day. On top of this, our project managers hold Vessel Safety Coordination Committee (VSCC) meetings with representatives



1

1_ Training is the first step to ensure that our diverse workforce is aligned with the company's safety policies.

2_ Keppel's safety initiatives are led by the top. Our management makes regular walkthroughs to identify and address hazards.



2

from the various trades to ensure complete alignment. Our managers and customers also make regular walkthroughs to monitor project sites for safety compliance and to identify and address safety hazards.

Our contractors and workers take ownership of safety by conducting monthly site inspections under the Contractors HSE watch group and Workforce Safety Council respectively. At Keppel FELS, the Subcontractors Executive Council Safety Committee, which consists of representatives from different trade sections, meet up weekly to discuss safety concerns and initiatives. The contractors' supervisors are also appointed as safety leaders to help educate workers on safety procedures as well as enforce safety rules.

Targeting the key risk areas, Keppel O&M as a group embarked on efforts to educate all workers on how to use their safety harnesses properly when working at heights. Meanwhile, Keppel Shipyard customised a risk management programme to mitigate various hazards associated with working in confined spaces.

Training Stewards

Safety training is the first step to ensure that our diverse workforce hailing from different cultures and countries are in line with the company's safety policies. A worker or subcontractor at Keppel O&M clocks an average of 20 hours in safety training each year.

In June 2010, we launched an integrated safety training centre, which uses the latest equipment, simulations and methodologies to equip our workforce with critical skills to work safely.

FELT leadership training is one of several courses offered at the Centre where participants are taught how to exercise safety leadership to inspire others. Confined space safety, fire fighting, height safety, forklift driving and material handling, as well as a variety of other trade specific programmes, are also conducted at the Centre.

During the year, Keppel FELS held a five-day safety training programme for contractors' supervisors to help enhance their risk management

and safety knowledge. About 600 supervisors were trained under this Safety Capability Coaching & Consultancy Programme in 2010.

Meanwhile, Keppel Shipyard's Safety Promoter Training Scheme has equipped more than 26,000 workers with observation and intervention skills on unsafe practices and environments.

Getting Our Message Across

Complacency is the No.1 cause of workplace accidents. Through regular campaigns and programmes, we constantly communicate and emphasise the fundamental safety rules, and remind workers of their responsibility to stay vigilant as well as look out for one another.

To foster a pervasive safety culture and impart relevant safety competencies to its workforce, Keppel Shipyard launched its Safety Excellence 2015 campaign in June 2010. The company also sought to create awareness and educate the workers on ways to protect themselves from high-impact risk activities such as working at heights and in confined spaces, among others.

In the same vein, Keppel FELS' 14th annual HSE excellence promotion campaign focused on working safely at heights. The programme which began in June, included interactive activities to raise safety awareness.

Safety campaigns are also customised across the spectrum of projects at our yards, based on the nature of work being carried out. For instance, at Keppel Shipyard, the focus for the FPSO Peregrino conversion project was on preventing eye injuries, while on the FPSO Okha, it was on safe commissioning.

Setting the Benchmark

Our companies comply strictly with all applicable laws and regulations in the countries where they operate. Additionally, we work to align all

Keppel Safety Training Centre

The Keppel Safety Training Centre is an integrated health, safety and environment (HSE) training hub designed to offer a wide range of safety training and certification courses, with emphasis on both trade specific and broad-based skills for marine workers.

All our direct and subcontract workers will have to undergo training at the Centre before they can start work. The courses will imbue them with a strong safety mindset and a uniform level of competencies across the board.

The Centre comprises a three-storey building equipped with classrooms, an e-learning zone, and a safety journey hall with multimedia and interactive training stations.

Core competency and safety leadership development programmes, as well as Workforce Skills Qualifications courses certified by the Singapore Workforce Development Agency, are some of the key training modules conducted by qualified, full-time instructors at the Centre.

The Centre also includes a six-level steel structure complex built to simulate working conditions in the mid-section of a tanker. This Mid-ship Module is used to provide hands-on and scenario-based training for workers. Some of the key courses conducted include Confined Space Safety, Hotwork Assessment, Observation and Intervention Skills and Risk Assessment.

As at end-2010, more than 8,300 employees and subcontractors' workers received training at the Centre.



All our direct and subcontract workers will have to undergo training at the Keppel Safety Training Centre before they can start work at Keppel's yards.

business units with the same high standards of safety embraced by Keppel O&M.

In Singapore, we work closely with the Ministry of Manpower and the Workplace Safety and Health Council (WSHC) to raise safety standards of the offshore and marine industry.

We helped to equip over 500 local subcontractors with competencies to carry out their tasks safely, as well as aligned them with a strong commitment to create an incident-free workplace.

Our companies actively participate in national initiatives such as the bizSAFE programme. As bizSAFE partners, we provide tangible business leverages or incentives to motivate our contractors and vendors to progress through the various levels of the bizSAFE programme.

During the year, we helped our subcontractors to achieve a minimum bizSAFE Level 3 standard and continued to support them in advancing to Level 5 with various training and skills-upgrading programmes. We also facilitated them in developing their own risk and safety management systems.

As part of an ongoing sharing programme of best safety practices in the marine industry, Keppel Shipyard and Keppel FELS hosted members from the Association of Singapore Marine Industries (ASMI) in a self-regulatory programme known as Marine Industry Safety Engagement Team.

We were a major sponsor of the National Workplace Safety and Health Campaign 2010 for the third year in a row, contributing \$100,000 at the Keppel Group level. Taking the lead, senior management of Keppel Group came together with workers, union leaders and clients to pledge their commitment to safety.



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We also shared our safety management system with the oil and gas community as a platinum sponsor of the Drilling HSE Asia Pacific Conference & Exhibition held in March 2010, organised by the International Association of Drilling Contractors.

Winning Recognition

For its efforts, Keppel O&M was lauded with ten WSH Awards from the WSH Council and the Ministry of Manpower in July 2010.

Keppel Singmarine received a Silver Award for the fourth consecutive year for its commendable WSH performance. We also garnered eight WSH Awards for various projects with outstanding safety records. Additionally, Keppel FELS' foreman, Sima Ram, was singled out for his exemplary leadership in safety.

Our safety innovations were also recognised at ASMI's 13th WSH Innovations Award ceremony during the Marine Industry Convention in September 2010. Keppel Singmarine received Gold and Bronze for its Smart Arm and Universal Mobile Stool

projects, while Keppel Shipyard took Silver and Bronze for its Baby Turret and Unsafe Usage of Hand Lamp projects.

During the year, Keppel FELS also won its first Lloyd's List Asia Awards for Achievement in Safety.

