

Press Release

Singapore, 17 October 2006

Société Générale Launches the First-of-its-kind Corporate Capital Guaranteed Notes Linked to a Basket of Commodities -- the Keppel Guaranteed Notes Series 1

Société Générale is pleased to work with Keppel Corporation Limited ("Keppel Corporation") to introduce the Keppel Guaranteed Notes* 2006 – Series 1 (the "**Notes**") to Singapore investors. This 5-year principal protected notes*** offers exposure to the global commodity market and is 100% guaranteed by Keppel Corporation Limited*. This novel product provides investors an attractive opportunity to diversify their portfolio by leveraging on the price performance of an equally weighted basket of six commodities - WTI crude oil, nickel, zinc, copper, gold and silver.

The Notes, being the first issue under the Keppel Corporation Limited's S\$1 billion structured note programme, is distributed by ABN AMRO Bank N.V. Singapore Branch, Citibank Singapore Limited, Kim Eng Securities Pte. Ltd, Hong Leong Finance, OCBC Securities Private Limited, The Hong Kong and Shanghai Banking Corporation Ltd, Singapore Branch and UOB Kay Hian Private Limited (the "**Distributors**"). The offer period will be until 9th November 2006.

The Notes provides investors the opportunity to earn potential total coupons of up to 34% (i.e. 6.8% p.a.) over 5 years for the SGD Tranche A Notes and up to 55% (i.e. 11% p.a.) over 5 years for the USD Tranche B Notes depending on the performance of a basket of commodities**, with an added benefit of principal protection at maturity***. Every year, the payment of a coupon is made if all six commodity underlyings are at or above such relevant percentage to be determined by Société Générale in its sole discretion on the 13th of November 2006 (the Barrier Level) ^ of their initial price on all relevant trading days of the year.

* The term "Keppel Guaranteed Notes" reflects that Keppel Corporation Limited will guarantee the payment of all amounts payable under the Notes. However, this does not mean that the principal amount invested in the Notes is guaranteed. For example, investors may receive less than the original amount invested if the Notes are redeemed pursuant to an exercise of the Issuer Call Option.

** This is subject to the terms and conditions set out in the Prospectus, including the provisions on early redemption, and is based on the best case scenario of the Commodity Reference Prices in respect of each of the Commodities being at or above the respective Barrier Level on every relevant trading day during all Calculation Periods.

*** The Notes may, however, be redeemed prior to maturity for taxation reasons or pursuant to the exercise of the Issuer Call Option, and in such cases the redemption amount received by investors may be less than the original amount invested.

"We are pleased to partner Société Générale to be the first corporation in Singapore to issue structured notes. This programme offers an attractive financing avenue for Keppel, and enables us to diversify our fund raising sources and further strengthen our financial discipline," explained Keppel Corporation's Group Finance Director Teo Soon Hoe.

"Leveraging on our tradition for innovation and our global leadership in derivatives and structured products, Société Générale is very pleased to introduce this first corporate capital guaranteed notes to retail investors. With currently an estimated US\$130 billion invested in commodities globally, we believe that commodity is now recognised as a separate asset class, providing an alternative investment for investors to diversify their portfolio for enhanced returns," said Olivier Godin, Managing Director, Structured Derivatives of Société Générale. "The Keppel Guaranteed Notes allows investors to receive potential coupons if all the commodity underlyings are at or above the Barrier Level of their initial prices on all relevant trading days of the year. It is worth underlining that we manage to achieve a very low barrier level compared with other asset classes, meaning the chance for investors to obtain the potential coupons is increased," he continued.

Product Feature Highlights:

- The 5-year Notes is issued by Keppel Structured Notes Pte. Limited (a wholly owned subsidiary of Keppel Corporation Limited), and 100% guaranteed by Keppel Corporation Limited.
- The Notes offers potentially high coupons which are linked to the performance of a basket of 6 commodities. Every year, the payment of a coupon is made if all 6 commodity underlyings are at or above such relevant percentage to be determined by Société Générale in its sole discretion on the 13th of November 2006[^] (the Barrier Level) of their initial price on all relevant trading days of the year
- Depending on the performance of the commodities, the potential total coupons over 5 years can reach up to 34% (i.e. 6.8% p.a.) for the SGD tranche and 55% (i.e. 11% p.a.) for the USD tranche
- The redemption value of the Notes at maturity is 100% of the principal.
- The underlying commodities will consist of Energy (WTI), Base Metals (Copper, Nickel and Zinc) and Precious Metals (Silver and Gold).
- 2 tranches are offered to investors: a SGD tranche (Tranche A Notes) and a USD tranche (Tranche B Notes)
- The offer price is fixed at 100% of the principal amount and the minimum investment is USD 5,000 (for Tranche B Notes) or SGD 5,000 (for Tranche A Notes).

