

Offshore Keppel Marine

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Offshore

**Keppel FELS to build
7th ENSCO semi**

Marine

***Frontier Phoenix* reborn**

***TOBOY & Sea Choctaw*
delivered**



India's new discovery



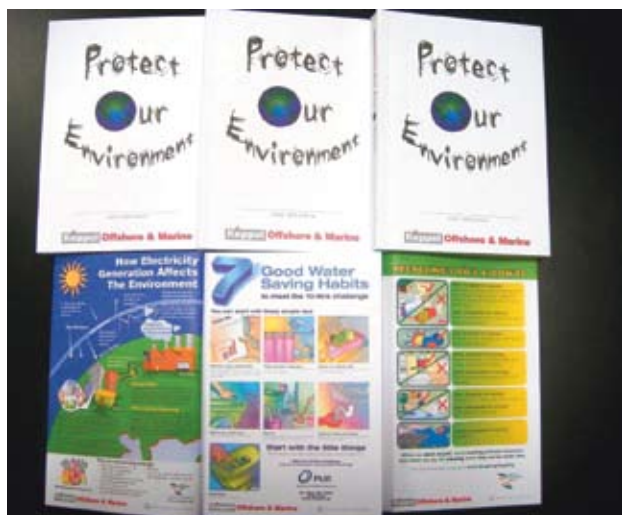
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Keppel FELS wins 7th ENSCO semi contract

Keppel FELS will be building another ENSCO 8500 Series[®] deepwater semisubmersible (semi) rig for ENSCO International Inc (ENSCO), bringing its construction tally for the series to seven.

The latest win follows just two months after both parties signed their sixth contract in June 2008 for *ENSCO 8505*.

Daniel W. Rabun, Chairman, President & CEO of ENSCO said, "Working with a leading shipyard that is familiar with our needs will enable us to advance our deepwater strategy more effectively. As we continue to expand our deepwater presence, we again look forward to working with Keppel FELS on this important project."

ENSCO has invested some US\$3.1 billion into building the ENSCO 8500 Series[®] rigs, demonstrating its commitment to be a forerunner in the growing deepwater market.

Choo Chiau Beng (CB Choo), Chairman & CEO of Keppel O&M said, "This seventh ENSCO contract is a vote of confidence by a top-notch drilling contractor on us as a reliable partner of choice. We remain committed to giving ENSCO our full support, contributing to the growth of their high quality deepwater fleet."

Keppel won the contract for the first ENSCO 8500 Series[®] semi in 2005. The rig has been chartered to Anadarko and Eni for operations in the U.S. Gulf of Mexico.

Number seven in the series, the *ENSCO 8506*, will be capable of drilling in water up to 8,500 feet. It is packed with a two million pound quad derrick, offline pipe handling capability, 35,000 feet drilling capacity, and station keeping capabilities meeting dynamic positioning requirements, making it ideal for deepwater development drilling.

Keppel FELS is the preferred building partner for the fleet of semis based on ENSCO's proprietary 8500 Series[®] design



Repeat clients award three new contracts



FPSO *Armada Perdana*



BW *Cidade De Saõ Vicente*

Keppel Shipyard's excellent track record has helped it secure three contracts to upgrade, modify and convert vessels from repeat customers.

Converting an Armada

The first contract with Bumi Armada Berhad involves upgrading and converting a tanker into a floating production storage and offloading facility (FPSO).

The project scope includes fabrication, installation and integration of a 12-point spread mooring system, riser balcony, topside facilities, and upgrading of accommodation and auxiliary support systems.

Bumi Armada Berhad, which is growing its FPSO installations, is the largest owner and operator of offshore support vessels in Malaysia.

When completed in the first half of 2009, the FPSO *Armada Perdana* will be able to store one million barrels of oil and process 40,000 barrels of oil per day.

A mightier Queen

The second contract is for the jumboisation of a dredger from Boskalis Westminster Shipping B.V. (Boskalis), an operating company of Royal Boskalis Westminster nv in the Netherlands.

The jumboisation project, Keppel's second with Boskalis, is to enhance the dredging capabilities of *Queen of the Netherlands*, a Trailing Suction Hopper Dredger. When completed in the first quarter of 2009, the vessel's hopper capacity will increase by about half to 35,500 cubic metres, making it one of the largest of its kind in the world.

Peace in the City

The third contract involves upgrading and modifying the FPSO *BW Peace* for use in Brazil's Tupi field according to Petrobras' requirements.

To be renamed *BW Cidade De Saõ Vicente*, the FPSO will be the first such vessel to enter the gigantic Tupi deepwater field outside Rio de Janeiro when completed at the year's end.

The fast track project is the third FPSO project awarded to Keppel Shipyard by BW Offshore, one of the world's leading FPSO contractors and market leaders in advanced offshore loading and production systems in the oil and gas industry.

ED of Keppel Shipyard, Nelson Yeo said, "I am glad our previous collaborations with various owners and operators have convinced them that Keppel Shipyard is the right partner for solutions. We will continue to fortify our relationship with customers to provide safe and high quality services."

More green-vessels at Keppel Singmarine

Keppel Singmarine is seeing a gradual increase in orders for specialised vessels that are environmentally safe.

On 27 July 2008 the yard won a contract to build a green multi-purpose heavylift/pipelay vessel for Romanian drilling contractor, Grup Servicii Petroliere SA (GSP).

This brings the total count of certified eco-friendly vessels to six out of 15 vessels under construction at Keppel Singmarine.

Designed and built to meet international environmental standards, GSP's vessel is well-suited for unrestricted use worldwide and will be classed by the American Bureau of Shipping.

Hoe Eng Hock, ED of Keppel Singmarine said, "Customers are seeking more sustainable means of mining oil and gas, and we are seeing a gradual increase in orders for specialised ships that are environmentally safe."

GSP's new vessel is expected to be certified under a new global Environmental Safety notation, which provides stringent guidelines that include preventing pollution, minimising discharge of harmful substances and emissions, and treating of sewage.

Eng Hock said, "We are very pleased that GSP has chosen Keppel Singmarine to build its latest eco-friendly multi-purpose vessel. Our strength in designing and building large offshore construction support vessels and our understanding of global environmental standards will put us in good stead to create value for our new customer."



Orders for specialised and green vessels like the latest GSP vessel are growing

The vessel is scheduled for completion in the third quarter of 2011, after which it will be deployed to the Black Sea and Mediterranean regions.

Gabriel Comanescu, President of GSP's parent company the Upetrom Group, said, "With its proven track record, we trust that Keppel Singmarine will deliver a high quality vessel that will meet our offshore requirements."

Able to house up to 290 persons, the heavylift/pipelay vessel will be equipped with three offshore cranes, the largest of which has a lifting capacity of 1,800 tonnes. It will also be fitted with a 10-point mooring anchor system.

The systems onboard include three

Voith Schneider propellers for its main propulsion, five retractable azimuth thrusters for positioning, and a Class-3 certified dynamic positioning system, some of which are supplied by its owner.

Keppel Singmarine is the specialised shipbuilding arm of Keppel O&M. It is now constructing two other pipelay vessels for US customer Global Industries.

Headquartered in Constanta Harbour, Romania, GSP is a member of the private Upetrom Group and a regional leader in offshore drilling. GSP provides a wide range of offshore drilling and drilling connected services, engineering solutions, and technical consultancy.

India's new discovery

KFELS B Class jackup rig DISCOVERY I is enhanced to meet India's offshore needs



Keppel FELS received a S\$1 million bonus from Jindal Drilling & Industries' (JDIL) joint-venture, Discovery Drilling, for delivering a jackup rig 49 days ahead of schedule.

JDIL Managing Director Naresh Kumar said, "We are pleased with the early delivery. The bonding and coordination of the Discovery Drilling, Jindal and Keppel teams have been excellent. Keppel FELS will always be our preferred partner."

The rig was named DISCOVERY I on 13 September 2008 by Lady Sponsor Savita Jindal, wife of DP Jindal, Chairman of the DP Jindal Group of companies. It achieved a safety record of over 2.2 million manhours worked without incidents.

Keppel O&M Chairman & CEO, CB Choo said, "This accomplishment demonstrates Keppel FELS' strong project management skills and excellent teamwork with Discovery Drilling and Jindal. Safety remains our top priority at all times. It has been etched into our processes and even more so, our mindsets."

Singapore Minister for Finance Tharman Shanmugaratnam was Guest-of-Honour at the rig's naming ceremony.

Noting the good relations between businesses in India and Singapore, he said, "Keppel FELS' collaboration with the Jindal Group is a win-win relationship between two industry leaders, and another win-win tie-up between Singapore and India. There is much potential for Singapore companies to work with their Indian counterparts as India intensifies the development of oil and gas resources."

Over the last five years, Indian offshore and marine companies have ordered nine



Keppel's and Jindal's top brass celebrate DISCOVERY I's early delivery with Minister Tharman Shanmugaratnam (centre) and Lady Sponsor Savita Jindal (third from right)

new jackup drilling rigs amounting to some US\$1.5 billion from Keppel.

All nine rigs are built to Keppel's proprietary KFELS B Class design, which is developed to meet drillers' needs for more powerful jackups as the search for hydrocarbons moves into harsher environments and deeper waters.

DISCOVERY I is the 23rd of a total of 33 KFELS B Class rigs to enter the global offshore market.

It has been chartered to India's national oil company, Oil and Natural Gas Corporation (ONGC), for deployment in the Indian Ocean over the next three years.

The jackup rig meets ONGC's unique environmental, bearing pressure, and rig geometry requirements. The efficient jackup rig operates in water depths of 350 feet and drills down to 30,000 feet. Its design also incorporates Keppel's advanced and fully-automated high capacity rack and pinion elevating system, as well as Self-Positioning Fixation System.



