Company Registration Number: 196300098Z

PRESS RELEASE

FY 2014 NET PROFIT INCREASED TO $560 MILLION

Key highlights:

- **Group Revenue increased 6% year-on-year to $5.8 billion in FY2014.**
- **Group EBITDA increased 10% year-on-year to $822 million.**
- **Group Net Profit increased 1% year-on-year to $560 million.**
- **Return on equity at 20%.**
- **Total FY 2014 Dividend of 13 cents per share**

Singapore, February 12, 2015: Sembcorp Marine achieved a 1% year-on-year increase in net profit from $556 million to $560 million for the year ended December 31 2014, despite challenging market conditions.

Group turnover for the year FY2014 grew 6% year-on-year to $5.8 billion, which compares with $5.5 billion for the corresponding period in 2013. The higher revenue came mainly from increased contribution from the Group's rig building activities and from offshore platform projects.

In FY2014, Group EBITDA (earnings before interest, tax and depreciation) increased by 10% year-on-year to $822 million, while operating profit grew 10% to $707 million, from $644 million in the previous corresponding period.

At the pre-tax level, Group profit of $707 million was 7% higher than the $661 million achieved in the previous year. Associate and joint venture income declined 12% year on year to $9.9 million.

Turnover for the Rig building sector increased 6% year on year from $3.6 billion to $3.8 billion. The Group delivered eight jack-up rigs for the 12 months ended December, with another ten rigs in the work in progress or planning stage.

The Fixed platform segment registered a 6% increase in revenue from $868 million to $925 million for the year, with three major project deliveries in FY2014. Offshore and conversion revenue increased 28% from $336 million in FY2013 to $428 million in FY2014, with three project deliveries during the period.

Ship repair revenue was 9% lower at $622 million in FY2014 compared with $681 million in the corresponding period in 2013 as average revenue per vessel remained low although the number of ships repaired has increased.

FINANCIAL HIGHLIGHTS

Period (S$'m)	4Q 2014	4Q 2013	*% change*	FY 2014	FY2013	*% change*
Turnover	1,445	1,693	*(15)*	5,833	5,526	*6*
Gross Profit	275	229	*20*	844	708	*19*
EBITDA	264	213	*24*	822	745	*10*
Operating Profit	232	188	*24*	707	644	*10*
Pretax Profit	218	187	*16*	707	661	*7*
Net Profit	174	182	*(5)*	560	556	*1*
EPS (basic) (cts)	8.34	8.73	*(5)*	26.8	26.6	*1*
NAV (cts)				141.9	128.2	*11*

4Q 2014 VERSUS 4Q 2013

On a quarterly basis, Group turnover for 4Q 2014 at $1.4 billion was 15% lower when compared with $1.7 billion for the same period in 2013.

Group gross profit of $275 million was 20% higher on year-on-year basis while operating profit was 24% higher at $232 million, mainly due to higher rig building and fixed platform segment earnings.

Group pre-tax profit was 16% higher at $218 million, again on higher rig building and fixed platform segments contribution, despite significantly lower associate and joint venture contributions.

Net profit in 4Q 2014 declined 5% year-on-year to $174 million compared with $182 million in 4Q 2013 which saw a write-back of tax mainly attributable to recognition of tax incentives.

FINAL DIVIDEND

The Board of Directors are pleased to recommend the payment of a final ordinary one-tier tax-exempt dividend of 8.00 cents per share. Together with the 5.00 cents paid during the interim results, total dividend paid is 13.00 cents, unchanged from FY2013. The final dividend, if approved at the AGM to be held on 17 April 2015, will be paid on 14 May 2015.

OUTLOOK

With the steep decline in oil prices in the second half of 2014, major oil and gas companies have announced reduced capital expenditure and deferred some of their planned projects. The Group continues to face tough competition in upcoming tenders for new projects in the offshore exploration and production sectors.

For the ship repair sector, there is continued demand for repair, upgrading and life extension work, in particular in the niche segments of LNG carriers, passenger/cruise vessels and offshore vessels. Demand for the Group's big docks remains strong as alliance and long-term customers continue to provide a stable and steady base-load which would help cushion the impact of weaker demand in the offshore rig-building segment.

We remain well positioned to benefit from the upturn with our expanded product capabilities, state-of-the-art facilities and sound track record. Our performance in 2015 will be supported by our order book.

