

Offshore Marine

Keppel

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**Offshore
Delivering
Sevan Hummingbird**

**Completing West Atlas
Building P-56**

**Marine
Naming
Sea Cheyenne**

**Contracts for
Keppel Nantong**

**Keppel O&M achieves
Guinness World Record**





Keppel O&M sings its way to a Guinness World Record

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KOM FAMILY DAY 2007 – CORPORATE SOCIAL RESPONSIBILITY

To advocate the spirit of caring and giving, the element of 'Charity' was incorporated into the Family Day celebrations this year. Toward that end, charity drives were organised within the Keppel yards to help raise funds for four beneficiaries, namely Singapore Association of Visually Handicapped, Yellow Ribbon Fund, Association for Persons with Special Needs Centre for Adults and Metta Welfare Association.

Many companies gave their goodwill and monetary support to the charity drives with their generous donations.

Here, we would like to thank the following corporations for their generous contributions:

- Alpine Engineering Services Pte Ltd
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- Arab Heavy Industries PJSC
- Bain & Company SE Asia, Inc
- Discovery Drilling Pte Ltd
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- Keppel Smit Towage Pte Ltd
- Keppel Verolme B.V
- LanTroVision (S) Ltd
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- Regency Steel Asia Pte Ltd
- S & I Systems Pte Ltd
- Sea Quest Enterprise
- Seadrill Management (S) Pte Ltd
- Smit Singapore Pte Ltd
- Subic Shipyard and Engineering Inc
- Virtue Drilling Pte Ltd
- Windsor Ventures International Inc

Every cent counts. Your philanthropic gesture has gone a long way in helping many of the less fortunate.

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Editorial Board

Editorial Advisor
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Contributors
Alan I. Claveria, Andrew Ong, Diana Chan, Harold Linssen, Lee Yin Chiin, Lucienne de Jong, Mak Chui Ling, Roy Tan

OffshoreMarine is a bi-monthly publication of Keppel Offshore & Marine Ltd
50 Gul Road, Singapore 629351
Tel: (65) 6863 7200
Fax: (65) 6261 7719/6265 1927

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Keppel-led consortium clinches Petrobras contract



The *P-56* will be a repeat of the *P-51* FPU which is currently being built at Keppel FELS Brasil's BrasFELS yard

The consortium of Keppel FELS Brasil S/A and Technip Brasil Engenharia, Instalacoes e Apoio Maritimo S/A (Technip), FSTP Pte Ltd, has secured a contract to build a semisubmersible Floating Production Unit (FPU) for Petrobras Netherlands BV (PNBV).

FSTP is a 75/25 consortium company between Keppel Offshore & Marine (Keppel O&M) and Technip. The rig, to be named *P-56*, is expected to be delivered ex-yard in the last quarter of 2010.

P-56 will be a repeat of the *P-51* FPU which is currently being built at Keppel FELS Brasil's BrasFELS yard.

Tong Chong Heong (CH Tong), MD/COO of Keppel O&M, the parent company of Keppel FELS Brasil, said, "We are glad to support Petrobras in their pursuit of national content as they expand oil and gas production capacity.

"Our 'Near Market, Near Customer' strategy has enabled us to better serve our customer, Petrobras, while participating with them the creation of jobs in the country. We look forward to further strengthen our relationship with Brazilian offshore oil and gas companies. We want to be their strategic partner as they pursue the expansion of their business."

Keppel FELS Brasil will carry out the detailed engineering of the lower hull and accommodation, as well as the construction and integration of the entire FPU. Technip will be responsible for the overall engineering and detailed engineering of the topside and offshore mating.

With displacement of 50,000 tonnes, the FPU will be 110 metres long and wide, and 125 metres tall. It is expected to operate for 25 years.

The *P-56* will be positioned at depths of 1,700 metres and about 124 kilometres off the coast. Capable of processing and treating 170,000 barrels of liquids and 100,000 barrels of 16l API oil, 6 million cubic metres of natural gas, and of injecting some 280,000 barrels of water in the reservoir, the *P-56* will be connected to 22 wells, 11 of which are oil and gas producers and 11 are to inject water.

Keppel O&M has participated in more than 10 projects directly and indirectly for Petrobras and is currently carrying out several projects for the Campos region. It has completed the conversion of the *P-53* shipshape FPU which has the world's largest turret. It has delivered to the field location the *P-52* FPU which achieved first oil on November 2007. The *P-51* FPU is currently under construction at Keppel FELS Brasil's BrasFELS yard.

Keppel Nantong clinches shipbuilding contracts



In just about two years since its acquisition, Keppel Nantong Shipyard is fully operational and has clinched contracts to build 26 offshore support vessels and tugboats

Keppel Nantong Shipyard (Keppel Nantong), has clinched three contracts to build eight vessels.

The first contract was secured from Smit Internationale Beheer B.V (SMIT) to build two 90-tonne bollard pull offshore support vessels. They will have anchor handling, diving support, and fire fighting capabilities.

Delivery of these two vessels is expected in the first half of 2010. They will be deployed in West Africa.

The second and third contracts were awarded by Keppel Smit Towage and Maju Maritime respectively. Each contract is for the construction of three 65-tonne

bollard pull twin-screw Azimuth Stern Drive (ASD) tugs. They will be built in accordance to the MTD 3265ST design, developed by Keppel O&M's technology unit, Marine Technology Development (MTD).

The vessels are expected to be progressively delivered in the year of 2011.

Lee Tai Kwee, President of Keppel Nantong, said, "With the eight new vessels, Keppel Nantong has an orderbook of 26 vessels currently under construction on our 16 hectare site. We are glad that customers have confidence in the capability of this new yard which is just under two years old."

Keppel Nantong has launched two Anchor Handling Tug/Supply (AHTS) vessels, both for Hadi Offshore, and is expected to deliver another two tugboats for Keppel Smit.

Meanwhile, Tai Kwee has been appointed 'Foreign Investment Advisor' to the Nantong Gangzha District Government in September 2007.

A veteran in the offshore and marine industry with international commercial and business development experience, Tai Kwee received his early education in Southern China. He was responsible for the successful negotiation and establishment of Keppel Nantong.

Bonus for a ship well built



1. *Sea Cheyenne* is officially christened by Mrs Rex Carroll Ross (dressed in black), wife of Rex Ross (centre), Director of Gulfmark Offshore (on her right). From left are Martin Watts, Area Director/Manager of Gulf Marine Far East, Sandra Watts, Gene Leech, Executive VP of Gulfmark Offshore, Eileen Choo (second from right) and CB Choo
2. The *Sea Cheyenne*
3. Gene Leech (left) presents Harry Loh (centre), Senior Project Manager of Keppel Singmarine a bonus cheque for its safety achievement and excellent project management. Looking on is CB Choo

The Anchor Handling Tug/Supply (AHTS) vessel, *Sea Cheyenne*, was christened and named on the bright and sunny afternoon of 27 October 2007.

Sea Cheyenne was also delivered on a good safety record. These factors, in addition to excellent project execution, secured Keppel Singmarine a bonus of US\$10,000 from Gulfmark Offshore Inc. (Gulfmark).

This is the third of eight vessels which Keppel Singmarine is building for Gulfmark since 2003. The design of the vessels is developed by Marine Technology Development (MTD).

Originally contracted to be built with capabilities of 130 tonnes of bollard pull, the vessel was tested and surpassed 140 tonnes. Despite the late delivery of key equipment during the project phase, Keppel Singmarine completed the newbuilding on time and within budget.

Gene Leech, Executive Vice-President of Gulfmark, said, "Keppel Singmarine has once again delivered a vessel to us on time and to our full satisfaction."

Martin Watts, Area Director/Manager of Gulf Marine Far East, added, "Congratulations to all the staff at Keppel Singmarine for producing a first class vessel on time and on budget."

Sea Cheyenne will be deployed in Vietnam. The five remaining vessels will be delivered in 2008.

Choo Chiau Beng (CB Choo), Chairman/CEO of Keppel O&M, said, "We will endeavour to provide value-added services, particularly in ensuring that Gulfmark's five other vessels with us are completed on time and within budget."