DISCOVERY I Project Team discovers success

JDIL is a part of the DP Jindal Group, a leading diversified industrial houses with revenues exceeding US\$750 million. The company is also among the largest manufacturers of seamless and Electric Resistance Welded pipes in India.

Focused on providing quality offshore drilling and allied services, Jindal has emerged over the years as a major oil and gas player in India through its pioneering ventures into the industry's high technology domain.

Resolve to deliver

Standing firm on its promise to deliver projects on-time, Keppel FELS has completed its second Maersk three days ahead of schedule.

Claus V. Hemmingsen, CEO of Maersk Drilling, said, “The early delivery of *Maersk Resolute* is yet another significant milestone in the longstanding cooperation between Keppel FELS and Maersk Drilling.”

“Keppel’s track record of delivering projects on time and within budget was a factor for choosing the yard for our massive investment programme,” he added.

The rig was named by Anette Bjerger, wife of Soren Gath Hansen, Executive VP of Dong Energy, at a ceremony in Keppel FELS on 16 August 2008.

Maersk Resilient departs Keppel FELS for its maiden project



On a three-year contract to Dong Energy for operations in the Danish part of the North Sea, *Maersk Resolute* is the second of four high efficiency jackups Keppel FELS is building for Maersk Drilling.

CB Choo, Chairman & CEO of Keppel O&M, said, "We are grateful to Maersk Drilling for their unwavering confidence in Keppel and for entrusting us over the years with constructing its premium offshore fleet. Our enduring partnership and experience mean that subsequent projects can only get better."

The series of high efficiency rigs Keppel is building for Maersk are automated for safe operations. They have a maximum operating depth of 350 feet, making them suitable for drilling deep, high temperature, and high pressure wells of 30,000 feet.

The rig deliveries are scheduled at half-yearly intervals.

The first, *Maersk Resilient*, was delivered in February this year and has commenced operations for Dubai Petroleum at the Fateh U platform in Dubai waters.



Maersk Resolute was named by Anette Bjerger (centre), wife of Soren Gath Hansen (third from right), Executive VP of Dong Energy. She is accompanied by (from left) Tong Chong Heong (CH Tong), MD & COO of Keppel O&M, Susanne Hemmingsen, Claus V. Hemmingsen, CEO of Maersk Drilling, Eileen Choo and CB Choo, Chairman & CEO of Keppel O&M

Double bundles of joy

Constructed by Keppel Singmarine under a flawless safety record, *TOBOY* is ready to be deployed in the Barents and Arctic Seas

Keppel Singmarine has been keeping busy with vessel deliveries over the summer. It sent off a first of its kind supply tug for LUKOIL and received a bonus for a GulfMark offshore support vessel (OSV), attesting to the excellent partnership with both long-time customers.

Unstoppable *TOBOY*

Not even landfast ice 1.5 metres thick and covered with 20 centimetres of snow can stop *TOBOY* in its tracks.

The Multi-purpose Ice-breaking Supply Tug (MIST) measures 81 metres long, and is designed to push and steer through frozen waters.

It is the first such vessel Singapore-based Keppel Singmarine has built for LUKOIL. Over 150 admiring guests stood witness at its naming on 18 August 2008.

Lady Sponsor Elena Lukyanova said, "This gorgeous vessel is a result of the hard and creative work of numerous yard employees, designers, consultants, owner's superintendents, and Russian register representatives... In other words, many highly qualified specialists and simply industrious people. It is with great pleasure that I christen this vessel – *TOBOY*."

Including *TOBOY*, Keppel Singmarine is building two ice-breaking vessels for LUKOIL. The second, an auxiliary ice-breaking vessel, is due for delivery later this year.

Keppel Singmarine and LUKOIL management celebrate the birth of *TOBOY*



Both vessels are designed and built to meet the Russian Maritime Register of Shipping's rules and standards. They are further tailored to the owner's stringent requirements and technical specifications.

Hoe Eng Hock, ED of Keppel Singmarine said, "We are pleased to deliver another quality vessel to operate in the Arctic Seas. The project demonstrates that we can provide fitting solutions to the arctic market right out of tropical Singapore, and will continue to improve our services to Russian customers."

Keppel Singmarine is also constructing an Ice-class Floating Storage Offloading (FSO) vessel for LUKOIL. The FSO is due to leave for another Keppel O&M yard in Baku, Azerbaijan. The vessel will cross the narrow Volga channel in two lateral halves that can be rejoined and assembled upon reaching Baku.

Keppel's offshore and marine division has served Russian owners on ship conversion and repair, as well as offshore rig construction projects since the 1980's.

An immaculate completion

For its safe delivery, Keppel Singmarine received a US\$10,000 bonus when sending off *Sea Choctaw*, the fourth of six OSVs customised and built for GulfMark.

The vessel was named on 12 July 2008 by Lady Sponsor Yvonne Goh, spouse of Keppel Singmarine's former ED and Director Goh Boon Kiat.

Like its three predecessors, *Sea Choctaw* was completed without lost-time incidents and delivered on schedule.

All six vessels are designed by Keppel O&M's Marine Technology Development arm, tailored to meet the needs and growing demand of Gulfmark's customers in Southeast Asia.

"In line with our vision to become the choice designer and builder of OSVs, and in anticipation of market demand, Keppel Singmarine has begun designing Anchor Handling Tug/Supply vessels of higher horse

power and Platform Supply Vessels of bigger deadweight," said Eng Hock.

"*Sea Choctaw* is a showpiece of our commitment and sustained efforts in this area. Not only did she complete with an outstanding safety record, she also achieved a bollard pull of 143.3 tonnes and a speed of 15.1 knots, which exceeded her contractual performance," he added.

The OSV is made of 12,500 pieces of steel, all marked, cut and welded with precision. Its four main MAK engines totalled 10,760 bhp, enhanced by DP 2 dynamic positioning capabilities.

It is capable of performing anchor handling using low hydraulic pressure drums and a Smatco winch that stores cables up to 2500 metres long. Other support functions include fire-fighting and rescue work.

The vessel is also equipped with cargo tanks and control systems that transport and deliver materials such as cement, drilling mud, base oil, brine, fresh water and fuel oil, without sacrificing her sizeable deck cargo space.



The magnificent *Sea Choctaw* – a showpiece of Keppel Singmarine's commitment to be a choice OSV designer and builder

Raising the Scepter



Ocean Scepter, Keppel AmFELS' 17th project with Diamond Offshore, was named in Brownsville on 7 June 2008

Keppel AmFELS recently completed a new jackup rig built to Keppel's proprietary KFELS Super B class design for long-time customer Diamond Offshore.

The rig is Keppel AmFELS' fourth newbuild delivery in the year and was named *Ocean Scepter* on 7 June 2008 by Lady Sponsor Muriel Miller, Exploration Manager of Enap Sipetrol Argentina. The company has chartered it for drilling operations in offshore Argentina.

"Our commitment to safety, training and continuous improvement enables us to deliver products and services to our customers' utmost satisfaction. It is gratifying to see customers like Diamond Offshore appreciate our efforts to deliver and entrust us with repeated projects," said GS Tan, President of Keppel AmFELS.

Diamond Offshore is a leading deepwater drilling contractor with 13 jackups and 30

semisubmersibles (semis). To date, it has awarded Keppel AmFELS 17 rig projects, including renewal, repair, conversion and major refurbishment works.

However, Keppel AmFELS, a wholly-owned subsidiary of Keppel O&M, does more than business in the United States.

The Brownsville-based yard has consistently worked to benefit the town and its surrounding communities since 1990, when the shipyard was founded.

Over the last eight years, Keppel AmFELS and its staff have given more than a million dollars to improve the lives of families and children in Brownsville. They do so through United Way of Southern Cameron County, a reputable non-profit volunteer organisation that invests in programmes to meet the basic family and children's needs.

GS said, "While we enjoy our fair share of the booming oil and gas industry,

Brownsville and its surrounding areas have benefited as well. Besides providing jobs, the yard's growing portfolio is also giving a boost to local suppliers, contractors, restaurants and hotels' businesses."

Even residents of neighbouring states such as Louisiana are feeling the positive impact.

24-year-old Donnie Allen sees the industry as an attractive vocational choice, saying, "In my little town in Louisiana, you either farmed or you worked on a rig."

Donnie, along with 140 others from the area, will work on the newly built *Ocean Scepter* base on a 28 days on- and 28 days off-the-rig schedule.

Last year, Keppel AmFELS was lauded by the Brownsville Economic Development Council, a government agency responsible for attracting and sustaining businesses in the local community.

Fourth Scorpion delivery

Separately, Keppel AmFELS has received a US\$1.35 million bonus for delivering Scorpion Offshore's (Scorpion) fourth jackup drilling rig.

At a ceremony in the yard on 6 September 2008, the rig was named *Offshore Vigilant* by Lady Sponsor Kristine Solberg, wife of Scorpion Chairman Robert Solberg.

Offshore Vigilant is the fourth of five LeTourneau Super 116 jackups commissioned by Scorpion in 2005.

So far, Keppel AmFELS has completed all four rigs on time. It delivered *Offshore Courageous* and *Offshore Defender* in 2007, and *Offshore Resolute* in May this year. The fifth unit is slated to be completed in 2009.

Each rig can drill to a depth of approximately 30,000 feet. It incorporates a 70 feet cantilever, the maximum reach now available for all but a few harsh environment units. It is capable of working under 350 feet of water as outfitted, or in water of depths up to 400 feet by adding leg sections.

Offshore Vigilant has been chartered by Gazprom for its maiden operations in offshore Venezuela starting this October.

Keppel AmFELS is the best-equipped offshore yard in the Gulf of Mexico, involved in the construction, upgrade, repair and conversion of mobile offshore rigs.

