

OFFSHOREMARINE

Builder of distinction

November – December 2011

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TEAMWORK DELIVERS

First semi for Sete Brasil

Safety is everyone's business

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Centrespread

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West Jaya is one of the eight newbuild rigs delivered this year. Celebrating the naming were Lady Sponsor Marie Chew (centre), Mr Alf C Thorkildsen, CEO of Seadrill (left), Mr Marcus Chew, Director of Business Development at Seadrill (second from left), Mr Tong Chong Heong, CEO of Keppel O&M (second from right) and Mr Wong Kok Seng, MD of Keppel FELS.

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Superb sixth

Keppel FELS is on course to deliver ENSCO 8505, the sixth of seven ENSCO 8500 Series® ultra-deepwater semisubmersible (semi) drilling rigs for EnSCO, safely, on time and within budget.

Expected to be completed in the first quarter of 2012, the project has a strong safety record of zero lost-time incidents in over five million man-hours. Upon completion, ENSCO 8505 will be deployed by Anadarko, Apache and Noble Energy for operations in the Gulf of Mexico.

Singapore's Minister of State for Transport and Finance, Mrs Josephine Teo, was the

Guest-of-Honour at the naming ceremony on 10 December 2011.

Designed to address some of the most demanding offshore drilling requirements at water depths up to 8,500 feet, ENSCO 8505 features a two million pound quad derrick, offline pipe handling capability, 35,000 feet drilling capacity and 8,000 tonnes of variable deck load.

EnSCO currently has four additional rigs under construction at Keppel FELS. They are ENSCO 8506, the seventh and final ENSCO 8500 Series® semi that Keppel FELS is constructing for EnSCO, and three KFELS Super A Class jackup rigs.

"We are confident ENSCO 8505 will perform well and help us maintain our ranking as number one in customer service in the offshore drilling sector. Keppel FELS has been a reliable partner achieving an impressive safety record during construction while providing cost-efficient, purpose-built vessels on time. This enables us to perform at the highest level for our customers."

*Mr Daniel W. Rabun
EnSCO's Chairman, President & CEO*

Mr Tong Chong Heong, CEO of Keppel O&M, shared, "EnSCO has been a long-term customer and we are proud that they have entrusted Keppel with 19 major newbuild projects worth nearly US\$4.8 billion in total over the years. ENSCO 8505 is the 15th rig that we will be delivering with our hallmark of quality and timeliness. Being able to deliver six ENSCO 8500 Series® rigs within 42 months and with the seventh due is testament to the excellent execution capabilities and productivity gains we have developed with EnSCO.

"Our close collaboration includes customising products to fit the market and we are glad that the ultra-premium harsh environment KFELS Super A Class rigs we are building for EnSCO have received market acceptance with the recent contracting of ENSCO 120. We are committed to delivering these high-specification rigs to the highest satisfaction of EnSCO."



Onboard ENSCO 8505 are (left to right) Mr Tong Chong Heong, CEO of Keppel O&M, Mr Choo Chiau Beng, Chairman of Keppel O&M, Guest-of-Honour Mrs Josephine Teo, Minister of State for Transport and Finance and Dr Lee Boon Yang, Chairman of Keppel Corporation

One-stop hub



Keppel Singmarine's contract with PT Pelayaran Straits Perdana is a repeat order of the Coal Transshipment Barge, Straits Venture

Growing in its role as a one-stop solutions provider for ships of different specifications and functions, Keppel Singmarine has secured contracts from repeat and new customers.

Mr Hoe Eng Hock, ED of Keppel Singmarine said, "These contracts from our valued customers bear testament to Keppel Singmarine's reputation for on time, and on budget deliveries as well as the proven track record of our project execution and technical designs."

INDONESIAN NEXUS

Keppel Singmarine's has clinched a contract from its repeat customer PT Indo Straits Tbk, through its subsidiary company PT Pelayaran. The contract is for a Coal

Transshipment Barge, Straits Venture, which was delivered in early 2011.

Mr Richard Ong, President Commissioner of PT Indo Straits Tbk, shared, "Straits Venture has been performing very well and we are confident that the second vessel will be just as successful. We look forward to continue this partnership with Keppel Singmarine as we expand our presence in the region and become a leading player in our segment."

Designed by Keppel Singmarine's research arm, Marine Technology Development (MTD), the vessel is capable of loading 35,000 tonnes of coal per day, and

operates in open sea and difficult transshipment conditions. It will also have the flexibility to support marine offshore engineering operations in the oil and gas industry. The vessel is scheduled for delivery in the fourth quarter of 2012.

Mr Hoe added, "We hope to deepen our partnership with PT Indo Straits Tbk following our delivery of its first coal transshipment barge earlier this year. We are very pleased to continue supporting them in their expansion plans."

Keppel Singmarine's also secured contracts for three tugboats. Keppel Singmarine will undertake the engineering and construction of the turnkey projects.

The vessels, consisting of two 45-tonne bollard pull tractor tugs with twin Voith Schneider Propulsion units and a 50-tonne bollard pull Azimuth Stern Drive (ASD) tugboat, are expected to be delivered in the third and fourth quarters of 2012.

The ASD tugboat will be built to MTD's design. A tugboat of similar design was recently delivered to Topahova Maritime SA of Liberia for work in Venezuelan waters in September 2011.

PAPUA NEW GUINEAN LINKAGES

Keppel Singmarinen has entered into contracts for the building of a 91-metre container vessel and three 4000 dwt bulk ore/fuel carriers for Papua New Guinea

customer Ok Tedi Mining Limited (Ok Tedi Mining).

The container vessel to be built by Keppel Singmarine is capable of loading 3,000 tonnes of copper

concentrate or carrying 236 TEU (twenty-foot equivalent unit) of containers. In addition, the three 4000 DWT bulk ore/fuel carriers that Keppel Singmarine will be building, will each be able to carry

a minimum of 4,000 tonnes of copper concentrate or 1,900,000 litres of bulk diesel fuel. All the vessels are scheduled for delivery in 2Q 2013.

Upgrade in the Netherlands

Keppel Verolme, Keppel O&M's comprehensive yard in the Netherlands, is undertaking upgrading activities of a semisubmersible drilling rig (semi), Scarabeo 6, for Italian customer Saipem Misr for Petroleum Services S.A.E. (Saipem).

Keppel Verolme will undertake the upgrade and maintenance of the semi, Scarabeo 6. The vessel is expected to arrive at the yard in 2Q 2012 for a period of six months.

Work on the rig includes upgrading its drilling capabilities to a water depth of 1,200 metres, the prefabrication and installation of various deck extensions, and the renewal of traction winches, cable spooling winches and double riser tensioners. A new storage area for risers will be constructed and new sponsons and blisters will be installed to accommodate the new winches as well as enhance buoyancy and stability. The maintenance programme will

include refurbishment of the accommodation.

Keppel Verolme previously carried out a major upgrade on Scarabeo 6 in 1998. A regular customer of Keppel, Saipem had also sent the Saipem 7000, a semisubmersible crane and pipelaying vessel, for drydocking at Keppel Verolme in 2007. More recently, the yard completed the repair and modification of the semisubmersible pipelay vessel, Castoro Sei in 2010.

Earlier this year, Keppel FELS in Singapore delivered Scarabeo 9, a 6th generation ultra-deepwater semisubmersible drilling rig, to Saipem on schedule and with no lost time incidents.

Keppel's current projects for Saipem include the completion of a newbuild pipe laying vessel, Castorone, which is being jointly undertaken by Keppel Shipyard and Keppel Singmarine as well as a survey and repair programme on the S44, a barge for post-trenching and backfilling of pipelines, carried out by Keppel Verolme.



Earlier this year, Keppel FELS in Singapore delivered Scarabeo 9, a 6th generation ultra-deepwater semisubmersible drilling rig, to Saipem on schedule and with no lost time incidents

Repair specialist



Reflecting the synergies between Keppel's global network of yards, drillship Noble Roger Eason was repaired and upgraded at Keppel FELS in Singapore and BrasFELS in Brazil

Be it in Singapore, Brazil, the Netherlands or in the middle of the ocean, Keppel O&M is committed to deliver timely and quality repair and upgrade services to the satisfaction of its customers.

