



Company Registration Number: 196300098Z

PRESS RELEASE

A RECORD GROWTH: 2Q 2008

- Group Turnover increased 32% to \$1,386 million quarter on quarter
- PATMI grew by 51% to \$128.3 million while Operating Profit grew by 51% to \$111.5 million
- Interim Dividend up 40% to 5.0 cents per share

Financial Highlights

Description (\$'m)	Year		% Change	Year		% Change
	2Q 2008	2Q 2007		1H 2008	1H 2007	
Revenue	1,386.1	1,051.6	32	2,302.2	2,005.3	15
Gross Profit	137.9	80.4	72	234.7	160.9	46
EBITDA	128.3	88.0	46	223.6	175.3	28
Operating Profit	111.5	74.0	51	190.9	148.1	29
Pre-tax Profit	160.7	106.7	51	275.9	191.4	44
PATMI	128.3	85.1	51	219.6	158.8	38
EPS, basic (cents)	6.23	*4.14	51	10.62	*7.74	37

* Adjusted for 2 for 5 Bonus Issue in 2007

Singapore, August 5, 2008 : Sembcorp Marine today reported a strong 2Q 2008 growth with earnings increasing by 51% from \$85.1 million in 2Q 2007 to \$128.3 million in 2Q 2008. Group turnover for 2Q 2008 grew 32% from \$1,051.6 million to \$1,386.1 million for the corresponding period.

Group operating profits increased 51% from \$74.0 million in 2Q 2007 to \$111.5 million in 2Q 2008. Group pre-tax profits registered an increase of 51% from \$106.7 million to \$160.7 million for the corresponding period. The increase is attributable mainly to the higher operating margins from rig building and ship repair businesses and better contribution from associated companies.

On a half yearly basis, Group turnover increased by 15% from \$2,005.3 million in 1H 2007 to \$2,302.2 million in 1H 2008, attributable mainly to higher revenue recognition from rig building, ship conversion/offshore and ship repair businesses.

Group operating profits for 1H 2008 increased by 29% to \$190.9 million as compared with \$148.1 million recorded in 1H 2007. Group pre-tax profits saw an increase of 44% from \$191.4 million in 1H 2007 to \$275.9 million in 1H 2008. The increase is mainly attributable to higher operating margins from rig building and ship repair businesses and better contribution from associated companies.

Group attributable profits in 1H 2008 grew by 38% to \$219.6 million as compared with \$158.8 million in 1H 2007.

Interim Dividend

In line with the Group's strong performance in 1H 2008, the Board of Directors is recommending a one-tier tax exempt interim dividend of 5.0 cents per share. This is 40% higher than the 3.57 cents one-tier tax exempt interim dividend paid in 1H 2007.

Outlook

The Group's order backlog is at an all time high at \$9.6 billion boosted by \$4.4 billion of new orders secured this year to-date.

The current order book stretches deliveries and completion till 2012.

Based on the scheduled completion of these projects and the market environment, the Sembcorp Marine Group expects 2008 to be a better year than 2007.

Ship repair demand is expected to remain buoyant, driven mainly by Asian oil and bulk commodity demand amid fears of slow down and inflationary pressures in US and Europe.

Fundamentals for the offshore market remain strong due to the positive growth in the global demand for oil and gas. This results in sustained high oil prices which continue to support exploration and production (E&P) activities. E&P spending is expected to remain robust due to high oil prices, declining global reserves and ageing assets.

New rig orders remain bullish with increasing demand for deepwater rigs. The positive outlook for the offshore production market will see increasing demand for fixed and floating production systems, including FPSO units.

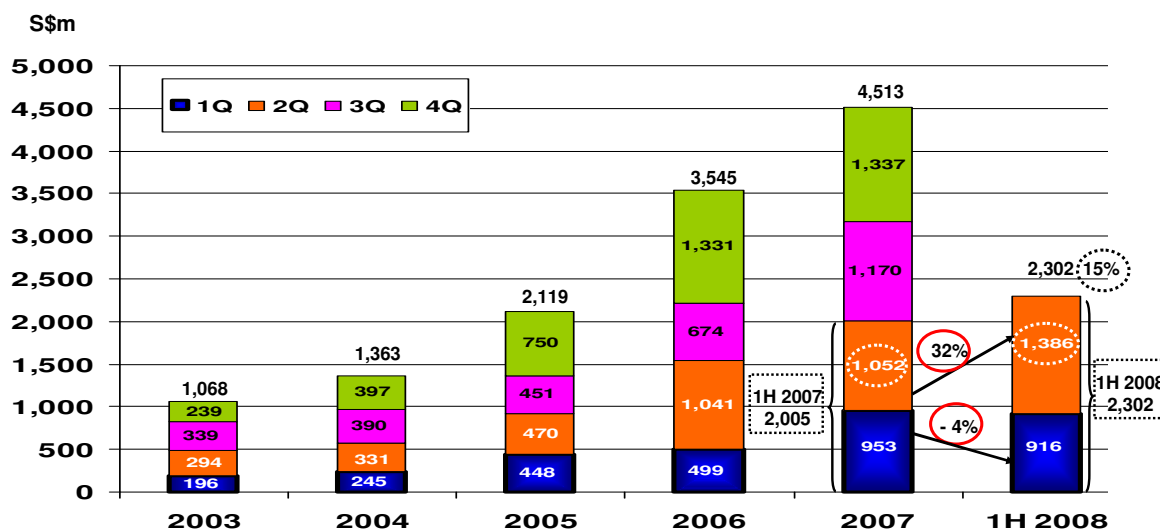
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This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties 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.