The company employs some 2,500 staffers, up from a mere 200 employees 17 years ago.

GS Tan (left) and Scorpion President & CEO Jon Cole exchange tokens of appreciation for their fourth success



Besides Scorpion's fifth rig, Keppel AmFELS is keeping busy with rig-building projects for Atwood Oceanics, Perforadora Central and Rowan Companies

A Phoenix reborn

After an extensive upgrading and refurbishing job, *Frontier Phoenix* rose from the ashes on 23 August 2008 at Keppel Shipyard when it was renamed and delivered.

At the ceremony, Steven R. Meheen, President & COO of Norway domiciled Frontier Drilling, said his company's working relationship with Keppel has been excellent and that he is looking forward to continuing the partnership with works on its two 'Bully' drillships.

Said CH Tong, MD & COO of Keppel O&M, who was also at the ceremony, "We are glad to support Frontier Drilling as they grow their fleet of drillships. They awarded us not only *Frontier Phoenix* but also their next two drillships, *Bully 1* and *Bully 2*. I am confident we will complete and deliver both drillships to their requirements and satisfaction."

Keppel Shipyard's work on *Frontier Phoenix* included refurbishing its existing hull and marine systems, installing sponson tanks, revamping its accommodation for 120 men, as well as mounting all new deck machinery and drilling gear with related systems.

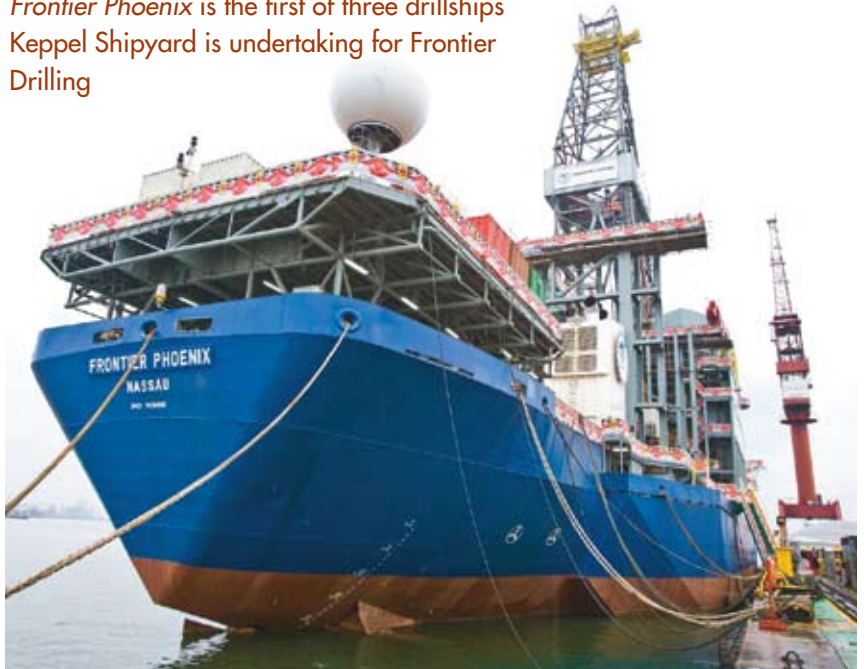
The restored drillship can drill in up to 5,000 feet of water using a conventional subsea Blow out Preventer (BOP). It can also drill in up to 9,000 feet of water depth if outfitted with a surface BOP.

Keppel Shipyard's upgrade marks the first time a surface BOP and a subsea BOP are both built into a drillship with dynamic positioning system.

Frontier Phoenix's project teams also achieved a significant safety milestone of 1.68 million manhours worked without incident.

The feat came on the back of Keppel's groupwide Safety Excellence 2010 programme launched in May 2008. The programme reaches out to all stakeholders, encouraging them to take both personal and collective responsibility for safety.

Frontier Phoenix is the first of three drillships Keppel Shipyard is undertaking for Frontier Drilling



It's "Hurrah!" for the Phoenix as guests and its project teams cheer its rebirth

The drill ship, *Glomar Tasman*, was converted at Keppel's Harbour Yard in 1975. Mr Spencer Leong (second from right), GM of Keppel Shipyard (Gul) who was then a technician recalls, "Led by CH Tong (left of picture), this was Keppel's first drillship conversion. All its equipment including engines, deck machinery and drilling packages were powered by steam. We converted it from a steam-powered vessel to one that is electrically-powered. It was the only vessel in my entire career where we worked on a steam reciprocating main engine."





Keppel Batangas & BCCI project teams stand before their pride and joy

Keppel Batangas comes of age

Keppel Batangas Shipyard (Keppel Batangas) has been doing its parent company Keppel O&M proud.

Besides taking on more complex offshore work, the Philippine yard has also completed those jobs on the back of outstanding safety and productivity results.

It delivered *ENSCO 8502's* lower hull to sister yard Keppel FELS in Singapore on 7 August 2008, when Lady Sponsor Ann Rachelle Leviste, wife of Batangas Vice-Governor Marc Leviste, named the hull.

ENSCO 8502 is the third of seven semisubmersibles Keppel FELS is building for *ENSCO*.

The project augments Keppel Batangas' entry into the big league of rig-building.

Anticipating strong global demand for

semisubmersibles and jackup rigs, Keppel O&M Group began gearing up its yards worldwide to take on more sophisticated offshore work over the last three years.

Keppel Batangas is one of the Group's three Philippine operation centres that has flourished with the makeover.

Upgrades to its facilities and workers' skills saw Keppel Batangas expanding its portfolio beyond traditional ship-building, repair and conversion.

The yard has taken on various offshore fabrication projects outsourced by Keppel FELS, completing and delivering four projects without incident.

It now has four other projects under construction with equally impressive safety records.

Most notably, the yard also increased its productivity, completing *ENSCO*

8502's lower hull using just 2.1 million manhours. This is significantly less than the time needed for two earlier projects *ENSCO 8500* and *ENSCO 8501*, where it clocked 2.9 million and 2.4 million manhours.

Mr Kok Boon Heng, President of Keppel Batangas, said, "Everyone from *ENSCO*, Keppel FELS, Keppel Batangas, all our suppliers and subcontractors have put in extra effort to make this happen."

To recognise its workers' commitment to safety and productivity, Keppel Batangas is launching an incentive programme soon for teams that keep or beat their own safety records.

Meanwhile, it is business as usual as Keppel Batangas celebrated newbuild ship *M/T Star Sirius'* construction halfway mark on 14 August.

The Philippine yard is building the 1,600 dwt double hull fuel oil tanker barge for Batangas Bay Carriers Inc.

M/T Star Sirius will be classed for Philippine inter-island services. Measuring 72.7 metres long and 14.8 metres wide, the self-propelled tanker barge is compliant with the double hull requirement for all barges and tankers carrying petroleum products in the Philippines.



Meeting of minds

Keppel O&M held its annual strategy meeting in August, bringing together over 70 overseas managers and senior executives to chart stratagems for continued growth.

Keppelites across the globe, including the United States, Brazil, Norway, Azerbaijan, China and the Philippines joined the three-day forum.

“We must choose our battle field, our products, and the countries we want to operate in. We must be able to sustain profit growth,” said CB Choo, Chairman & CEO of Keppel O&M.

“There is a need to keep our businesses as simple as possible. We must do what we are best at without taking unnecessary risks and continue to execute our projects well,” he added.

On challenges related to sustaining growth, CB Choo said, “We need to stay flexible while maximising our collective strength and assets.”

Many key issues related to global exploration and production were discussed during the forum. They included the rise in deepwater field developments amid softening crude oil prices, growing competition, and a stretched supply chain.



Keppel O&M's global members convened for strategic plotting in Singapore

Planting opportunities in Greece

Keppel O&M showcased its expertise and played host to notable visitors at the 21st Posidonia International Shipping Exhibition in Piraeus, Greece this year.

Keppel Shipyard performed heavy duty networking at Posidonia



At the event's launch, Greek Prime Minister Costas Karamanlis said he wanted to make "Greece a bridge between East and West, a

modern transit centre, and an international trade hub".

Over four days from 2 June 2008, Keppel Shipyard renewed ties with existing global customers and explored opportunities with new ones.

Its representatives engaged in serious discussions as they relate product and services to corporate, technical, and operations management in the maritime industry.

Every two years, the Greek trade event welcomes foremost international maritime and shipping business leaders, including more than 300 Asian exhibitors.

All in, over 1,700 exhibitors from 80 countries and 21 national pavilions participated in Posidonia 2008 with some 16,000 trade visitors packing 28,100 square meters of exhibition floor at the Hellenikon Exhibition Center.

Making waves in Norway

Keppel O&M top management headed north to generate new business and strengthen existing commercial ties at the biennial Offshore Northern Seas (ONS) 2008 tradeshow.

The company hosted a reception at the Rica Forum Hotel on the second day of the conference, which was held from 26-29 August in Stavanger, Norway.

Among others, Keppel O&M Chairman & CEO CB Choo and GM (Corporate Development) Thomas Pang were at hand to wheel and deal with visitors.

Keppel O&M's presence in the region

is well-established with wholly-owned subsidiaries Keppel Norway and Keppel Verolme (The Netherlands) delivering projects consistently and innovatively.

The unique ONS event combines exhibitions, conference, and a cultural festival, making it a strategic meeting place for movers and shakers in oil and gas. CB Choo was invited to present a paper on 'A shipyard's view on the market' to approximately 300 delegates.

Norwegian Crown Prince Haakon Magnus graced the tradeshow, which attracted more than 40,000 visitors and 1200 exhibitors this year.