Notwithstanding recognition from the government and the industry, our greatest reward is seeing everyone return home safely from our yards at the end of each workday.

RESPONSIBLE BUSINESS OPERATIONS

Although more energy is needed to support expanding operations, we seek to make the best use of utilities through infrastructural improvements and conservation efforts.

In 2010, we invested some \$8 million in energy-saving equipment and infrastructure, which are estimated to generate energy savings of some \$8.9 million per year. Our efforts to conserve energy include replacing of less-efficient equipment and encouraging and educating staff through awareness programmes.



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1_Keppel O&M won 10 WSH awards from the WSH Council and the Ministry of Manpower in 2010.

2_Dr Lee Boon Yang (third from left), Chairman of Keppel Corporation, and Singapore Minister of Manpower, Mr Gan Kim Yong, view Keppel Singmarine's 'Universal Mobile Stool', which won an industry award for significantly improving workplace ergonomics.

3_Keppel O&M's workers took part in the EARTH HOUR campaign in 2010, during which all non-essential lightings were switched off in their dormitories.



3

We retrofitted energy-efficient lightings in the yards, plants and offices, and installed motion sensors along corridors, toilets and areas with less human traffic. Our yards also took part in the EARTH HOUR campaign on 27 March 2010, during which all non-essential lightings were switched off.

In 2010, we consumed about 1.1 million cubic metres of potable water and about 650,000 cubic metres of NEWater.

Potable water is used for drinking, general washing and supplying to vessels. NEWater on the other hand is used for testing purposes as well as cleaning and hydro jetting marine vessels and machinery.

During the year, we recycled over 90,000 tonnes of waste comprising ferrous scrap metals and grit, while disposing and incinerating about 100,000 tonnes of non-recyclable ones. At Keppel Shipyard, ferrous scrap metals are separated from general waste and sold to licensed recycling companies.

Our yards continue to explore engineering solutions and energy-efficient processes to reduce emissions while increasing productivity and quality. We are also cultivating behavioural changes through education and training to increase awareness and encourage the conservation of resources.

Sustaining Growth
Business
Continuity



Safety and security exercises are held regularly at Keppel O&M yards to enhance the effectiveness of the group's action plans.

Prudent business continuity management prepares us to meet the challenges and succeed in our dynamic global environment.

ENTERPRISE RISK MANAGEMENT

Keppel O&M Group adopts a holistic and systematic Enterprise Risk Management (ERM) framework for identifying, evaluating and managing risks. The top management has oversight of the risk management in the Group whereby key risks and progress of significant projects are monitored and discussed regularly with them.

During these meetings, corporate strategies are identified and mitigating actions are established as well as closely monitored for their effectiveness. These are then shared with the individual business units and departments to enable them to manage their significant risks effectively.

At the operational level, risk management is integrated into the day-to-day business operations, to enable early risk detection for effective management and forms an integral aspect of the department and project risk evaluation process. Prudent risk management practices, which include the effective management of foreign exchange, credit and liquidity risks, allow the Group to manage its financial risks effectively.

A large proportion of the Group's operations is project-based and executed over an extended period of time. To help manage the spectrum of key risks throughout the project life, the Group adopts a standardised risk assessment and monitoring process, with possible adaptations to suit local environments.

During tender stage, the team comprising expertise of different disciplines, identifies and evaluates the risks associated with the potential projects. Project risks are addressed to establish mitigating actions for solutions. The evaluation process takes into consideration whether Group's business objectives are met and the project risks identified are manageable.

At the execution stage, key risk factors relating to cost, schedule, quality and health, safety and environment are closely monitored to ensure that pre-emptive measures are promptly implemented. The emphasis is to ensure that projects are executed and completed on time, within budget, safely and achieving quality standards and contractual specifications as defined in the contracts with the customers.

In 2010, the Group was exposed to a variety of risks including fluctuations in foreign currencies, tightened credit, order cancellations and deferment of projects. The strong commitment in driving Group-wide ERM systems and processes over the years has enabled the Keppel O&M group to be better equipped in managing this challenging business environment.

The Group continues to strengthen its risk-centric culture through various initiatives. These include the sharing of best practices in project risk management, project postmortem analysis and regular update of country risk issues. Seminars and workshops are organised for the project managers and engineers to equip them with better understanding of different aspects of project management risks, especially those concerning contractual liabilities and project cash-flow management. The Group's orientation programme for new employees is a platform used to communicate the Group's ERM methodology and practices to the new employees. Risk management is one of the Key Performance Indicators incorporated in the annual performance appraisal of management and senior staff to enhance risk ownership and accountability. Monthly country risk reports are also circulated to keep the key management within the Group updated with the changes in the political and economic situations for taking appropriate actions.

BUSINESS CONTINUITY MANAGEMENT

To address and manage potential threats and disruptions to the operations arising from matters such as the outbreak of epidemics, terrorism, natural calamities and damage to critical facilities, Business Continuity Management (BCM) has been incorporated as part of the ERM framework.

A BCM Committee was set up to look into developing action plans to mitigate the threats with an objective to resume normal operation within a targeted time frame. Drills and exercises are conducted regularly to test the effectiveness of the action plans. Postmortem analysis is conducted with the aim of seeking improvements in action plans.

Throughout 2010, simulation exercises and drills were conducted at the shipyards. For instance, oil pollution drills were conducted at the quayside and dry-docks to test the yard's overall operational readiness and response. Table-top exercises were also carried out for scenarios such as the drifting of ships and the damage of dock gates. At the end of all exercises, postmortem sessions were held where lessons learnt were shared to enhance the robustness of action plans.

In particular, we conducted joint exercises with Singapore Civil Defence Force to test the readiness under the scenario of a fire incident as part of the annual Company Emergency Response Team audit. Evacuation drills for vessels in the drydocks were also conducted regularly to get the employees and contractors ready for the mitigating procedures in the event of emergencies. Additionally, we simulated an IT infrastructure failure to test the data recovery during downtime. All BCPs are reviewed, tested and refined continuously to enhance Keppel O&M's overall operational resilience.

Empowering Lives
People
Cultivation



United by our core values, Keppel O&M employees are an effective and synergistic team both at work and at play.

By constantly developing and energising our people, we sustain a robust workforce which delivers increasing value to our customers worldwide.

1_Our eight core values are represented by icons symbolising harmony, productivity, unity and strength.

A strong sense of continuous improvement runs throughout Keppel O&M, driving us to attain excellence in every aspect of our operations. We believe that an unwavering commitment to support and develop our people propels the Group to new standards of achievement, and this leads us to adopt a holistic approach in fortifying our human capital.

In 2010, we invested a total of \$16.3 million in the training and development of our employees worldwide, building up their skill sets to meet the ever-changing needs of our industry.

