

PRESS RELEASE

Keppel Merlimau Cogen commences 800 MW expansion

SINGAPORE, 21 October 2010 – Keppel Energy Pte Ltd (Keppel Energy), a wholly-owned subsidiary of Keppel Corporation Limited, will commence the 800 MW expansion of its natural gas-fired Keppel Merlimau Cogen plant (KMC), on Jurong Island.

Expected to be completed by 2013, the expansion will boost KMC's generation capacity to 1,300 MW from its current capacity of 500 MW.

When completed, KMC will be fuelled by both piped natural gas and Liquefied Natural Gas (LNG) to be supplied from the new Jurong Island LNG terminal. The total investment is expected to be around S\$900 million. Keppel Energy will be using internally generated cash and external borrowings to fund the expansion.

Dr Ong Tiong Guan, Managing Director of Keppel Energy, said, "The expansion of KMC is a significant milestone in our growth strategy. With the expansion, Keppel Energy will be able to capture opportunities from the evolving energy market in Singapore."

The turnkey contract for the expansion was awarded to ALSTOM Power Singapore Pte Ltd and ALSTOM (Switzerland) Ltd. A long-term service contract for major maintenance of turbines has also been awarded to ALSTOM Power O&M Ltd and ALSTOM Power Singapore Pte Ltd.

The above-mentioned contracts are not expected to have material impact on the net tangible assets or earnings per share of Keppel Corporation Limited for the current financial year.

About Keppel Energy

Keppel Energy is a wholly owned subsidiary of Keppel Corporation Limited, with a track record of developing, owning and operating power plants in Brazil, China, Ecuador, Philippines and Nicaragua. In Singapore, Keppel Energy owns an integrated energy business that includes:

- Keppel Merlimau Cogen, 500 MW power plant which commenced commercial operations in 2007;
- Keppel Electric Pte Ltd, an independent electricity retailer;

- Keppel Gas Pte Ltd, the first company in Singapore to bring natural gas from Malaysia into Singapore's main gas network; and
- PipeNet Pte Ltd, a utilities and service corridor provider on Jurong Island.

For further information, please contact:

Ang Lai Lee (Mr)
Manager
Group Corporate Communications
Keppel Corporation Limited
Tel: 6413 6427 / 8233 9299
Email: lailee.ang@kepcorp.com