Keppel Norway President Inge Oliveresen (left) and VP (Automation & Drive) Hans Petter Heggebø trade insights at ONS 2008



Golar Spirit, the world's first LNG re-gasification unit was converted at Keppel Shipyard

Spirits afloat

The world's first Floating Storage and Re-gasification Unit (FSRU), *Golar Spirit*, has left Keppel Shipyard in June for deployment in Brazil's Pecem Liquefied-Natural-Gas (LNG) terminal.

Originally a methane vessel, Keppel turned *Golar Spirit* into a vessel capable of performing LNG re-gasification on board – a first such conversion.

Petrobras has chartered the vessel, which is capable of re-gasifying seven million cubic metres of LNG a day. It can also store 129,000 cubic metres of the liquefied gas.

Keppel began conversion works in October 2007 and achieved zero lost-time incidents for over one million manhours worked.

However, converting a FSRU posed many engineering and construction challenges that required good teamwork and communication with the client.

Project Manager Ong Gim Foo said, "Working on a new concept is naturally challenging, especially as this is the first time we are converting a re-gasification unit on our own. However, the reward is also much more satisfying."

Torm's thumbs up for Keppel Shipyard

When product tanker *TORM GUDRUN* needed emergency repairs, Keppel Shipyard delivered with flair.

The yard's team promptly drew up a repair plan of major steel renewals, marking, staging, power tolling, painting, and final cleaning.

Despite having to tackle a substantial steel renewal increase of 8.3 tonnes, Keppel Shipyard managed to deliver the vessel within the contracted seven days.

In an appreciation letter, Esben Poulsson, President & CEO of Torm Singapore, wrote, "We want to express our appreciation and our respect for the way Keppel Shipyard handled urgent repairs on our vessel *TORM GUDRUN* recently."

Esben added that he was pleasantly surprised during his yard visit. He said, "I went to the yard myself to say hello on board, and also to see how things are at Keppel. I have been in shipping for 37 years and have visited a great many ship yards in several countries. As such, I feel I am a little qualified, at least, to compliment you on what I can only say was a most professionally run yard, where from the moment one arrived until departure, one had the feeling that things here were 'happening' with a strong commitment to excellence at all levels."

He ended the letter, saying, "Well done, Keppel Shipyard."



Emergency repairs on product tanker *TORM GUDRUN* were completed in just a week

Three cheers for Great Eastern Shipping

Great Eastern Shipping Company (GE Shipping) marked three construction milestones at Keppel yards on 4 August 2008.

There was the keel laying of jackup drilling rig *Greatdrill Chitra*, which is being built by Keppel FELS.

GE Shipping also struck steel for two multipurpose platform support and supply vessels under construction at Keppel Singmarine. The two 94-metre, 4,600 deadweight tonne vessels will be equipped with diesel electric propulsion and DP-2 dynamic positioning systems.

Executive Chairman of GE Shipping, K. M. Sheth performed all three ceremonies with his wife and family by his side. The Bombay-listed shipping and offshore service provider runs a diversified fleet in India and worldwide.

Greatdrill Chitra is GE Shipping's first newbuild drilling rig built to Keppel's KFELS B Class design. The proprietary design is one of the most well-accepted jackup design in the world today.

The rig can drill in 30,000 feet of water and house 112 men. Keppel FELS will further tailor *Greatdrill Chitra* to meet GE Shipping's operational requirements for water depths of up to 350 feet, although the design can be readily upgraded to 400 feet.

Keppel FELS has contracted sister yard Keppel Singmarine to fabricate parts of *Greatdrill Chitra*'s hull, tapping on Keppel O&M's global network of yards to give customers better value-added services.

Both the Singapore-based yards are wholly owned subsidiaries of Keppel O&M, one of the world's largest offshore and marine groups with a 20 yards worldwide.



Keppel O&M Chairman & CEO CB Choo gives Executive Chairman of GE Shipping K. M. Sheth a warm welcome



Hoe Eng Hock, ED of Keppel Singmarine joins K. M. Sheth as he makes the first steel cut for the multipurpose platform support and supply vessels

Safety mindshare



'Safe Stabiliser' achieves the gold standard for safe practices at industry and national level



Lifting safety standards with the Safe Magnetic Pipe-lifter

Amidst busy workloads across its shipyards, Keppel O&M still managed to garner top awards at the 11th Workplace Safety and Health (WSH) Innovations Marine Industry Convention.

Organised by the Association of Singapore Marine Industries, the annual event saw three winning Keppel teams beating five other finalists.

In team submissions, Keppel Singmarine won Gold for 'Safe Stabiliser' and Silver for 'Safe Magnetic Pipe-lifter'.

The Bronze Award went to Keppel Shipyard (Gul) for coming up with a magnetic lock-out tag that prevents accidental switch activation.

The rationale behind the gold award-winning project, 'Safe Stabiliser,' was to prevent injuries caused by things toppling on workers, said team leader Johnny Kyaw Nyein, Quality Assurance Assistant Manager at Keppel Singmarine.

The project also won the team a gold award in the same competition at the national level, which cuts across all industries. The team will be crowned



Team *Safe Standard Structure* glitters with two gold awards

at the Annual WSH Performance Award Ceremony in October 2008.

Silver award-winning team's 'Safe Magnetic Pipe-lifter' promotes proper pipe-handling and prevents pipe-dropping.

It is created with the aim of avoiding finger and hand injuries common in pipe lifting and transporting operations inside fabrication workshops.

Tracking safety records



(From left) Ranjen Agrawaal, Mercator Project Director (Vasumati), Wong Kok Seng, Keppel FELS ED (Operations) and Satya Surya, Keppel FELS Assistant Project Manager

With an established reputation for executing quality projects on time, within budget, and without lost-time incidents (LTI), Keppel FELS continues to achieve excellent safety records for its projects.

Jackup drilling rig, *Vasumati*, celebrated one million manhours without LTI in July.

Built to Keppel's proprietary KFELS B Class design, the rig is being constructed for customer, Mercator, and is scheduled for delivery in the first quarter of 2009.

Another significant safety milestone in July was achieved for the fleet of jackup and semisubmersible (semi) rigs that Keppel FELS is building for Maersk Drilling.

Accumulatively, the three MSC CJ50 jackup rigs and two Keppel's DSS™ 21 semi rigs achieved 16 million manhours without LTI.

For this achievement, Maersk Drilling awarded the Keppel FELS project teams a total of S\$112,000.

Marking the third safety milestone was Keppel FELS' achievement of three million manhours without LTI for Transocean's *SEDCO 706*, a major life extension and upgrading project.

The semi is currently undergoing works

to increase its capabilities to drill in 6,500 feet of water, up from 1,000 feet.

Tom Dalton, Senior Project Manager of Transocean presented a US\$25,000 cheque to Keppel FELS Project Manager Muliady for the safety feat.

Two KFELS Super B Class jackup rigs, *Deep Driller 6* and *Deep Driller 8*, achieved two million and one million manhours each without LTI. The outstanding safety records netted Keppel FELS' project team S\$10,000 for each project.

Deep Driller 6 and *Deep Driller 8* are the final two of five Super B Class drilling rigs Keppel FELS is building for Aban/Sinvest. The first three, *Deep Driller 2*, *Deep Driller 3* and *Deep Driller 5* are operating successfully worldwide.

Rigs built to Keppel's proprietary KFELS Super B Class design are the world's deepest drilling rigs of its category, capable of drilling down to 35,000 feet.

The design quickly gained market acceptance since its launch in 2000. There are now 23 such units operating worldwide and 10 under construction.



Keppel FELS project teams holding hard proofs of their commitment to safety

Setting the standards

Keppel FELS continues to deliver projects to customers' satisfaction amid extra workload and tight schedules. In recent months, several projects achieved significant milestones, earning praises from valued customers.

The company received US\$2.2 million from Transocean for the completion of its Main Engine Startup incentive milestone for the semisubmersible (semi) rig, *Development Driller III*.

Scheduled for delivery in the first quarter of 2009, the *Development Driller III* is built to Keppel's proprietary DSS™ 51 design jointly developed by Keppel's Deepwater Technology and Marine Structure Consultants.

The maintenance-friendly DSS™ 51 rig complete with excellent safety features is well suited for both exploration and development drilling as well as workover operations.

A DP-2 dynamically positioned system allows it to drill wells down to 10,000 metres and operate in water depths of up to 3,000 metres in environments such as offshore Brazil, the Gulf of Mexico, West Africa and South East Asia.

Keppel FELS also got a pat on the back for works on another Transocean rig.

Jackup drilling rig *Trident 17* operating offshore Malaysia needed repairs on one leg, prompting Wong Hing Ming, Operations Manager – Asset, of Transocean to turn to Keppel FELS offshore repair team, The Flying Squad.

The squad completed the repairs in less

than a month, 11 days ahead of schedule in spite of the demanding conditions on location.

In a letter of appreciation to Keppel FELS, Wong wrote, "The early completion is a fantastic achievement and the result of both the Keppel FELS and Transocean teams' outstanding efforts. I wish that we will not have to make repairs again but if we do, I know who to call."

Transocean and Keppel FELS teams celebrating a successful milestone for *Development Driller III*



Besides the *SEDCO 706* (right) project, Keppel FELS is also working on another project for Transocean, a newbuild DSS™ 51 semi, *Development Driller III* (left)



Upholding excellence

Consistently meeting strict requirements set by standards agency Spring Singapore, Keppel FELS has been re-certified under the Singapore Quality Class (SQC) and Singapore Innovation Class (I-Class).

Part of the Business Excellence Framework, the SQC recognises companies with a well-rounded approach to business excellence while the I-Class rewards niche innovation and development of new products and processes.

CH Tong, MD & COO of Keppel O&M, said, "It's critical to expand, develop, and improve on our designs. We must anticipate and meet customers' needs as one of the few companies that provide both designer and builder services."