The vessel was officially named by her godmother, Mrs Rex Carroll Ross, wife of Rex Ross, Director of Gulfmark. *Sea Cheyenne* was named after one of the most heroic American Indian Tribes, in the hope that it would bear the tribe's qualities of strength, resilience, adaptability and agility.

Humming to a beautiful tune

Keppel Verolme in Rotterdam has delivered another Floating Production Storage and Offloading (FPSO) facility, *Sevan Hummingbird*, to Sevan Production's satisfaction once again.

This is the second facility Keppel Verolme has completed for Sevan, after *FPSO Piranema* was delivered in January 2007. It is scheduled to be operational at the end of the year at the Chestnut field for two and half years.

Sevan Hummingbird was named by godmother, Susan Grayson, Senior Product Coordinator of Venture Production on 23 October 2007. Venture Production is the joint owner of the Chestnut field in the central North Sea, where the unit will be operating.

About 100 guests from Sevan, Venture Production, Wood Group, Sevan's clients, shareholders, investors, financiers and other parties were present to join in the joyous occasion.

Harold Linssen, MD of Keppel Verolme, said, "On behalf of all the contractors as well as the management and employees of Keppel Verolme who have contributed so many tuneful 'hums' to the safety record and manhours in the past months, I would like to thank you for allowing us to be part of this beautiful project."

"Keppel Verolme celebrates its 50th anniversary this year. Like hummingbirds, we have had our 'forward and backward flying' periods, we had plenty of 'hums'. Through the years, Keppel Verolme has worked on a steady stream of projects

with much support from our customers, subcontractors and partners. And now, we are riding the boom and sharing them with our valued customers, like Sevan."

The scope of outfitting work included the installation of central shaft, process modules and mechanical equipment, installation of piping systems, electrical and instrumentation systems, Hydraulic, HVAC and architectural works.

Sevan Hummingbird will be capable of an oil processing capacity of up to 30,000 bbls/day and a water injection capacity of up to 20,000 bbls/day.

Keppel Verolme is also currently building the world's first concrete heavy lifter for MPU Offshore Lift ASA.

Keppel Verolme completes outfitting of FPSO *Sevan Hummingbird*



Bold future ahead for *Audacia*

Audacia boldly set off from Keppel Verolme on 25 September 2007 to start a new life as a highly sophisticated pipelaying vessel ready to serve its owner, Allseas Group SA (Allseas).



This happy event was due to Keppel Verolme successfully converting the Panamax bulk carrier *Geeview*, in just 10 months. The 225 metre-long pipelay vessel is equipped with dynamically positioned facility capable of operating in water depths of up to 3,000 metres.

Edward Heerema, President of Allseas said, "Allseas decided to build *Audacia* in the spring of 2005 but the design of the vessel was not yet complete. This prevented the possibility of a lump sum contract to a shipyard. We had to find a

Audacia sails to new shores

shipyard that would enter a reimbursable conversion contract where the work could be done under shared management."

Keppel Verolme with its extensive experience in conversions, complemented by strong project management skills, was just the shipyard which could provide such a solution for Allseas.

Thom Jaspers, Project Manager from Keppel Verolme, revealed, "The *Audacia* conversion was a challenging project for all of us. But by integrating the talent and skills of the Allseas and Keppel Verolme teams into a combined 'Audacia project team', the vessel could be built and designed in parallel."

On schedule on Puffin field

The *Front Puffin FPSO*, which was in Keppel Shipyard for the conversion from a 112,000 dwt shuttle tanker, lifted its first crude cargo of 328,000 barrels at the end of October.

Keppel Shipyard delivered *Front Puffin FPSO* on schedule to Frontline FPSO Ltd/Puffin Ltd in August 2007, following ten months of fast-track conversion works. The lifting was a significant milestone for AED Oil.

Upon the completion of the *Front Puffin FPSO* commissioning its wells would be tested and oil production optimised. The commissioning had originally been put on hold leading up to the offloading.

At the same time, the jackup drilling rig, *Wilcraft*, built by Keppel FELS for Awilco AS has also made excellent progress on the Puffin-10 field in the Puffin South West, Australia. Awilco is the offshore arm of The Anders Wilhelmsen Group of Norway.

Designed and constructed by Keppel FELS, *Wilcraft* was delivered ahead of time in December 2006. The drilling rig is built to the proprietary KFELS B Class jackup design by Keppel's R&D arm, Offshore Technology Development.



(Left) *Front Puffin FPSO*
(Right) *Wilcraft*





1. *West Atlas* stands tall
2. Lady Sponsor Annie-Marie Hood helms the new rig
3. SeaDrill Project Manager, Paul MacCallum (centre), working hand in hand with Keppel FELS's Jay Singam, Senior Project Manager (right) and Bryan Toh, Assistant Project Manager
4. The whole project team is proud of *West Atlas*
5. A Mexican twist to the ceremony

Spot on, each time!

“It was slightly more than two months ago when we delivered the second rig, *West Prospero*, to Seadrill on budget and ahead of schedule. I am pleased that we have replicated that achievement.”

CH Tong, MD/COO of Keppel O&M shared this with over 200 guests at the naming ceremony of *West Atlas* on 15 September 2007.

The ingredients for Keppel FELS's success – good project management, open communication, and win-win partnerships.

These qualities combined with 30 months of excellent teamwork between both the Keppel FELS and Seadrill project teams ensured the early delivery of *West Atlas* to its owner, Seadrill, within budget and ahead of time.

CH Tong added, “More importantly, *West Atlas* achieved a sterling safety record with more than 2.5 million manhours of work without any lost-time incidents since day one.”

West Atlas was named by Lady Sponsor Anne-Marie Hood, wife of Peter Hood, ED – CEO of Coogee Resources Limited.

He also graced the ceremony as Guest-of-Honour.

West Atlas is the third KFELS B Class rig that Keppel FELS has delivered to Seadrill. The first rig, *West Ceres* (ex-Seadrill 3), was delivered to Seadrill in April 2006 and the second, *West Prospero*, in June 2007. All three were delivered earlier than scheduled without compromise on budget and quality.

Ian Shearer, Senior VP Jackup Division of Seadrill, said, “Seadrill has now invested more than US\$1 billion in projects with Keppel FELS.



“Keppel FELS not only builds these complicated drilling machines with such impressive standards of quality, they also do it in unsurpassable times that we could almost be certain about taking delivery on, or in our experience, ahead of schedule.”

Keppel FELS is building another KFELS B Class jackup rig and a semisubmersible drilling tender rig for Seadrill. They are progressing according to schedule for delivery in mid-2008 and end-2009 respectively.

Commenting on the partnership between Keppel and Seadrill, CH Tong shared, “Through the past 14 years, both companies have strengthened the win-win partnership and deepened the invaluable amity. I believe that our relationship with Seadrill will further strengthen as we continue to be Seadrill’s partner in its fleet expansion.”

West Atlas has already secured a 480-day charter agreement with Coogee Resources Limited offshore Western Australia.

In conversation with Ian Shearer

Ian Shearer was appointed Senior Vice President Jackup Units for Seadrill in June 2007. With 20 odd years of experience from the drilling industry, Ian shares his thoughts on Seadrill and the offshore industry with *OffshoreMarine*.

What has your experience of working with the Keppel management and staff been like?

My experiences with Keppel management and staff have been extremely positive. Every Keppelite I have met has been very enthusiastic about working for Keppel and is proud of the achievements of the company. There is an obvious passion about getting the job done right, particularly with regards to safety.

How many projects or initiatives have you undertaken with Keppel O&M to date? What proportion of your total projects do they represent?

Four of our five our newbuild rigs are being constructed by Keppel O&M. In addition to this, *West Larissa* is

Continued on page 10 ►



Ian Shearer

◀ Continued from page 11

currently at the Keppel FELS yard for repairs. The rig sustained damage to its legs and jacking system recently in Indonesia.

