

**Speech by Mr Choo Chiau Beng, Chairman & CEO of Keppel Offshore & Marine at the Inauguration Ceremony of Keppel Nantong Shipyard on Thursday, 2 August 2007 at Nantong, China**

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A very good morning,

- Our Guest-of-Honour Mr Luo Yi Min, Party Secretary of CPC Nantong Committee
- Mr Ding Da Wei, Mayor of the Nantong Municipal People's Government;
- Mr Lim Chee Onn, Executive Chairman of Keppel Corporation;
- Distinguished guests, colleagues, ladies and gentlemen,

It gives me great pleasure to welcome all of you to the inauguration ceremony of Keppel Nantong Shipyard.

Keppel took ownership of this yard at the end of 2005.

From a non-operational yard, today this 16-hectare site is fully operational. The yard boasts new and upgraded facilities and is presently constructing 18 offshore support vessels for a worldwide clientele.

I am also delighted to share that apart from celebrating the inauguration of Keppel Nantong, we will also be delivering two tugboats to Arabian Gulf Mechanical Services & Contracting (AGMS) of Kuwait.

This is a significant milestone, especially since these are Keppel Nantong's first newbuilds, completing them while we were concurrently refurbishing the yard. We are proud of this achievement.

We recognise that this would not have been possible if not for the tremendous support from the Nantong Municipal Committee, the Nantong Municipal Government, the Gangzha Municipal Committee and District Government, the Nantong Customs, the Maritime Safety Administration and the many governmental authorities.

The increasing activities in the global offshore and marine market, coupled with China's attractiveness as a cost efficient and competitive shipbuilding centre, are positive signs for Keppel Nantong.

The addition of this Nantong facility has also increased Keppel's newbuilding capacity in meeting the growing demand for specialised vessels to serve the offshore field development market and growth in Liquefied Natural Gas terminals and maritime ports.

As Tai Kwee shared earlier, Keppel Nantong has a total employment of more than 200, of whom almost 80% are from Nantong itself. We expect the number of employees to increase as Keppel further strengthen our operations here.

We are a people-oriented organisation, committed to the development of the community in Nantong. In this respect, I am pleased to share that Keppel Nantong has been working in co-operation with the Nantong community and sponsoring college students in Nantong.

I am told that the schools here will be introducing marine courses as part of their curriculum. I applaud the Nantong Government for this wise decision, especially since the marine industry is developing rapidly in China.

In line with Keppel's commitment of nurturing people, Mr Luo and Mr Ding, I want to assure you that Keppel will be alongside you, supporting you in building up the marine knowledge base among the people of Nantong.

We are committed to be a long-term player in China.

We want to expand our existing facilities and increase our investment in the Nantong Municipality, especially within the vicinity of our yard. Mr Luo and Mr Ding, we would like to cooperate with you to see how we can increase our investment in Nantong.

On this note, I would like to express our appreciation to our valued customers, vendors, suppliers and subcontractors for your trust and confidence in us.

I would like to thank the leadership team and all employees of Keppel Nantong for your devotion and dedication, without which we would not have come thus far.

My heartfelt thanks also to Mr Luo, Mayor Ding, the Gangzha Municipal Committee and District Government and the various Government bodies and regulators who have also been very supportive and encouraging. Thanks you for your continual counsel and support.

We look forward to more successful years ahead for Keppel Nantong.

Thank you.