[^] The relevant percentage is a percentage between 40% to 60% (both figures inclusive) to be determined by Société Générale in its sole discretion on the 13th of November 2006. Such determination to be made taking into account factors such as market conditions and interest rates as at the 13th of November 2006. As at 11th of October 2006, the relevant percentage is expected to be 55%.

Payments of the coupons

For both Tranche A and Tranche B notes, during each year of the 5-year period, the Noteholders will receive a coupon if the following condition is realised:

For a given year, if the valuation price of each commodity on all relevant trading days of the year is at or above such relevant percentage to be determined by Société Générale in its sole discretion on the 13th of November 2006[^] of the initial price of the commodity (the price at the beginning of the 5-year period), the Notes will pay the following coupon:

Year	Level of the coupon for this year, Tranche A (SGD)	Level of the coupon for this year, Tranche B (USD)
Year 1	6%	9%
Year 2	6%	10%
Year 3	7%	11%
Year 4	7%	12%
Year 5	8%	13%

The Notes are principal protected at maturity*** and guaranteed by Keppel Corporation Limited*. Redemption on the Maturity Date will be in cash at 100% of the nominal value.

Notes/ Issue number:	Tranche A Notes:	Tranche B Notes:
Issuer	Keppel Structured Notes Pte. Limited	
Guarantor	Keppel Corporation Limited	
Denomination	SGD 5,000 per Note for SGD Tranche A Notes USD 5,000 per Note for USD Tranche B Notes	
Minimum investment by investors	SGD Tranche A Notes: SGD 5,000 USD Tranche B Notes: USD 5,000	
Issue Price	100.0% of the principal amount of the Notes	
Offer Period	Until 9 November 2006 (subject to change without prior notice)	
Trade Date	13 November 2006 (subject to change without prior notice)	
Issue Date	27 November 2006	
Maturity Date	28 November 2011	

Redemption at maturity	Cash payment of 100% of the principal amount invested on the Maturity Date
Selection Basket	WTI, Copper, Nickel, Zinc, Gold and Silver
Initial Valuation Date	Trade Date
Barrier Level	In respect of each commodity in the selection basket, such relevant percentage to be determined by Société Générale in its sole discretion on the 13 th of November 2006 of its Initial Price
Commodity Reference Price	<p>“CU” means the settlement price per tonne of copper Grade-A at the end of the second morning ring on the LME for cash delivery, stated in United States dollars, as determined by the LME, and displayed on the Bloomberg ticker "LOCADY + Cmdty"</p> <p>“NI” means the settlement price per tonne of Primary Nickel at the end of the second morning ring on the LME for cash delivery, stated in United States dollars, as determined by the LME, and displayed on the Bloomberg ticker "LONIDY + Cmdty"</p> <p>“ZN” means the settlement price per tonne of Special High Grade Zinc at the end of the second morning ring on the LME for cash delivery, stated in United States dollars, as determined by the LME, and displayed on the Bloomberg ticker "LOZSDY + Cmdty"</p> <p>“CL” means the settlement price per barrel of West Texas Intermediate light, sweet crude oil on the NYMEX of the futures contract for delivery on the Delivery Date, stated in US dollars, as made public by the NYMEX and displayed on the Bloomberg ticker "CL1+Cmdty", provided that on the Trade Date and any Pricing Date, the "Delivery Date" with respect to the relevant futures contract shall mean the month of expiration of the first futures contract to expire following that date (the First Nearby Month Futures Contract)."</p> <p>“GO” means the afternoon Gold fixing price per troy ounce of unallocated Gold bullion for delivery in London through a member of the LBMA authorised to effect such delivery, stated in United States dollars, as calculated by the LBMA, and displayed on the Bloomberg ticker "GOLDLNPM + Cmdty"</p> <p>“SI” means the Silver fixing price per troy ounce of unallocated Silver bullion for delivery in London through a member of the LBMA authorised to effect such delivery, stated in United States dollars, as calculated by the LBMA, and displayed on the Bloomberg ticker "SLVRLN + Cmdty"</p>
Initial Prices	In respect of each Commodity in the Selection Basket, and the Initial Valuation Date: CU(I): [tbd] USD/t, NI(I): [tbd] USD/t, ZN(I): [tbd] USD/t, CL(I): [tbd] USD/b, GO(I): [tbd] USD/oz, SI(I): [tbd] USD cents/oz