RIGGED UP AT KEPPEL FELS

Keppel FELS has undertaken a number of repair, refurbishment and upgrade projects in 2011. This includes work on the drillship Noble Roger Eason and the semisubmersibles (semi) Jack Bates, Nanhai 6 and Kan Tan IV.

Work on Noble Roger Eason has been carried out across Keppel FELS in Singapore and BrasFELS in Brazil. The vessel will be lengthened by cutting the ship in half and inserting a stern block at the aft of the cut vessel. Fabrication of the new stern block was recently completed in

Singapore with a record of more than 1.5 million safe man-hours.

Johnny Ng, Project Manager at Keppel FELS said, "Leveraging the synergy of our global yards, we are able to undertake the fast track completion of this drillship. By constructing and commissioning the new stern block prior to the arrival of the drillship, we have significantly reduced the overall time taken to complete this project."

Noble Roger Eason is the second drillship from Noble Corporation to undergo this process at Keppel yards.

Jack Bates, a 25 year-old, completed a five-year special periodic survey at Keppel FELS from June to November 2011. The yard carried out painting of the hull and tank, refurbishment of

the accommodation as well as overhauls of the anchor winch and fairlead. Various electrical systems were upgraded and both lifeboat platforms were replaced.

Returned to Transocean on 14 November 2011, the semi achieved a safety record of zero lost-time incident in over 840,000 man-hours worked.

In addition, Keppel FELS further strengthened its partnership with Chinese rig owners with the successful repair of two of their semis. Nanhai 6, which is operated by Maersk Drilling for China Oilfield Services Limited, was in the yard for periodic repairs, and it was delivered on time and without incidents.

Continues on page 8...

BrasFELS braced with new capabilities

Converted from a mating barge into a floating dock, FS-1 has proven its worth with several key projects already completed on it. It is an important asset which has significantly extended the capabilities of BrasFELS, beyond its existing drydock facility.

FS-1's maiden project was the docking of the drillship

Noble Leo Segerius which had its stern section jumboised or extended in an upgrading programme. Following that, FS-1 was again put to good use for the docking of its first semi, ENSCO 6000, which was carried out on 26 October 2011.

The 22,000-tonne docking capacity of the FS-1 was able to easily accommodate ENSCO 6000 which

had a total displacement of 11,114 tonnes during the docking operation as well as a pontoon measuring 75 metres by 50.4 metres.



BrasFELS' floating dock FS-1 takes on its first semisubmersible drilling rig, ENSCO 6000, on 26 October 2011

Continued from page 6...



Repair on the semi Jack Bates was completed safely and on time

“The Keppel team has again delivered high quality construction, outfitting, painting and commissioning. The decision to build the stern modules for the Noble Leo Segerius and the Noble Roger Eason in Singapore has worked well with the overall project schedule. I am confident that the future between Keppel and Noble is bright.”

*David Williams
Chairman, CEO and President
Noble Corporation*

The other semi, Kan Tan IV, was first built by Keppel FELS in 1983 and has returned for maintenance and a special periodic survey. Belonging to Sinopec Star Petroleum and currently operated by Frigstad Offshore, the rig is undergoing painting works on the columns, bracings, main deck, superstructure and derrick mast. The other major works include steel renewal, hull ventilation, overhauling of anchor winches and piping works. The rig is expected to depart the yard in March 2012.

QUALITY FIXES BY THE FLYING SQUAD

Keppel FELS' Flying Squad takes Keppel's renowned rig repair services beyond its yards.

Recently, a team of some 33 offshore repair specialists

responded to a call from Keppel's repeat customer, SeaWolf Oil Services Limited, to conduct repairs on the legs of a jackup rig operating in Nigeria.

The Friede & Goldman Super M2 jackup rig, ONOME, had two of its legs stuck in the seabed. The legs had to be extricated before the rig could be towed to Nigeria's port Calabar for inspection and repairs by the Flying Squad.

All three rig legs had been bent out of shape and more than 100 feet of bracings had to be repaired and replaced.

Despite the challenge, work on ONOME was completed in 66 days, 18 days ahead of schedule. In a letter to Keppel FELS, Vincent Okhomina, Seawolf's Offshore

Installation Manager on ONOME, commended the team on a job done well and without incidents.

Leading the squad was Shao Hai Zhou, Senior Hull Superintendent at Keppel FELS. He said, "We are glad to be able to support Seawolf by completing the repairs safely and ahead of schedule. Our line of work sometimes requires us to travel to unfamiliar places, where we can only assess the work scope on arrival. Our experience and expertise as well as good teamwork with our customers are thus essential to us in getting the job done successfully."

The Flying Squad is presently on standby for the repair of SeaWolf's Delta Queen, a Friede & Goldman L-780 jackup rig.

**QUICK RESPONSE FROM
KEPPEL VEROLME**

The 366-metre long container vessel CMA CGM Alaska, owned by ship operator Claus-Peter Offen, turned to Keppel Verolme for urgent repairs after a collision. The collision had left the vessel with an indentation and a large hole on her starboard side. As a result, water flooded into the ballast tank.

Keppel Verolme quickly set to work on fixing the vessel. It renewed 44 tonnes of steel and applied a complete paint job, all within 16 days. The project was completed on 2 November 2011.

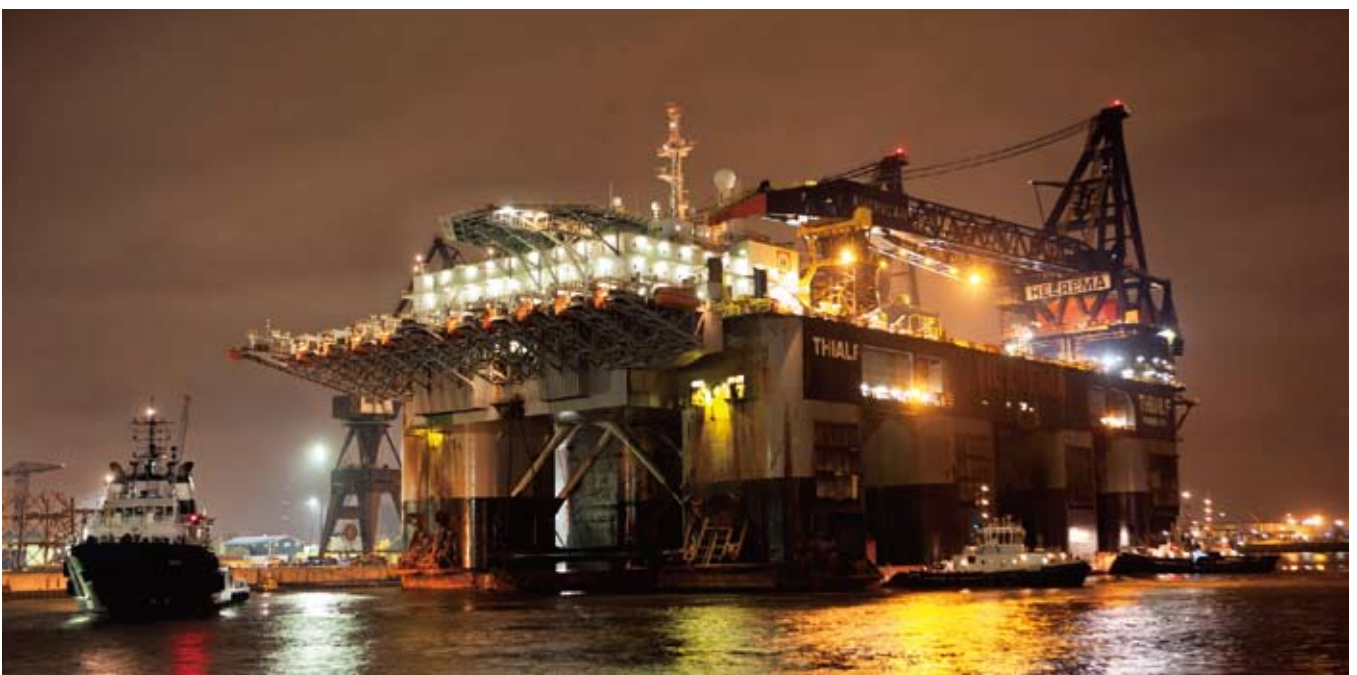
Keppel Verolme has also been busy with the crane vessel Thialf, which arrived at the yard for repair, maintenance and painting works on 23 December 2011.

