



COSCO CORPORATION (SINGAPORE) LIMITED
(Company Registration No. 196100159G)

UPDATE ON SHIPBUILDING CONTRACT FOR ONE (1) UNIT JACKUP DRILLING RIG

The Board of Directors of COSCO Corporation (Singapore) Limited (the “Company”) refers to the Company’s announcement on 26 May 2011 in relation to the ship building contract to build two (2) units of Jack-up Drilling Rig based on the LeTOURNEAU WORKHORSE® Class design, signed between COSCO (Nantong) Shipyard Co., Ltd (“COSCO Nantong”) (a subsidiary of the Company’s 51% owned subsidiary, COSCO Shipyard Group Co., Ltd) and KS Drilling Pte Ltd (the “Shipowner”).

The Board wishes to announce that the Shipowner and COSCO Nantong have mutually agreed to extend, by way of an amendment agreement, the delivery date of one of the rigs (the “Rig”), originally scheduled for delivery in first quarter 2014, until 30 April 2016 subject to certain terms and conditions. The Rig is ready to be delivered while the other rig under the ship building contract had been delivered in 2014.

Under the amendment agreement, the Shipowner is entitled to take delivery of the Rig at any time prior to 30 April 2016. Payment of the Rig shall be made within 5 working days after the Rig has been accepted.

Further, COSCO Nantong and the Shipowner have also agreed that either party shall be entitled to sell the Rig to a third party if the offer could recover their respective costs, or the parties could negotiate in good faith for a compromised solution to sell the Rig.

In the event that prior to 30 April 2016 (i) the Shipowner does not take delivery of the Rig or if the Rig is not sold; and (ii) the Shipowner fails to place a new order for one (1) LeTOURNEAU WORKHORSE® or one (1) Super 116E design jackup drilling rig with COSCO Nantong, the Shipowner shall pay interest on any remaining payment on the Rig at the rate of three (3) month London Interbank Offered Rate plus 1.5% per annum, calculated from 1 May 2015 to the date of payment to COSCO Nantong.

The Company is not able to ascertain the financial impact of the above amendments at this point in time as there is no certainty as to the eventual outcome of the options under the amendment agreement.

The Company will make announcements of any significant development in this matter at the appropriate junctures.

By Order of the Board
Wu Zi Heng
Vice Chairman and President
10 July 2015