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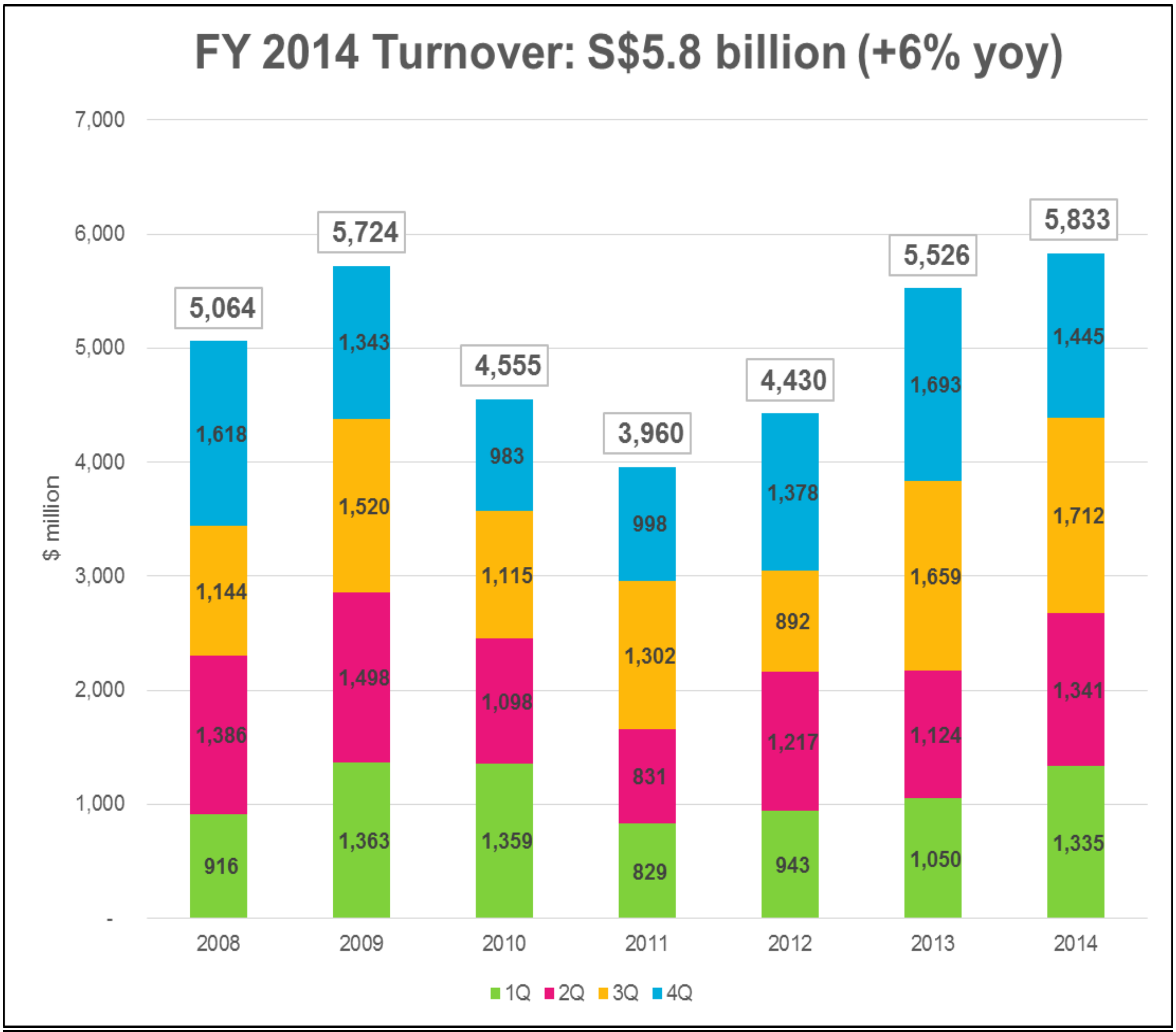
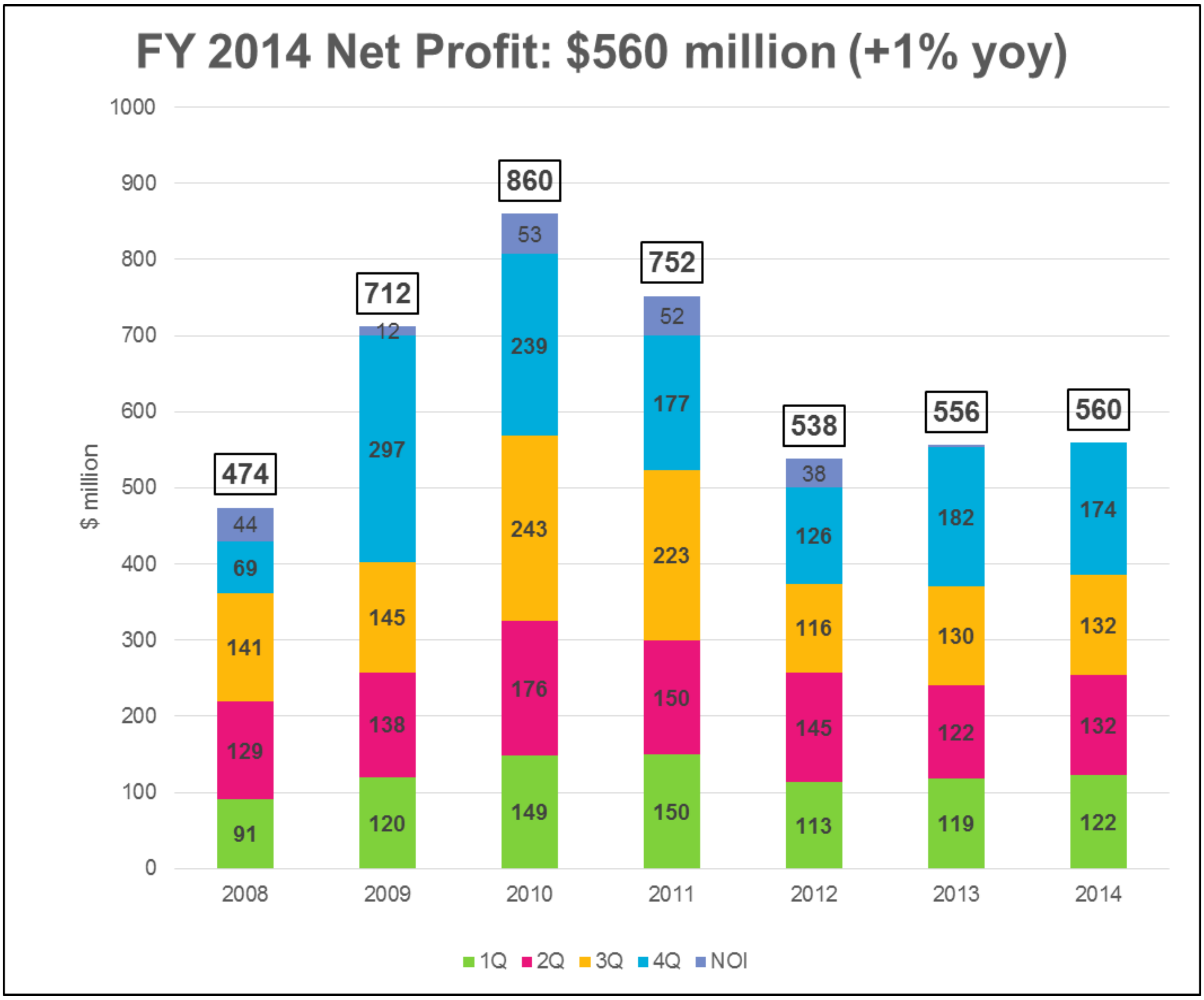
Appendix