As part of the dynamic working environment at Keppel O&M, we provide various opportunities for employees to hone and grow their abilities. These include job rotations, overseas postings and assignments and special projects. Through structured programmes for expanding knowledge and refining technical and interpersonal skills, and well-designed work scopes, we empower employees at all levels to give their best to create value for our customers.

BUILDING A WINNING TEAM

We recruit people from all backgrounds and nationalities. The rich diversity of our workforce makes us a truly

global team serving customers from strategic locations across 16 countries.

At Keppel O&M, all employees are united by strong work ethics embodied in our shared core values – eight hand icons symbolising harmony, productivity, unity and strength. Wherever they are, our people are distinguished by the *Can Do!* spirit, integrity and a strong passion for service excellence.

To help new employees quickly find their footing, we make extensive efforts to assimilate them into our multicultural workforce. Through the mentorship scheme, new employees are assigned to more experienced staff who impart industry knowledge and functional skills, as well as the company's values to them.

In 2010, about 80 new staff members in Singapore completed their mentorship programme. During the year, we also continued to run the Executive Mentoring Workshop to equip our senior officers with the necessary skills to guide their mentees effectively.

ADVANCING KNOWLEDGE AND SKILLS

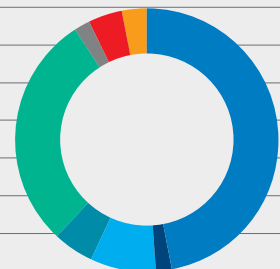
The specialised expertise required in the offshore and marine industry takes years to hone. With this in mind,

1



Manpower Distribution by Country 2010 (%)

Singapore	47
USA	2
Philippines	8
Middle East	5
Brazil	29
Europe	2
Central Asia	4
Others	3
Total	100



People Cultivation



1

we introduced a comprehensive Management Traineeship Scheme (MTS) back in 1986, to give our new recruits a good head start in developing their capabilities and careers.

Targeted at fresh graduates, this two-year MTS programme has helped to achieve our objective of developing competent and resilient cohorts of talents and leaders for the company. In fact, many current members of our management team were earmarked and groomed through this scheme.

Today, the MTS has evolved into one of Keppel O&M's most rigorous talent development programmes and is accredited with the Institute of Marine Engineering, Science and Technology (IMarEST), an international body for marine professionals. Upon completing the MTS, candidates with the relevant academic qualifications and work experience can register as an Incorporated Engineer or Chartered Engineer with IMarEST.

To date, the MTS has trained over 650 staff members. Another 81 fresh graduates in Singapore were accepted into this established programme in 2010.



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Experiences gained through the MTS have also provided the basis for other trainee programmes to take flight at several of our operating units overseas. For example, Keppel FELS Brasil's BrasFELS yard has set up a Trainee Engineers Scheme to provide young engineers with a well-rounded understanding of shipyard operations, and expose them to the work of different departments through job rotations. About 50 engineers are currently undergoing this two-year programme in Brazil.

Meanwhile, Keppel O&M Group Training Centre continues to play a pivotal role in imparting and upgrading the technical skills of our employees. Courses conducted at the Centre include core technical skills and safety training for new hires, and the Modular Skills Training (MOST) programmes, which enhances the technical competencies of supervisors and foremen. More than 200 employees have successfully completed the MOST programme since it was implemented in 2006.

To help build a pool of supervisors for the marine industry, we also continued to support the Super V

Programme organised by ASMI, WDA and National Trades Union Congress (NTUC). In 2010, eight candidates were selected to embark on the two-year training programme in Keppel yards. Upon completing the programme, these employees will assume supervisory roles in trades such as welding, painting and scaffolding.

As a learning organisation, we continued to support employees keen to pursue further studies through the Employee Development Scheme. In 2010, we sponsored 24 outstanding employees for academic programmes ranging from the Higher National ITE Certificates (NITEC) to Master degrees.

GROOMING LEADERS

We offer a variety of opportunities for high potential employees to hone their skills and be developed for leadership positions.

Keppel College serves as the main artery for leadership and executive development programmes at the Keppel Group level. Targeting three tiers of talent – young leaders, middle management and senior management – Keppel College aims to educate, empower and energise our

talents to help them advance to the next level of success.

Keppel College partners the Nanyang Business School in customising programmes for our employees. Through workshops such as Global Young Leaders Programme (GYLP) and Global Advanced Management Programme (GAMP), we convene and engage junior to middle management representatives worldwide on global business issues. Close to half of the GYLP and GAMP participants are employees based overseas.

In February 2010, Keppel College ran the third installation of the Improving the People Quotient for Leaders workshop. The programme is targeted at newly promoted managers and middle management who are responsible for the selection, appraisal and grooming of their subordinates.

High potential employees are also selected for job rotations and exposed to different aspects of our global operations. More than 80 percent of our general managers have worked in at least three departments, including production, engineering, commercial and project management. Many of them have also served in various overseas postings at our global yards.

RETAINING EXPERIENCE

Long-serving employees embody a wealth of accumulated experience and knowledge, which Keppel O&M

1_Senior management and key process owners are involved in the development of Keppel College programmes to drive talent development.

2_Keppel O&M Group Training Centre is a centralised platform for enhancing our employees' technical and specialised skills.

Designing Jobs to Fit

To enhance the vibrancy of our workplaces, we periodically review our employees' work scopes with the aim of increasing both the quality of their work life and productivity levels.

At Keppel Singmarine, workers are trained to perform a wider range of tasks on top of their own specialty areas. This not only introduces variety to its employees' jobs, but also gives the yard more flexibility in deploying its manpower.

Over at Keppel Shipyard, employees who carry out cable glanding have been trained to handle more sophisticated cable termination tasks as well. Workers now enjoy a bigger role in the execution of projects as the yard optimises its productivity and use of resources.

As a Group, we also redesign jobs and working conditions to better suit the mature employees in our workforce.

By matching our employees to the skills required by the jobs, and improving the flow between related tasks, we add variety to routine work and energise our people with new challenges. On top of being more engaged at work, our employees are also reporting greater job satisfaction and a heightened sense of ownership.



We continuously review job content and responsibilities to promote high satisfaction and productivity among employees.

Accelerating Learning

With vast opportunities to participate in multi-disciplinary and cross-border projects, job rotations and overseas assignments, our young talents rapidly add to their global knowledge and refine their business acumen.

Keppel Young Leaders

Inaugurated in July 2010, Keppel Young Leaders serves as a platform for high potential employees to not only engage in high-impact projects but also network and draw on each other's experiences.

Thus far, the Young Leaders have made headway with projects covering areas such as business process and productivity improvement, knowledge management, pooling of technology assets, business analysis and community outreach.