First adopted by Keppel FELS in 2001, principles of the Business Excellence Framework are now in place across Keppel O&M group, including Keppel FELS Brasil and Keppel AmFELS.

The framework helps companies set up and measure management systems and

processes in line with national quality standards.

Separately, Keppel FELS has obtained the latest ISO 9001:2000 Quality Management System Re-certification endorsed by Det Norske Veritas (DnV), a world leading service provider for risk, certification and classification management. This is the sixth year Keppel FELS qualifies for ISO 9001:2000.

Inspiring productivity excellence

Beyond preserving excellence standards, Keppel FELS also serves as a role model for regional peers when it comes to productivity best practices.

Having earned awards under Singapore's Innovation and Quality Circles (IQC), Keppel FELS has proven track records in reducing cycle and turnaround time, lowering costs, and improving quality, efficiency and yield.

The company shared its approach with 17 delegates from Indonesia, Thailand and Singapore attending the International Exposition on Team Excellence (IETEX) 2008.

On Keppel O&M grounds, the visitors saw first hand the IQC company's business and management practices, along with its proprietary rig designs.

The visit is part of IETEX's programme, an annual event organised by the Singapore Productivity Association (SPA).



Dazzling growth earns Keppel FELS this year's "Fastest Growing 50" certification

Keppel FELS was named one of the 2008 "Fastest Growing 50" companies by DP Information Group – a Singapore based credit and business ratings bureau.

The certification recognises companies for achieving consistent and outstanding corporate growth.

Companies are ranked based on their three-year compounded annual growth rate and externally audited financial results.

They must achieve positive net profit and revenue growth of more than 10% for the last three years.

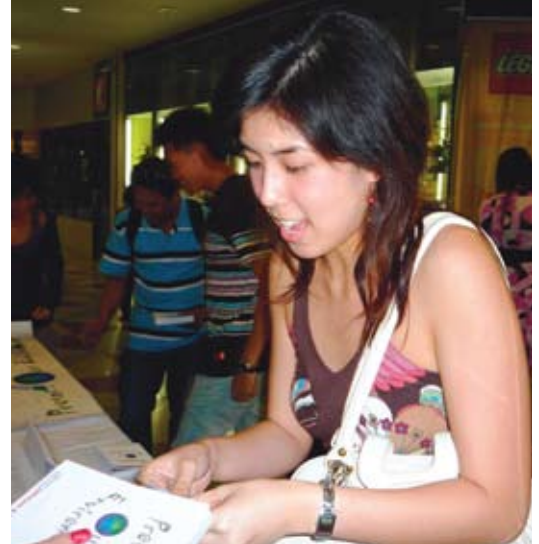
They also must be in full operation and have sound financials in the last four years.

The award is supported by Ernst & Young, Infocomm Development Authority of Singapore, IE Singapore, SPRING and The Business Times.



Keppel's iQC team demonstrates capabilities of the Elbow Dispenser, an innovative project applied at KFELS

Vision for a greener future



1. Avid supporters of green initiatives, CH Tong, MD & COO of Keppel O&M and wife make time for a screening of "An Inconvenient Truth"
2. Keppelites receive a 'Protecting our Environment' guide on recycling and reducing waste
3. Keppelites' collective pledge to save our earth

Wanting nothing short of a serious commitment to sustainable business practices and greener lifestyles, Keppel O&M is calling on its management and staff to go green.

On World Environmental Day, it bombarded its group of companies across the globe with a Green Vision campaign using email and posters.

For the campaign launch in Singapore, it organised two July screenings of "An Inconvenient Truth", a compelling and eye-opening documentary on global warming.

Along with their complimentary movie tickets, over 450 participants received a 'Protecting our Environment' guide featuring tips on making the most of existing resources.

"As we take care of ourselves, we must also do our part to protect the environment. Keppel

O&M's Green Vision is to proactively eliminate, reduce and lessen the environmental impact of all our business activities," said CB Choo, Keppel O&M's Chairman & CEO.

To create a more environmentally conscious workplace, the management is putting into action several initiatives over the coming months.

They include environmentally-friendly namecards, an e-payslip and e-appraisal system that reduces paper usage, as well as talks by water agency PUB, National Environment Agency, and Singapore Environmental Council.

Some 15,000 notebooks made of 100% recycled paper filled with resource-saving ideas will also be distributed to all employees.

Suggestions to 'green up' include reducing electricity use by not cramming a refrigerator so that cool air can better circulate.

In addition, banners educating workers

about reusing paper, plastic, glass and metals are on display.

Staffers are responding well to the campaign. They have signed Keppel O&M's pledge to protect the environment.

CB Choo said, "We must strive to be energy efficient and to reduce wastage. This not only saves us money, it also makes the yard a more pleasant place to work."

In acquiring more sustainable habits, Keppel O&M aims to limit the impact of climate change and preserve a more livable earth for generations to come.

Bin there, adorn that

Keppel Shipyard is doing its part to save the Earth – by creating awareness one bin at a time.

The 'Adopt-a-Bin' competition is a key part of the yard's 'Environmental Awareness Month' initiatives launched on World Environmental Day.

Based on the 'Saving the Earth' theme, staffers from each department adopted, designed and decorated 120-litre waste-bins as a show of their commitment to recycling, energy conservation, and waste reduction.

Displays on the bins tackled hot button environmental topics such as energy efficiency and carbon emissions reduction.

At the competition's end, Spencer Leong, Keppel Shipyard's GM of Operations (Gul) and Environmental Sponsor, presented awards to the winners.

The entries were awarded based on how creative and how well the 'Saving the Earth' message came across.

Other activities to be held throughout Keppel Shipyard's 'Environmental Awareness Month' include educational exhibits, documentary film screenings, and games aimed at encouraging recycling.



Keppel Shipyard puts a spin on creating environmental messages and awareness

Nursing life forms under the sea

Mention the offshore and marine business and one would be reminded of oceans and seas. So it comes as no surprise when some Keppel O&M employees began their love affair with creatures in the deep.

These enthusiasts have laboured to preserve marine biodiversity and their existing habitats by maintaining nursery tables and the supporting structures for planted corals.

Their work is part of a two-year project by the first coral nursery in Singapore located off Pulau Semakau. The project aims to increase the survival odds of new corals by cultivating as many hard coral fragments as possible in a nursery environment.

Keppel Group partnered the National Parks Board (NParks), National University of Singapore, and the National Environment Agency to set up the outfit in 2007.

Beyond financial contributions, the Keppel Group has rallied 32 divers of ages between 24 and 54. Of these, 21 divers are from Keppel O&M.

“People often do not realise the crucial roles these silent inhabitants of the sea play. Those of us in the offshore and marine industry are more aware of how we affect the coral reefs and the benefits they present. So why not combine our interest in scuba diving and protect the environment at the same time?,” said Timothy Ow, Keppel FELS Hull Superintendent and volunteer diver.

The Keppel volunteers often work with hammers under low visibility at sea to anchor coral table legs or repair damaged ones. They also clean the corals so as to speed up their regeneration process.

Although rewarding, the programme is not without challenges.



Lending a hand – Keppel O&M's volunteer divers help with upkeep of the coral fragments and their supporting tables

Keppel FELS Hull Superintendent Lesley Yong said, "Managing our work schedules can sometimes be challenging as we have to take an entire day off work for each dive. When we return, some of us struggle to catch up with the backlog.

But the divers among us enjoy strong camaraderie and we try our best to support one another."

The volunteers' hard work is paying off.

To date, some 17 tables made up of over 100 coral fragments from the nursery have been deployed at sea. The plan is to install as many as 20 tables of about 500 to 600 coral fragments by mid-2009.

Our treasure reefs

Coral reefs contain the largest variety of marine life species concentrated in a tiny area, producing more living biomass than any other marine ecosystem.

Singapore waters are home to more than 200 coral species, or about half of those found at the Great Barrier Reef.

Reef-forming hard corals grow at a slow rate of between one and eight centimetres a year. Going by their

sizes, some of Singapore's corals are estimated to be hundreds of years old.

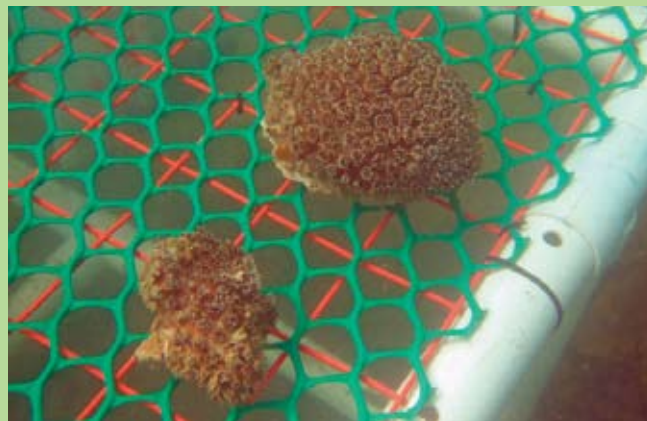
However, the country's coral reefs have been assailed by development and industrial activities over the years.

Some reports estimate that about 60% of the garden city's original reefs have been lost, although the area still boasts a high biological diversity of hard corals.

That is why coral nurseries are vital to sustaining marine biodiversity as development progresses.

Coral fragments need between six and 12 months to grow before they can be transplanted. Once matured, they are moved to the ocean floors off Singapore's southern coast of Pulau Semakau to join and revive the existing reefs.

Besides supporting industries such as fisheries and tourism, coral reefs also provide sand for beaches and protect coasts from waves, hurricanes, and even tsunamis.



Off Pulau Semakau waters, Singapore's first coral nursery preserves the city's reefs and the diverse marine life depending on them

Celebrating an enterprising nation



Minister Vivian Balakrishnan stands among Keppelites as he recites Singapore's national pledge

More than 4,000 Keppelites from Keppel O&M gathered at Keppel FELS on 11 August 2008 to celebrate 43 years of independence for Singapore.