QUARTERLY TURNOVER (2008 TO 2014)



- Group turnover increased 6% year on year from $5,526 million in FY2013 to $5,833 million in FY2014. The higher turnover was attributable to higher rig building and offshore platform revenue recognition in FY 2014 as compared with FY2013.
- For 4Q 2014, Group turnover declined 15% year on year from $1,693 million to $1,445 million mainly due to lower revenue recognition from rig building projects.

QUARTERLY NET PROFIT (2008 TO 2014)



- Net profit grew 1% from $556 million in FY 2013 to $560 million in 2014.
- For 4Q 2014, net profit declined from $182 million in 4Q 2013 to $174 million.

CASHFLOW

Group (S$ million)	FY 2014	FY 2013	% change
Cashflow from operations before working capital changes	850	749	14
Net cash (outflow)/inflow from operating activities	(523)	937	n.m.
Net cash outflow from investing activities	(770)	(798)	(3)
Net cash inflow from financing activities	668	135	n.m.
Cash & cash equivalents	1,079	1,695	(36)
Borrowings	(1,741)	(766)	n.m.
Net (Debt)/Cash	(662)	929	n.m.
Progress Billing > WIP	1,005	1,441	(30)

- Net debt position of $662 million, with positive progress billings in excess of WIP of $1,005 million.