In 2011, the Young Leaders concluded a productivity enhancement project for Keppel O&M, which involved a study trip to survey some of Korea's leading shipyards and attended the 2010 Marine Tech Korea Exhibition in Changwon city. Takeaways from the study trip were also shared with various Keppel O&M companies in Singapore.

Keppel O&M Financial Management Programme

The Keppel O&M Financial Management Programme (FMP) was launched in October 2010 to advance the functional competencies, as well as analytical and managerial skills of our finance personnel. These skills will enable them to take on larger responsibilities both locally and overseas.

FMP participants are assigned to mentors from a broad range of backgrounds, including finance, audit, human resources and project management, to help the former develop a holistic perspective of running international businesses. Presently, 11 mentors and 14 participants are enrolled in the programme.



KYL serves as a platform for high potential employees to not only engage in critical discussion and high impact projects but also network and draw on each other's experiences.

leverages to stay ahead of the curve. Beyond contributing to the growth of the company in their functional roles, senior employees also serve as mentors to younger staff, passing on their rich experiences, skills and our core values.

Each year, Keppel O&M business units host Long Service Award Ceremonies to honour the unwavering dedication and contributions of employees. In 2010, 445 employees in Singapore were recognised for their years of loyal service to the Keppel O&M Group.

In the same year, we rehired a total of 80 employees in Singapore who were above the retirement age of 62. In the selection of older workers for re-employment, we consider factors such as the company's requirements, the number of jobs available and the candidates' performance. More importantly, they must be medically fit to continue working.

Older employees are usually re-engaged on a full-time contract basis. They may either perform the same job functions or be rotated to other roles, depending on the company's needs. Wherever possible, we seek to create a match between the job requirements and the interests of our employees.

Our efforts to recognise and retain long-serving employees will enable us to preserve a rich body of experience and expertise, which will be used to nurture younger generations of Keppelites.

PROMOTING WELLNESS

During the year, Keppel O&M rolled out an array of initiatives to promote holistic living and personal wellness.

To encourage a healthy diet, fruits are distributed to employees monthly and health food bazaars are held regularly at the work premises. Additionally, medical examinations and health workshops are frequently organised for employees.



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1_Wherever they are, our people known as Keppelites, are distinguished by the *Can Do!* spirit and a strong passion for service excellence.

2_Beyond contributing to the growth of the company in their functional roles, experienced employees also serve as mentors to younger staff.





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Meanwhile, the Keppel Recreation Club (KRC), continues to bring employees together for sports, recreational and community activities. KRC helps thousands of members keep fit and de-stress by initiating regular activities such as dragon-boating, fishing trips and overseas excursions.

Through annual company-wide activities such as the Keppel Games, Keppel FELS' ACTIVE DAY and sports festivals in Singapore and abroad, we help to promote wellness, teamwork and camaraderie among employees.

For their commendable Workplace Health Programmes, Keppel FELS and Keppel Shipyard received top honours from the Health Promotion Board at the Singapore HEALTH Award Ceremony 2010.

INTEGRATING FOREIGN WORKERS

Foreign workers constitute a sizeable part of our workforce in Singapore. To help our new workers assimilate into their new living environment here, we extend a \$700 cash advance to each person upon arrival, and provide free in-house medical consultation, as well as



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highly-subsidised housing and transportation to and from work.

We were among the first companies in Singapore to provide subsidised dormitories for foreign workers. Catering to over 7,000 workers, our three dedicated lodges offer modern amenities such as gyms, convenience stores and banking and IT facilities within their dormitories' compounds.

Various recreational activities are organised regularly at these lodges to encourage harmonious living and team bonding. Additionally, our management team and union representatives visit the dormitories regularly and hold dialogue sessions with the workers to better understand their needs.

FORTIFYING UNION RELATIONS

During the year, we continued to fortify the good relationships with our unions, working hand in hand to enhance labour productivity and employee welfare.

For their significant contributions towards maintaining harmonious industrial relations and championing

staff welfare, Mr Tong Chong Heong, CEO of Keppel O&M, and Mr Abu Bakar Mohd Nor, CEO of Nakilat-Keppel Offshore & Marine, were conferred the Medal of Commendation (Gold) and Medal of Commendation by the National Trade Union Congress (NTUC) respectively.

NTUC also conferred the Comrade of Labour Award to Mr Mohamed Yusop Mansor, President of the Keppel Employees Union, who works closely with our management to care for employees.

During the year, negotiations on the collective agreements between Keppel Shipyard and Keppel Employees' Union (KEU), and Keppel Singmarine and the Shipbuilding and Marine Engineering Employees' Union (SMEEU) concluded smoothly, reflecting the mutual trust and understanding between the managements and unions. The two new agreements are valid for three years, from 1 July 2010 to 30 June 2013.



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1_Mr Mohamed Yusop Mansor, President of the Keppel Employees Union, was conferred the Comrade of Labour Award during May Day 2010.

2, 3, 4_Workers living at our subsidised dormitories get to enjoy various recreational activities within a conducive living environment.

Nurturing Communities
Community
Development



We encourage employees to become responsible citizens with a genuine concern for others through active corporate volunteerism.

As a resilient industry partner and corporate citizen, we take an active interest and ownership of the sustainable development of our global industry and communities.



Keppel co-organised the 25th Chua Chor Teck Memorial Lecture, where Professor Sir Eric Ash, a member of Keppel Technology Advisor Panel, spoke on the evolution of nuclear power and its applications to maritime activities.

With an expanding presence in 16 countries, we take an active interest in the sustainable development of our global industry and the communities where Keppel is present.

FORTIFYING OUR INDUSTRY

Continuous efforts in developing talents and technologies have, over the years, positioned Keppel O&M for market leadership and equipped it with the competencies to offer high-value solutions to customers worldwide.

As we progress on our global growth path, we also seek to share our insights and resources to ferment new ideas and cultivate expertise and people to advance our industry, as well as promote Singapore as an International Maritime Centre.

Growing a Knowledge Reservoir

During the year, we continued to support several long-term initiatives for knowledge building such as the Keppel Professorship at the National University of Singapore (NUS), through which we help to jumpstart research projects and encourage the development of new offshore technologies.

The Keppel Professorship also conducts an annual public lecture that brings together both aspiring engineers and seasoned professionals to discuss and share insights on the latest offshore and marine innovations and trends, among other current topics. At the 7th Keppel O&M Lecture, the Guest Speaker Christopher Steane, Global Head of Structured Finance of ING Commercial Banking, discussed the offshore oil and gas market's financing needs and funding sources. He also touched on the variables financiers examine in gauging the potential of a project.