Commodity References Prices	In respect of each Commodity in the Selection Basket, and each Business Day over the relevant Calculation Period, means the price of CU, NI, ZN, CL, GO and SI
Calculation agent	Société Générale
Business Day	For payment purpose: SGD Tranche A Notes – Singapore USD Tranche B Notes – New York and Singapore For the purpose of determining the Commodity Reference Price of each Commodity: a day which is (i) a Commodity Business Day with respect to all Commodity Reference Prices other than GO and SI and (ii) a Bullion Business Day with respect to GO and SI, subject to adjustment in accordance with the Following Commodity Business Day Convention;
Business Day Convention	Following Commodity Business Day applies for determining Commodity Reference Prices
Settlement/Delivery	Euroclear
Secondary market	Starting from the date falling three months following the Issue Date until final maturity date, Société Générale will provide every two weeks (expected to be a Monday) on a best effort basis a bid for a minimum trading size of SGD 5,000 for SGD Tranche A Notes and USD 5,000 for USD Tranche B Notes.
ISIN Code	XS0271282542 (for Tranche A Notes) XS0271283516 (For Tranche B Notes)

NOTE TO EDITORS

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IMPORTANT NOTICE

A printed copy of the Base Prospectus dated 6 October 2006 (the “Base Prospectus”), the Pricing Statement dated 11 October 2006 relating to the Notes (the “Pricing Statement”) and the application forms in respect of the offering of the Notes by Keppel Structured Notes Pte. Limited may be obtained upon request, subject to availability, from the Distributors and at the offices of the Issuer and the Arranger during normal business hours from 12 October 2006. Anyone wishing to acquire the Notes will need to make an application in the manner set out in the pricing statement.

This document is an extract from the Pricing Statement and is incomplete on its own. It is qualified in its entirety by, and should be read in conjunction with, the full text of the Base Prospectus, the Pricing Statement and any supplements thereto (collectively referred to as the “Prospectus”).

Keppel Corporation Limited (Keppel Corporation)

Keppel Corporation is in the Offshore & Marine, Property and Infrastructure businesses to deliver sustainable earnings growth and create maximum value for shareholders. The Group also has an Investments Division for which Keppel Corporation is continuing to build value.

The Keppel Group is strategically invested in 30 countries worldwide, with a global customer base.

Our Offshore and Marine Division, under Keppel Offshore & Marine Ltd, is a market leader in the offshore rig, ship conversions and repair and specialised shipbuilding businesses. It is the world leader in the design and construction of jackup drilling rigs, having built most of the world's jackups on order in the last decade. It is also a leader in FPSO/FSO conversions and ship repair, and has reputed expertise in the building of specialised tugboats and supply vessels. The group has a network of 17 yards worldwide, including Singapore, USA, Brazil, Azerbaijan, Kazakhstan, Philippines, UAE, China, The Netherlands and Norway.

Our Property Division, through Keppel Land Limited, is focused on two core businesses of property development for sale and property fund management.

As one of the largest listed property companies by total assets on the Singapore Exchange Securities Trading Limited, Keppel Land is an established developer of premier residential properties and investment-grade offices. It is geographically diversified in Asia. Keppel Land is also building its fund management unit into a successful manager of property funds.

Our Infrastructure Division comprises Power Generation, Environmental Engineering and Network Engineering businesses with presence in strategic markets in Asia, Europe and the Americas.

Keppel's Investments Division comprises mainly its interests in Singapore Petroleum Company, k1 Ventures and MobileOne. For all its investments, Keppel is continuing to add value to them to maximise value for shareholders.

For more information, please go to our corporate website at www.keppcorp.com

Société Générale

Société Générale is one of the largest financial services groups in the euro-zone. The Group employs more than 103,000 people worldwide in three key businesses:

- Retail Banking & Financial Services: Société Générale serves more than 20 million individual customers worldwide.
- Global Investment Management & Services: Société Générale is one of the largest banks in the euro-zone in terms of assets under custody (EUR 1,516 billion, June 2006) and under management (EUR 397.2 billion, June 2006).
- Corporate & Investment Banking: Société Générale ranks among the leading banks worldwide in euro capital markets, derivatives and structured finance.

Société Générale is included in the five major socially-responsible investment indexes.

www.socgen.com

Société Générale Corporate & Investment Banking

Present in over 45 countries across Europe, the Americas and Asia, Société Générale Corporate & Investment Banking is a reference bank specialising in:

- Euro capital markets. A top ten player in debt and equity segments (bonds, securitisations, syndicated loans, equity-linked and equity issues).
- Derivatives. Among the world leaders in equity derivatives and in many interest rate, credit, foreign exchange and commodities derivatives.
- Structured finance. A worldwide leader in export, project and structured commodity finance. Combining innovation and quality of execution, Société Générale Corporate & Investment Banking provides corporates, financial institutions and investors with value-added integrated financial solutions.

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