CAPITAL, GEARING AND ROE

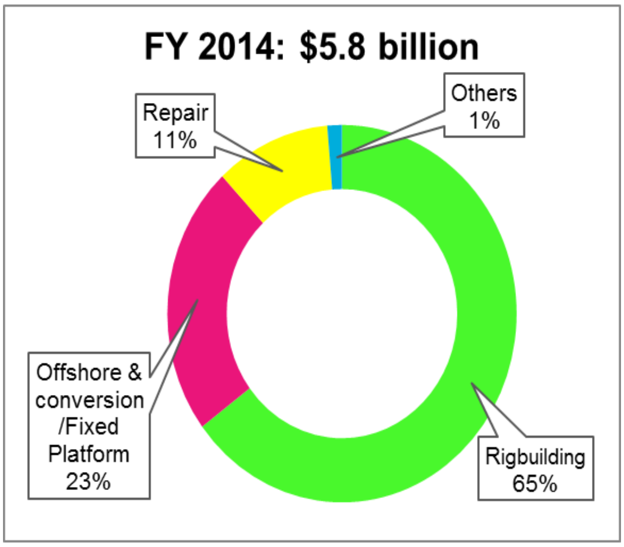
Group (S$ million)	FY 2014	FY 2013	% change
Shareholders' Funds	2,965	2,677	11
Net (Debt)/Cash	(662)	929	n.m.
Net Working Capital	1,119	691	62
Return on Equity (ROE) (%)	19.9	21.7	-8
Net Asset Value (cents)	141.9	128.2	11
Return on Total Assets (ROTA) (%)	8.0	9.1	-12
Economic Value Added	331	406	-18

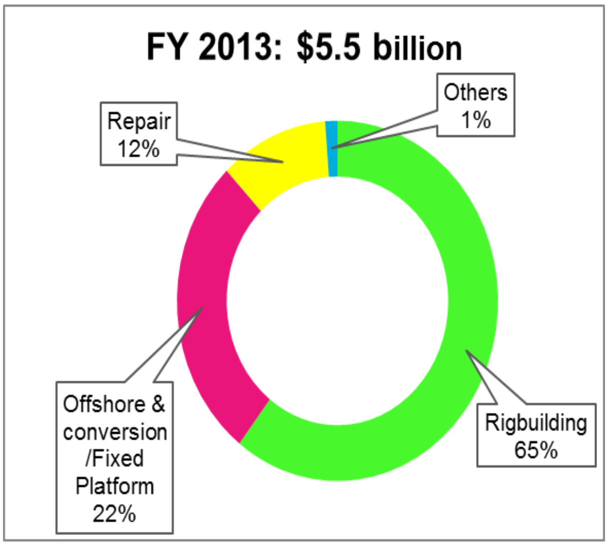
Note: n.m : not meaningful

- Return on Equity (ROE) at 20%.
- Economic Value Added (EVA) stood at $331 million in FY2014.
- The Group will continue to strive toward delivering creditable performance and value creation to shareholders.
- We will continue to maintain a strong balance sheet.

REVENUE CONTRIBUTION BY SECTORS (FY 2014 vs FY 2013)