Adding to the breadth of industry sharing platforms, we organised two instalments of the Chua Chor Teck Memorial Lecture jointly with the Society of Naval Architects and Marine Engineers of Singapore. The lectures sought to promote a multi-faceted understanding of the offshore and marine sector, and touched on strategies for developing a global maritime knowledge hub, as well as nuclear energy applications for maritime activities.

Connecting the Global Industry

Through active participation in several international conventions,



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1_Keppel O&M organises yard visits for youths to raise their awareness of the Offshore and Marine industry and help them in their career decisions.

2_Employees from Keppel Batangas joined a walk-for-a-cause activity to help raise funds for education for out-of-school youths.



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we led Singapore's maritime cluster in showcasing the nation's capabilities to the world.

At the Pareto Oil & Offshore Conference in Oslo, Norway, we profiled our technology expertise alongside other international offshore oil and gas companies and service providers. We also participated in the annual Offshore Technology Conference in Houston, Texas for the 24th year running, and as part of the Singapore Pavilion. During the year, Keppel FELS also participated in a trade show spearheaded by the Vietnam Oil and Gas Group in Hanoi, Vietnam.

As Brazil's foremost offshore and marine solutions provider, Keppel FELS Brasil contributed to vibrancy of the Rio Oil and Gas Expo and Conference, as a key exhibitor. Mirroring efforts to grow business ties between Brazil and Singapore, we led as a Strategic Sponsor for the 7th Latin Asia Business Forum organised by International Enterprise Singapore. Well-attended by key business leaders and government officials from Latin America and Asia, the annual forum seeks to strengthen economic interactions between the two continents, addressing investment and

partnership opportunities, as well as business strategies and best practices.

Growing the Talent Pool

The offshore and marine sector's long-term success is underpinned by the availability of skilled talents. As a people developer, we look not only into nurturing our own workforce, but also future generations of talents for the greater industry.

In 2010, we continued to provide early industry exposure for aspiring entrants, offering internships for about 200 students from various local and overseas institutions. We also worked with the likes of ITE College Central, Ngee Ann Polytechnic, Singapore Polytechnic (SP), National University of Singapore (NUS) and Nanyang Technology University (NTU) to provide yard visits and career talks for their students. Similarly in the Philippines, Keppel Batangas and Subic Shipyard worked with various universities in Manila and Batangas to introduce the offshore and marine industry and share on the career opportunities available.

Joining hands with industry associations to help youth rediscover



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1_ Some 900 young participants, including 13 teams from Keppel, took part in the four-hour Amazing Maritime Race, supported by Keppel O&M.

2_ Employees of Keppel FELS Brasil worked tirelessly to help provide relief to the victims of the landslides at Ilha Grande Island of Angra dos Reis.



Proceeds from Keppel AmFELS' annual charity golf tournament will be used in aid of charities, education programmes and community projects.

Singapore's maritime heritage, we sponsored the Amazing Maritime Race which drew over 900 participants.

On top of our in-house scholarships, we partnered the Association of Singapore Marine Industries (ASMI) to provide six industry scholarships to students pursuing technical or engineering courses, as well as offered book prizes to students from SP, NTU and Newcastle University.

The Keppel Credit Union distributed 36 book prizes while the Keppel FELS Multi-Purpose Co-operative Society gave out 43 bursary awards and 16 education grants.

Our unions also played an active role to encourage learning; they gave out a total of 150 bursary awards, scholarships and education grants during the year.

Over in the US, Keppel AmFELS continued to offer engineering scholarships through the University of Texas at Brownsville (UTB) and Texas Southmost College (TSC). Keppel AmFELS also offers hands-on learning experiences for youths by giving

apprenticeship opportunities to UTB's drafting and engineering students, and working with several high schools to provide welder training programmes.

ENRICHING OUR COMMUNITIES

As an active member in our global communities, we encourage employees to champion and participate in causes that benefit people from all walks, be it economically, socially or environmentally.

Supporting the Less Privileged

In early 2010, our employees at Keppel FELS Brasil rallied around the landslide victims of Ilha Grande Island in Angra dos Reis. A workboat and a barge were swiftly deployed from our yard to transfer search-and-rescue equipment to the island, while our employees donated basic necessities and helped in the distribution of relief supplies. We also joined hands with the local government to refurbish four buildings which were used to accommodate some 140 families displaced by the landslides.

In addition, Keppel FELS Brasil continued to care for the less fortunate senior citizens in its community,

organising employee volunteers to bring cheer to the O Bem Querer A Casa do Idoso (Home for the Aged) in Japuiba, Rio de Janeiro.

Since 2000, Keppel AmFELS and its employees have contributed more than US\$3 million towards funding programmes for youths, and equipping adults and families with basic life-skills through the United Way of Southern Cameron County. Through its annual Charity Golf Tournament, Keppel AmFELS raised US\$80,000, which was channelled towards various community projects and in support of education.

To empower the young people of their community, employees from Keppel Batangas joined in the Alay Lakad initiative, a nation-wide effort to raise education funds for out-of-school youths.

Meanwhile in Bulgaria, Keppel FELS Baltech employees initiated a charity event for an orphanage in the Varna region. On top of donating new clothes, toys and educational materials, Keppelites also spent quality time with the children.

For their unwavering support of the less fortunate in Singapore, our business units were recognised by the Community Chest during the year. Keppel Singmarine received the Pinnacle Award and SHARE Platinum Award, while Keppel FELS was conferred the Platinum Award and Keppel Shipyard the Gold Award. In addition, our employees have also been pledging a part of their monthly income to charity on a regular basis.

Uniting Cultures

We seek to share our core values of a global mindset, teamwork and people development as we nurture vibrant communities. Through our support of artistic performances and sporting events, we provide multiple

Corporate Volunteerism

Through the Keppel Volunteers programme, we encourage all employees to get hands-on in contributing to the community. Since its inception in 2000, Keppel Volunteers has been driving regular activities in reaching out to individuals and groups, including social institutions and non-profit organisations.

Beyond fund raisers, Keppel Volunteers holds monthly activities for Keppel's adopted charity, the Association for Persons with Special Needs (APSN). In 2010, Keppel Volunteers' organised a wide variety of programmes exposing APSN students to the performing arts and animation, among others. APSN students were also roped in by the Keppel Volunteers for the Dover Park Hospice SUNDAY Walk to raise awareness and garner donations for the terminally ill.

Additionally, Keppel Volunteers facilitates a monthly home maintenance programme where Keppelites assist senior citizens of the Moral Senior Activity Centre with their domestic chores.