When we had unexpected problems with *West Larissa*, we only considered sending her to one yard for repairs. Even though Keppel's facilities were at high utilisation levels, its management was able to give us service at short notice. The Seadrill and Keppel project teams worked together to complete the repairs within a tight contract delivery window. It is this collaboration and cooperation built on a long and trust-filled business relationship that I find rewarding.

Given today's market conditions, what are your thoughts on the early deliveries for both *West Prospero* and *West Atlas*? What do you feel are the key driving factors behind this achievement?

We are very pleased with the early deliveries of both *West Atlas* and *West*

Prospero. It all starts with having a realistic plan and being able to deliver as promised to customers against this plan.

Whilst Keppel is extremely proficient at steelwork construction, supply chain management is also a vital component of building a rig. The selection of the right drilling equipment and vendors is essential.

Have there been any problems or difficulties with regard to the *West Prospero* or *West Atlas* projects in either execution or warranty? If so, how were they solved?

We had some minor teething problems with *West Prospero*. We expect that after training our personnel, we can put the rig to work reliably. However, there were problems with the top drive control system on *West Prospero*.

We took the following steps to solve the problem. First, we increased the size of our project management team in Singapore. We then improved our communication and management processes across all of our projects. We believe that when we experience these undesirable events it is important that our maintenance teams on the rig get immediate and first-hand access to the equipment suppliers. Keppel is supportive of this approach as a rig needs to be repaired as safely and quickly as possible. Any warranty work or claim is processed with Keppel afterwards.

What would you value most in the execution of a newbuild – timely delivery, the safety record or the quality of the rig?

Safety, quality and schedule are all inextricably linked in the execution of a

newbuild drilling rig or any product or service for that matter. A construction project that is well managed will give priority to safety; a good safety record will demonstrate that the work has been well planned, managed and controlled and completed to expected quality standards.

What are your company's plans for the future?

Seadrill has made significant investments in drillships, semisubmersibles, tenders and jackup rigs over the past two years. Within the jackup division we have committed to five new rigs, the last delivery being scheduled for *West Ariel* from Keppel in mid-2008.

Current market conditions for jackups indicate a slight softening of day rates, although the underlying fundamentals remain strong. However newbuild prices have soared in the past two years along with operating costs. With yard deliveries pushed back now to 2010, further newbuild investment in the jackup sector is less certain for the time being.

Please give your views on industry trends and possible future scenarios.

The drilling contracting industry has recently witnessed a dramatic consolidation with the planned merger of the two largest rig-owning drilling contractors, GlobalSantaFe and Transocean. It is likely that further consolidation will follow and Seadrill has made no secret of wanting to be part of that process. It makes for an interesting and exciting future.

Fostering a hot Latin-Asia relationship



1. Working towards the same beat
2. CB Choo discuss the FPU P-52's capabilities with foreign delegates at the Latin Business Forum networking reception
3. A "sparring" performance



Whirling skirts and twirling Lassos greeted the guests of the Latin Asia Business Forum at the Fullerton Hotel Ballroom as students from the University of Tamaulipas, Mexico, gave a spectacular performance of their traditional folk ballet.

For three years in a row, Keppel O&M has sponsored the networking dinner for delegates of the Latin Asia Business Forum. It may have been a business forum but the guests were also kept well entertained by the cultural performances.

The guests were further treated to a dramatic Brazilian dance known as "Capoeira" by the Association of Capoeira

Argola De Ouro. The dance, which is a mixture of martial arts and art form, had the dancers sparring with each other as they executed complicated moves.

From a one-day event in 2004, the Forum has since established itself as Asia's premier business platform on Latin America. Each year, it attracts a large delegation of business and government leaders from across Latin America, representing a broad range of industries. Indeed, this year, it was delighted to welcome 331 delegates from 12 countries.

CB Choo, Chairman/CEO of Keppel O&M, who heads the Advisory Board Committee for the Latin Asia Business

Forum 2007 said, at the cocktail reception, "This year's Forum has seen an overwhelming response from participants of the two continents. It goes to show the growing interests in trade partnerships and the opportunities for investments that are available for us."

CB Choo is also the Singapore's Non-Resident Ambassador to Brazil.

The Latin Asia Business Forum brings together some of the most successful business leaders from Latin America and Asia to highlight new opportunities for partnership in trade and investments, and to share market experiences, insights and expertise.

Sowing into the future



The new student endowment schemes aim to encourage more students to take up marine and engineering courses

Keppel O&M has awarded more than 450 scholarships in the last year in a bid to build up and strengthen its talent pool.

Earlier this month, the company contributed S\$50,000 to the Nanyang Technological University (NTU) to establish two student endowment schemes – a Gold Medal cum Cash Award and a Book Prize – under the Mechanical Engineering Programme of the School of Mechanical & Aerospace Engineering.

The schemes will benefit final year students who have topped their specialised electives in Marine & Offshore Engineering.

“Keppel is committed to the long-term growth of Singapore as an international

maritime centre, and we see ourselves contributing strongly in the vital areas of education, innovation and talent development,” said CH Tong, MD/COO of Keppel O&M.

“The expertise required in our nature of work takes years of learning to reach a high standard of skilled workmanship. And while our second tier of leaders has emerged, we still need a constant pool of competent people who can be deployed to their maximum capabilities,” he said.

“With the establishment of the Keppel Offshore & Marine Gold Medal cum Cash Award and a Book Prize, we hope to encourage bright young talents to help advance the offshore and marine industry, which holds out great opportunities for

those seeking a rewarding, meaningful and satisfying career.”

Of the newly-established awards, Prof Lam Khin Yong, Chair of the School of Mechanical & Aerospace Engineering, said, “The awards will further enhance the attractiveness of the Marine & Offshore Engineering final year specialisation for talented mechanical engineering undergraduates to pursue.

Over the years, Keppel O&M has been working closely with industry partners including the Maritime Port of Authority, the Singapore Maritime Foundation as well as local universities and polytechnics to develop talent training schemes.

Bringing out the best in people



Participants of the inaugural Keppel O&M-NUS Project Management Programme



Group members engage in discussions

With the Nanyang Technological University...

CB Choo and the new Dean of the Nanyang Technological University (NTU), Prof Jitendra Vir Singh signed a memorandum of understanding to renew a partnership in talent development on 29 October 2007.

To kick off this agreement, Keppel O&M launched an eight-day General Management Programme (GMP) a month earlier, on 28 September 2007, in partnership with NTU.

The programme teaches participants how to achieve two major objectives. First, the programme equips managers with essential functional knowledge to collaborate effectively with others across different functions. Also it helps managers to develop key cognitive and behavioural competencies. These management skills are highly valued because project success directly impacts an organisation's bottom-line.

Addressing the participants at a luncheon the next day, CB Choo, Chairman/CEO of Keppel O&M, said, "Although we are currently a leader in the market segments we have chosen, we always believe that

there are opportunities for continuous improvement so as to be ahead of the race.

"I am confident that you will maximise your learning by applying your new competencies and knowledge acquired from this programme to the improvement of the organisation."

The 30 participants who attended the GMP will embark on projects which they will present to senior management on 29 October 2007.

The GMP comes under the enhanced Management Development Programme, an initiative of the Keppel O&M Talent Development department which also includes the Advanced Management Programme as well as the Young Leaders Programme.

and the National University of Singapore ...

In its continuous bid to enhance the project management skills of its employees, the Group Talent Development collaborated with the National University of Singapore (NUS) Business School to design a customised

Project Management Programme in October 2007.

The programme gathers best practices in project management from across the group and bequeaths this knowledge to young project managers, project superintendents and project engineers to improve their management skills.

Yong Chee Min, GM (HSE) of Keppel O&M, who is also GM (Projects) of Keppel FELS shared his experiences with the participants. He said, "By sharing some of the experiences and challenges I faced during my stints in the Philippines and Brazil I provide real-life insight on project management to the young managers and complement the course's theoretical content taught by the NUS Professors."