Thialf is Heerema Marine Contractors' largest crane vessel. Upon completion of these works,

Thialf is expected to be able to continue services for another 20 years.



Keppel Verolme renewed 44 tonnes of steel and applied a complete paint job, all within 16 days, on container vessel CMA CGM Alaska



The crane vessel Thialf arrived at Keppel Verolme in the Netherlands for repair, maintenance and painting works on 23 December 2011

Achieving milestones

Keppel Offshore and Marine's yards around the world are abuzz with activity. Several milestones were celebrated over the last few months.

MONTH	CUSTOMER	MILESTONE	PROJECT DESCRIPTION
October 2011	Asia Offshore Drilling/ Seadrill	Keel laying	AOD I and AOD II, two of three KFELS B Class jackup rigs ordered
	Jasper	Keel laying	Jasper Adventurer, first of two KFELS B Class jackup rigs ordered
	Discovery Offshore	Strike steel	B323, its second KFELS Super A Class jackup rig
		Keel laying	Discovery Triumph, its first KFELS Super A Class jackup rig
	Saudi Aramco	Undocking from drydock to quayside	SAR-202, a KFELS Super B Class jackup rig
	Transocean	Keel laying	B326 and B327, two of three KFELS Super B Class Bigfoot jackup rigs ordered
		Strike steel	B335, its third KFELS Super B Class Bigfoot rig
	Guanabara Navegacao	Keel laying	First 4,500-dwt Platform Supply Vessel based on Keppel's proprietary MTD 9045-DE design
November 2011	Vision Drilling	Keel laying	B334, its KFELS B Class jackup rig
	Floatel	Strike steel	Floatel Victory, a SSAU4000NG semi accommodation rig
December 2011	Discovery Offshore	Keel laying	B323, second of its two KFELS Super A Class jackup rigs
	Seadrill	Strike steel	West Esperanza, the KFELS SSDT-3600E Drilling Tender
	Transocean	One million safe man-hours	B326 and B327, two of three KFELS Super B Class Bigfoot jackup rigs ordered
	Jasper	Keel laying	Jasper Beacon, the second KFELS B Class jackup rigs ordered
	Asia Offshore Drilling/ Seadrill	Keel laying	AODIII, third of three KFELS B Class jackup rigs ordered
	Transocean	Keel laying	B335, third of three KFELS Super B Class Bigfoot jackup rigs ordered



Construction on the KFELS B Class jackup rig, Jasper Beacon, has followed closely on the heels of its sister rig, the Jasper Adventurer



Transocean celebrated three key milestones as work on their jackup rigs progress on track



Applying to Keppel's proprietary SSAU4000NG design, Floatel Victory struck steel on 23 November 2011

Launch pad

On 14 December 2011, H365, a diving support vessel being built for a Malaysian customer took to the waters amidst cheers from the project teams.

The 80-metre ship is based on Keppel's Marine Technology Development's new design.

When completed in the second quarter of 2012, the diving support vessel will be able to perform multiple functions including rescue and subsea operations.



Strengthening business continuity

To enhance the resilience of the group's businesses in any eventuality, Keppel Corporation held an inaugural Business Continuity Management (BCM) Conference on 8 December 2011. More than 250 Keppelites attended the conference and gained valuable insights from the sharing.

In his opening remarks, Mr Choo Chiau Beng, CEO Of Keppel Corporation and Chairman of Keppel O&M, emphasised the importance of enhancing Group-wide operational resilience. Citing recent world examples such as the tsunami in Japan and the tension in Iran which could disrupt oil supply from the Middle East, he underlined the need to be vigilant and well-prepared to respond to business interruptions and ensure rapid business recovery.

The participants benefitted from presentations by fellow Keppelites across the Group who shared their experiences and mitigation plans that enabled their businesses to recover quickly from severe disruptions, such as hurricane, typhoons, terrorism, pandemic flu, power outages and loss of critical equipment.

Presenters touched on different aspects of a good BCM programme, encompassing risk assessment, planning and preparations, response actions, and business resumption.

The participants also gleaned insights from guest speaker



Keppelites eager to learn from the guest speaker Dr Goh Moh Heng's presentation on the top five things to know when implementing a Business Continuity Management programme

Dr Goh Moh Heng, President of the Business Continuity Management Institute, who presented on "The top five things an organisation should know when implementing its BCM programme".

Dr Goh said that implementing a standardised, effective and robust BCM plan across business units involved commitment from senior management, active engagement of all aspects of business operations and the consideration of key interdependencies.

Keppel Corporation's Group Corporate Communications

and Group Human Resources departments also took the opportunity to underscore their supporting roles in BCM planning and crisis management.

Ms Tina Chin, GM of Group Risk Management, concluded the conference saying, "It is heartening to see the conference bringing different parts of the Group together, to share how business units put into practice their BCM plans. The conference serves as a timely platform to allow business units to learn from each other's diverse experiences and distill what are the common concerns and strategies to manage risks."

Regional cooperation for safety excellence



Industry speakers engaged in an in-depth discussion on safety at the inaugural ASCOPE Safety Workshop 2011

Keppel O&M hosted delegates from ASEAN at the inaugural ASCOPE (Association of Southeast Asian Nations Council on Petroleum) Safety Workshop 2011 held from 31 October to 1 November.

More than 80 participants made up of ASCOPE delegates, industry speakers and Keppel staff shared policies and practices aimed at strengthening their respective companies' safety culture and measures as well as raising the bar on safety standards for the region's oil and gas, and offshore and marine industries.

Delivering the welcome address, Mr Tong Chong Heong, CEO of Keppel O&M, said, "ASCOPE is a platform for regional cooperation amongst member countries, and Keppel took the opportunity to draw on these partnerships to advance key issues such as safety.

"Keppel is honoured to host

this inaugural ASCOPE Safety Workshop and is glad to see the strong support from the member countries. Let us actively share our safety knowledge and learn from our collective challenges and experiences."

Following the workshop, ASCOPE delegates visited Keppel's yards as well as the Keppel Safety Training Centre to gain a better understanding of Keppel's safety philosophy and practices.

Mr Awangku Adi Johan Bin Pengiran Haji Annuar, ASCOPE Environmental, Health, Safety and Security Expert Working Group Chairman, Health Safety Security Environment Manager, Brunei National Petroleum Company Sendirian Berhad, commented, "Congratulations on a well-organised ASCOPE Safety Workshop with excellent number of participants from the ASCOPE member countries.

Cross checks

An attachment programme to encourage sharing of best practices across the Group, Keppel's cross pollination programme continues to garner momentum. From 31 October to 4 November 2011, Keppel FELS hosted Claudio Rodrigues Henrique, HSE manager from Keppel FELS Brasil.

Claudio Rodrigues shared, "This has been a very fruitful trip for me. I have learnt new ideas from the High Impact Risk Activities (HIRA) presentation and Vessel Safety Coordination Committee meeting and this includes implementing the weekly inspection of gas hoses as well as welding electrical cables."

With this exchange of knowledge, the safety officers are able to adapt and fine-tune Keppel's safety practices, wherever we operate.

"It has provided a valuable platform for the sharing of safety practices from recognised industry leaders, as well as networking opportunities. Overall, this safety workshop met all the ASCOPE focus areas – Value-Creation, Recognition, Participation and Knowledge – Sharing."

Safety is everyone's business

The Keppel Group Safety Convention reaffirms commitment to safety ownership.



Keppel senior management, Keppelites and external stakeholders pledge their commitment to safety

Safety as one of Keppel Group's core values was reaffirmed at the fifth Keppel Group Safety Convention held on 4 November 2011 at the Ngee Ann Polytechnic Convention Centre.