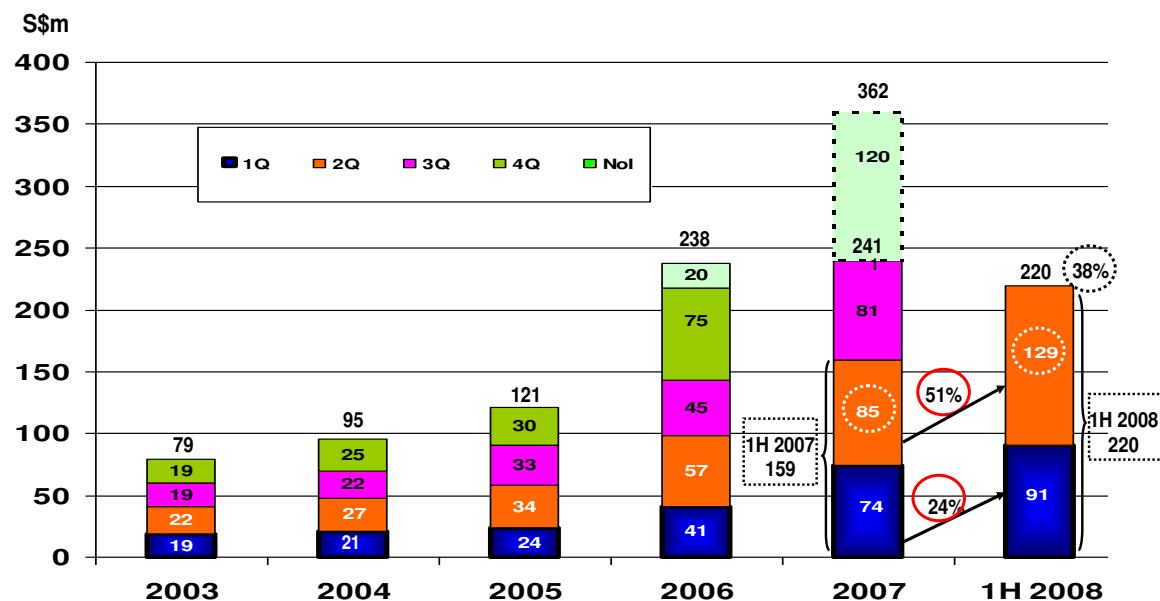
Quarterly Revenue (2003 to 1H 2008)

- Group revenue increased by 32% from \$1,052 million in 2Q 2007 to \$1,386 million in 2Q 2008
- In comparison with 1Q 2008's revenue of \$916 million, Group revenue increased by 51%



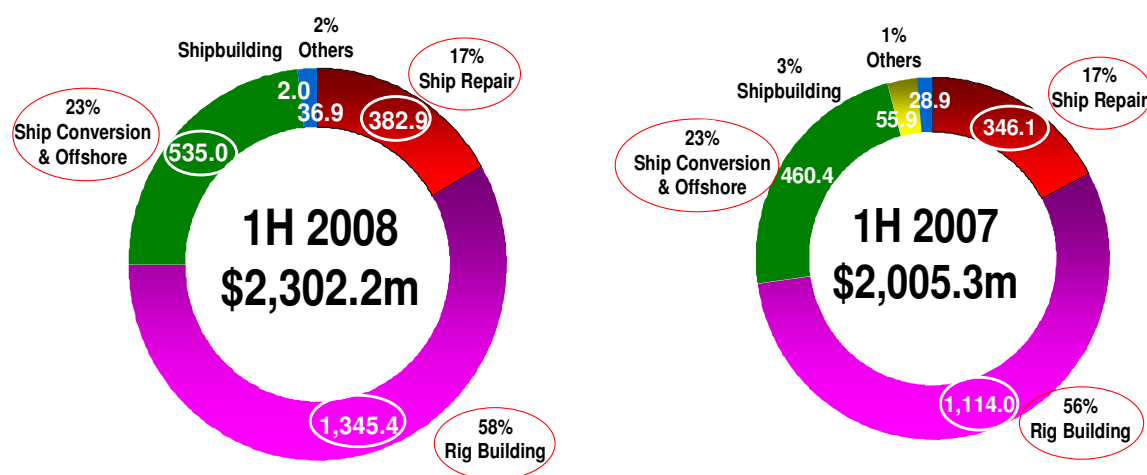
Quarterly PATMI (2003 to 1H 2008)