The inaugural session was conducted on 18 and 19 October 2007 with 28 participants from the Keppel FELS project management team. Following the session, the participants worked in groups and applied lessons learnt from the programme by presenting suggestions for improvement in business processes to Keppel O&M's management on 1 November 2007.



1. In celebration; 2. "Minister Ng, my friends"; 3. Giving to charity; 4. Building the wall; 5. Safety is golden

Hats off to a memorable Family Day

A record-breaking chain of helmets hit home the safety message for 18,000 Keppelites at this year's Family Day.

In celebration of the group's fifth anniversary, Keppel O&M attained a Guinness World Record by creating the longest chain of 18,000 safety helmets, stretching 5.8 km.

It took a group of Keppel staff, partners, customers and sub-contractors two days to construct the chain. The helmets were innovatively linked into a wall to form the backs of gazebos. The safety message, "Safety first! Our Yard, Our Home." was emblazoned on the wall of helmets.

CB Choo, Chairman and CEO of Keppel O&M said, "The helmet is one of the most important personal protection gears and we recognise it as the icon for safety. The safety helmets used for our record attempt appropriately illustrate our commitment to safety. At work and at play."

Keppel O&M places a strong emphasis on safety. In 2006, the company invested a total of nearly \$10 million on safety equipment, education and promotion, as

well as on initiatives that enhance safety at the workplace.

Held at the Siloso Beach, Sentosa on 21 October 2007, the groundbreaking event was graced by Dr Ng Eng Hen, Minister for Manpower and Second Minister for Defence.

"The safety culture must permeate every level – from management down to the last worker," Dr Ng said. "We need to actively spread this message to all staff through various initiatives, including today's



World of fun
World of talents
World of friends

Keppel O&M Family Day.

attempt to build the longest chain of safety helmets and set a new record in the Guinness World Records. I am delighted to join you for this feat.”

In the months leading up to Family Day, the organising committee, led by the Keppel O&M Group Human Resources division, raised S\$500,000 for four charitable organisations. They are the Association for People with Special Needs, the Metta Welfare Association, the Singapore Association for the Visually Handicapped and the Yellow Ribbon Fund.

Cindy Lim, Senior Manager of Human Resources and Talent Management (Keppel O&M) spearheaded this massive event. She said “Organising a Family Day for 18,000 employees and family members requires enormous commitment and teamwork. We had some 200 committee members and 80 performers from various yards and departments. They were bound with a common objective, which was to make 21 October 2007 a day to unite everyone as one big family, regardless of nationality, creed or colour.”



Charity begins with us

On 12 and 16 September 2007 respectively, Keppel's contributions to the Community Chest were recognised. The charity organisation uses the Community Chest Awards as an avenue to thank and pay tribute to its corporate partners and organisations for their support.

This year, the Community Chest managed to raise S\$47 million, meeting its fund-raising target for the financial year 2006/2007.



This amount was used to fund 154 critical and strategic social service programmes.

Keppel Shipyard and Keppel Logistics both won the SHARE Gold Award while Keppel Singmarine won both the SHARE Platinum Award and the 5 Year Outstanding SHARE Award. Keppel received the award because it had been able to maintain its employees' participation rate at Platinum level for the past five years.

Keppel FELS received the SHARE Achiever Award on 12 September 2007. The yard was honoured for its strong support for Community Chest's SHARE Programme. It has supported the programme since 2002. Over the past four years, Keppel FELS' SHARE contribution and SHARE participation rate have increased. More than 1000 Keppel FELS staff signed up as new SHARE donors, which partly contributed to the increase in the total SHARE donation by \$90,000. Keppel FELS won the SHARE Corporate Gold Award as well as the yard matches its employees' SHARE contributions on a regular basis.

Edmund Lek, Assistant General Manager (Production) of Keppel Singmarine receives the Platinum SHARE Award from President Nathan at the Istana

MTEC get together

Technology development and innovation fuels the growth of the offshore and marine industry.

In line with Keppel O&M's continuous drive to promote innovation and learning, Keppel FELS and Keppel FELS Cranes supported the 2nd International Maritime and Port Technology and Development Conference (MTEC) 2007 on 26-28 September 2007 and showcased products and services there.

Organised by the Maritime Port Authority of Singapore (MPA), the conference served as a platform for the exchange of ideas and joint collaborations in maritime research and technology development.

Raymond Lim, Minister for Transport and Second Minister for Foreign Affairs, said at the conference, "Technology is important to the maritime industry... and it can give a valuable competitive edge to the company that invests in it well."

Another Keppel associate, Keppel Singmarine, supported the 2nd International Conference on Offshore Support Vessels (OSVs), held on 24-25 September 2007 at the National University of Singapore. The Conference discussed the need for innovative technologies and for the efficient and economic operation of offshore support vessels.



CH Tong, MD of Keppel O&M, talks about Keppel's global network with Minister Raymond Lim



1. Enjoying a fruitful discussion with guests from Mexico
 2. Brazilian delegation at Keppel FELS
 3. A tour of Keppel FELS by analysts and fund managers



Visitors Ahoy!

Latin teams visit the yard

The Governor of the Mexican State of Tamaulipas, Eugenio Hernandez Flores, led a delegation from Mexico on his visit to Keppel O&M on 25 September 2007. They were here as part of the State Governor's Asia tour and were invited by Keppel O&M Chairman/CEO, CB Choo, to visit the yards.

On a separate occasion, Brazil's Deputy Minister for Development, Industry and Foreign Trade, Ivan Ramalho, led an official delegation on a visit to the Keppel O&M yards on 1 October 2007.

Received by CB Choo and CH Tong, the delegation was keen to explore greater opportunities of investment and trade between the two regions.

CB Choo who is also Singapore's Non-Resident Ambassador to

Brazil, shared that Singapore and Brazil's economies are complementary. While Singapore is in a prime location, with its extensive infrastructure and logistic networks, boosts connectivity in the region, Brazil has plentiful of resources to offer. There is therefore much potential for the two regions to work together.

The Citi comes to Keppel FELS

CB Choo, together with CFO Sit Peng Sang, spent the morning of 12 October 2007 in discussion with a delegation of overseas analysts and fund managers organised by the Citi group.

During the exchange of opinions, management underscored the importance of a yard's track record to execute and deliver vessels on time especially in current market conditions where supply of manpower and equipment is tight.



Safety custodians of Keppel Shipyard (from left) – Rajalingam, Belinda Pang and Alex Tan

Custodians of safety

Safety is one of the most critical functions at the core of the Keppel Group. Champions and custodians of safety at Keppel Shipyard share their experiences in promoting a strong Health, Safety and the Environment (HSE) culture with *OffshoreMarine*:

Road less travelled

“Others follow the formula, we think out of the box to create a safety culture.”

For many graduates, the alluring suits and a glamorous CBD address are dreams come true. Not for 24-year-old Belinda Pang, who traded all that for a boiler suit and the shipyard.

Holding an Environmental Engineering degree from the National University of Singapore, Belinda is one of the growing crop of bright maidens with the guts and gumption to challenge the norms to discover their dreams.

“I wanted something unconventional and challenging,” said the HSE Officer.

Her key responsibility is to support the HSE Manager in promoting and building a strong safety culture at Keppel Shipyard. She implements safety systems and promotional programmes for the 14,000-strong workforce across three yards.

“My greatest satisfaction is seeing the workers become more aware of their safety and willingly embrace the safety measures,” she said.

She is currently pursuing a masters degree in occupational safety, which includes managing safety behavioural issues at the workplace.

She bashfully reveals “I am glad Keppel responded to my thirst for knowledge with their willingness to provide the necessary developmental training to become an effective safety champion. I hope to see more ladies joining us and taking up this challenge.”

Passion for people

“Others work in silos, our team effort defines safety excellence.”

“Safety is about completing a project with zero incidents and seeing your workers go home safely every day,” said Senior HSE Officer Tan Li Xiong.

His main task is to protect the health and safety of the workforce by ensuring high levels of safety compliance and enforcing best safety practices at his workplace.

Armed with a Diploma in Shipbuilding and Offshore Engineering from Ngee Ann Polytechnic, LX, as he is known affectionately, joined Keppel Shipyard in mid-2004.