Addressing more than 700 participants, Mr Choo Chiau Beng, CEO of Keppel Corporation and Chairman of Keppel O&M, shared, "At Keppel, we believe that safety contributes directly to the productivity of the workforce. In fostering a safe environment, we are, in fact, creating conditions for our workforce to be efficient and effective."

On a more solemn note, Mr Choo added, "2011 has been a challenging year for safety. Despite our best efforts, there were 13 fatalities across the Group. We are deeply saddened by the loss of these lives and would like to convey our deepest condolences to the families of those affected.

"We have thoroughly investigated the causes of all these incidents, which helped to provide useful lessons for us. These tragic incidents clearly show that we cannot afford to be complacent, especially where safety is concerned."

SHARING PLATFORM

At the Safety Convention, Keppel launched the e-Safety Portal to encourage active sharing of best practices in Health, Safety and Environment (HSE) among Keppelites and to align a consistent strong safety culture across the Group. Keppel's Safety Champions, key management and operation personnel will be able to access and contribute HSE resources more efficiently.

TOWARDS ZERO-INCIDENT

Guest-of-Honour, Mr Hawazi Daipi, Senior Parliamentary Secretary, Ministry of Education and

“Across the Keppel Group, we continue to review and enhance our safety systems and processes. We are committed to put in place initiatives which will continue to strengthen our safety mindsets and fortify the safety culture across the Keppel Group.”

*Mr Chandru S. Rajwani
GM (HSE) of Keppel O&M, Chairman of the Inter-Business Unit Safety Committee, Keppel Group*

Manpower, lauded Keppel for its commitment to safety.

Mr Hawazi said, “I am glad to see that Keppel recognises safety and health as two of its key priority areas. The Keppel Group has maintained this through an investment of more than \$23 million in safety in 2010. Some of Keppel’s key initiatives and good practices can offer ideas for other companies to emulate.”

Reiterating the point that there is no room for complacency when it comes to safety was Mr Chandru S. Rajwani, GM (HSE) of Keppel O&M and Chairman of the Inter-Business Unit Safety Committee for the Keppel Group.

Mr Rajwani emphasised, “Safety excellence has to be earned and it is an ongoing journey of constant vigilance as we challenge ourselves to aim for zero incidents in the workplace.”

SAFETY LEADERSHIP

Mr Sven Bang Ullring, Chairman of Keppel Corporation Board Safety Committee, said, “Safety leadership applies at all levels, especially if one is in charge or leading a particular safety project or team and this includes our subcontractor’s managers. We see potential in these assessors as future Keppel leaders, who will guide their fellow colleagues to take ownership of safety. ”

Drawing lessons

7 October 2011 was a sad day for all at Keppel Group. At 10.20 am that day, a serious incident occurred at Keppel Subic Shipyard in the Philippines.

While workers were doing repair work on a car-carrier vessel, the stern ramp of the vessel moved while being worked on, causing the support underneath the ramp to topple. Some workers were on the scaffolding underneath the ramp edge and on the ramp at the time of the incident. As a result, the lives of six workers were lost and six others sustained injuries.

Following the incident, Keppel Subic Shipyard’s immediate focus was to help the affected workers and their families. The necessary financial assistance was provided to cover the funeral and medical expenses, and subsequently, more comprehensive financial assistance packages were offered to the families. In addition, the management and staff of Keppel Subic Shipyard initiated the collection of personal contributions to the families of the deceased workers.

RISING TO THE CHALLENGE

Teams from Keppel Subic Shipyard and from Singapore also worked non-stop in the immediate aftermath to investigate the cause. A high-level taskforce was also formed to look into further enhancing safety at the yard.

At Keppel Subic Shipyard, full operations have resumed and safety procedures at the yard are being further improved. While we face this incident with humility, it has also strengthened our resolve to continue to reach out to every worker and employee on the importance of safety. Such incidents are sad but timely reminders that we should not take our daily routine work activities for granted, and that all of us need to band together to ensure each one of us returns home safely every day.

At Keppel, we uphold safety as our top priority and it is a key core value. We are determined to draw lessons from this and continue our journey towards an incident-free work environment.

Staying ahead of the curve

2011 was a bustling year for Keppel O&M as it received a slew of new orders while continuously improving the execution of projects, advancing innovation and deepening partnerships.



With 16 units ordered in 2011, the KFELS B Class design is among Keppel's suite of proprietary designs that is an industry standard

JANUARY

Keppel FELS secured orders from Clearwater Capital Partners, LLC to build a pair of premium KFELS B Class jackup rigs and from Discovery Offshore S.A. to construct two harsh environment

jackups based on the proprietary KFELS Super A Class design.

Keppel Philippines Marine Inc increased its stake in Keppel Subic Shipyard to 84%.

FEBRUARY

Keppel FELS won contracts from EnSCO to build two enhanced KFELS Super A Class harsh environment jackup rigs.

Keppel FELS Brasil secured two FPSO topsides contracts from Single Buoy Moorings (SBM), and the joint venture company MODEC and Toyo Offshore Production Systems.

Maersk Drilling Holdings Singapore placed orders with Keppel FELS for two Gusto MSC CJ70 harsh environment jackup rigs.

Keppel FELS secured contract from Transocean Offshore Deepwater Holdings (Transocean) to build two high-specification jackup rigs based on the KFELS Super B Class Bigfoot jackup rig design.

MARCH

Keppel O&M acquired 28% stake in SGX-listed topside module fabricator Dyna-Mac via equity placement to strengthen its lead as the total solutions provider for floating production systems

Keppel AmFELS won a contract from Mexico's Perforadora Central SA de CV to build a jackup rig.

Keppel Shipyard secured contracts for completing a Pipe Laying Vessel for Saipem S.p.A and converting a

Floating, Storage and Offloading (FSO) vessel for Bumi Armada Berhad.

Keppel FELS secured a contract from Japan Drilling Company to build a KFELS Super B Class jackup rig.

APRIL

Jasper Investments placed a second order with Keppel FELS to build a KFELS B Class jackup rig.

Keppel Shipyard and Keppel Singmarine clinched new contracts to build a multi-purpose dive support construction vessel for SBM Offshore as well as modify and upgrade a Floating Production Storage and Offloading (FPSO) for Petrofac.

The KFELS Multi-Purpose Self-Elevating-Platform (MPSEP) wind turbine installation vessel under construction at Keppel FELS secured a job for deployment by DanTysk in the German sector of the North Sea.

MAY

Keppel FELS secured a contract to build two KFELS B Class Bigfoot jackup rigs from returning customer, Gulf Drilling International.

Keppel FELS won four repeat KFELS B Class rigs order from Standard Drilling.

Keppel FELS secured a contract with Vision Drilling, a wholly-owned subsidiary of Dynamic Offshore Drilling, to build its first KFELS B Class jackup drilling rig.

JUNE

Keppel FELS was awarded a contract from Seadrill to build a repeat semisubmersible drilling tender based on the KFELS SSDT™ 3600E design.

Mr Chow Yew Yuen was appointed MD of Keppel O&M while continuing in his role as the President of the Americas for Keppel O&M.

Keppel FELS was awarded a contract by Floatel International (Floatel) to build a new generation accommodation semisubmersible.

Ahead of its opening in 2012, Keppel Singmarine Brasil secured two newbuild contracts from fleet operators in Brazil. The first contract is for six 45-tonne bollard pull twin-screw Azimuth Stern Drive harbour tugboats for Rebocadores do Brasil S.A., and the second contract is for a 4500 DWT Platform Supply Vessel for Keppel O&M's Brazilian ship-owning arm, Guanabara Navegacao Ltda (GNL).

JULY

Keppel FELS' repeat customer,

Asia Offshore Drilling, ordered a third KFELS B Class jackup rig.

AUGUST

Keppel Shipyard secured two contracts to convert an FPSO unit for SBM as well as to fabricate and integrate an external turret mooring system for an existing FPSO vessel.