By Value & Percentage Contributions

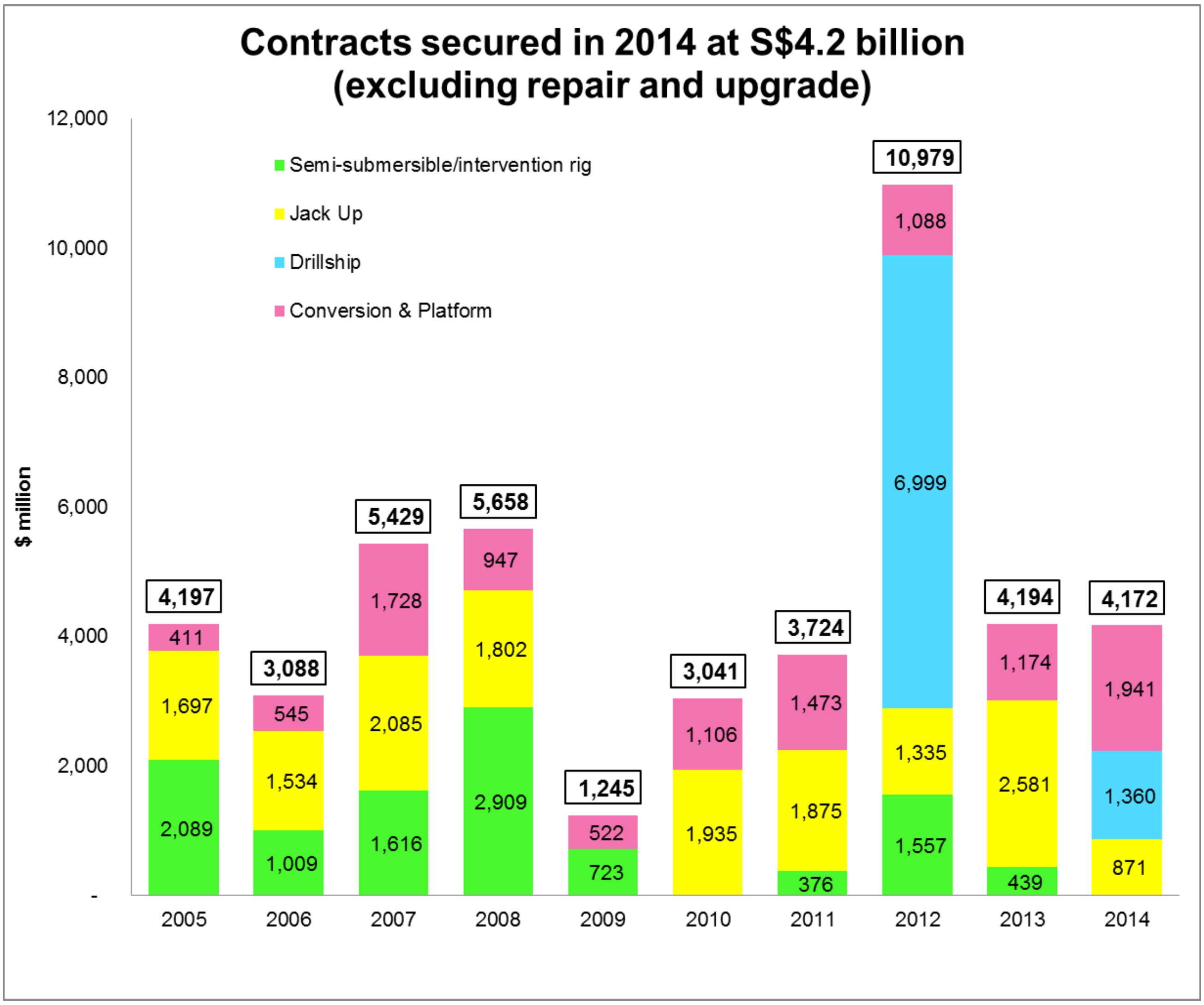




Turnover ($ million)	FY 2014	FY 2013	% change	4Q 2014	4Q 2013	% change
Rigbuilding	3,779	3,564	6	874	1,197	-27
Offshore & conversion/Fixed Platform	1,353	1,204	12	396	314	26
Repair	622	681	-9	158	163	-3
Others	79	77	2	18	19	-6
TOTAL	5,833	5,526	6	1,445	1,693	-15

- Group revenue increased 6% year-on-year from $5.5 billion to $5.8 billion in FY2014, led by Rig building and Fixed Platform/Offshore conversion segments.
- Rig building was the largest sector, accounting for 65% of total revenue followed by fixed platform/conversion at 23%, ship repair at 11% and others at 1%.
- Despite challenging market conditions, the rig building sector registered a 6% revenue growth from $3,564 million in FY 2013 to $3,779 million in FY 2014.
- The Fixed platform segment registered a 6% increase in revenue from $868 million to $925 million for the year, with three major project deliveries in FY2014.
- Offshore and conversion revenue increased 28% from $336 million in FY2013 to $428 million in FY2014, with three projects delivered during the year.
- Ship repair registered a decline of 9% from $681 million in FY 2013 to $622 million in FY 2014.