His calling as a safety officer came early. He said, “I had the opportunity to undergo a safety officer training module in school, and I knew that’s exactly what I wanted to do.

“To be a champion in safety, you must have passion for people as the job is not about getting people to follow regulations and implementing systems. It is about protecting the lives of individuals and groups at the workplace.”

He finds it gratifying to show care and concern for workers, and receive their

appreciation for taking care of their safety. He is also grateful to work in a company where the management walks the talk on safety.

On what makes a good safety leader, he shared, “Someone with the passion for people and who wants to make a difference in the lives of others.”

Living his dream

“Others strive for a perfect score, our target is zero incident every day.”

Creating a safe place for all. That is Rajalingam s/o Kanasalingam’s ambition.

Better known as Raja, this ex-Singapore Civil Defence Force officer continues to live his dream at Keppel Shipyard, where he heads the emergency response team.

Today, this 30-year-old energetic young man takes pride in leading his team as well as equipping them with emergency preparedness skills.

He explained, “With greater emphasis on safety in the marine industry, a safety

officer’s job is more holistic compared to many years ago. It is not about rules and regulations, but commitment, ownership and passion towards ensuring a safe workplace. This is achievable only when everyone in the organisation share the same commitment of striving for HSE excellence.”

Raja feels that his role has given him a more positive outlook in life. He said, “I feel a great sense of satisfaction knowing that I play a part in seeing workers return home safely to their families and loved ones.”

Growing beyond

“Others finish the job, we go the extra mile to finish it safely.”

Seventeen years and still going stronger. LTC (NS) Abu Bakar joined Keppel in 1990 as a Safety Officer. Today, he is GM (Operations) in Keppel Shipyard (Tuas).

“There is always this perception that when you work in the safety division, you focus only on safety and nothing else, but that is not true. I decided to move to operations because I knew my experience in the safety division would come in handy because safety matters at all levels, even in operations,” Bakar said.

And how does he ensure that 14,000 workers in the shipyard return home safely every day?

He said, “Get buy-in, not just from our employees, but from the different stakeholders, including our customers, subcontractors and union leaders. We want everyone to realise that safety is not just the responsibility of those who enforce it and that safety culture is at its strongest when everyone takes ownership of it.

He added, “Human capital is integral to the success of Keppel Shipyard, so all measures are taken to ensure the safety of our people at all times.



Bakar sets his eyes on keeping Keppel Shipyard a safe place for all

Appreciating old friends

Keppelites and the subcontractors mingle together



The atmosphere was filled with warmth and conviviality at the Keppel FELS canteen. People mingled, laughing and talking around a sumptuous buffet.

The evening of 23 October 2007 was one where subcontractors let their hair down with Keppel FELS management and personnel. It was also an opportunity where they could have a frank dialogue session with Keppel FELS senior management. The annual subcontractors dialogue session involved about 250 subcontractors from 30 companies.

The dialogue session was headed by CH Tong, MD/COO of Keppel O&M. Others in the panel included Michael Chia, ED of Keppel FELS, Wong Kok Seng, ED (Operations) and Chairman of the Sub-Contract Committee,

Chor How Jat, GM (Operations) and Richard Tay, Shipyard Manager.

There was a lively exchange of ideas at the session. Two noteworthy contributions came from Low Eng Cheong from Crest Industries Pte Ltd and Choong Yik Lin from Ta Ching Marine Technology Pte Ltd.

Low Eng Cheong suggested that a subcontractor committee comprising of sub contractors be formed. Through this committee, the subcontractors would feel a sense of ownership in the yards and would feel empowered to speak up about ways to improve facilities, quality and safety in the yards. Keppel FELS management agreed that this is a good idea agree and encouraged the formation of this committee.

Choong Yik Lin said that the way that subcontractors were treated in Keppel FELS was exemplary. They felt part of the inner-circle and engaged in Keppel FELS. This feeling of belonging inculcated a strong feeling of loyalty and prevented subcontractors from telling other rigbuilding companies Keppel FELS's trade secrets.

In addition there was, for the first time, a presentation of awards for the sub-contractors. The awards categories were "Best in HSE", "10-

Keppelites and subcontractors get ready for the dialogue session



year partnership award”, “20-year partnership award” and “30-year partnership award.”

These awards were given to motivate subcontractors to achieve excellence in HSE and to show Keppel FELS’s appreciation and recognition of long-standing subcontractor partners.

Kiat Seng Shipbuilding & Engineering Pte Ltd won the “Best in HSE award” while 18 companies were conferred the “10-year Partnership award.”

Nine companies were conferred the “20-year partnership award” and two companies, Mectrade Engineering (Pte) Ltd and Singapore Dupont Pte Ltd were conferred the 30-year Partnership Award.”

At the session, CH Tong commented that he was extremely pleased with the turnout and the support that the subcontractors had given to this dialogue session. He elaborated “We need you as much as you need us. Your services are treasured. A successful company has to work well, be fair, and connect effectively with its

subcontractors. We will never be too busy to listen to your problems. Whenever you encounter a problem, come to us, together we will find a solution.”

The subcontractors too were happy with the relationships that they had developed with Keppel FELS. Eric Dai, the manager of Siong Leng Engineering Pte Ltd, which received an award for working with Keppel FELS for 20 years, said “My father started working with Keppel FELS. I took over his position 13 years ago. There has been a lot of pressure because the work load has increased as there are many orders for rigs. However, it is good to work with Keppel FELS as they appreciate the work we do and they are prompt pay masters.”

Ng Joo Keong, General Manager of Sin Hong Thai Engineering Pte Ltd, reiterated this view. “Keppel FELS has grown tremendously, especially during the last few years. We grew with Keppel FELS since our inception as a contracting company, and we will want to continue to grow with it.”

The story behind the “Best in HSE” award and the long service awards

Both the awards presented have a special significance and symbolism behind their designs. The “Best in HSE Award” is a delicate crystal disc revolving within a frame. It symbolises the mobility and fragility of life while the combination of wood and metal material for the frame signifies various aspects of safety that protect life. The star on the crystal disc signifies excellence in the field of safety.

For the “Long-term Partnership Award”, the pair of vertical crystal slabs symbolises the unified direction that both Keppel FELS and the subcontractors are working towards as well as the mutual support between the two entities.



These awards were presented to contractors who have been with Keppel FELS for a long time and to a contracting company with a good HSE record

Pubbing for a job



Michael Chia talks to students aspiring to enter the industry

The Arena, a restaurant at Clarke Quay was a hive of activity on 20 September 2007. Fashionably dressed young people were milling outside the doors of the establishment, itching to get in. There was a palpable sense of anticipation even though there was no rock concert or fashion extravaganza going on.

The event they were attending was MaritimeONE, a NetworkOne reception. A NetworkONE reception is where maritime employers interact with tertiary students on the possibilities of a career in the maritime industry. MaritimeONE was launched in April 2007. It is a partnership of industry, institutes of higher learning and the government to raise the awareness of the offshore and marine industry.

The affair on the Thursday evening was not a talk in a lecture hall. Instead students and industry veterans strolled about the darkened room, sipping drinks and exchanging views on the industry.

Students crowded around the Keppel O&M tables to find out about the industry from Chee Jin Kiong Keppel O&M's ED (Human Resources), Michael Chia, ED of Keppel FELS and Hoe Eng Hock, ED of Keppel Singmarine. Keppel staff were on hand to advise students

on their eligibility to work in Keppel O&M and to dish out job application forms to those interested.

The highlight of the evening was the launch of the pictorial magazine "mariTIME". It featured 21 personalities who epitomised the diverse careers that are available within the industry. Two of the 21 personalities picked were Ivan Lim, Project Manager, Operations, from Keppel Shipyard and Frances Teh, Project Engineer from Keppel FELS.

Ivan enthused "I get a thrill every time my project is completed, and I can deliver the ship to my client. An indescribable sense of satisfaction stays with me a long time afterwards, spurring me to achieve greater heights with my next project."

