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ANNOUNCEMENT BY FLOATEL INTERNATIONAL LTD

Keppel Corporation Limited (the “Company” or “KCL”) refers to (a) the Company’s announcement on 15 April 2020 on Floatel International Ltd’s (“Floatel”) announcement regarding standstill and discussions with its secured financial creditors; and (b) Floatel’s update announcement dated 19 May 2020, a copy of which is annexed to this announcement (“Floatel Update Announcement”).

Floatel has on 19 May 2020 announced the extension of the Forbearance Agreement (as defined in the Floatel Update Announcement) to 15 June 2020 (subject to satisfaction of standard conditions), and commencement of discussions with an ad hoc committee of holders of the 2L Bonds (as defined in the Floatel Update Announcement).

Based on the information currently available, the Company has assessed that no impairment is required. The Company will continue to monitor developments and make the necessary disclosures as appropriate.

19 May 2020



PRESS RELEASE

Bermuda, 19-May-2020

FLOATEL INTERNATIONAL LTD:

UPDATE REGARDING STANDSTILL AND DISCUSSIONS WITH SECURED FINANCIAL CREDITORS

The Company is the Issuer under the 9 % senior secured USD 400,000,000 1st Lien bonds 2018/2024 with ISIN NO001 0833775 (the "**1L Bonds**") and the 12.75 % USD75,000,000 2nd Lien bonds 2018/2024 with ISIN NO001 0833783 (the "**2L Bonds**" and together with the 1L Bonds, the "**Bonds**"). The Company is also the borrower under a USD 150,000,000 term loan facility (the "**Bank Vessel Facility**") and under revolving credit facilities for an undrawn total amount of USD 100,000,000 (the "**RCFs**", together with the Bonds and the Bank Vessel Facility, the "**Finance Documents**").

The Company remains in constructive negotiations with all lenders under the Bank Vessel Facility and the RCFs (the "**Lenders**") and an ad hoc committee of holders of the 1L Bonds holding in aggregate over 56% of the outstanding amount of 1L Bonds (the "**AHC**"). On 14 April 2020 the Company entered into a forbearance and deferral agreement with the AHC ("**Forbearance Agreement**") until 18 May 2020, in relation to payments of (i) amortisation, interest and commitment fees due under the Bank Vessel Facility and RCFs and (ii) coupon payments due under the Bonds (together, the "**Relevant Payments**").

The Company has entered into an agreement with the AHC extending the Forbearance Agreement to 15 June 2020 (subject to the satisfaction of standard conditions) (the "**Forbearance Agreement Extension**"). The Company will not make the Relevant Payments at the present time and the Forbearance Agreement Extension will provide all parties with sufficient time to negotiate terms with its stakeholders for a longer-term solution for the Company.

The Company is also pleased to confirm that it has commenced discussions with an ad hoc committee of holders of the 2L Bonds.

As part of the discussions with the Lenders under the Bank Vessel Facility, the Lenders have blocked certain earnings accounts related to Floatel Endurance. The earnings accounts remain blocked, however arrangements are being made such that certain expenses related to the Endurance and the banks collateral should be covered by proceeds in the blocked accounts. The Lenders have confirmed in writing that they remain supportive of the Group and do not intend to take any further action at this time. The Group's vessels and business continue to operate as normal.

For further information, please contact:

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INFORMATION ABOUT FLOATEL INTERNATIONAL LTD

Floatel International Ltd was established in 2006 to satisfy market demand for a new generation of offshore flotels. The vision of the Company is to own and operate the most modern, safe and reliable flotel fleet in the world.

Floatel International owns and operates five semisubmersible accommodation vessels, all vessel were delivered within the period 2010 to 2016. Two vessels, Floatel Superior and Floatel Endurance are approved to operate in the Norwegian sector and four vessels are approved for the UK sector.

All vessels are equipped with a dynamic positioning system and are built according to the latest HSE requirements providing quality and comfort for the guests onboard. The accommodation capacity of the Floatel fleet ranges from 440 beds to 560 beds. All vessels are furthermore equipped with large deck areas, workshops and crane support able to assist complicated offshore hookup projects and maintenance and modifications of existing offshore facilities.

Floatel has two bond issuances listed on Oslo ABM with ticker code FLOAT02 and FLOAT03.

Floatel International AB is a management company responsible for operational management and construction supervision for and on behalf of the Owner, Floatel International Ltd.

For further information about Floatel International Group, please visit our website: www.floatel.bm

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