The country's national day falls on 9 August.

Those among the crowd included managers from the Keppel O&M Group's overseas yards in the United States, Brazil, The Netherlands, Norway, Kazakhstan, Azerbaijan, United Arab Emirates, China and The Philippines.

Dr Vivian Balakrishnan, Minister for Community Development, Youth and Sports, graced the event. He congratulated 122 Keppelites who received Long Service Awards. Twelve of the proud award winners are 62 years old and above.

CB Choo, Chairman & CEO of Keppel O&M, said, "With their wealth of knowledge and experience, these remarkable employees are excellent role models for the younger Keppelites."

Reflecting on Singapore's own humble beginnings and hard won reputation

today, CB Choo urged all Keppelites to seek new learning opportunities and not rest on their laurels.

He said, "We must persevere so as to achieve our vision of becoming the Provider of Choice and Partner for Solutions to our customers."

Despite economic slowdown across international markets in the first half of the year, Keppel O&M achieved good results. This is largely due to its capable workforce, sound investments in facilities and technology, and excellent relationship with its customers and stakeholders.

Top honours

CB Choo, Chairman and CEO of Keppel O&M and Senior ED of Keppel Corporation, received the Meritorious Service Medal at the 2008 National Day Awards for his contributions to Singapore.

The prestigious award recognises CB Choo's service of conspicuous merit characterised by resource and devotion to duty, including long service marked by exceptional ability, merit and exemplary conduct.

He said, "This award is possible because of every Keppelite. I humbly accept this great Honour on behalf of all at Keppel."

Pingat Jasa Gemilang (The Meritorious Service Medal)



The Meritorious Service Medal was instituted in 1962.

The silver-gilt Medal has a rhomboid artifice superimposed upon a multi-perforated base on the obverse side. In the artifice's centre is a shield bearing a crescent and 5 stars, and below it a scroll with the inscription "PINGAT JASA GEMILANG". The reverse side of the Medal bears the State Arms.

It is worn on the left of an outer garment suspended by a ribbon.

Double up on Total Defence

Keppel Shipyard is presented with two awards at the Total Defence Awards Presentation 2008 hosted by the Ministry of Defence (MINDEF) on 30 July.

The awards bring together some top 20% of multinational and public-listed companies to create a strong foundation for Singapore to grow and prosper.

Keppel Shipyard received the Distinguished Defence Partner Award for employers for its significant support and contribution towards National Service.

It also received the Meritorious Defence Partner Award – its 17th – as a Civil Resources Owner who makes its services, vehicles, heavy plant equipment, and requisition resources available for Singapore to maintain a high level of defence and security readiness.

Senior GM (Operations) Abu Bakar received both awards on behalf of Keppel Shipyard

saying, "We are strong believers in nation-building. National Service is not just a way to protect the country but also to strengthen our people. Just as Keppel Shipyard has the commitment of its workers, so too must the nation have the support and involvement of its people."

Abu Bakar receives one of two Total Defence Awards from Defence Minister of State Koo Tsai Kee



Managing and engaging talents

Keppel O&M has continually sought ways to build an active and intelligent global workforce anchored by its core values of “Can Do” attitude, focus on customers, teamwork, and innovation.

Two recent teambuilding exercises illustrate how Keppel O&M employees bonded and grew, developing themselves to take on demanding tasks worldwide.

There are also further developments for two 2007 initiatives – the Keppel Offshore & Marine-National University of Singapore (NUS) Project Management Programme (PMP) and TalenTime.

Core training

Keppel O&M management trainees and high-potential employees tested their mettle in Singapore’s feral island of Pulau Ubin over two days from 24 July 2008.

They climbed a six-storey structure, night trekked through the forest, and went on a kayak expedition – all in the spirit of cooperation and learning.

The activities were part of the fifth KOM-OBS Leadership Development Programme Enhanced (LDP+) run by Outward Bound Singapore (OBS).

LDP+ is a staple of Keppel O&M’s education and talent management training, where employees hone soft skills such as leadership, management, presentation, and creative problem solving.

Jason Goh Wee Ping, a Senior Engineer (Quality Systems) at Keppel FELS said, “Leaders and employees alike must

remember to lead by example and stay true to the company’s core values in their work practices.”

Participants agreed that the training taught them to be more self aware and thus, better leaders and team players.

Teaming up

At Keppel O&M, the presence or absence of good teamwork often can sway a project’s outcome.

That is why 15 Keppel Batangas Shipyard (Keppel Batangas) officers participated in

a workshop, where they learned through interactive games how to compete, unite, and cooperate better.

Keppel Philippines Marine Inc (KPMI) ran the two-day workshop starting 12 July at Club Balai Isabel, set against Taal Lake in Talisay.

Kok Boon Heng, President of Keppel Batangas, stressed, “Teamwork involves trust and effective communication. Everyone must know their role and keep an open mind when resolving issues so as to deliver on our commitments with others, be it our co-workers, contractors, or clients.”

Keppelites enjoying the camaraderie and healthy competition at KOM-OBS LDP+



Graduates of the second KOM-NUS PMP hobnob with top management

An early start in best practices

The second of three KOM-NUS PMP workshops was conducted from 13-14 August 2008.

23 participants from across Keppel O&M's subsidiaries including Keppel FELS, Keppel Shipyard, and Keppel Singmarine honed their skills in the classroom.

The programme, inaugurated in October last year, is a joint effort with NUS Business School. It aims to introduce principles of best practices in project management to aspiring project managers, superintendents, and engineers.

Burt Loh, Senior Yard Manager (Conversion) of Keppel Shipyard and Harry Loh, Senior Project Manager of Keppel Singmarine, were on hand to share their knowledge and experience at the sessions.

Workshop attendees concluded the programme by presenting what they learned and applied to Keppel O&M management on 19 August.

Dialogues to understanding

The latest TalenTime session on 24 July fostered a lively and earnest chat.

TalenTime is a monthly networking luncheon to encourage open lines of communication between Keppel O&M's top management and employees. Views and ideas ranging from current issues, personal achievements, and professional milestones are exchanged over the sessions.



Keppel FELS Senior Engineer Frances Teh reveals key personal achievements at the latest TalenTime session

The golden age



Yuen Ah Yip may be 64, two years past his retirement age. But he is not slowing down anytime soon.

In fact, many turn to the Keppel Shipyard machinery department supervisor for help with resolving problems.

Ah Yip, as he is more affectionately known, was recently profiled in a feature on outstanding silver-haired worker in the "Tuesday Report" documentary series that aired on MediaCorp's Channel 8.

Y K Wong is the yard's machine shop section manager who has worked with Ah Yip for over 30 years.

He said, "Experience in the shipyard industry is extremely important. Somebody like Ah Yip is an invaluable company asset because of the knowledge he can relay to younger workers."

However, Ah Yip is not just a superior to the 20 staffers now

working under him. The 40-year industry veteran actively upgrades his skills, and his energy and humility have made him a respected mentor and role model at work.

"My colleagues are like my family here. It is only right that we help each other out," said Ah Yip.

The seasoned Keppelite said his greatest work satisfaction is being able to impart knowledge to his young charges and help them "succeed and rise up the ranks."

Fellow workers said they appreciate his patience, gracious nature, and more impressively, his impartiality.

And just how long does the company treasure plan to keep at his vocation?

Characteristic of Keppel's Can Do! spirit, Ah Yip said, "As long as I feel fit, pass the medical tests, and can continue to contribute at work, I will continue to work."

New Appointments

Chow Yew Yuen (YY Chow) has been appointed President of the Keppel O&M Group of companies in the Americas in view of Keppel O&M's growing presence there. He will perform his duties as the President of Keppel O&M (USA) concurrently.

In his new appointment, YY Chow will serve as Vice-Chairman of Keppel FELS Brasil and Keppel AmFELS. He will also act as the alternate Chairman of FSTP P52/51/56 Consortium Steering Committee.

Meanwhile, Keppel O&M and Keppel Corporation have pooled together their Information Systems (IS) resources to enjoy greater synergies and economies of scale. The integration is part of Keppel's continuing effort to build stronger Information Technology (IT) capabilities.

Spearheading the integration is Martin Ling, Deputy GM (Group IT) of Keppel Corporation. He has been appointed GM (Group IS) of Keppel O&M and will serve both appointments concurrently.

Martin will report to Dr Lee Chay Hoon, GM (Organisation Development).

Over at Keppel Singmarine, Charles Yap has been appointed GM (Purchasing and Warehousing) and will relinquish his appointment as GM (Business Development).

Poon Tai Lum, Deputy GM (Commercial), will relinquish his responsibilities in Procurement.

Both Charles and Tai Lum will assist Toh Ko Lin, Senior GM (Commercial) of Keppel Singmarine.

Additionally, David Loh has been seconded to Keppel Cebu Shipyard in

the Philippines as President and will relinquish his role as Assistant GM (Commercial) of Keppel Singmarine.

David's secondment follows former president Fok Swee Yin's retirement at 60 years old.

The Foks have been Keppelites for three generations.

Swee Yin cut his teeth in the business in 1963 as an apprentice at Keppel's predecessor -- the Singapore Harbour Board (SHB), where his late father had served as a mechanical fitter from 1940s onwards.

31-year-old Kelvin Fok, Swee Yin's eldest of two sons, is a former Keppel scholar now working as a Project Engineer/Manager with Keppel O&M USA.



Chow Yew Yuen



Charles Yap



Poon Tai Lum



David Loh

Transport Minister connects at Keppel O&M

Strong maritime clusters offering a wide spectrum of value-added services are enhancing Singapore's allure as an international maritime hub.