Frances drew cheers from the crowd with her passionate portrayal of life as a female engineer in a traditionally male-dominated environment. She declared "As long as a female engineer is able to discharge her duties effectively; there is no reason why we should be treated differently from the males."

Ivan and Frances's positive attitudes and enriching experiences resonated with the young crowd eager for challenges.



Frances shares her thoughts about being a female engineer

On the safe side

The Keppel O&M group's continuous efforts to reduce and mitigate workplace risks and hazards have earned it a number of accolades at this year's national Workplace Safety and Health (WSH) Awards. These awards were garnered through its business units, Keppel FELS, Keppel Shipyard and Keppel Singmarine.

In the category of Safety and Health Awards Recognition for Project (SHARP), Keppel FELS and Keppel Shipyard each received acknowledgment for the *Maersk Jackup No. 1* project and the Petrobras Floating Production Storage and Offloading (FPSO) *P-53* project respectively. This new category recognises projects with a sterling safety record of

achieving more than one million manhours without lost time incidents.

Keppel Shipyard also attained the Gold award in the WSH Innovation Award category for its invention - the cable roller. The purpose of the gadget is to eliminate hazards such as the risk of falling from high places and/or causing objects to fall when deploying or removing power cables both onboard vessels and in workshops. It also eliminated back injuries caused by the lifting of the cables which can weigh from 200kg to 500kg.

For its good safety and health performance and WSH management systems, Keppel Singmarine won Silver for the WSH Performance Award.



A safe and healthy workplace involves everyone's commitment

Organised annually by the WSH Advisory Committee, in collaboration with Singapore's Ministry of Manpower, the event gives recognition to companies or organisations that have performed well in safety and health through the implementation of sound safety and health management systems.

All prepared



The simulation exercise proceeds with ease

At dawn on 21 September 2007, Keppel workers living in the Penjuru dormitory woke up to masked men armed with a thermometer. However, they were prepared.

Workers and subcontractors were also confronted with similarly equipped masked men at the gate of Keppel FELS' Crescent Shipyard. They too were ready.

These two groups of workers had already been told that they would be undergoing a simulation exercise whereby they would be tested for Avian Flu. They had seen their fellow workers undergoing these tests at the other Keppel's shipyards and dormitories.

This exercise is part of Keppel O&M's Business Continuity Management (BCM) plan. The Working Committee's Task Force for Avian Flu Preparedness has been carrying out a series of simulations as part of its overall preparations in dealing with pandemics.

Roger Leng, Shipyard manager, Keppel FELS Crescent said, "The operation went smoothly and in an orderly manner. We must take extra precautions when it comes to pandemic diseases. It is better to get ourselves ready and organised for any emergencies so if the real thing happens, we'll be more than prepared."

With the testing of Crescent yard and Penjuru dormitory, Keppel O&M has now covered all its major yards and dormitories in Singapore. The simulation exercise started with the testing of Acacia Lodge and Pioneer yard a year ago.

Around our yards

OffshoreMarine tracks works at various Keppel yards.

Singapore

Keppel Shipyard

Name : **Negishi Maru**
Owner : Nippon Oil Tanker
Country : Japan
Type : Tanker
DWT : 106,650
GRT : 58,225
Date : 11 – 25 September 2007
Scope : Engine room pipes underwent renewal and modifications. Valves were inspected and overhauled. The installation of new exhaust fan and various main deck repair jobs took place.

Name : **Jeanne-Marie**
Owner : V-Ships
Country : France
Type : LPG
DWT : 53,208
GRT : 46,632
Date : 16 – 29 September 2007
Scope : External hull preservation. Work included: Main engine works, boiler works,

and the overhauling of the cargo heater and cargo safety valves. The shipside valves were surveyed. Forepeak tank and cargo void spaces crack welding, cargo void spaces and water ballast tank bracket were installed. The engine room fans were overhauled.

Name : **LNG/C S.S. Lalla Fatma N'Soumer**
Owner : Algeria Nippon Gas Transport Corp.
Country : Algeria
Type : LNG Carrier
Capacity : 145,000 m3
GRT : 120,300
Built : 2004
Date : 7 – 25 October 2007
Scope : 1st Intermediate Docking and Guarantee Docking. The main turbine, the cryogenic cargo valve, the cryogenic cargo and spray pump were all overhauled. The hull was painted and all guarantee work was carried out.

Philippines

Subic Shipyard & Engineering

Name : **MV CAPE SATURN**
Owner : Wallem Shipmanagement Ltd.
Country : Hong Kong
Type : Bulk Carrier
DWT : 145,884
GRT : 91,178
Date : 7 – 8 September 2007
Scope : A float repairs made on damage; Port cargo hold no. 9 hatch coaming top plate was repaired by renewing stay brackets and aligning heavily dented top portion through heat and water.

Name : **MV "STAR PHOENIX"**
Owner : Mitsui Kinkai Kisen Co., Ltd.
Country : Japan
Type : Bulk Carrier
DWT : 56,042
GRT : 31,242
Date : 29 August – 10 September 2007
Scope : Drydocking; The ropeller was polished and dye checked; The auxiliary boiler was cleaned; The auxiliary boiler was mounted and safety valve was overhauled; The sea suction and overboard were overhauled and surveyed; The main engine turbo charger was overhauled; The main engine air cooler chemically cleaned; The main engine crankpin bearing, crosshead bearing and main engine bearing were opened and surveyed; The auxiliary engine governor was overhauled;





The auxiliary engine crankshaft – deflection and main engine crankshaft deflection were measured; The working compressor was set to install and commissioned; The hull anodes were renewed; The crack bilge keel was repaired (S); The installation of MO nos. on the engine room took place; The hull was washed and painted; The hatch coaming blasting and painting took place.

Keppel Batangas Shipyard

Name : **PEREGRINE**
 Owner : Eagle Shipping International USA LLC
 Country : USA
 Type : Bulk Carrier
 DWT : 50,913
 GRT : 28,647
 Date : 24 September – 18 October 2007
 Scope : Starboard damaged afloat repairs took place. Afloat and underwater hull cleaning and painting took place.

Name : **ORION REEFER**
 Owner : Wallem Shipmanagement Ltd.
 Country : Hong Kong
 Type : Reefer
 DWT : 9,643
 GRT : 8,818
 Date : 3 – 15 October 2007
 Scope : The cleaning, blasting and painting of the hull took place. The cargo hold deck insulation was renewed. Overhauling and renewal of deck crane sheaves took place. Miscellaneous repair of cranes took place. Machinery equipment was overhauled. The engine room piping was renewed.

Name : **GENERAL RICARTE**
 Owner : Magsaysay Lines, Inc.
 Country : Philippines
 Type : Container
 DWT : 3,200
 GRT : 2,850
 Date : 24 August – 1 October 2007
 Scope : Cleaning, blasting and painting of the hull took place. Tanks were cleaned. 170 tonnes of steelworks took place. Structural hull

repair and hatch covers repairs were done. Engine room piping was renewed.

Name : **EASTERN SKY**
 Owner : Eastern Shipping Lines, Inc.
 Country : Philippines
 Type : Cargo
 DWT : 6,843
 GRT : 5,519
 Date : 12 – 26 September 2007
 Scope : Cleaning, blasting and painting of the hull took place. The Inspection and UT gauging of hull was done. Sea valves were overhauled and zinc nodes were renewed. The tank was cleaned. Renewal of hydraulic pipes of cargo winch 1 to 4. Engine room piping was renewed. Propeller works were done. Steelworks on various locations were undertaken.

Keppel Group | Newsbytes

Keppel Land meets rising demand for luxury homes with new waterfront villa project in Vietnam

Keppel Land has entered into a joint venture (JV) with local property developer, Hung Phu Real Estate Investment Corporation (Hung Phu), to develop a 9.7 ha (97,000 sm) site into a premier waterfront enclave in District 9 of Ho Chi Minh City (HCMC), Vietnam.

The new waterfront villa project is Keppel Land's eighth residential development in Vietnam this year. The site, which will yield about 140 premier luxury villa homes, augments the company's existing pipeline of more than 25,000 homes in Vietnam.