Keppel FELS secured a repeat order from Transocean for a KFELS Super B Class Bigfoot jackup rig.

SEPTEMBER

Floatel became a subsidiary of Keppel O&M through an amalgamation exercise.

Keppel Nantong in China secured a contract to build the world's largest heavy lift sheerleg floating crane for Asian Lift.

Keppel Shipyard secured three conversion contracts to convert a Liquefied Natural Gas (LNG) Carrier to a Floating Storage Unit (FSU), a VLCC tanker to an FSO unit as well as a tanker to a FPSO unit.

OCTOBER

Keppel FELS secured a contract for its refurbished KFELS B Class jackup rig from Safin Gulf FZCO as well as a contract to build an enhanced KFELS Super A Class

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Keppel O&M strengthened its lead as the total solutions provider for floating production systems by acquiring a stake in Dyna-Mac

harsh environment jackup rig from EnSCO.

NOVEMBER

Keppel Singmarine secured two contracts from Indonesian customers. The contracts are for a Coal Transshipment Barge for repeat customer PT Indo Straits Tbk, and the construction of three tugboats for an international shipping company.

DECEMBER

Keppel O&M secured contract from Sete Brasil for a DSS™38E semisubmersible drilling rig.

Keppel O&M wraps up 2011 with a series of contracts. Keppel Singmarine has been engaged for the building of a 91-metre container vessel and three 4000 DWT bulk ore/fuel carriers for Papua

New Guinea customer Ok Tedi Mining Limited (Ok Tedi Mining), while Keppel Verolme, Keppel O&M's comprehensive yard in the Netherlands, will be undertaking upgrading activities of a semisubmersible drilling rig, Scarabeo 6, for Italian customer Saipem Misr for Petroleu Services S.A.E. (Saipem).

Successful deliveries

As Keppel O&M secured record new orders in 2011, it also delivered some 26 major projects across its yards around the world. This includes five semisubmersibles, three jackup rigs, seven FPSOs, one drillship outfitting, eight specialised vessels and two major repair/ completion projects.

In the execution of its projects, Keppel O&M has maintained its track record of safe, timely and within budget deliveries. Its value proposition includes meeting local content requirement such as with the P-56 which was completed entirely in Brazil as well as completing complex projects such as the Scarabeo 9.



Keppel Singmarine delivered a second pipelay vessel to Global Industries with an incident-free construction record

PROJECTS	TYPE	CUSTOMER
Newbuild jackups		
1 Rowan Stavanger	KFELS N Class	Rowan Companies
2 Rowan Norway	KFELS N Class	Rowan Companies
3 Rowan EXL IV	LeTourneau Super 116E	Rowan Companies
Newbuild semisubmersibles		
1 West Jaya	SSDT™ 3600E	Seadrill
2 Alpha Star	DSS™ 38 semisubmersible	QGOG
3 P-56	Production Semisubmersible	Petrobras
4 ENSCO 8504	ENSCO 8500 Series®	EnSCO
5 PV Drilling V	SSDT™ 3600E	PetroVietnam
FPSO/FSO/FSRU conversions and upgrading		
1 FPSO Okha	FPSO	SBM
2 FPSO Lewek Emas	FPSO	EMAS /PV Keez
3 FPSO Armada TGT1	FPSO	Bumi Armada
4 FPSO P58	FPSO	Petrobras
5 FSO Sepat	FSO	Bumi Armada
6 FPSO Aseng	FPSO	SBM
7 FPSO OSX-1	FPSO	OSX
Newbuild vessels		
1 Princess Chloe	Barge	P.T. Mitra
2 Ratu Giok 1	Barge	P.T. Pelayaran Kartika
3 Straits Venture	Barge	PT Indo Straits
4 KST 57	Tug	Keppel Smit Towage
5 KST 58	Tug	Keppel Smit Towage
6 GLOBAL 1201	Derrick pipelay vessel	Global Industries
7 KST 59	Tug	Keppel Smit Towage
8 Maju Tug	Tug	Maju Maritime
Major Upgrades/ Repairs/ Drillship Outfitting		
1 Noble Bully 1	Drillship outfitting	Noble
2 EnSCO 7500	Semisubmersible repair	EnSCO
3 Scarabeo 9	Semisubmersible completion	Saipem

Innovating better solutions

Keppel O&M's innovations seek to address the long-term needs of its customers as well as the enhancement of current rig solutions. These innovations have garnered keen interest from the industry over the years.

Products such as the DSS™ 38 semisubmersible rig (semi) and KFELS Super A Class jackup rig are examples of products that have won the affirmation of leading customers.

DSS™ 38 SEMI

Keppel O&M is the only global shipyard with its own suite of deepwater solutions.

Its DSS™ series of semis, developed in partnership with Marine Structure Consultants, is one of the most technically advanced deepwater drilling rigs to be designed and completed in the world.

DSS™ 38 was created with experience gained from constructing earlier DSS™ semis, incorporating constructive feedback from their owners and operators.

In March 2011, Keppel FELS delivered Alpha Star, the second of two DSS™ 38 semi, to Brazil's Queiroz Galvão Óleo e Gás four months ahead of schedule and with zero lost time incidents.

Mr Aziz Merchant, ED of Keppel FELS, said, "The DSS™ 38 design not only reaffirms the growing acceptance of our DSS™ Series,



An innovative and cost-effective design, the DSS™ 38 Semi Gold Star is operating efficiently in offshore Brazil for Petrobras

but also Keppel's status as the builder of distinction in Brazil's offshore sector.

This rig has distinct 'double-skin' columns, which protect the critical equipment within from damage by external impact. This greatly reduces rig downtime in the event of hurricanes or strong climatic pressures out at sea. The layout of the engine rooms has also been designed to minimise the risk of a complete shut-down in an emergency.

Designed to maximise uptime with reduced emissions and discharges, the DSS™ 38 rig is well-suited to handle the operational requirements in the deepwater "Golden Triangle" region, which comprises Brazil, Africa and the Gulf of Mexico.

The rig is rated to drill 30,000 feet below mud line in over 9,000 feet water depth. It has an operational displacement of over 38,000 tonnes and can accommodate 130 persons.

It also features both vertical and horizontal riser storage and is configured with eight 3,000 kW azimuth thrusters to keep the rig in position.

Mr Aziz Merchant added, "As the exploration of oil and gas reserves moves to less hospitable terrains and becomes more complex, technological capability will be a key differentiator. Keppel's technology leadership will position us ahead of the game as we continue to offer value-added solutions that are innovative and cost-effective for customers."

There is another enhanced version named DSS™ 38E based on the success of DSS™ 38 and this design is used for deepwater drilling in Brazil's pre-salt terrain.

KFELS SUPER A CLASS RIG

Reflecting a culture of seeking continuous improvements, Keppel's proprietary jackup designs are being constantly refined, adapted and enhanced to meet the changing needs of drillers and operators worldwide.

This year, Keppel FELS introduced an enhancement to its KFELS MOD V-A Class design, the Super A Class for Enso Plc and Discovery Offshore. This design debuts at an opportune time when the industry is looking for new and higher performance assets, which can 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. To date, Keppel FELS has secured orders to build a total of five new units for Discovery Offshore and Enso Plc.

Dr Foo Kok Seng, Centre Director of Keppel O&M Technology Centre, shared, "The KFELS Super A Class hails from our proven KFELS MOD V-A Class jackup, which has been widely deployed by our international customers. This new

generation rig is a showpiece of our cumulative experience in designing and constructing cutting-edge harsh environment solutions.

"Today, 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, including harsh environments. We believe that confidence has to be earned, and we spare no effort in sharpening our engineering and technology competencies to back the quality and performance of our rigs."

The KFELS Super A Class rig can operate in water depths of 400

feet and drill to depths of 40,000 feet. It features advanced drilling systems with 2.5 million pounds of static hook load, a spacious deck and comprehensive amenities for the comfort of a 150-person crew. It also has an offline stand building capability to handle drill pipes efficiently, boosting overall rig performance and productivity.

