

July 16th, 2015

Dear Sir or Madam,

Re : Recent News Articles about DSME

We greatly value your trust and confidence in DSME as your Builder and sincerely appreciate your support and cooperation in continuing our business.

We understand that you would be concerned with the recent news articles about the financial difficulties faced by DSME. To ease your concerns, we wish to draw your attention to the following copy of the press release from the Korea Development Bank (KDB) which was passed to various media at 9pm on July 15th, 2015, Korean local time.

-Quote starts-

Media Release by KDB Bank (www.KDB.co.kr), 2015. 7. 15.

KDB - Position in Relation to DSME as the Major Creditor Bank

Daewoo Shipbuilding & Marine Engineering Co., Ltd. (“DSME”) is expected to record indicative losses in the second quarter of 2015 due to inevitably increased cost of material and engineering in connection with constructing offshore plants in the past, etc. However, the recent news article claiming for 2 trillion Korean won in accumulated losses have not been confirmed as the settlement of accounts for the first half is still in progress.

As the number one shipbuilder in the world in terms of the number of orders awarded and with the superior competitiveness in the field of offshore and LNG, DSME continues to perform its day-to-day business activities without any liquidity issues.

KDB will immediately commence its inquiry into DSME to understand precisely the status of management conditions. If the outcome requires an action, KDB will closely work with other creditors to take all comprehensive and fundamental measures

promptly and sufficiently to prevent any management risks.

Furthermore, KDB confirms that it is not considering any voluntary workout or workout for DSME at this time.

-- Quote ends--

The above press release is written with two notable factors, it highlights that DSME is the number one ship yard which has superior ability and global competitiveness in building LNGC, Ultra large Container ships and offshore plants and that the financial problem of DSME, which is caused by short term financial losses and debts, will not have a long-term impact on DSME's business activities and its cash flow. In addition, KDB has given assurance that it will implement all necessary measures in advance to prevent any problems which may have a negative impact on DSME's business activities.

Please rest assured that DSME's business is as usual. We will continue to make it our business that the projects, whether under construction or newly awarded, will be carried out and delivered as planned.

Looking forward to meeting you in the near future, I send my best wishes to you.

Sincerely yours,



Sung Leep JUNG
President & CEO