Ocean Financial Centre to provide Grade A office space

Keppel Land further strengthens its sterling portfolio of Grade A office developments with about 850,000 sq ft of prime office space in *Ocean Financial Centre (OFC)*.

To be completed in 2011, the 43-storey *OFC* will be state-of-the-art, not only in terms of premium finishes and fittings but also in innovative green and environmentally-friendly features such as

the largest solar panel system and the first hybrid chilled water system in Singapore.

Keppel signs contract for largest wastewater treatment and reuse project in the Middle East

Keppel Seghers signed the contract from Qatar Public Works Authority (Ashghal) to the design, building, operation and maintenance of a wastewater treatment and reuse plant in Qatar for QR3.6 billion (approximately S\$1.5 billion) on 29 October 2007.

Known as the Doha North facility, the wastewater treatment and water reuse facility is expected to be completed in 2010, in which time, Keppel Seghers' operation and maintenance contract with Ashghal would begin for a period of 10 years.

Good governance tops

Keppel Corporation's embrace of good corporate governance has won it further accolades. The company secured top honours for corporate governance and transparency at the Securities Investors Association's (SIAS) 8th Investors' Choice Awards on 4 October 2007.

Keppel Corporation

- Golden Circle Award
- 1st – Singapore Corporate Governance Award
- Winner – Most Transparent Company (Multi- Industry/ Conglomerates)

Keppel Land

- Runner-up – Most Transparent Company (Properties)

Singapore Petroleum Company

- 3rd – Singapore Corporate Governance Award
- Runner-up – Most Transparent Company Award (Non-Electronics Manufacturing)

SPC Acquires China Oilfields for Future Growth

Singapore Petroleum Company (SPC) has expanded its presence in China by acquiring offshore producing oilfields and exploration working interests in Bohai Bay (Bohai) for an aggregate consideration of US\$223 million .

Through its wholly-owned subsidiary, SPC E&P (China) Pte Ltd, SPC won a competitive bid for 100% of the shares of Sino-American Energy Corporation (Sino-American), which owns the oilfields and exploration blocks. Sino-American is a subsidiary of the Houston, Texas based Ultra Petroleum Corp. The share purchase agreement, signed in Houston on 26 September 2007, is subject to certain pre-emption rights and other consents under the operating agreements.

Upon completion, Bohai will become SPC's largest producing asset. Bohai will also be SPC's second asset in China, in addition to its recently acquired Pearl River Mouth Basin acreage, and its eighth exploration and production asset.



Ocean Financial Centre

Global Reach

Keppel Offshore & Marine Ltd (Head Office)

50 Gul Road Singapore 629351
Tel: 65 6863 7200
Fax: 65 6261 7719
www.keppelom.com

SINGAPORE

Keppel FELS Limited

(Pioneer Yard 1 – Head Office)
50 Gul Road Singapore 629351

(Pioneer Yard 2)

55 Gul Road Singapore 629353

(Shipyard Road)

31 Shipyard Road Singapore 628130

(Crescent Yard)

60 Shipyard Road Singapore 628131

Tel: 65 6863 7200
Fax: 65 6261 7719
Email: marketing@keppelfels.com
www.keppelfels.com
Contact Persons: Michael Chia, Executive Director
S Jaya Kumar, General Manager (Marketing)

Keppel Shipyard Limited

(Tuas Yard – Head office)

51 Pioneer Sector 1 Singapore 628437

Tel: 65 6861 4141

Fax: 65 6861 7767

(Benoi Yard)

15 Benoi Road Singapore 629888

Tel: 65 6861 6622

Fax: 65 6861 4393

(Gul Yard)

55 Gul Road Singapore 629353

Tel: 65 6861 3007

Fax: 65 6862 3645/7

www.keppelshipyard.com
Email: ks@keppelshipyard.com
Contact Persons: Nelson Yeo, Executive Director
Mah Chan Wah, General Manager (Commercial – Shiprepair)

Keppel Singmarine Pte Limited

15 Benoi Road Singapore 629888

Tel: 65 6861 6622

Fax: 65 6862 1792

Email: singmarine@keppelsingmarine.com

www.keppelsingmarine.com

Contact Persons: Hoe Eng Hock, Executive Director
Poon Tai Lum, Deputy General Manager (Commercial/Marketing)

Offshore Technology Development Pte Ltd

55 Gul Road Singapore 629353

Tel: 65 6863 7409

Fax: 65 6862 3465

Email: felsotd@pacific.net.sg

Contact Person: Dr Foo Kok Seng, General Manager

Deepwater Technology Group Pte Ltd

50 Gul Road Singapore 629351

Tel: 65 6863 7163

Fax: 65 6863 1739

Email: aziz.merchant@keppelom.com

Contact Person: Aziz Merchant, General Manager

Asian Lift Pte Ltd

23 Gul Road Singapore 629356

Tel: 65 6668 4222

Fax: 65 6668 4333

Email: asianlift@asianlift.com.sg

Contact Person: John Chua, General Manager

Keppel Smit Towage Pte Ltd

23 Gul Road Singapore 629356

Tel: 65 6668 4222

Fax: 65 6897 8056

Email: kst@keppelsmit.com.sg

Contact Person: Ben Chew, General Manager

AUSTRALIA

Keppel Prince Engineering Pty Ltd

Level 7, 3 Bowen Crescent

Melbourne, Victoria 3004, Australia

Tel: 61 3 9820 9033

Fax: 61 3 9866 6110

Email: cchiam@ozemail.com.au

Contact Person: Charles Chiam, Director

AZERBAIJAN

Caspian Shipyard Company Ltd

South Bay, KMNF Basin

Baku AZ1023, Azerbaijan

Tel: 994 12 449 9930

Fax: 994 12 449 9931

Email: csc@csc.az

Contact Person: Yan Naing Myint, President

BRAZIL

Keppel FELS Brasil SA

Rua da Assemeia, 10 – 2002

20011-000 Rio de Janeiro, RJ, Brazil

Tel: 55 21 2102 9400

Fax: 55 21 2224 2248

Email: daniel.chang@keppelfels.com

www.kfelsbrasil.com.br

Contact Person: Daniel Chang, President & CEO

BULGARIA

Keppel FELS Baltech Ltd

54 Debar Street, Varna 9000, Bulgaria

Tel: 359 52 684 250/1

Fax: 359 52 684 252 (Admin)

Email: office@fels.bg

Contact Person: Lyudmil Stoev, General Manager

CHINA/HONG KONG

Keppel Nantong Shipyard Ltd

No. 9 Yan Jiang Road, Nantong City, Jiangsu Province

P.R. China 226005

Tel: 86 513 8530 0000

Fax: 86 513 8530 0011

Email: taikwee.lee@keppelnantong.com

Contact Person: Lee Tai Kwee, President

Keppel FELS Engineering Shenzhen Co., Ltd.