In December, Keppel Volunteers organised the third Keppel Group Blood Donation Drive and collected a total of 485 packets of blood from across Keppel's facilities. During the year, Keppel Volunteers was bestowed the Bloodmobile Organisers Merit Award from the Singapore Red Cross (SRC) for its significant contributions to the Singapore Blood Bank.



Keppel Volunteers brought smiles to underprivileged children by accompanying them to Underwater World Singapore on Children's Day.



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platforms to advance social harmony and cultural exchange.

In furthering the cultural exchange between Asian and Latin American countries, we sponsored the Festival Mexicano organised by the Mexican Embassy of Singapore. Held in celebration of the bicentennial independence of Mexico and the centennial of the Mexican revolution, this festival featured an array of gastronomic events, cultural performances, artistic exhibitions and a film festival, among others.

During the year, we presented the Grammy Award-nominated songbird, Bebel Gilberto, in Singapore for the third year in a row. Held in April 2010, this latest sell-out performance at the Esplanade promoted an appreciation and understanding of Brazilian arts and culture among the local audience.

We were also a key sponsor of the month-long exhibition Football: The Brazilian Passion organized by the Brazilian Embassy in Singapore. Set up at the Atrium@Orchard, the exhibition offered a glimpse into Brazil's football culture and how the sport is

intimately woven into other aspects of Brazilian society, from the arts to the daily lives of people.

In encouraging a spirit of sportsmanship, we champion the SAFRA Keppel Quadthlon as the title sponsor for the fourth year running. Comprising swimming, running, cycling and skating events, the annual Quadthlon strengthens mental resilience as it promotes an active lifestyle for people of all walks.

Protecting the Environment

In Singapore, we continued to support the global climate change movement Earth Hour. For one hour on 27 March, Keppel's various facilities powered down non-essential lights, including at our Singapore yards and workers' dormitories.

Our employees also continued to support the coral nursery project off the island of Pulau Semakau to help sustain the marine diversity of its waters. Over in the Philippines, Keppel Batangas together with its subcontractors help clear debris and litter along Batangas Bay during the annual Coastal Clean-up Day.



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Meanwhile in the Netherlands, Keppel Verolme in Rotterdam encouraged its employees to adopt eco-friendly transportation to and from work. Employees are encouraged to commute on electric bikes or scooters in place of cars to help ease traffic jams and the toll on the environment.



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4

1_Keppel Verolme's very own scooter squad doing their part for the environment by reducing their fuel consumption.

2_Keppel Batangas cleaned up litter and debris along Batangas Bay as part of the efforts to protect the environment.

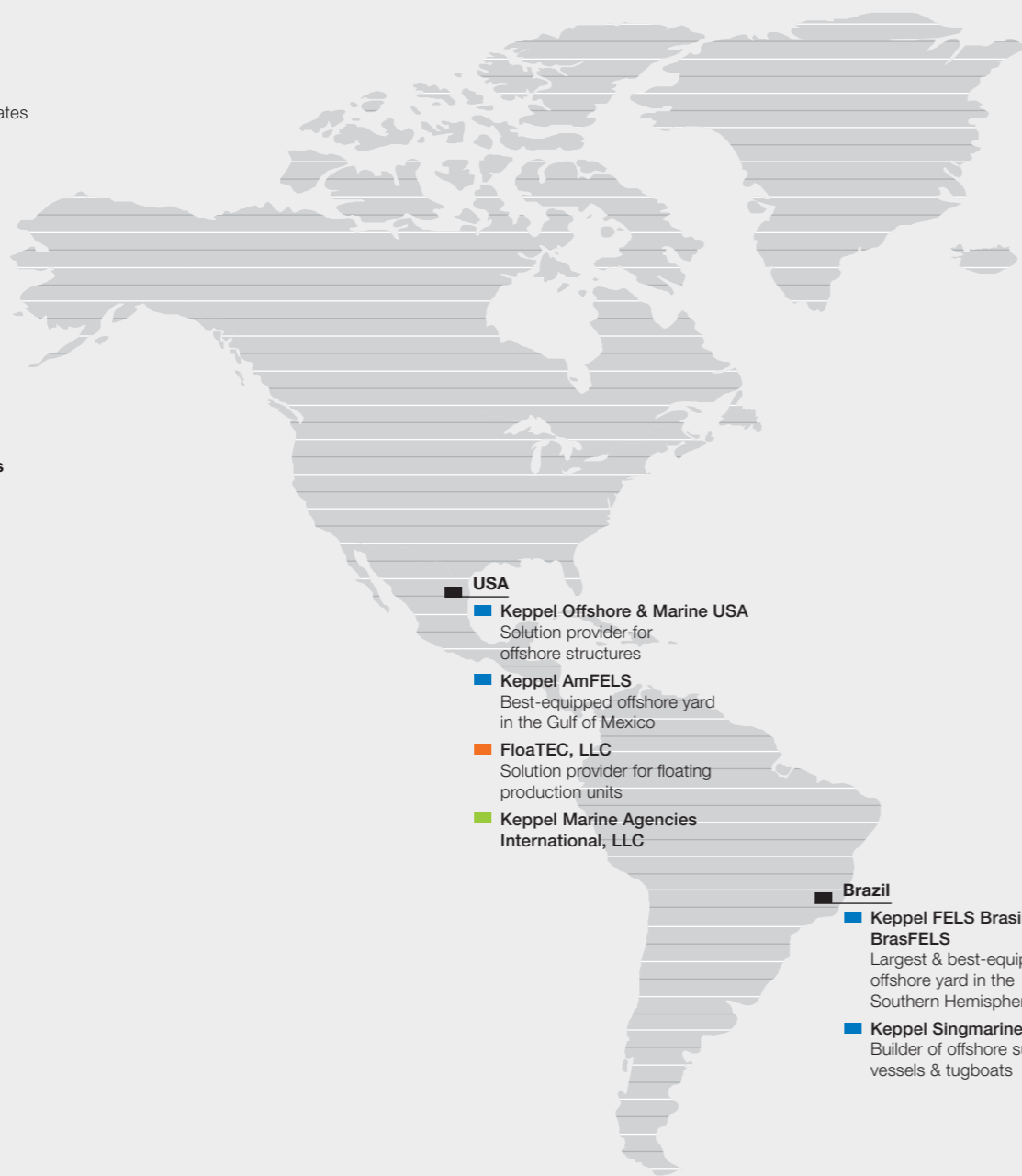
3_Committed to promoting an active lifestyle, Keppel O&M resumed its role as the title sponsor of a quadathlon for the third time.

4_We were a key sponsor of the month-long exhibition Football:The Brazilian Passion organised by the Brazilian Embassy in Singapore, which offered a glimpse into Brazil's football culture.