For enhanced operational safety, the KFELS Super A Class is equipped with the latest pinion overload detection, rack phase difference detection, and brake failure and overload protection devices, thus meeting even the stringent Health, Safety and Environment standards of various sectors in the North Sea.



The KFELS Super A Class design reflects Keppel's continuing efforts to develop more robust jackup designs

Showcasing exemplary practices

Keppel O&M warmly welcomes visitors from far and wide to learn about its operations and practices, offering the company opportunities to showcase its strengths and capabilities in a range of solutions.

SAUDI STOPOVER

President of the Saudi Ports Authority (SEAPA), His Excellency Abdulaziz Bin Mohammed Bin Nasser Al-Tuwaijri, led a delegation on a visit to Keppel Shipyard on 30 November 2011. SEAPA is the government agency that supervises the ports of Saudi Arabia.

Keppel Shipyard's ED Mr Chor How Jat and Senior GM Mr Louis Chow hosted the delegation, sharing on Keppel's offshore and marine capabilities as well as past and present projects for the Middle East. This includes a customised KFELS Super B Class jackup rig for Saudi Aramco to be delivered in the second half of 2012.

With a global network of 20 yards worldwide, Keppel O&M operates two yards in the Middle East region. They are Nakilat-Keppel O&M which is based in Qatar, and

Arab Heavy Industries, located in United Arab Emirates.

RUSSIAN VISIT

A delegation from the Science & Technology Society of Shipbuilders of the Russian Federation (NTOS) were warmly welcomed at Keppel Shipyard and Keppel Singmarine on 11 November 2011. The delegation was hosted by Mr Nelson Yeo, MD (Marine) of Keppel O&M and MD of Keppel Shipyard.

Led by Professor Vladimir V. Alexandrov, President of the NTOS and Professor at Saint Petersburg

State Marine Technical University, the delegation comprised personnel from education and research institutes as well as shipbuilding and ship repair companies from Russia.

Keppel shared on the offshore and marine projects it had delivered to Russia over the years. This includes the ice-class Floating Storage and Offloading unit, Yuri Korchagin, a project delivered by Keppel Singmarine with its sister yard, Caspian Shipyard Company, and the first two icebreakers built in the region, Toboy and Varandey.



Mr Nelson Yeo (foreground, extreme right), MD (Marine) of Keppel O&M and MD of Keppel Shipyard, hosted delegates from the Science & Technology Society of Shipbuilders of the Russian Federation



Delegates from the Saudi Ports Authority (SEAPA) were warmly welcomed at Keppel Shipyard



Her Royal Highness Princess Fadzilah Lubabul Bulqiah from Brunei showed strong interest in Keppel's offshore and marine business as well as waste-to-energy technologies during her visit to Singapore

ROYAL GUEST

Her Royal Highness (HRH) Princess Fadzilah Lubabul Bulqiah from Brunei visited Keppel's facilities in Singapore on 2 November 2011. She was accompanied by Brunei's Minister of Energy at the Prime Minister's Office Pehin Datu Singamanteri Colonel (Rtd) Dato Seri Setia (Dr) Hj Mohd Yasmin Hj Umar. Also present were Brunei High Commissioner to Singapore, Dato Abd Ghafar Ismail, Permanent Secretary (Energy) at Prime Minister's Office, Dato Paduka Hj Matsatejo Sokiaw, Deputy Permanent Secretary (Downstream and Power) Hj Jamain Hj Julaihi and other officials.

The visit started at Keppel O&M where HRH Princess Fadzilah and her delegation were received by Mr Choo Chiau Beng, CEO of Keppel Corporation and Chairman of Keppel O&M, Mr Teo Soon Hoe, Senior ED of Keppel Corporation and Mr Tong Chong Heong, Senior ED of Keppel Corporation and CEO of Keppel O&M. HRH Princess

Fadzilah was given an overview of Keppel's O&M Division, which comprises offshore rig design, construction and repair, ship repair and conversion, and specialised shipbuilding.

A tour of the yard gave the delegates a first-hand view of the megastructures under construction. The visit continued at Keppel Seghers Tuas Waste-to-Energy plant with a briefing on Singapore's integrated waste management strategy and the suite of comprehensive environmental solutions provided by Keppel Seghers.

On Brunei's strong interest in growing their energy and environmental solutions, Mr Choo said, "Brunei has had requirements for rigs for many years now, and we think it is a good possibility for us to cooperate in that area.

"Keppel is also interested to provide waste-to-energy solutions in Brunei. Waste management

can be done in ways that benefit the energy sector. There are tremendous opportunities for Brunei and Singapore to continue to further our collaboration."

MAXA SHOWCASE

As the first Singaporean company to win the Manufacturing Excellence Award (MAXA) in 2008, Keppel FELS has not only kept up its spirit of innovation but also the sharing of its best practices.

The yard hosted a delegation led by the Singapore Economic Development Board (EDB) on 17 November 2011. Comprising companies as varied as Advanced Micro Devices and Kimberly-Clark, the visitors toured the yard's operations and innovative processes which have kept Keppel on track on its productivity roadmap.

With improvements in its production, Keppel FELS achieved a record feat of delivering 13 rigs in 2009, and this will be surpassed in 2013 with an expected delivery of 21 rigs.

Mr Wong Fook Seng, Keppel FELS' Senior GM of Operations and Quality Systems elaborated, "We are constantly looking at how to improve our workflow through innovative technologies or processes. We work closely with our customers, suppliers and subcontractors to identify areas for improvement and brainstorm for solutions."

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INDUSTRY ENGAGEMENT

Fostering close bonds with its industry partners, Keppel O&M welcomed the Board members of Pareto Securities, a leading player in broking and financial advice for the offshore and marine industry during their Board meeting in Singapore on 4 November 2011.

Drawn by Keppel O&M's reputation for delivering projects on time and within budget, Mr Svein Støle, the majority stake owner of Pareto Group and

his team engaged in a robust discussion with Mr Tong Chong Heong, CEO of Keppel O&M, Mr Wong Kok Seng, MD of Keppel FELS and Mr Wong Ngiam Jih, CFO of Keppel O&M and learnt about Keppel's strategy and outlook for the industry, and what made Keppel stand out from its competitors.

CHINESE CONNECTIONS

On 9 November 2011, a 20-strong delegation from the Putuo District, Zhoushan City was received by

Mr Lee Tai Kwee, President of Keppel Nantong Shipyard, at Keppel Corporation.

Led by Mr Jiang Bin, Deputy Bureau Chief of Human Resources and Social Security Bureau, Putuo District, the delegation visited Singapore to learn about the development of the island state's port-related industries. Their visit included a tour of Keppel Shipyard where they gained a deeper understanding of the yard's operations and capabilities.

Deepening Brazilian ties

With its long standing partnership with Petrobras and Brazil since the 1970s, Keppel O&M warmly welcomed and hosted the Petrobras delegation led by Mr Jose Sergio Gabrielli, President and CEO, during their visit to Singapore.

At the Thomson Reuters Asia Petroleum Lunch which was co-hosted by Keppel Corporation, Mr Choo Chiau Beng, CEO of Keppel Corporation and Chairman of Keppel O&M,

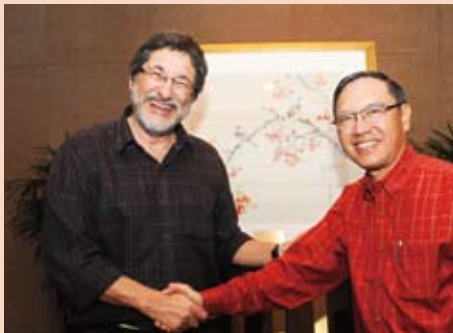
introduced Mr Gabrielli, who delivered the keynote address.

Following the luncheon, the Petrobras delegation met with top management of Keppel O&M led by Mr Choo and Mr Tong Chong Heong, CEO of Keppel O&M. They exchanged fruitful discussions on current projects, including the P-61 Tension Leg Wellhead Platform for Brazil's Papa Terra field in the Campos Basin and potential future collaborations, before touring Keppel FELS and

Keppel Shipyard's premises.