- A Record 2Q 2008 Earnings at \$129 million, the highest quarter recorded to-date
- In comparison with 1Q 2008's PATMI of \$91 million, PATMI increased by 42%



Breakdown of Group Turnover by Sectors

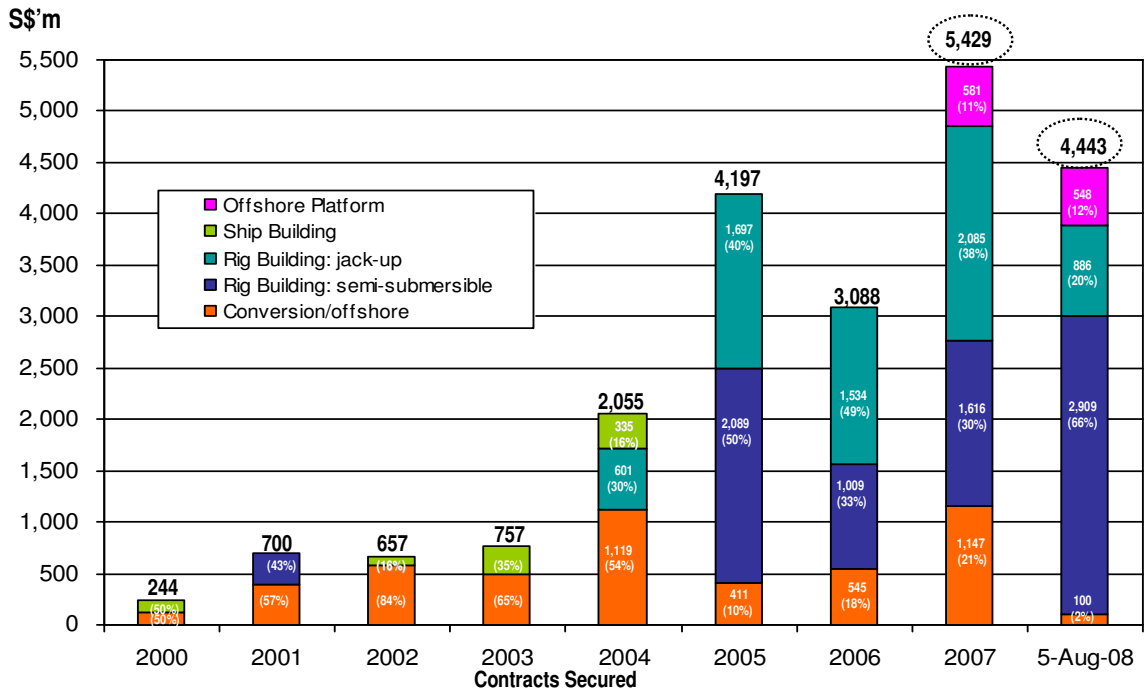
- Rig building registered the highest growth at 21%, contributing 58% or \$1,345 million to total revenue in 1H 2008
- Ship conversion/offshore increased by 16% to \$535.0 million, accounting for 23% of total revenue
- Ship repair registered an increase of 11% to \$383 million, contributing 17% to total revenue in 1H 2008



Revenue (\$m)	2Q 2008	2Q 2007	% Change	1H 2008	1H 2007	% Change
Ship repair	194.5	183.5	6.0	382.9	346.1	10.6
Rig building	861.3	560.1	53.8	1,345.4	1,114.0	20.8
Ship Conversion/offshore	312.7	262.9	18.9	535.0	460.4	16.2
Shipbuilding	1.2	29.3	(95.9)	2.0	55.9	(96.4)
Others	16.4	15.8	3.8	36.9	28.9	27.7
TOTAL	1,386.1	1,051.6	31.8	2,302.2	2,005.3	14.8

Contracts Secured

- Contracts secured to-date stand at S\$4.4 billion
- Contract flows expected to be strong



Net Order Book

- Net order book is at an all time high at \$9.6 billion
- This is expected to grow