Harnessing the synergy of 20 yards worldwide keeps us *Near Market, Near Customer.*

- **Headquarters**
Singapore
- **Offshore & Marine**
Azerbaijan
Brazil
China
Indonesia
Japan
Kazakhstan
Norway
Qatar
Singapore
The Netherlands
The Philippines
United Arab Emirates
USA
- **Engineering / R&D Centre**
Bulgaria
China
India
Singapore
USA
- **Representative Offices**
Australia
USA
Vietnam
- **Marine Services**
Singapore



- USA**
 - **Keppel Offshore & Marine USA**
Solution provider for offshore structures
 - **Keppel AmFELS**
Best-equipped offshore yard in the Gulf of Mexico
 - **FloaTEC, LLC**
Solution provider for floating production units
 - **Keppel Marine Agencies International, LLC**
- Brazil**
 - **Keppel FELS Brasil/ BrasFELS**
Largest & best-equipped offshore yard in the Southern Hemisphere
 - **Keppel Singmarine Brasil**
Builder of offshore support vessels & tugboats

Bulgaria

- **Keppel FELS Baltech**
Offshore & marine engineering company

The Netherlands

- **Keppel Verolme**
The most established offshore & marine yard in Europe

Norway

- **Keppel Norway**
Provider of offshore & marine-related engineering services

Azerbaijan

- **Caspian Shipyard Company**
Builder & repairer of rigs & ships
- **Baku Shipyard, LLC**
Builder & repairer of offshore support vessels and tankers

Kazakhstan

- **Keppel Kazakhstan**
Offshore engineering & construction facility

Qatar

- **Nakilat-Keppel Offshore & Marine**
Repairer of vessels up to ULCCs (operational in 4Q 2010)

United Arab Emirates

- **Arab Heavy Industries**
Repairer & builder of small to medium-sized vessels

India

- **Keppel FELS Offshore and Engineering Services Mumbai**
Offshore & marine engineering company

China

- **Keppel Nantong Shipyard**
Builder of offshore support vessels & tugboats
- **Keppel FELS Engineering Shenzhen**
Offshore & marine engineering company

Vietnam

- **Keppel FELS (Vietnam)**

Japan

- **Regency Steel Japan**
Manufacturer of large, high-quality steel structures

The Philippines

- **Keppel Philippines Marine Inc.**
Comprehensive solutions provider for marine and offshore projects
- **Keppel Batangas Shipyard**
Repairer & builder of small to medium-sized vessels & offshore fabrication facility
- **Keppel Subic Shipyard, Inc**
Provider of shiprepair, conversion & construction solutions

Australia

- **Keppel Prince Engineering**

Indonesia

- **Bintan Offshore**
Offshore fabrication facility

Singapore

- **Keppel Offshore & Marine (Headquarters)**
Global leader in offshore & marine
- **Keppel FELS**
World leader in design & construction of mobile offshore structures
- **Keppel Shipyard**
Leader in the repair & conversion of all kinds of vessels
- **Keppel Singmarine**
Leading builder of offshore support vessels & tugboats
- **KOMtech**
R&D Centre for new technologies and processes
- **Offshore Technology Development**
Designer of jackup rigs & critical equipment
- **Deepwater Technology Group**
Designer & developer of deepwater semisubmersible solutions
- **Marine Technology Development**
Designer of offshore support vessels & tugboats
- **Asian Lift**
Specialist for heavy lifts
- **Keppel Smit Towage**
Coastal towage solutions provider

Global Network Facilities

	Type	Dock capacity Capacity (dead weight tonnes)	Berthage			Outfit quay		
			Size (metres)	Length (metres)	Draft (metres)	Building berth (capacity)	Length (metres)	Depth (metres)
Singapore								
Keppel FELS Pioneer Yard								
Admiral Dock	Drydock	400,000	380 x 80	380	13			
	Berthspace						1,400	8 – 10
Pioneer Yard II	Berthspace						350	4.5 – 6
Shipyards Road	Berthspace						500	4.5
Crescent Yard	Berthspace						740	6
Keppel Shipyards (Tuas)								
				2,437				
Tuas Dock	Drydock	360,000	350 x 66		6.6			
Raffles Dock	Drydock	330,000	355 x 60		6.6			
Temasek Dock	Drydock	150,000	301 x 52		7.4			
Temasek Pier East	Berthspace			280	7.2			
Finger Pier West	Berthspace			350	9			
Finger Pier East	Berthspace			370	8.5			
Raffles Pier West	Berthspace			430	8.5			
Raffles Pier East	Berthspace			230	6.1			
West Quay	Berthspace			380	7.1			
South Quay	Berthspace			177	8			
Raffles Dock Entrance	Berthspace			220	7.1			
Keppel Shipyards (Benoi)								
				1,163				
Drydock No. 1	Drydock	300,000	350 x 60					
Drydock No. 2	Drydock	170,000	300 x 60					
Landing Quay				100	5			
Quay No. 1				217	7			
Quay No. 2				352	10			
Quay No. 3				270	8			
Quay No. 4				224	7			
Keppel Shipyards (Gul)								
				530				
FD No. 1	Floating Dock	14,000 lifting	192 x 32					
FD No. 2	Floating Dock	5,000 lifting	114 x 27					
North Quay 1	Berthspace			177.5	5			
North Quay 2	Berthspace			193	6.5			
North Quay 3	Berthspace			160	6.5			
Keppel Singmarine								
Drydock in Benoi 5	Drydock	5,000	105 x 18.5					
Building Berth in Benoi 15	Slipway					225 x 70		
Building Berth in Benoi 5	Slipway					120 x 27.5		
Wharf in Benoi 5	Berthspace			60	5			
Azerbaijan								
Caspian Shipyards Company								
Yusif Ibrahimov (Hull 901)	Floating Dock	15,000	128 x 74		6.5			
Floating Dock (Hull 953)	Floating Dock	5,000	124.8 x 23.3		6.5			
Floating Dock (Hull 806)	Floating Dock	4,500	124.8 x 21		6.5			
Jetty 3							400	6.5
Jetty 4							100	6.5
Brazil								
Keppel FELS Brasil (BrasFELS Yard)								
Drydock	Graving Dock		125 x 70					
Slipway No. 1	Slipway	35,000	174 x 30					
Slipway No. 2	Slipway	150,000	310 x 45					
Slipway No. 3	Slipway		185 x 70					
Finger Pier East	Outfit Quay			350	12			
Finger Pier West	Outfit Quay			350	11.5			
Outfit Pier East	Outfit Quay			300	6 – 7			
Outfit Pier West	Berthspace			120	7 – 8			
Slipway 2 Pier	Berthspace			80	8 – 9			
Slipway 3 Pier 1	Outfit Quay			80	9 – 10			
Slipway 3 Pier 2	Outfit Quay			80	9 – 10			

