Speech by Mr. Lim Chee Onn, Executive Chairman, Keppel Corporation at the Groundbreaking Ceremony for Keppel Seghers Tuas Waste-to-Energy Plant 5 October 2006

Dr. Yaacob Ibrahim, Minister for the Environment and Water Resources Your Excellency Marc Calcoen, Belgium's ambassador to Singapore Mr. Tan Yong Soon, Permanent Secretary for Ministry of the Environment and Water Resources Professor Simon Tay, Chairman of NEA Ladies and Gentlemen, Good morning.

Thank you very much for joining us today at this groundbreaking ceremony for the Keppel Seghers Tuas Waste-to-Energy Plant.

On behalf of all my colleagues at Keppel, I would like to express our sincere appreciation to Minister Yaacob Ibrahim for gracing this ceremony.

Keppel Seghers positions itself as a global player

We are here today to mark the groundbreaking for Keppel Seghers Tuas Waste-to-Energy Plant. Both National Environmental Agency (NEA) and Keppel teams have worked hard to arrive at this important milestone. Keppel Seghers Tuas broke new ground for both NEA and Keppel. It is the first incineration plant project in Singapore executed under the Public-Private Partnership (PPP) initiative, although for Keppel, this is our second PPP project, the first being Singapore's largest Newater factory at Ulu Pandan.

Keppel Seghers Tuas is also the first plant in Singapore to showcase waste-to-energy technology from a local company. The plant was designed by Keppel Seghers engineers incorporating our in-house technology such as the air-cooled tumbling grates, boiler, rotary atomizer, and flue gas treatment system. We will draw on our extensive and direct

EPC experience, as well as our management and operating know-how for the successful long-term operation of Keppel Seghers Tuas.

This plant would be a significant addition to the track record of Keppel Seghers. As a leading provider of comprehensive environmental solutions with a global footprint, Keppel Seghers has undertaken several water and waste-to-energy projects worldwide and is providing technological support to plants under construction – from places as diverse as Finland and Tianjin, China. Indeed, Keppel has just announced that we have received a letter of award for a S\$1.7 billion solid waste management project in Qatar to design, build and operate for 20 years the largest integrated solid waste management facility in the Middle East.

Keppel Seghers Strategy – Technology and Partnership

Technology and Partnership form the core of Keppel's strategy to further grow our environmental business.

Technology

As a technology driven business, we have to continually invest in R&D to bring technology improvements to our customers. Keppel Seghers partners world-class research institutions from around the world to develop and testbed pioneering technologies in waste and water treatment. These efforts, still fledgling today, will ramp up progressively as our business grows. Different local environments have different technology needs, and where appropriate, Keppel's approach is to partner prominent local institutions to test-bed innovative solutions as well as develop technologies suitable for the local market.

To support these R&D efforts, we set up the Keppel Technology Advisory Panel in 2003, comprising distinguished industrialists and researchers. This panel provides Keppel with insights into research and industry trends and helps to shape the thrust of our collaborative efforts with our global research partners.

Partnership with NEA

Beyond this project, Keppel supports NEA's vision to build a sustainable clean and healthy environment for all Singaporeans. We are committed to being a significant and long-term partner to the Ministry of Environment and Water Resources and NEA in the quest to encourage the reuse, recycle, recover and reduction of waste in Singapore.

When the waste-to-energy plant commences operation in early 2009, it will be able to treat 800 tonnes of solid waste a day to generate more than 20MW of green energy. The plant will also be equipped with scrap recovery system to recover ferrous metal. Such a system is beneficial to all cities that face growing urban populations, declining landfill capacities and high energy demand.

The comprehensive expertise of NEA in solid waste management and Keppel in providing solid waste facilities are domains which Singapore entities are particularly well-placed to excel and export to the rest of the world.

Closing

Today's groundbreaking marks the continuation of the fruitful partnership between Keppel and NEA. Going forward, Keppel is keen to grow this partnership to meet the challenge of keeping the environment clean and green both in Singapore and overseas.

Thank you.