The evening ended on a high note as Keppel O&M hosted a Singapore-themed dinner at the Shangri-la Hotel for the delegation, graced by the Brazilian Ambassador to Singapore, His Excellency Luis Fernando de Andrade Serra.

This visit contributed towards the further strengthening of friendships between Keppel and Petrobras.



Keppel management and the Petrobras delegates forging friendly ties

Engaging partners



Jay Singam, Assistant GM (Commercial) of Keppel FELS, received the certificate on behalf of Keppel FELS

Over the years, Keppel O&M has established a strong reputation for making on time and within budget deliveries, and the company's close partnerships with vendors

and suppliers have contributed significantly to this competitive advantage.

US oil and gas equipment and service providers have been and continue to be key pillars supporting Keppel O&M's achievement.

In September 2011, Keppel FELS was one of four companies awarded certificates of appreciation from the US Embassy of Singapore for working closely with it to import US products to Singapore. The certificate of appreciation was presented during the signing ceremony of

a statement of intent between Singapore Business Federation and the US Commercial Service to promote trade and investment between Singapore and the US.

"To meet our customers' needs, we select our vendors carefully with key considerations such as competitive pricing, quality and on-time delivery. Our firm relationships with many US suppliers speak volumes about the quality of their products and services. We look forward to playing our role in contributing towards more commercial activities between Singapore and the US." shared Jay after the presentation.

Win-win collaborations

Keppel FELS and its subcontractors celebrated another year of meaningful engagements at its annual Subcontractors Night on 28 December 2011, attended by some 280 representatives.

Mr Tong Chong Heong, CEO of Keppel O&M, expressed his appreciation for their support, which undergirds Keppel's ability to consistently deliver quality services to its customers and maintain a strong orderbook.

He added, "The market is becoming more volatile and competitive, with rising competition from emerging markets such as China. As such, we must not stick to the status quo.



Keppel FELS celebrates another year of strong partnerships with its subcontractors

We must continue to challenge ourselves to do our jobs better, quicker and safer. As we continue to control costs, safety must not be compromised. Safety should always be our top priority."

Keppel FELS conferred JS Marine Engineering with the "Best in Health, Safety and Environment" Award as well as recognised six of

its subcontractors for ten years of dedicated services.

In addition, Mr Tong encouraged the subcontractors to look beyond Singapore. He expressed his hopes to see more subcontractors come forward to work with Keppel on its overseas projects.

Supporting worthy causes

Ending the year with good deeds, the Keppel Group supported causes from the arts and education to helping the less privileged.

SWINGING FOR CHARITY

Keppelites and their network of friends put their clubs to good use when they took part in golf tournaments to raise funds for the needy.

For the seventh year running, Keppel AmFELS in the US hosted its annual charity golf tournament which raised more than US\$50,000 for its adopted charities.

Held on 6 November 2011 at the Rancho Viejo Resort & Country Club golf course, tournament participants included Texas Senator Eddie Lucio Jr. and senior management from Keppel O&M and Keppel AmFELS.

The money raised will benefit the Moody Clinic, Cameron

Family Network, Partners for Post Secondary Success and the Keppel AmFELS Scholarship Fund.

Mr Tan Geok Seng, President & CEO of Keppel AmFELS said, "Besides being the largest private employer in the Rio Grande Valley, Keppel AmFELS has also become a significant supporter of organisations in need including local charities, all of which contribute towards improving the quality of life for the community.

"Through our annual charity golf tournaments, we have raised more than US\$300,000 over the years for these causes. It is a way for us to give back to the community who has embraced our presence for the past 21 years."

GIVING BACK TO INDONESIA

At the Keppel Group Charity Golf Tournament 2011, 144 enthusiastic golfers, comprising staff, customers and business associates, took to

the greens at the Ria Bintan Golf Resort in Indonesia on 17 November 2011.

Their generous contributions, coupled with donations by Keppel's business units, enabled the Keppel Group to raise \$360,000 in support of Gawad Kalinga (GK) Indonesia, Singapore Red Cross as well as for education and needy students in Bintan.

Mr Choo Chiau Beng, CEO of Keppel Corporation and Chairman of Keppel O&M, shared, "Keppel is committed to empower lives and nurture communities wherever we operate and this fund-raising event aims to benefit Indonesia through community building and relief efforts. We have been privileged to grow with Indonesia through our businesses and this is one of the ways we are giving back."

Mr Arif Patrick Rachmat, Chairman of Gawad Kalinga highlighted



Texas Senator Eddie Lucio Jr (in black) together with Mr Tong Chong Heong, CEO of Keppel O&M and Keppel executives playing golf for a good cause

that with a huge population of 240 million in Indonesia and the corresponding diversity this brings, GK Indonesia strives to build bridges and create friendships among the people it helps and with partners and shareholders who are involved in its work of raising up poor communities.

The organisation is currently helping 60 families in GK Dumpit in Tangerang by offering scholarships for children as well as health and values-formation programmes. It is presently surveying new sites to start building a GK Village with infrastructure facilities.

GROOMING ENGINEERS

To demonstrate support in attracting and grooming the next generation of engineers, Keppel Corporation contributed \$50,000 to the National Engineers Day Finale 2011, which was organised by the Institution of Engineers Singapore.

The event promotes engineering education as a path towards a promising career for students. An exhibition at the National Library was held as part of the event where it showcased engineering research and products from various companies and universities from 11 to 12 November 2011.

On behalf of Keppel Group, Dr Lee Chay Hoon, GM (Organisation Development), Keppel O&M, received a token of appreciation from Dr Yaacob Ibrahim, Minister for Information Communication and the Arts.



Dr Lee Boon Yang, Chairman of Keppel Corporation (second from left) and Mr Choo Chiau Beng, CEO of Keppel Corporation and Chairman of Keppel O&M (extreme left) present the cheque to Mr Tee Tua Ba, Chairman of Singapore Red Cross (third from left), Yang Terhormat Bapak Khazalik, Deputy Bupati of Bintan (second from right), and Mr Ed Macesar, Head of GK Indonesia (extreme right)

Doing our share

In 2011, Keppelites continued to make a difference to the lives of the disadvantaged; doing our share by donating generously to the Community Chest of Singapore. Their collective contributions were recognised at the Community Chest Awards Presentation Ceremony 2011.

Keppel FELS was conferred

the 5-Year Outstanding SHARE Platinum Award as well as SHARE Platinum Award. Keppel Singmarine too received the SHARE Platinum Award while Keppel Logistics and Keppel Shipyard garnered SHARE Gold Awards.

President Tony Tan presented the awards to the recipients at the Istana on 13 October 2011.



Keppel received commendations for its contributions to the less fortunate: (from left) President Tony Tan and Mr Tong Chong Heong, CEO of Keppel Offshore & Marine

Home away from home

The recently opened workers dormitory, Cassia@Penjuru, is a cozy home away from home for Velayutham Senthil Kumaran, who came from India to work at Keppel Shipyard in February 2011.

He shared, "I settled in quickly and am very comfortable here. There are many recreational facilities and I enjoy getting together with my housemates to cook meals. I can buy groceries at low prices too."

Located at Penjuru Walk, Cassia@Penjuru is Keppel Housing's latest accommodation facility.

In addition to Cassia@Penjuru, Keppel Housing also operates Acacia Lodge, Juniper Lodge, Lantana Lodge and Kian Teck Hostel. These dormitories, home to some 10,000 foreign workers, enable Keppel to take care of the welfare of its people and maintain a dynamic and engaged workforce.

The compounds feature modern amenities, including convenience stores, laundromats, banking and IT terminals, and barber shops. The bigger dormitories also have facilities such as gymnasiums, wet markets and canteens. Each resident pays a nominal sum per month to live in dormitories.



Keppel provides good housing to employees at Cassia@Penjuru

Lending a listening ear

Keppel constantly seeks to improve the welfare of its foreign workers and care not just for their physical needs but also their emotional needs.

Mr Steven Lee, GM of Keppel Housing, said, "The safety and welfare of our foreign workers are paramount. This includes their mental well-being, which we understand includes having to adjust to a foreign country and being away from their loved ones."