A leading and active member of the country's maritime fraternity, Keppel O&M hosted Minister for Transport Raymond Lim at its yards in August.

During the orientation, Keppel's senior management gave Minister Lim and his team insights into the day-to-day operations of the offshore and marine sector.

They also underscored the values, activities, and feats that make Singapore a top maritime one-stop shop.

The lively exchange with transport officials allowed Keppel O&M to showcase synergies among its global network of 20 yards, as well as the company's efforts to develop its talent and technology pool.



Keppel O&M's global operations and integrated solutions are representative of the types of capabilities that keep Singapore's maritime cluster thriving

Students from Texas take stock of Keppel yards



Texas A&M students get their feet wet on Keppel FELS' dry dock

Adozen mechanical engineering students from Texas A&M University got a peek into Keppel's company culture and rig production processes on 11 June 2008.

The students were in Singapore under a six-week exchange programme with the National University of Singapore. They were preparing for future careers in fields related to micro- and nano-manufacturing processes.

A keen supporter of academia, CB Choo, Chairman & CEO of Keppel O&M introduced the students to the company's inner workings. Other senior managers

were also at hand to share Keppel's latest products and in-house technologies.

The corporate presentation was followed by an intense question-and-answer session. Between the queries and guided tour of Keppel yards, the students were able to better understand the business of building rigs worldwide.

Keppel O&M regularly opens its doors to visitors worldwide. By sharing its business strategies and practices, the world leading rig builder aims to grow and develop talent pool in the offshore and marine industry.



“Great job Keppel FELS! Sundowners should take place more frequently. It is an excellent opportunity for the project teams to gather and have fun after a hard day’s work.”

V.K. Nagpaul
Project Head
Jindal Drilling & Industries

“We are having a great time! Last year we finished fourth and so this year we are looking to better that and win the Gold! Keppel FELS and ENSCO share a good relationship and we are glad to be working with each other.”

Mark Foxwell
Rig Manager (ENSCO 8500)
ENSCO



Bowling at

Project team members from Keppel FELS and its business partners once again traded coveralls and safety boots for bowling shoes at August’s Keppel FELS Sundowner event – Bowling Bonanza Returns.

The monthly Sundowners are a hit with customers and associates, allowing them to share ideas and forge closer ties in social settings.





“We share a good working relationship with Keppel FELS. They have a great project team that has been really helpful. Events such as Sundowners enhance our partnership by allowing us to know each other on a personal level.”

Rodrigo Ribeiro
Site Manager
Queiroz Galvao Oleo e Gas

“Sundowners are wonderful, great fun and should be done more often!”

Venkatraman Sheshashayee
Executive Director
Greatship Global Energy



Sundown

‘Bowling Bonanza Returns’ on 1 August attracted project teams from Transocean, Diamond Offshore, ENSCO, Queiroz Galvao, Jindal, Greatship, Maersk Contractors, Nausch, Hogan & Murray, and the American Bureau of Shipping.

Keppel FELS and their friendly competitors pitted wits and skills for the championship trophy.



“We are very satisfied with the services rendered to us by Keppel FELS. Sundowners are an extension of Keppel FELS’ efforts as a customer-oriented organisation.”

Jens Rasmussen
Site Manager
Floatel International



Celebrating the Philippine Independence Day



Keppel Batangas officers led the flag raising ceremony

Employees and subcontractors of Keppel Batangas Shipyard (Keppel Batangas) joined some 90 million Filipinos in celebrating their 110th year of Independence on 12 June.

The blue and red banded Philippine flag with a yellow sun was raised on the dot at 7:00 am

in the yard in harmony with other flag raising ceremonies across the country.

The simple but heartfelt ceremony saw Philippine Keppelites placing their right hands over their chests as they sang the national anthem and reaffirmed the country's pledge with fervour.

The morning was reminiscent of the same day in 1898 when General Emilio Aguinaldo declared the Philippine republic independent before a jubilant crowd of revolutionaries.

"It was heartwarming to see everyone in formation and singing in front of the raised flag. At that moment, Filipinos were singing in one voice as one nation," said Hilarion A. Ocampo, Yard Manager (Works).

Keppel Batangas President Kok Boon Heng said, "I admire our Filipino colleagues' patriotic spirit and their national pride as they pay homage to their history of independence."

Having a ball over bowling and chess

Winners of Subic Shipyard and Engineering Inc. (Subic Shipyard's) Summer Fun Games Inter-Color Bowling Tournament celebrated their sweet victories, receiving trophies at the yard's Audio Visual Room on 8 August.

Just three months ago, the bowlers were wowing cheering onlookers with impressive hooks, side spins, and strikes during the tournament's launch at the White Rock Beach Resort Hotel in Subic, Zambales.

The trophy ceremony also marked the formal opening of the company's chess tournament, where teams from various departments fielded their own "grand masters" for the ultimate game of strategy.



1. Subic Shipyard bowling champions wave their hard fought trophies at fans
2. Keppelites having a bowl of fun
3. Subic yard employees feeling no deep blues at the chess tournament

Extolling the influence of sports on corporate behaviours, Subic Shipyard President and General Manager Mok Kim Whang said, “It takes a lot of determination to win in sports. It entails the spirit of ‘coop-petition’ whereby the team members display both cooperation and competition to win the game.”

Subic Shipyard, together with members of its workers’ union and the Supervisory, Professional and Technical Union, aim to promote employee wellness

and camaraderie through such tournaments.

Agnes Barbara L. Lorenzo, KPMI’s VP – Admin. and Finance, said, “This is a great occasion for everyone to get to know each other more outside the office. It is both fun and healthy for everybody.”

“We work hard and we play hard. Let’s have fun and enjoy the games,” declared Mok when he kickstarted the bowling tournament at the start of summer.

Officers and staff of Keppel Philippines Marine, Inc.’s (KPMI) Makati office also traded their leather shoes and high heels for bowling shoes at the Makati Sports Club.

Subic Shipyard plans to introduce other activities under its sports development programme in the coming months. They include table tennis, darts, billiards, volleyball, and basketball.

Starting young

Not exactly the demographics you would expect at a shipyard, but kids aged between six and 14 were hard at 'work' early one Saturday morning at Keppel FELS.

On 5 July 2008, 25 children with their parents in toll reported for work as early as 7:15 am. As their parents went off to perform their duties, the aspiring engineers began their day at Keppel with a hearty breakfast followed by icebreaker exercises.

Organised by Keppel FELS Young Club for Keppel FELS Engineering Department members, the Kidz@Werkz event encourages staff to bring their children for a day of fun and education as they learn about what their parents do.

The little 'engineers' were treated to a world tour of the offshore oil and gas industry through a video show. They saw how various production facilities and gadgets work in tandem to dig and draw oil from under the seabed for deliveries to different parts of the world.

A separate animation segment showcasing how a jackup rig is built at Keppel FELS yard drew 'oohs' and 'ahhs' from the wide-eyed visitors.

Later, a scaled model of a jackup rig prompted the engineers-to-be to quiz organising committee members on many aspects of the drilling rig. The visitors' curiosity was further gratified throughout the yard tour.

Rather than finding the subject too technical, eight-year old Azeem Aziz Merchant said he knows now how to build an oil rig.

However, he was quick to add, "Of course not by myself, but with the help of other engineers."



Never too young to learn, mini engineers gaze in awe of megastructures

Inspired, eleven-year old Amirulfithri Bin Muhamad Hafiz declared, "When I grow up, I want to be an Engineer just like my dad!" Daddy Muhamad Hafiz Kassim is a Senior Draftsman (Mechanical).

At the day's end, proud parents attended a graduation ceremony where their young ones received participation certificates. Winners of an art competition were also awarded prizes. The winning artworks are being displayed at the Engineering office.

"We racked our brains to come up with interesting activities that let the children have fun while learning. So it warms our hearts when we hear from the sharing and feedback session that we have injected some engineering instincts into these young, brainy participants," said Keppel FELS Project Engineer Jenny Leong, who is also Chairperson of the Kidz@Werkz Organising Committee.

Par for the cause



Driving the fairway for a good cause are (from left), Metta's Golf Committee Chairman, Teoh Khoon Keah, CH Tong, Minister Tharman Shanmugaratnam and CB Choo

Senior management teed off for a good cause at the Keppel O&M – Metta Charity Golf tournament on 2 July.

CB Choo, Keppel O&M's Chairman & CEO said, "Wherever we are, we strive to be responsible and active members of our communities. This is a value that we want to inculcate in our people."

Organised by the Metta Welfare Association (Metta) and held along with the Raffles Charity Open at Raffles Country Club, the tournament was graced by Mr Tharman Shanmugaratnam, Minister for Finance.

This is the third consecutive year that Keppel O&M supported the tournament, raising S\$168,000 for the association this year. Keppel O&M has also actively contributed to previous Metta fundraisers and charity banquets.

CB Choo said, "We believe in providing opportunities for intellectually challenged students from Metta's schools to showcase their talents by performing at naming ceremonies at our yards, as well as contributing to their well-rounded development."

The proceeds raised will go towards developing programmes and activities for Metta's nine centres islandwide for special education, medical care and welfare services for the intellectually disabled, elderly and terminally ill.

Registered in 1994, Metta Welfare Association is a charitable organisation endorsed by Ministry of Community Development, Youth & Sports, Ministry of Health and Ministry of Education.



Our Keppelites (in yellow and light blue sleeveless t-shirts) readying for the flag-off

Running cats and dogs

Well before dawn on Sunday, 8 June 2008, 212 animal advocates gathered for a 4.3 km run at the Bedok Reservoir Park. They were running for their furry friends at the Society for the Prevention of Cruelty to Animals (SPCA).

Keppel O&M lent a paw by sponsoring some 700 t-shirts for the SPCA Fun Run.