	Type	Dock capacity Capacity (dead weight tonnes)	Berthage			Outfit quay		
			Size (metres)	Length (metres)	Draft (metres)	Building berth (capacity)	Length (metres)	Depth (metres)
China								
Keppel Nantong Shipyard				400		3,000 T	220	6
Kazakhstan								
Keppel Kazakhstan LLP								
North Yard	Launching Way		220 x 100		4.5			
	Load-out Quay						243	4.5
	Berth space						488	4.5
The Philippines								
Keppel Subic Shipyard, Inc								
Pacific Dock	Graving Dock	550,000	550 x 65					
C Quay				279	9			
E1 Quay				351	9			
E2 Quay				312	9			
Keppel Batangas Shipyard, Inc.								
President Dock	Graving Dock	50,000	200 x 38					
Ship Lift System	Lift Platform	20,000	172 x 28					
	Dry Berth: 8 off	Dry Berth: 8 off						
Pier No. K1				100 x 2	9			
Pier No. K2				100 x 2	9			
Alongside FD No. 1				100	8			
Pier Block No. 1				183	9			
Pier Block No. 2				160	9			
Pier Block No. 3				70	8			
Pier Block No. 4				155	9			
The Netherlands								
Keppel Verolme				1,600	9 – 12		400	9 – 12
Dock No. 5	Graving Dock	65,000	230 x 35.5		9.8			
Dock No. 6	Graving Dock	130,000	275 x 41		10.6			
Dock No. 7	Graving Dock	500,000	405 x 90		12.2			
Qatar								
Nakilat-Keppel O&M				2,400				
Dry Dock No. 1	Drydock	350,000	360 x 66		12.0			
Dry Dock No. 2	Drydock	450,000	400 x 80		12.0			
6 Quays				2,400				
United Arab Emirates								
Arab Heavy Industries								
Al Zora Drydock	Graving Dock	30,000	175 x 32		7			7
Slipway No. 1	Slipway	*1,500	120 x 16					
Slipway No. 2	Slipway	*1,500	120 x 16		5			
Slipway No. 3	Slipway	*2,500	120 x 16					
Slipway No. 4	Slipway	*3,000	120 x 16		5			
Al Zora Wharf	Wharf			250				
East Wharf	Wharf			200				5
West Wharf	Wharf			83				5
USA								
Keppel AmFELS								
Floating Drydock (Rig mode)	Floating Drydock	35,054	94 x 110					
Floating Drydock (Ship mode)	Floating Drydock	35,054	37 x 190					
Launching Way				335	9.14			
West Dock Quay				152	9.75		153	9.14
East Dock Quay				290	9.14		290	9.14
Norway								
Keppel Norway								
Outfitting Quay	Outfit Quay						200	15

* Light Displacement Tonnage

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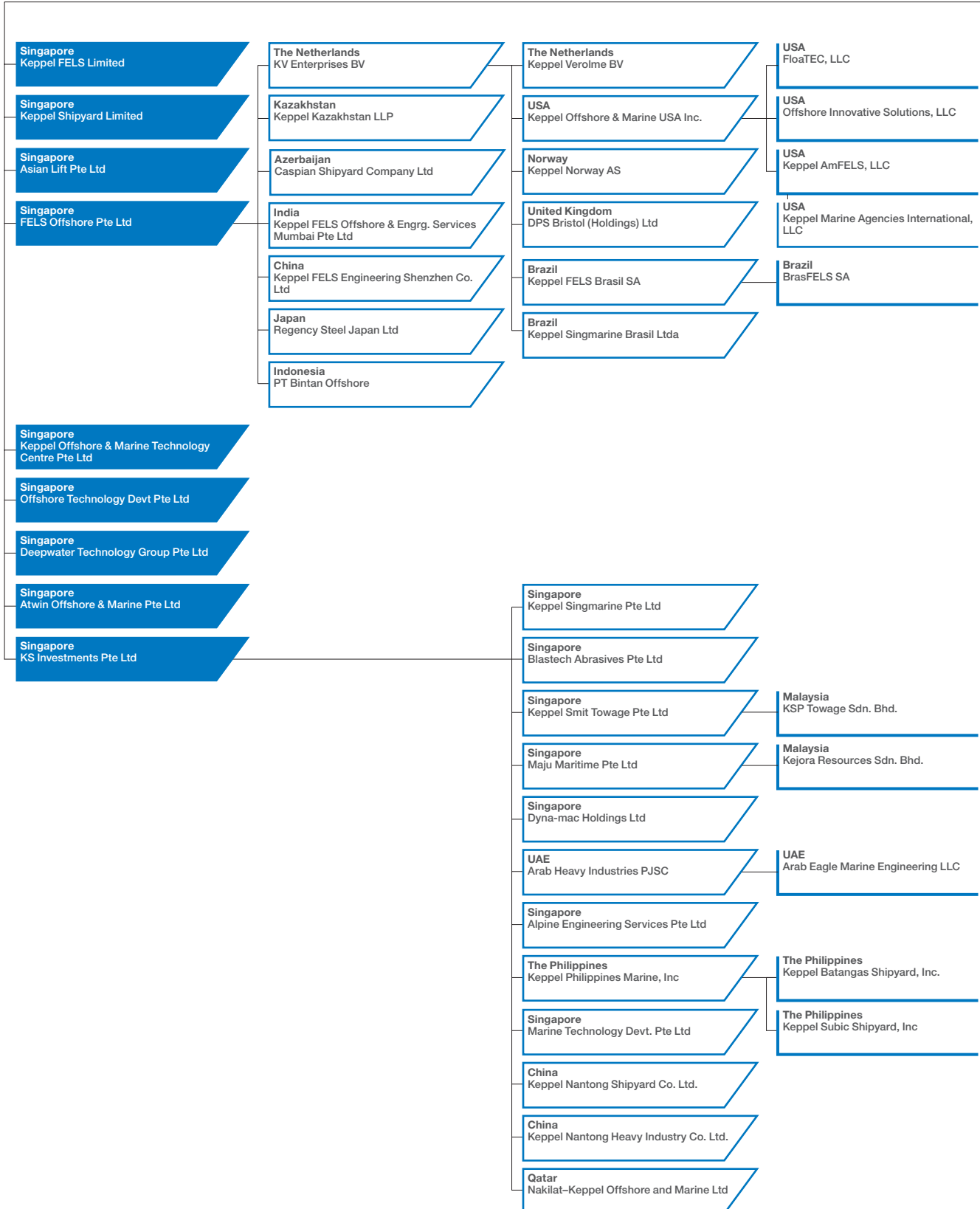
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