In line with this, Keppel Housing officially launched a counselling programme for the residents of its estates in October 2011. The workers can now turn to three full-time welfare officers when they need a listening ear.

One of the welfare officers, Dr Rezwana Islam, is a general practitioner who received training in counselling as part

of her degree. She said, "Being of the same nationality is a big help in building rapport and connecting with them, because for most Bangladeshis, counselling is still a foreign concept."

Another welfare officer, Yang Kun, a psychology graduate from Hunan province in China, explained that language barriers are key challenges for mainland Chinese working in Singapore. He said, "A lot of them are from different provinces in China, each with their own dialect. Sometimes they have difficulty communicating among themselves, let alone in English."

By providing support and encouragement, the counsellors ease the minds of the foreign workers, enabling them to better concentrate on their work.

Built with love



The first set of 20 families received keys to their new homes at the Keppel-GK Eco Village on 25 November 2011



With colourful houses and blossoming trees, Keppel-GK Eco Village unlocks fresh hopes for needy families in Batangas, Philippines

Hearts overflowed with joy as 20 needy families received the keys to their new homes in the Keppel-GK Eco Village in the Philippines on 25 November 2011.

The ceremony concluded Phase 1 of the housing project jointly undertaken by Keppel, the charity organisation Gawad Kalinga (GK) and the local government of the Municipality of Bauan in Batangas, Philippines.

Keppel Batangas Shipyard leads Keppel Group's efforts in the development of the estate. Keppel had provided seed funding for building materials and other construction needs while its employees actively volunteered in the building process.

Months of hard work have come to fruition. Resident and Community Organiser of the Eco Village, Rolilando M. Macalipay, shared, "With colorful houses and blossoming mango trees, the Eco Village is a cheery living environment. I am so glad to have

a home here. This is a healthy environment for my children to grow up in."

Guest-of-honour, Bauan's Mayor Ryanh M. Dolor, said, "My dearest beneficiaries, I appeal to you to protect and maintain the peacefulness of this community. My warmest gratitude to the joint forces of Keppel and Gawad Kalinga for helping to bring about the success of the Eco Village housing project."

The Eco Village has also deepened social ties within the local community, bringing together volunteers from schools including De La Salle -Lipa, Batangas State University, civic groups from Batangas and Lipa City as well as the Philippine Air Force.

At the ceremony, ten active volunteers were presented with certificates of appreciation. One of them was Chairman of host community Barangay Inicbulan, Maricho Ramos. He said, "We are very fortunate to have this

community building project in our area. We are not just changing the landscape, we are changing lives. It is truly rewarding to be part of this transformation and witness the joy it brings to the beneficiaries."

Mr Stefan Tong, Executive Vice President of Keppel Philippines Marine, said, "Keppel is pleased to have the opportunity to help drive such a meaningful project. I urge all of you to continue in your support for the Keppel-GK Eco Village. The second phase of construction has already started. We look forward to its completion in the first quarter of 2012.

"With so many loving hands on deck, I am confident that this 60-unit Eco Village will not only significantly better the lives of its future residents, but also serve as an inspiration for community outreach."

Season of giving



Ever supportive of good causes, regular donor Edmund Lek, GM of Production, Keppel Singmarine, was glad that Keppel provides opportunities for employees to do good



Keppel Singmarine Brasil's employee Mr Nazareno Bett Dal Bo dressed up as Santa Claus and arrived with presents for school children in Navegantes

The spirit of giving was palpable at the fourth Keppel Group Blood Donation Drive organised by Keppel Volunteers in collaboration with the Singapore Red Cross Society from 20 to 23 December 2011.

This year, publicity efforts were increased and many Keppelites put aside their fear of needles and pain to support the cause. With blood collection centres set up at Keppel Bay Tower, Keppel O&M Tower, Keppel Shipyard (Tuas) and Keppel Singmarine, the blood drive was a success, collecting a record of 485 packets of blood.

First-time donor, Benjamin Ng Keyi, Human Resources Assistant of Keppel Shipyard Tuas, was one of the many who responded to the call to donate blood. He shared, "With the encouragement from fellow colleagues, I decided to take the plunge to donate blood for the very first time. The experience

was not as painful as I expected. Knowing that my contribution could affect another person's chance to live will spur me on to give blood as and when I can."

There were also regular donors among the Keppelites who donated, "I started donating blood since my national service days and am glad that Keppel provides employees an avenue to donate blood at the workplace. As long as I am fit and healthy, donating blood would be my way of life." remarked Edmund Lek, GM of Production, Keppel Singmarine.

Keppel had chosen to implement the blood drive in December as this is the time when many regular donors are away on holiday and unable to contribute to the blood bank. From all walks of life, Keppelites made up for this shortfall in donors, contributing to the well-being of patients.

Over in Brazil, Keppel Singmarine Brasil made a donation to a local municipal school, Escola Municipal Izilda Reiser Mafra, in support of the school's Christmas and New Year's parties.

On 2 December 2011, some 200 students from the school were paid a surprise visit by Santa Claus who bore gifts that were prepared by employees of Keppel Singmarine Brasil.

Mr Tan Chong Kee, GM, Keppel Singmarine Brasil, said, "At Keppel, we always look to support the communities in which we operate. We are delighted to be able to contribute to this meaningful cause which gives our staff at Keppel Singmarine Brasil an opportunity to interact with the local community."

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Supporting Brazil's growth



Keppel operates one of the most comprehensive shipyards, BrasFELS, in Brazil

"Keppel designed rigs have an established track record of operating efficiently in their respective fields and we are confident that the DSS™ 38E rig will be well suited for offshore Brazil. As we grow our fleet of drilling rigs to meet the demands of our customers, partnering reliable shipyards which can deliver quality rigs on time and within budget is an imperative for us."

*Mr Joao Carlos Ferraz
CEO of Sete Brasil*

Keppel O&M has secured a contract from Urca Drilling B.V., a subsidiary of Sete Brasil Participações S.A. (Sete Brasil), for the design and construction of a semisubmersible drilling rig based on Keppel's proprietary DSS™ 38E design.

Sete Brasil specialises in chartering drilling rigs for Brazil's pre-salt exploration. It is a Brazilian company established in December 2010 and formed by seven Brazilian finance investors, including banks and the four biggest Brazilian pension funds, besides Petrobras.

The DSS™ 38E is an enhancement of Keppel's proven fifth generation deepwater solution, the DSS™ 38. With improved capability and operability, it is designed to meet the stringent requirements of the deepwater "Golden Triangle" region, comprising Brazil, Africa and the Gulf of Mexico.

Scheduled for delivery in 4Q 2015, the rig is intended to support the exploration of Brazil's estimated 50 billion barrels of deep-sea oil and gas reserves. Brazil is currently the world's 11th largest oil producer and is expected to be in the top five by 2020. Its national oil company, Petrobras, has plans for US\$224 billion in capital expenditure from 2011 to 2015.

Mr Chow Yew Yuen, Keppel O&M's MD and President of the Americas said, "We are proud that our proprietary DSS™ 38E design has been chosen by Sete Brasil as their first semisubmersible. It is an enhancement of the design from our first two drilling rigs built for Brazil, Gold Star and Alpha Star.

"Having delivered several key projects such as the P-52, P-51 and P-56 that have increased Brazil's production capabilities, we look

forward to developing rigs that will further boost Brazil's offshore drilling resources.

"Having a proven shipyard in Brazil also ensures that we are able to satisfy any local content requirements. With a suite of proprietary deepwater drilling rig designs and more than 30 years of experience participating in Brazil's oil and gas industry, we aim to provide cost-effective and value-added propositions for Brazil's offshore and marine industry."

Keppel operates one of the most comprehensive shipyards, BrasFELS, in Brazil. The yard's current projects include the repair and upgrade of Noble's two Brazil-based drillships as well as the construction of the first Tension Leg Wellhead Platform (TLWP), P-61 for the Papa-Terra field in Brazil's Campos Basin for Petrobras and Chevron.