The Keppelite Recreation Club (KRC) also rounded up over 10 Keppelites for the run. The animal lovers, many of whom were from Keppel Shipyard, produced three runners who won the Grand, first and second prizes in the Men's Open category.

Four other team members came in fifth, seventh, eighth and 11th overall.

Guest-of-Honour and SPCA Chairperson Mary Soo Poh Hua, along with SPCA Executive Officer Deidre Moss, commended Keppel O&M on the impressive results and unwavering support of their cause.

Around our yards

OffshoreMarine tracks works at various Keppel yards.



Singapore

Keppel Shipyard

Name : **ENERGY FRONTIER**
 Owner : Tokyo LNG Tanker Co. Limited
 Country : Japan
 Type : LNG Carrier
 Capacity : 145,000 cubic metres
 GRT : 119,381
 Date : 14 July – 6 August 2008
 Scope : 1st Special Survey. Hull painting, boiler repair work, main turbine overhauling and cargo machinery work.

The Philippines

Keppel Batangas Shipyard

Name : **ALCEM LUGAIT**
 Owner : Belden Ship Management, Inc.
 Country : The Philippines
 Type : Cement Bulk Carrier
 DWT : –
 GRT : 18,284
 Date : 31 August 2008 (WIP)

Scope : Hull cleaning, blasting & painting. Tailshaft works. Bottom & side shell replating. Engine room piping works. Boiler works.

Name : **ALMEDA STAR**
 Owner : Star Reefers UK Ltd.
 Country : UK
 Type : Reefer Cargo
 DWT : 12,714
 GRT : 11,658
 Date : 15 July – 4 September 2008
 Scope : Reinforcement of bow area up to cargo hold no. 2 to ice-class, involving approximately 60 tonnes of steel. Removal and refitting of insulation. Mechanical and electrical works.

Name : **CITY OF MUMBAI**
 Owner : A.P. Moller Singapore Pte Ltd
 Country : Singapore
 Type : Vehicle Carrier
 DWT : –
 GRT : 27,887
 Date : 8-28 August 2008
 Scope : Stern ramp gritblasting and painting. Fan louvers gritblasting. Bow thruster

overhauling. Car deck derusting and painting. Steering gear pump and motors overhauling.

Keppel Cebu Shipyard

Name : **ALMERIA CARRIER**
 Owner : Norbulk Shipping UK Ltd.
 Country : UK
 Type : Reefer Cargo
 DWT : 6,410
 GRT : 6,159
 Date : 1 September 2008 (WIP)
 Scope : Cargo and bunker tank cleaning. Hull repairs, ship side valves and chest works. Rudder, propeller, tailshaft works. Anchor, cable, navigation and office equipment works. Main switchboard and wiring works. Auxilliary motors and starters works, electrical motor cleaning and engine governor works. Renewed various engine room and ballast pipes, tested and repaired double bottom tanks, heating coils. Cargo holds bilge

CITY OF MUMBAI



FILIPINA PRINCESS



PRINCESSE ABBY



Golden Sea



wells, conducted ultrasonic thickness measurement and renewed deteriorated steel in various areas.

Name : **FILIPINA PRINCESS**
 Owner : Sulpicio Lines, Inc.
 Country : The Philippines
 Type : Cargo/Passenger
 DWT : 4,272
 GRT : 13,705
 Date : 23 July 2008 (WIP)
 Scope : Performed hull blasting and painting works, valves and strainer works, dismantled and repaired rudder blade and stock. Hydrotested airtank, renewed various engine room piping works, withdrawn repaired port/starboard tailshaft for survey, propeller works, thruster works, anchor and chain works and renewed the steel in various areas.

Subic Shipyard

Name : **BARGE ZEUS**
 Owner : Zeus Logistics Company Limited
 Country : Italy
 Type : Offshore Floating Terminal Barge
 DWT : 10,800
 GRT : –
 Date : 5 August 2008 (WIP)
 Scope : Conversion job, steel works, crane installation.

Name : **PRINCESSE ABBY**
 Owner : Pt. Mitra Bahtera Segarasejati
 Country : Indonesia
 Type : Offshore Floating Crane
 DWT : 7,670
 GRT : –
 Date : 30 July 2008 (WIP)
 Scope : Conversion works. Crane and auxiliary diesel generators installation.

Name : **MV “ENERGY ANGEL”**
 Owner : World Marine Co., Ltd.
 Country : Japan
 Type : Bulk Carrier
 DWT : 77,697
 GRT : 43,321
 Date : 28 August 28 (WIP)
 Scope : Drydocking for hull blasting and painting, tailshaft survey and cargo hold blasting and painting. Machinery works.

The Netherlands

Keppel Verolme

Name : **GOLDEN SEA**
 Owner : European Navigation Inc.
 Country : Greece
 Type : Bulk Carrier
 DWT : 89,127
 GRT : 49,938
 Date : 26 July – 26 August 2008
 Scope : Drydocking, survey, rudder repairs, propeller repairs, gritblasting and painting.

Keppel Group Newsbytes



A warm handshake to a good start – (From left) Senior Minister Goh Chok Tong, Singapore Minister for National Development Mr Mah Bow Tan and Mr Lim Chee Onn, Executive Chairman of Keppel Corporation Limited, the leader of the Singapore Consortium in developing the Sino-Singapore Tianjin Eco-City

Sino-Singapore Tianjin Eco-City breaks ground

Chinese Premier Wen Jiabao and Singapore's Senior Minister Goh Chok Tong graced the groundbreaking ceremony of the 4-sq km Start-Up Area (SUA) of Sino-Singapore Tianjin Eco-City on 28 September.

The Tianjin Eco-City is a landmark bilateral project between China and Singapore with private-sector investment and development. It is located in the Binhai New Area, the focal point for the acceleration of growth in the Bohai Rim, China's powerhouse for business, science, technology and culture in the 21st century.

Occupying a land area of 30-sq km and with a planned population of 350,000,

the project is being developed by Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd, a joint venture of two consortia led by the Keppel Group and Tianjin TEDA. The whole project is expected to be completed in 10 to 15 years.

SPC sets up upstream branch in China

Singapore Petroleum Company (SPC) has officially opened its SPC E&P (China) Pte. Ltd., Shekou branch office in China. The branch office is established to operate and manage SPC's upstream assets in China.

SPC holds interests in three acreages in China, namely Block 26/18 in the Pearl River Mouth Basin (as operator), and

Blocks 04/36 and 05/36 in Bohai Bay. Blocks 04/36 and 05/36 are currently SPC's largest producing asset.

Keppel inks framework agreement for pipeline of environmental projects

Keppel Seghers has signed a framework agreement with Guangdong GuangYe Environmental Protection Industrial Group Co., Ltd for the joint development and investment of environmental infrastructure projects in Guangdong Province.

The framework agreement outlines the development of a near-term pipeline of water and solid waste treatment and management projects – amounting to nearly RMB \$6 billion (approximately S\$1.2 billion) - for numerous cities and counties across the vast area of Guangdong province.

Keppel to set up and list world's first green business trust

Keppel Integrated Engineering's (KIE) proposal for the divestment of the Senoko Incineration Plant (SIP) to an infrastructure business trust has been accepted by the Singapore Government. The SIP was awarded at an indicative price of S\$462m, with the final price will be determined upon its listing.

Keppel Seghers, the environmental engineering arm of KIE, will provide operation and maintenance services for SIP under a long term agreement with the Singapore government. Currently, SIP treats 2,100 tonnes of waste per day to produce 34 MW of green electrical energy.

Keppel to build Scorpion's first semisubmersible

Keppel O&M's wholly-owned subsidiary Keppel FELS has been contracted to build its proprietary DSS™ 38 deepwater semisubmersible (semi) rig for Scorpion Offshore (Scorpion) as the design gains momentum in Brazil's offshore market.

"The DSS™ 38 model was developed from our years of experience as a rigbuilder and keen understanding of operating requirements in the deepwaters of Brazil, West Africa and the Gulf of Mexico," said CH Tong, MD & COO of Keppel O&M.

"It is significant that Scorpion has entrusted Keppel to build this premium design as its first semi for Petrobras. This demonstrates the growing recognition of our DSS™ 38 model as a choice deepwater rig for offshore Brazil," CH Tong added.

Slated to be completed in the fourth quarter of 2011, the semi will be chartered by Scorpion to Brazilian national oil company Petrobras for six years.

The DSS™ 38 is rated to drill to depths of 30,000 feet below mud line in just over 9,000 feet water depth. It has an operational displacement of approximately 38,000 tonnes and can house up to 130 crew members.

The DSS™ 38 contains both vertical and horizontal riser storage. Its eight 3000kW azimuth thrusters configuration are designed to stabilise the vessel with all configurations complying with the American Bureau of Shipping Dynamic Positioned System, DP 2 requirements.

In a recent Business Times article, Michael Chia, ED of Keppel FELS was quoted as saying, "Having our own proprietary design has an advantage throughout the whole process from selling to engineering to construction all the



way through to delivery to the customer. When you have your own design, you can more readily customise your rig to meet customer needs and be a market leader."

He added, "You can also design the rig to suit your own production process and supply chain so that you can get the most competitive cost and can thus have good control of costs. For example, if an external party's design is used, the quantity of materials used may turn out higher than expected."

The latest semi rig brings Keppel FELS' DSS™ 38 rigs to three, including two units under construction for Queiroz Galvao.

Co-designed by Keppel O&M's Deepwater Technology Group and Marine Structures Consultants of the Netherlands, the company's other proprietary design projects include three DSS™ 21 rigs for Maersk Contractors and one DSS™ 51 rig for Transocean.

The cost-effective DSS™ 38 semisubmersible is tailored for the deepwater "Golden Triangle" region of Brazil, Africa, and the Gulf of Mexico