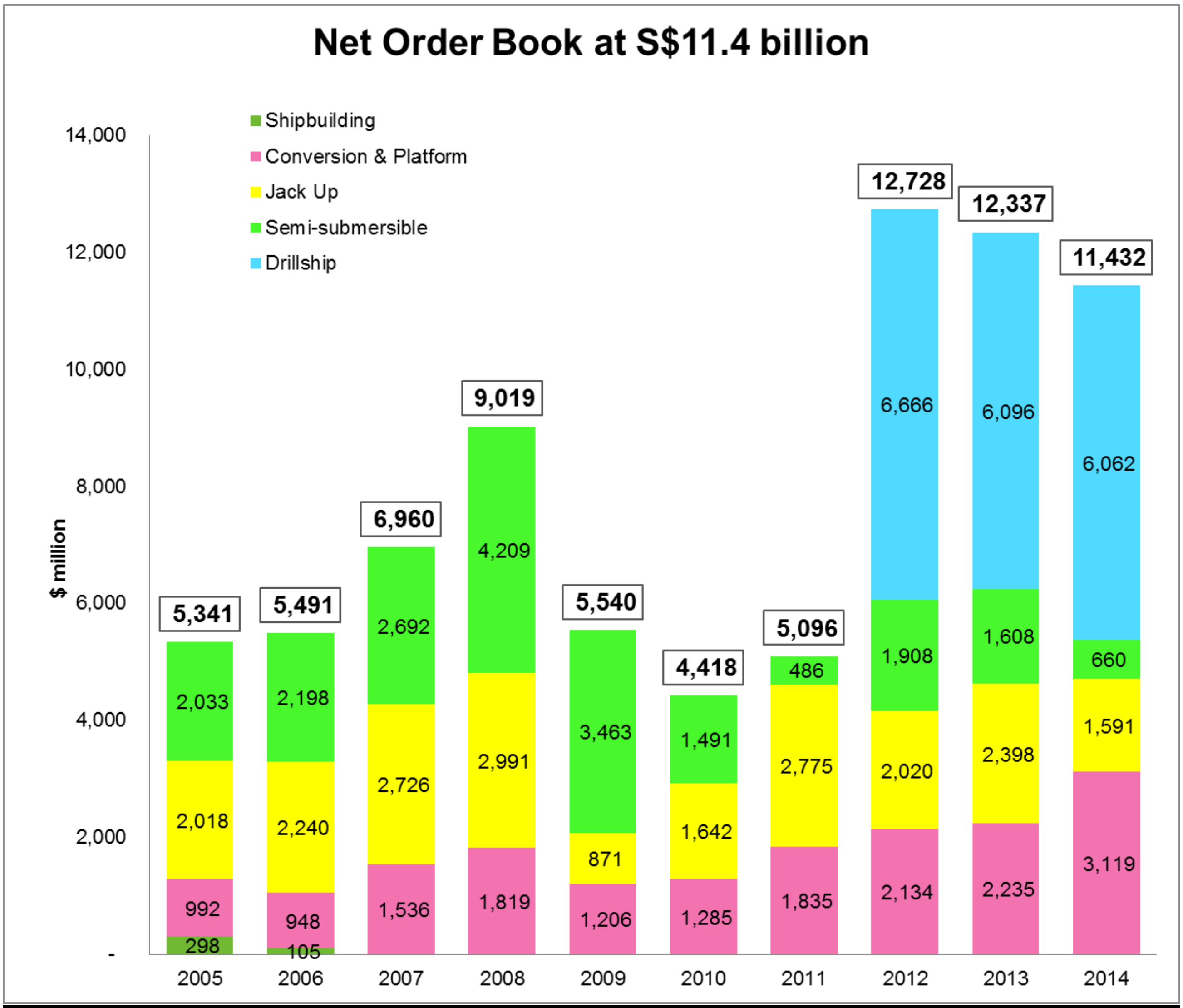
CONTRACTS SECURED BY YEAR



Contracts secured as at 31st December 2014 stands at $4.2 billion.

- A total of two drillships worth US$1.08 billion, three jack-up rigs worth US$690 million and S$1,941 million in conversion jobs were secured year to-date.
- The two drillships secured are based on the group's proprietary Jurong Espadon III drillship design, for which Transocean has options to build three more drillships of similar design.
- The Group secured one jack-up rig contract based on its proprietary PPL Pacific Class 400 design. Another jack-up rig contract based on a customised version of the F&G JU2000E design was also secured in 1H 2014. In 4Q 2014, the Group secured its third jack-up contract of US$240 million to build a Pacific Class 400 rig for BOT Lease to be chartered to Japan Drilling.
- For the offshore conversion and fixed platform segment, the Group secured USD$696 million FPSO conversion contract for Brazil's Libra field, an FPSO conversion for Ghana Ten Development, $600 million in conversion work as well as contracts to fabricate LNG modules for an offshore project in Australia.

NET ORDER BOOK



- Net order book to-date stands at $11.4 billion with deliveries and completion stretching till 2019.
- Going forward, the Group expects to build up its order book despite the current challenging market environment.

Disclaimer

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, exchange rate movement, cost of capital and capital availability, competition from other companies and venues for sale and distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes. The forward looking statements reflect the current views of Management on future trends and developments.