3th Floor, Chiwan Petroleum Building

Chiwan Road No. 5

P.R. China 518068

Tel: 86 755 26851902, 86 755 26851959,

65 68637215 (Singapore Contact)

Fax: 86 755 26851670

Email (China): jongheng.ho@kfelsshenzhen.com

Email (Singapore): jongheng.ho@keppelfels.com

Contact Person: Ho Jong Heng, General Manager

INDIA

Keppel FELS Offshore and Engineering Services

Mumbai Pvt Ltd

Unit Number 3, 8th Floor, Prism Tower-A

Mindspace, Link Road, Goregaon (West)

Mumbai 400 062, India

Tel: 91 22 4001 8888

Fax: 91 22 4001 8898

E-mail: anant.shukla@kfelsmumbai.com

Contact Person: Anant Shukla, General Manager

INDONESIA

Bintan Offshore

Kampung Budi Mulia, RT.02/RW.01, Desa Sei Walang

Kecamatan Bintan Timur, Kabupaten Bintan

Propinsi Kepulauan Riau, Indonesia

Tel: 62 771 462 2297

Fax: 62 771 462 2298

Email: kumchoon.leong@keppelfels.com

Contact person: Leong Kum Choon, Deputy Shipyard Manager

JAPAN

Regency Steel Japan Ltd

46-59 Nakabaru, Tobata-ku

Kitakyushu, Fukuoka 804-8505 Japan

Tel: 81 93 861 3103

Fax: 81 93 861 3114

Email: hyyip@r-sj.com

Contact person: Dr Yip Hee Yan, President

KAZAKHSTAN

Keppel Kazakhstan LLP

SEZ "Seaport Aktau", Aktau 130000, Mangistau Oblast

Republic of Kazakhstan

Tel: 7 3292 571 100

HP: 7 300 528 4885

Fax: 7 3292 571 110

Email: pw.yick@kkl.kz

Contact Person: Yick Ping Wong, General Director

NETHERLANDS

Keppel Verolme BV

Prof. Gerbrandiyweg 25, 3199 KK Rotterdam-Botlek

Harbour no. 4550, P O Box 1001, 3180 AA Rozenburg

The Netherlands

Tel: 31 181 234300

Fax: 31 181 234346

Email: mail@keppelverolme.nl

www.keppelverolme.nl

Contact Person: Harold W.M. Linssen, Managing Director

NORWAY

Keppel Norway AS

Strandgaten 147, P O Box 425

4304 Sandnes, Norway

Tel: 47 5160 2500

Fax: 47 5160 2510

Email: Inge.Oliversen@keppelnorway.com

www.keppelnorway.com

Contact Person: Inge Oliversen, President

PHILIPPINES

Keppel Philippines Marine Inc

Unit 3-B Country Space 1 Building

Sen. Gil Puyat Avenue, Salcedo Village

1200 Makati City, Philippines

Tel: 63 2 892 1816

Fax: 63 2 815 2581, 63 2 892 4604

www.keppelphilippinesmarineinc.com

Email: mhq@keppelpm.com /commercial@keppelpm.com

Contact Person: Toh Ko Lin, President

Keppel Batangas Shipyard

Barrio San Miguel, 4201 Bauan, Batangas

Philippines

Tel: 63 43 7271532 to 36

Fax: 63 43 7271453

Email: kbs@keppelpm.com

Contact Person: Kok Boon Heng, President

Keppel Cebu Shipyard Inc

Dad Cleland Avenue, 6015 Lapu-Lapu City,

Cebu, Philippines

Tel: 63 32 340 0081 to 89

Fax: 63 32 340 0068, 63 32 340 0096

Email: marketing@keppelcebu.com.ph

www.keppelcebu.com.ph

Contact Person: Fok Swee Yin, President

Subic Shipyard and Engineering, Inc.

Cabangaan Point, Cawag

2209 Subic, Zambales, Philippines

Tel: 63 47 232 2380

Fax: 63 47 232 3350, 63 47 232 3883 to 84

Email: all@subicship.com

Contact Person: Mok Kim Whang, President

UNITED ARAB EMIRATES

Arab Heavy Industries

P O Box 529, Ajman, UAE

Tel: 971 6 526 3232

Fax: 971 6 526 3233

Email: ahiaeme@emirates.net.ae

www.ahi-uae.com

Contact Person: Leong Yew Kong, Managing Director

USA

Keppel AmFELS Inc.

PO Box 3107, 20000 South Highway 48

Brownsville, TX 78523, USA

Cell: 1 956 592 6149

Tel: 1 956 838 3187 Fax: 1 956 831 6220

Email: g.tan@keppelamfels.com

Contact Person: Tan Geok Seng, President & CEO

Keppel Offshore & Marine USA Inc.

5177 Richmond Ave, Suite 1065

Houston, TX 77056, USA

Tel: 1 713 840 8811

Fax: 1 713 840 1198

Email: yewyuen.chow@keppelOM-usa.com

Contact Person: Chow Yew Yuen, President

FloatEC, LLC

14701 St. Mary's Lane

Suite 250, Houston, TX 77079

Main Tel: +1 281 870 5200

Main Fax: +1 281 870 5210

Email: businessdevelopment@floatec.com

Website: www.FloatEC.com

Contact Person: Eric H. Namtvedt, President

Direct Tel: +1 281 870 5556

Mobile: +1 281 381 2781

Email: ehnamtvedt@floatec.com

Keppel Marine Agencies, Inc

(Texas Office)

5177 Richmond Ave, Suite 1065

Houston, TX 77056, USA

Tel: 1 713 840 1188

Fax: 1 713 840 1960

Email: mike.holcomb@kmaihouston.com /

Contact Person: Michael Holcomb, President/Director

john.bajor@kmaihouston.com

Contact Person: John C Bajor, Marketing Manager

(New Jersey Office)

15 Huddy Avenue, PO Box 417

Highlands, New Jersey, USA

Tel: 1 732 872 8800

Fax: 1 732 872 8801

Email: keppelnj@comcast.net

Contact Person: John J. Bajor, Director

VIETNAM

Keppel FELS Limited

Petrovietnam Tower, Suite 150M

9 Hoang Dieu Street, Ward 1, Vung Tau City

S.R. Vietnam

Tel: 84 64 850098

Fax: 84 64 850089

Email: henrysng@hn.vnn.vn

Contact Person: Henry Sng, Country Manager

Keppel wins contracts from repeat clients



Keppel Shipyard's capability in the conversion of Floating Production Storage and Offloading (FPSO)/FSO vessels is recognised by owners and operators. It has completed three such facilities this year. Shown above: FPSO *Umuroa* has been delivered to Prosafe Production

Keppel Shipyard has been awarded two conversion contracts one by Prosafe Production Pte Ltd, and the other by Shipping Logistics Incorporated for a long term charter to Perenco S.A. (Perenco)

The first contract awarded by Prosafe is for the conversion of a 101,832 dwt double-sided tanker, MT *Kudam*, into a Floating Production Storage and Offloading (FPSO) facility. Prosafe Production, the wholly-owned Singapore unit for Prosafe SE, is a major owner and operator of FPSO and FSO facilities worldwide.

Subic Shipyard & Engineering Inc (SSEI), an associate of Keppel Shipyard, will carry out the first phase of this FPSO conversion. This includes the demolition, refurbishment and preparation of the

topside installation for the FPSO conversion in the Philippines. Keppel Shipyard will undertake the integration of the topside modules and the completion of the conversion work in Singapore.

Work on the vessel is expected to be completed by late 2008.

Nelson Yeo, ED of Keppel Shipyard said, "Prosafe has entrusted us exclusively to carry out the conversion of all their FPSO and FSO systems in the last 10 years. With this new contract, the company has, to date, awarded us 10 projects.

"Our partnership with Prosafe is characterised by open communication, teamwork, flexibility and mutual understanding. We will support Prosafe

in their efforts to meet the requirements of the offshore industry."

The FPSO, with an oil storage capacity of 700,000 bbls and production capability of 63,000 bopd and gas compression facility of 80 mmscfd, will be equipped with a Prosafe designed disconnectable internal turret mooring system. It will be leased to Apache by Prosafe for use on the Theo-Van Gogh deepwater oilfield off Western Australia.

The second contract is for a Floating Storage and Offloading (FSO) conversion for repeat customer Shipping Logistics Incorporated (Shipping Logistics). The FSO is to be chartered to long time customer Perenco which had recently awarded Keppel O&M two contracts.

For this contract, awarded by Shipping Logistics, the 138,105 dwt tanker is to be converted into a FSO unit to be named FSO *Kalamu*. It will be moored by a soft yoke arm, off the coast of the Democratic Republic of Congo.

The major scope of the conversion includes the installation of guide sheave foundations at the FSO's bow to enable connections to the soft yoke. It also includes the upgrading of accommodation facilities for 112 persons, as well as the installation of a gas turbine power generation package and a metering skid unit. The conversion of water ballast tanks into cargo oil tanks and the modification of the cargo and ballast piping system will also take place.

The FSO unit will have a storage capability of about 1.045 million barrels of oil upon its completion in the first quarter of 2008.